

THE UNDERDEVELOPMENT OF THE CARIBBEAN AND ITS SCHOLARSHIP

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- POVERTY REDUCTION AND HUMAN DEVELOPMENT IN THE CARIBBEAN: A CROSS-COUNTRY STUDY.* By Judy Baker. (Washington, D.C.: World Bank, 1997. Pp. 206. \$20.00 paper.)
- WEST INDIAN DEVELOPMENT AND THE DEEPENING AND WIDENING OF THE CARIBBEAN COMMUNITY.* By William Demas. (Kingston, Jamaica: Ian Randle, 1997. Pp. 144.)
- CHOICES AND CHANGE: REFLECTIONS ON THE CARIBBEAN.* Edited by Winston Dookeran. (Washington, D.C.: Inter-American Development Bank, 1996. Pp. 232. \$18.50 paper.)
- POVERTY, EMPOWERMENT, AND SOCIAL DEVELOPMENT IN THE CARIBBEAN.* Edited by Norman Girvan. (Kingston, Jamaica: Canoe, 1997. Pp. 157.)
- PERSISTENT UNDERDEVELOPMENT: CHANGE AND ECONOMIC MODERNIZATION IN THE WEST INDIES.* By Jay Mandle. (Amsterdam: Gordon and Breach, 1996. Pp. 190. \$59.00 cloth, \$23.00 paper.)
- THE NEW WORLD ORDER: URUGUAY ROUND AGREEMENTS AND IMPLICATIONS FOR CARICOM STATES.* By Frank Rampersad with Taimoon Stewart, George Rampersad, and Reynold Rampersad. (Kingston, Jamaica: Ian Randle, 1997. Pp. 297.)

The Caribbean faces daunting problems as it approaches the next millennium. Traditional primary products have lost their export vitality, while nontraditional ones have proved to be inadequate substitutes in terms of earnings, employment, and linkages. After a decade of net capital export, foreign debt looms higher than ever for most Caribbean countries. The region is also suffering from an accumulating trade deficit whereby imports exceed exports by about 50 percent. Workforces grow while employment stagnates in quantity and quality. Structural adjustment dictates of the World Bank have forced cuts in education, health care, and other basic needs. With these problems in mind, we assembled a group of recent books on Caribbean political economy to seek empirically and theoretically informed explanations. We were interested in how the texts explained contemporary Caribbean underdevelopment and the associated class struc-

tures, state policies, and human impacts. We were also interested in whether recent scholarship reveals ways out of underdevelopment, either through components of current policies or alternative ones. We sought out in particular the most recent writings of scholars who in the past have contributed significantly to the critical analysis and reconceptualization of the region's development issues and policies, such as Norman Girvan, Clive Thomas, William Demas, and Elsie Le Franc. We selected books from Caribbean and North Atlantic publishers appearing since 1996 that address regionwide development issues. These six books focus primarily on the Commonwealth Caribbean. All of them contain useful empirical details and conceptual insights. Too often, however, readers must wade through pages of overgeneralizations to discover the valuable nuggets. We will first summarize each work and then evaluate them with respect to key issues in political economy and development theory.

Overview and Critique of the Books

A recent collection edited by Norman Girvan, one of the Caribbean's most respected and progressive political economists, carries the weighty but relevant title *Poverty, Empowerment, and Social Development in the Caribbean*. Despite our great anticipation, the book is not really a scholarly and theoretical statement but the proceedings from a 1995 conference in Barbados on "social development" that was attended by Caribbean social scientists and public administrators. The volume resulted from a brainstorming session among some leading Caribbean intellectuals on ways to bolster current institutional approaches to reducing poverty. It addresses such issues as measuring poverty and the "poverty-assessment capability" of various islands.

The pitch in *Poverty, Empowerment, and Social Development in the Caribbean* is largely normative and detached from evidence. The contributors recommend improvements for the region's state, private, and non-governmental organizations, but these are too often decoupled from evidence concerning how such organizations actually function and from discussion of the mechanisms needed to achieve the transformation. For example, keeping in mind the widely documented poor working conditions in the region's export processing zones (EPZs) (Klak 1996; Kaplinsky 1993; Safa 1995), it is difficult to know what to make of Girvan's detached recommendation that employers create "opportunities for their employees to utilize the workplace as an environment for personal growth and the acquisition of life-management skills . . ." (p. 11). Similarly, Clive Thomas's essay categorizing the types of poverty found across the region makes overgeneralized recommendations such as the "need for a major overhaul in the nature, functions and scope of the region's public service" (p. 47). Marjorie Newman-Williams and Fabio Sabatini's contribution also begins with a set

of desirable but overgeneralized social goals, such as greater gender equity and better health care. They later offer a diagram and discussion of factors influencing children's well-being. Rather than being tailored to the Caribbean, however, their ideas could apply to any world region. Then Ralph Henry and Alicia Mondesire simply assert without documentation that "the level of resources devoted to poverty reduction has increased considerably" (p. 105), thanks to funding by the international financial institutions who have "taken up the cause of poverty in the Caribbean" (p. 116). Yet elsewhere they lament "the elimination or the reduction of social provisions" (p. 107), without reconciling these contradictory statements. Elsie Le Franc unambitiously titles her contribution "The Role of Social Partners: A Note" and writes for insiders about Jamaican nongovernmental organizations (NGOs). The final essay by Macharia Kamau commends the "important and timely symposium [on] social and economic development" (p. 145), but we found it difficult to identify what is important about this volume.

In recent decades, William Demas has been a leading Caribbean political economist, with particular expertise in regional integration, the subject of his book *West Indian Development and the Deepening and Widening of the Caribbean Community*. We expected that this latest book by Demas, former head of the Caribbean Development Bank, would be enriched by historical context and continuity, well-grounded in development theory and concepts, and steeped in empirical insights. The text unfortunately fails these expectations. Like Girvan's collection, Demas's book is largely a normative, empirically detached prescription for the Caribbean Community and Common Market (CARICOM) and to a lesser extent the Association of Caribbean States (ACS). It presents long lists of recommendations for further regional integration through CARICOM and for establishing a path toward economic integration through the ACS. Specifics about the ACS are scant—not even a list of member countries is provided. Demas often assumes the reader is already fully knowledgeable about the Caribbean's past and current experience with regional integration and development policies. For example, he states that "the industrial policy proposals now being discussed in parliament in Jamaica could serve as a useful basis for other CARICOM countries, *mutatis mutandis*," meaning the necessary changes having been made (p. 15). The reader is left wondering, what proposals and when? Why are they regionally relevant? What changes are necessary? And what evidence supports this assertion?

Demas provides scant understanding of the historical trajectory of Caribbean integration. Readers learn little about CARICOM's successes and failures to date. For instance, no mention is made of CARICOM's inter-island division of basic industries, in which St. Lucia produces and regionally exports cardboard while importing other manufactured products that were allocated to other islands. One finds only a hint of CARICOM's record

and future schedule for a Common External Tariff (p. 49). In light of Demas's interest in ACS, some comparison of CARICOM and the Central American Common Market (CACM) would be in order. The CACM has moved further toward regional integration than has CARICOM and comprises the largest share of non-CARICOM members of the ACS. Whereas only 16 percent of CARICOM exports were intraregional in 1994, the comparable figure for the CACM is 23 percent (Demas, pp. 124–27; Bulmer-Thomas 1998). On regional economic integration, Demas provides no sense of what is more or less achievable, how to reach his desired deepening, or the obstacles to his recommendations. He provides no road map for the process and politics by which these suggestions would be implemented. He has written much earlier on Caribbean integration, but *West Indian Development* cannot stand alone as a thorough update. The book is also poorly edited. The list of acronyms is incomplete, some authors are mentioned in the text without citation or the full reference in the bibliography, and some bibliographic entries are missing information. At times, whole sentences are repeated (see pp. 34–35).

Judy Baker's ambitiously titled *Poverty Reduction and Human Development in the Caribbean: A Cross-Country Study* is officially a "World Bank Discussion Paper." The title page indicates that the document is being "circulated to encourage discussion and comment within the development community" but "should not be attributed in any manner to the World Bank." Baker is described as "a poverty economist" who works for the World Bank. The book aims to account for the extensive and growing poverty in much of the Caribbean, to assess the effectiveness of government and community "safety nets," and to review the impacts of structural adjustment on government accounts and economic conditions. *Poverty Reduction and Human Development* contains a wealth of statistical and survey-based information about the coping mechanisms of the poor and social welfare programs across the islands. The many tables assemble unusual data comparing Caribbean countries across a myriad of economic and social variables and disaggregating their populations by income quintiles.

Notwithstanding the World Bank's standard disclaimer of liability for the research it sponsors and funds, Baker writes in World Bank parlance and employs interpretations of poverty and arguments underpinned by a World Bank-style understanding of how the world works. For example, readers are told that when the impacts of state fiscal policies on poor people are examined, "the results are more ambiguous with regard to devaluation—a large share of the poor's income is tradable, like their consumption" (p. 16). Further, Baker's solution to problems of increasing poverty and crime and decreasing living standards is that "particular emphasis will need to be placed on ensuring an enabling environment" (p. v). What does "enabling" mean, and who or what needs to be "enabled"?

Winston Dookeran's edited collection, *Choices and Change: Reflections*

on the Caribbean, offers a wide-ranging mainstream interpretation of the region's development problems and their neoliberal solutions. The book arose from a 1994 conference at Harvard entitled "The Caribbean: Identity, Politics, and Economy." The third component of the conference subtitle is clearly represented best in the volume. The contributors are either trained in neoclassical economics or sympathize with its worldview. A few summary and critical points on some of the fourteen essays will be provided.

Dookeran's introduction reviews the Caribbean's trade-dependent and underindustrialized economic structure and the current neoliberal policy requirements. Despite his succinct articulation of the region's historical dependence on exports and vulnerability to external powers, he comes down clearly in favor of a neoliberal export-based conceptualization of present problems and solutions: "The premise of any future economic strategy for the Caribbean must be the creation of a dynamic export sector that is sustainable without trade preferences. . . . [T]his sustainability must be founded on market forces" (p. 2). Dookeran thus establishes here the conceptual approach for most of the contributions that follow.

Nancy Birdsall's essay, written prior to the 1997 Asian economic crisis, presents a standard neoliberal model for Caribbean development based on East Asia's three Es: exports, education, and an enabling government. Her model is based on "a need to build a new consensus around the idea of government—not as the engine of growth, or as the caretaker of the population—but as the enabler or catalyst for the private sector to operate effectively in every respect" (p. 20). While the meanings of such terms as *effectively* are not specified, the statement makes it clear that Birdsall supports using public resources to enhance profit making and that she assumes that these public investments bring development and universal benefits. It is a pro-capitalist ideological position lacking supporting evidence. Birdsall's model is also undemocratic and anti-labor. In her view, selling off public assets requires "defusing concerns about who will gain and who will lose," while the region's "very rigid and inefficient entitlements for workers" must be removed (p. 21).

Contributions by Charles Skeete and Havelock Ross-Brewster reiterate well-worn arguments favoring deep regional integration, which has evaded many calls for it over recent decades. Those positions are followed by an unusually well-referenced contribution by David Lewis arguing for strategic alliances between CARICOM and the rest of the hemisphere. The unexamined but problematic assumption of several essays promoting international integration is that somehow social benefits follow directly from spatial reorganization. But no necessary relation exists between form of state and social welfare. If anything, larger-scale political organizations siphon democratic power away from the local and popular level.

Bertus Meins's contribution to *Choices and Change* provides a standard mainstream overview of economic performance and state develop-

ment policies in the Caribbean over recent decades. He assumes that “the Washington Consensus,” which favors cuts in state spending, investor subsidies, and labor-market deregulation, is an empirically valid development policy. In those countries where “results so far have lagged behind expectations,” it is because the reforms were not done quickly enough or in the proper sequence, or they were disrupted by “unforeseen external shocks” (pp. 83–85). In a similarly uncritical vein, Meins provides no references or evidence to document his praise for the “\$1.25 billion in 1993” in “foreign-exchange revenues from EPZ activities” in the Dominican Republic (p. 81). Because much of the public spending to promote and manage export-processing zones is secret, the net revenues are unknown. It is known, however, that foreign debt is stable or growing throughout the region despite ongoing payments, an indication of unhealthy imbalances in public spending. The question of who benefits from the foreign-exchange revenues that are generated is a significant development issue ignored by most scholars (see, however, Kaplinsky 1993; Klak 1996).

In contrast to the uncritical enthusiasm for stronger and more open economic ties with the United States in most of the Dookeran volume, Karen Walch’s contribution reports on the views of a wide range of social groups concurring that Ronald Reagan’s Caribbean Basin Initiative (CBI) has contributed little to regional development. She asserts that the CBI’s operating assumption that “an emphasis on export production, without strong links with local economies, would yield self-sustaining growth and a broad sharing of development benefits” is empirically unsubstantiated. “In fact, the emphasis on exports had diverted resources from Caribbean Basin [food] producers” (p. 156). Unfortunately, one finds little evidence in the contributions of other conference participants that they attempted to reconcile such evidence with their devotion to neoliberal economics. For example, Amos Tincani commits to neoliberal reform in the Caribbean and takes solace in economic rather than human welfare: “Fortunately for [Caribbean economies], the issue is no more whether, but how to adjust and liberalize” (pp. 190–91).

The New World Trade Order: Uruguay Round Agreements and Implications for CARICOM States by Frank Rampersad and assistants carefully documents the likely Caribbean impacts of the agreements establishing the World Trade Order (WTO). Although written in a technical and legislative style, the book provides many insights into how WTO legislation embodies unequal power relations between the imperialist United States and the subordinated developing countries such as the Caribbean. Rampersad notes that one of the WTO’s primary objectives was to reverse the growing tide of protectionism that often discriminates against exports from developing countries. Rampersad’s compelling assessment is that WTO agreements will cause Caribbean countries to lose income and employment at least in the short and medium terms. Because of the WTO’s erosion of preferential

market access, the Caribbean will face dim prospects for banana exports and will receive lower prices for sugar and reduction by half in their share of the clothing market to Asian suppliers. Because trade-related investment measures (TRIMs) have also been deemed illegal, CARICOM states will lose what little leverage they presently have over foreign investors in such matters as buying inputs locally and sharing technology. Because of WTO agreements on trade-related intellectual property rights, CARICOM will pay more for imported technology, and where goods are manufactured locally using patented technology, royalty fees will increase as foreign suppliers use their monopoly power to raise prices. Compared with the other books in this group, Rampersad's stated vision of development is less economicist: "Development in real terms means the enhancement of the capacity of the people of the country to take control of the path of progress they wish to pursue" (p. 235). Unfortunately, Rampersad has little to say beyond the typical neoliberal prescriptions about how to achieve his image of development.

Jay Mandle's *Persistent Underdevelopment: Change and Economic Modernization in the West Indies* is a remarkably succinct interpretation of Caribbean underdevelopment over the last two centuries. Its unambiguous goal is "to identify the circumstances which have in the past and continue in the present to constrain the ability of the people of the Caribbean to be successful innovators in the international economy" (p. 10). More than the other books, *Persistent Underdevelopment* supplies valuable nuggets of evidence and analysis. For example, Mandle reports that Guyanese production of ground provisions (high-carbohydrate vegetables) grew dramatically during World War II and created agricultural self-sufficiency. Farmers responded favorably to appropriate government support programs, which were unfortunately reversed (p. 61). In the sixth chapter, Mandle provides a valuable review and economic analysis of the socialist goals and policies of the governments of Jamaica's Michael Manley and Grenada's Maurice Bishop as well as the capitalist-imperialist backlash against them. Mandle's succinct assessment of why these redistributive experiments failed is insightful and level-headed if dispassionate (the tone of this and the other works under review suggests that economics leaves little room for compassion or empathy). The brevity and clarity of the argument in *Persistent Underdevelopment* would make it useful as one of several texts in an upper-division course on Caribbean political economy.

Despite his stated goal, Mandle does not adequately link his critiques of past development policies with current ones, as four examples will illustrate. First, Mandle's critique of the history of mines and plantations is relevant to the factory jobs recently generated through neoliberal policy: "through the vicious cycle of low wages and low productivity, the productivity of the indigenous labour . . . was fossilized at its very low initial level" (p. 30). Second, Mandle's revealing analysis of British colonial

policies in the half-century after emancipation leads him to ask: "Could, in short, British policies have nurtured a class of West Indian farmers who would have developed the skills and learned the techniques of modern farming? . . . the tragedy of this period is that such an alternative was not even considered by the British" (p. 34). Today, small and medium-sized farmers also lack the infrastructural and technical support they need to serve local and external markets better. Third, Mandle describes working-class revolts as caused by workers being "regarded merely as suppliers of cheap labor" (p. 57). This comment rings true for contemporary factory conditions, including those in the neoliberal export-processing zones and the data-processing sectors (see Carter 1997; Klak 1998). Fourth, Mandle quotes Arthur Lewis (1950) on industrial strategy that sounds much like the lamentable philosophy behind current policy: industrial growth will occur only following "a considerable inflow of foreign capital and capitalists and a period of wooing and fawning upon such people" (p. 65). Mandle's assessment of that period of import-substitution industrialization is that "in the absence of the nurturing of a West Indian business sector, all the region could do was hope that overseas business people would flock to the West Indies" (p. 67). How relevant these historical moments are to a critique of current development policies.

Mandle strives in *Persistent Underdevelopment* for rigor and objectivity but is too accepting of mainstream economics doctrine. For example, with regard to manufacturing in the Eastern Caribbean, Mandle claims: "Virtually any industry will require a greater level of demand than is domestically present to achieve productive efficiencies . . . , requir[ing] that nearly all consumer needs be imported" (p. 133). "Efficiencies" is an ill-defined and subjective concept, and many firms could (and do) viably serve islandwide markets of around a hundred thousand customers. Similarly, Mandle's interpretation of Caribbean underdevelopment stays too close to macroeconomic data. It excludes from the analysis a wide range of central (if a bit fuzzier) components of the Caribbean experience such as the contributions and potential of CARICOM, migration and circulation, the diaspora and its remittances, and export-processing zones. *Persistent Underdevelopment* contains no evidence drawn directly from fieldwork in the Caribbean or from interviews with representatives of the many social groups—from farmers and workers to administrators and investors—that are the central subjects of Mandle's narrative.

Caribbean Underdevelopment and Development Theory

The six books under review present both internal and external causes of Caribbean underdevelopment, each with historical and contemporary dimensions. External causes fall into the three categories of terms of trade, foreign investment, and the policies of other states. First, Mandle

mentions that the drop in sugar prices in the 1880s and 1890s devastated plantations (p. 41), while in more recent times, the region has suffered from the decline in terms of trade in primary products (especially since the 1970s) and from the vagaries of protection from consuming countries (Dookeran and Mandle). Second, Mandle notes that the policy of industrialization by invitation attracted little foreign investment (mostly enclave-oriented). Third, exogenous policies adversely affect the Caribbean, as Rampersad's predictions of price increases in food imports demonstrate. Further, high interest rates in the developed world attract capital away from the region and increase the cost of debt servicing, while tightened labor markets in advanced countries restrict emigration from the region.

The authors reviewed here cite at least four internal causes of Caribbean underdevelopment, the first of which is agrarian structure. Rampersad and Mandle argue that a highly unequal distribution of land since colonial times has remained a barrier to agricultural and overall development. Also, the colonial governments limited nonplantation agriculture, which in turn restricted the emergence of a class of entrepreneurs essential for economic development (Mandle, p. 31). A second internal cause of underdevelopment is a cluster of labor characteristics that include wages and education. Mandle argues that productivity will grow more slowly in a low-wage setting than where wages are higher and capital is used more widely. Another aspect of labor is education. The absence of a sector to modify and repair equipment, says Mandle, has meant little demand for technical skills. This situation has meant in turn that the economy lacked industries essential to increasing productivity (p. 143). Moreover, emigration (which Dookeran and Mandle view as an effect of underdevelopment) has further reduced the number of skilled laborers. A third internal cause of underdevelopment discussed by Dookeran is an undiversified economy. But what about cause and effect? Is the Caribbean less developed because it is undiversified or is it undiversified because it is less developed (meaning that it lacks the capital to diversify exports)? Fourth, the Dookeran volume points out many state policies that are said to cause underdevelopment: pro-labor policies, policies sustaining overvalued exchange rates, budget deficits, and high public-sector investment relative to that of the private sector. Also, Caribbean political leaders lack managerial skills. Few have been owners or managers of private businesses and consequently lack such experience when shaping economic policies (Mandle, p. 89; Dupuy 1991). But the state-centered explanations of underdevelopment in the books reviewed ignore the more important question of why the state chooses the "wrong policies," a subject that will be discussed subsequently.

Overall, contemporary Caribbean development theory, at least as represented by these books, seems to be as underdeveloped as the region itself. Several general comments are in order. First of all, the books as a

group do not convey any theory of Caribbean development. The limited contributions to theory in the books contrast with the vibrant “Caribbean dependency debate” of the 1960s and 1970s (Blomstrom and Hettne 1984; Green 1998).

Second, although scholars provide some crucial insights into underdevelopment, they make little attempt to link these observations to broader development theories such as modernization or dependency (see Kay 1989; Ayres and Clark 1998). For example, in Mandle’s discussion of how plantations caused underdevelopment, he rejects the idea of leakage of capital from the Caribbean to Europe. In other words, Mandle implicitly rejects the surplus transfer mechanism from dependency theory, but he does not explicitly engage dependency and its alternatives. He also asserts that despite the colonial state’s constraints on nonplantation agriculture, a small peasant sector emerged, suggesting that West Indians were not averse to commercial activity (p. 31). This comment sounds to us like a defensible attack on modernization theory, which has argued that third world residents are not sufficiently profit-oriented.

Third, the discussions of causes of underdevelopment and solutions to it in the Mandle and Dookeran volumes stress productive forces such as technology, education, and technical knowledge at the expense of production relations. This emphasis almost amounts to technological determinism, in our view. Development possibilities spring from class relations, not from technological change, which is itself rooted in class relations.

Fourth, scholars studying the Caribbean almost unanimously recommend greater involvement in the international market and reliance on foreign capital. The latter recommendation is especially problematic because of foreign capital’s aversion to the Caribbean. For example, in Jamaica foreign capital accounted for only 5 percent of the total in the late 1980s (Rampersad, p. 235).

Fifth, development is implicitly defined as economic growth and redistribution in Demas, Rampersad, and elsewhere. Yet one finds almost no theoretically sophisticated discussion of the causes of Caribbean poverty, not even in the Girvan collection. Baker makes the most effort to explain poverty, but we question her assumed causal relations. In delineating “the causes of poverty,” Baker lists first “low economic growth performance” (p. 13). Earlier, she states, “growth reduces poverty through rising employment, increased labor productivity and higher real wages” (p. xv). Baker measures poverty through household surveys asking individuals how much they consume. The more you consume, the less impoverished you are. Although *growth* itself is never defined, much less interrogated, Baker views it as the engine that would alleviate the many social problems she enumerates. Our guess is that Baker defines growth simply as expansion in gross domestic product (GDP). Her tables categorize Caribbean countries according to “average real GDP growth rates” (e.g., p. 2). A more sophisti-

cated measure of development would better complement Baker's rich data tables on social conditions. A more convincing argument would also need to specify how whatever concept and measure of growth or development the author wishes to advocate is causally related to poverty. Discussions are needed of the class-structural barriers to increases in productivity and of variables mediating between growth and poverty, such as the nature of ownership of productive assets, labor's struggle over the increased social product, and the ratio of technology investment to wages (the organic composition of capital, as defined in Marx 1977, 762).

Class Analysis

Relations between property owners and the property-less, as well as among property owners themselves, shape the incentives and disincentives to invest and reinvest (Brenner 1977). Yet the books reviewed here contain little class analysis (see Watson 1994; Dupuy 1997; Meeks 1998). The little that exists (mainly in Dookeran) tends to privilege the vantage point of propertied classes, with four implications for development. First, Dookeran's contributors note that smaller-scale entrepreneurs employ the largest number of workers. But a question not raised is, what will happen when neoliberalism forces them to compete freely with big local and foreign capitalists? Second, it is argued in the Dookeran volume that currently, "the foreign sector has an important role working closely with the indigenous private sector to infuse capital and introduce modern technologies and managerial methods" (p. 133). This statement is ahistorical—such "infusions" have not occurred in the Caribbean. Further, the argument does not take into account recent WTO agreements: states can no longer require multinational corporations to bring in technology or other development-enhancing elements (see Rampersad). Third, property ownership in agriculture is said to be a barrier to development. The plantation system is not conducive to productivity increases. Fourth, while Dookeran's contributors note that the Caribbean private sector is rent-seeking and risk-averse, they do not explain why Caribbean capital has not been reinvested to increase productivity. Answers lie to a considerable extent in the class configurations. The region is dominated by mercantile capitalism (Watson 1994). In combination with landlordism (a legacy of the plantation economy), this kind of capitalism constitutes an obstacle to industrial capitalist accumulation.

One finds glimpses in these works of a class analysis of labor but from an anti-labor standpoint. Scholars lament that Caribbean wages are too high. Rampersad comments, "by developing country standards, wages in CARICOM states tend to be high and the working week in manufacturing sector is shorter than is the norm in Asian countries" (Rampersad, p. 187). Demas argues similarly, while Dookeran points out that many

Caribbean countries have “rigid and inefficient entitlement for workers” (p. 21). These comments on labor raise several questions. Why should the lower living standards of Asian workers set the norm for the Caribbean, rather than the other way around? What does “rigid and inefficient” mean? Could not owners’ entitlement to property also be defined as rigid and inefficient (see Carter 1997)? It is ideologically revealing that while scholars lament high wages, they say nothing about surplus value (profits, rents, and interest) and the rate of exploitation (approximately, a ratio of property incomes to wages).

The negative consequences of the Caribbean’s high wages are reportedly many. The limited “efficiency and flexibility” in the Caribbean labor markets is an obstacle to private investment (Dookeran, p. 87), while high labor costs reduce competitiveness. According to Rampersad, the presence of nonwage fixed payments robs economies of market-based matching of productivity increases to wage rates. To be compelling, such arguments would need to provide evidence that high wages are the only or even the major reason for noncompetitiveness and that wages do or will match productivity.

What do the authors think should be done about high wages? Here are two representative solutions. Demas argues that it may be possible for governments, private sectors, and trade unions to agree on broad guidelines on economically unjustified increases in money wages and salaries for two to three years. This proposal leads us to ask, how about the same for profits, interests, and rents? The argument in the Dookeran volume supports collective bargaining rights but also removal of government management and labor negotiations. Yet the state’s removal would make an unequal fight between capital and labor more unequal. When working classes are organized, the state has some autonomy to force ruling classes to make concessions to labor (Das 1996).

Neoliberalism

The Caribbean specialists under review here generally endorse neoliberal development policy, although a few display constrained skepticism. In both categories, however, the arguments tend to lack enough empirical support to validate their claims. Demas’s position on neoliberalism is unambiguous: “I differ from the neo-liberal economists only in the speed and scope of the process of [CARICOM] becoming internationally competitive and of the extent of our opening up of our other economic transactions with the outside world” (p. 113). Contributors to the Dookeran volume are especially clear in their pro-capitalist priorities for the region, as when proclaiming that the key to the Caribbean’s future prosperity is that governments “shape more attractive business environments” (p. 127). While export promotion is central to neoliberalism, the authors do not establish its

relation to development theoretically or empirically. Development based on furtive foreign capital and exports can be problematic, as experiences in Latin America and now South Korea have shown.

The argument in Dookeran and elsewhere is that the region must diversify into sectors in which it has comparative advantages, such as tourism and value-added exports based on natural resources. This course of action will presumably avoid the problem of deteriorating terms of trade associated with primary products. But other countries are also trying to diversify their exports. And comparative advantage changes over time. The Caribbean's comparative advantage in cheap and high-quality labor is eroding because of competition from Asia. Moreover, a history exists of protectionist backlash by developed countries (Jenkins 1992). Further, the distribution of benefits from trade depends on many things, such as the power of core states to influence prices (Hunt and Sherman 1990).

Although support abounds for neoliberalism, some authors offer limited skepticism. For example, Rampersad points out that the growth path pursued by foreign capital may not coincide with that of the host country. He also notes that the freedom of movement for labor, an important issue in the Caribbean, was excluded from the WTO agreements. Demas notes that devaluations of currencies as a means of improving competitiveness (a typical IMF-World Bank recipe) can cause inflation. Dookeran observes that privatization of state enterprises does not guarantee development (p. 10). Mandle warns that one consequence of neoliberal policies aimed at opening economies might be that the local businesses are outcompeted (p. 156). Jamaica, for example, has long followed the requests of the World Bank and the International Monetary Fund, but its exports have not increased (Mandle), nor has its economy developed (Dookeran; Meeks 1998). Overall, however, such comments about neoliberalism in these six books are merely internal critiques within the ideological limits of that paradigm.

The Role of the State in Development

The books discuss the relations among the state, the market, and development as well as the problems of dependent states. But they lack rigorous theorization of the state's dependent nature, class character, and relative autonomy (Das 1996; Martinussen 1997). The Caribbean specialists whose works have been reviewed here want a capitalist state that is subordinate to investors, one that will create conditions desired by the private sector, as Dookeran's volume illustrates. The contributors believe that economic adjustment requires a balanced tension between state and market forces, with the latter dominating (p. 10). Economic prosperity will occur if Caribbean governments implement reforms that make the private sector the engine of growth (p. 135). Demas too argues that the most powerful

framework for achieving efficient growth and structural change is free capitalism with moderate state control.

The authors recommend new roles for the Caribbean state under neoliberalism. These recommendations emanate from authorial visions of development that are entrenched in global neoliberalism and the consequent failure to imagine that the contemporary Caribbean state could do anything but serve capital (Weiss 1997). Throughout the Dookeran and Demas volumes, one finds arguments that the state should enforce regulations, build international linkages, and forge public- and private-sector cooperation. Meanwhile, the state should withdraw from production and focus on attracting foreign capital. It should also increase the efficiency of public-sector expenditures in social sectors to ensure the development of human resources and a competitive labor force, deregulate and supervise prices, and employ technocrats who can manage the exchange rate more effectively (Dookeran). In addition, the state should expedite its processing of investor applications and make the national currency more convertible (Dookeran, p. 133). The list reads like a mainstream economics textbook.

Occasionally, these works allow for a redistributive state. Demas warns that the free market has shortcomings because it can cause unemployment and poverty, leaving room for redistributive interventions such as anti-poverty and employment-generating policies (p. 12). The state should ensure that lower- and middle-income groups will not bear disproportionate burdens of neoliberalism, "lest medium-term gains become lost in social polarization and strife" (Dookeran, p. 88). Several scholars acknowledge that Caribbean states are constrained by the global economy and by core states, implying that Caribbean states are dependent. For example, Rampersad et al. note that as states compete for the same foreign direct investment, investors manipulate the situation to their advantage. He also provides telling examples of U.S. policies toward the Caribbean that include sanctions that are illegal under the General Agreement on Trade and Tariffs (GATT). Rampersad argues that CARICOM countries would be ill advised to challenge such illegalities because they aspire to join NAFTA, most of their trade is with the United States, and U.S. retaliation will hurt even more. Instead, Rampersad et al. suggest that Caribbean countries familiarize themselves with existing U.S. laws. Having taken one step forward, the authors then take two backward. What happened to the distinctly Caribbean development theory of the 1970s?

Conclusion

Recent books on Caribbean political economy suggest that conditions of underdevelopment characterize contemporary scholarship as well as the Caribbean region itself. Recent works tend to lack theoretical rigor and empirical substantiation for their conceptual claims (compare Petras

1998). They offer remarkably little hard evidence and careful analysis of the economic sectors promoted by neoliberalism. This lack of incisiveness is both troubling and ironic, given that most authors are either ardently or implicitly supportive of the neoliberal transition for Caribbean political economies. The lack of sharp conceptualization and empirical substantiation makes their arguments appear merely ideological and undercuts their professed commitment to Caribbean development. The region's political economies are currently so problematic that it is hard for Caribbean scholars to imagine an alternative to hegemonic neoliberalism and how to move toward it (Dupuy 1991; Bourdieu 1998). Clearly, much remains to be done in assessing the theory and practice of Caribbean development in the neoliberal era.

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