

EDITORS' NOTE

THE NEW WORLD GROUP AND SELECTED CONTEMPORARY DEVELOPMENT ISSUES IN CARICOM

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I. INTRODUCTION

The phases of development of the Anglophone Caribbean, though in a limited form, can be seen as originating with the Colonial Development and Welfare Acts of the 1940s. The passage of these acts can be regarded as a first effort toward the development of the British West Indies. Prior to that, no serious thought regarding development was given to the British West Indies as they were either officially or unofficially seen as overseas estates owned by British citizens. It was only after the regional wide labour rebellions in the late 1930s that defined a watershed in the socio-economic history of the region and based on the recommendations of the Moyne commission (see Recommendations of the West Indian Royal commission 1939) that there were some real attention given to development issues. These formed the basis for the implementation of modernization theories concretized by Arthur Lewis in his famous "industrialization by invitation" prescriptions in the 1950s to solve the unemployment and other social problems facing these territories. Structuralism and dependency theory and its variants in the form of the New World Group (NWG) with the concept of the plantation economy had some influence among policy makers concerned with decolonization and in the post colonial setting. In the 1980s, the global restructuring of capitalism exposed some of the weaknesses of previous developmentalism. This model ran into trouble sometime in the 1980s as it failed to deliver the desired expectations of the development strategy whose main function was the elimination of mass unemployment and improvement in the standard of living. These problems still remain the same today in a changing world economy but with the additional problems of indebtedness.

The articles of this volume reflect on the emergence of Caribbean thought and speak to selected contemporary issues of development in the CARICOM region. The volume begins with a critique or evaluation of the theories of the New World Group, issues of integration as means to development and the neo-liberal model with its liberalization thrust that has been adopted by most of the governments in this era of globalization. The heightened competition brought about by globalization has placed these countries in a difficult situation as they must now adjust to the requirements that may make them competitive for survival. Their small size, small economies and over population further complicate their economic survival but despite these problems there are still spaces available for local policies to make a difference.

II. OUTLINE

This volume has two parts. Part one focuses on the period of the formation of an independent Caribbean development thought. It was a period of intellectual fervour from about the 1960s during which time radicals sought to establish an independent thought for the Caribbean. The second part is more concrete with selected items of development in CARICOM and comprises seven articles: sports and development, integration with a focus on the Chaguaramas Treaty, CARICOM Single market, the relationship between integration and development and a new trend in development in the form of offshore financial operations.

III. PART I – ATTEMPTS AT INDEPENDENT CARIBBEAN THOUGHT

In the first part there are two contributions by Professor Hilbourne Watson of considerable lengths and of considerably long titles. Nevertheless, these articles provide an in-depth and interesting critical analysis of Anglo-Caribbean thought that emerged in the 1960s. It was a period of post colonial discourse when there was a quest to establish an independent Caribbean development thought, an indigenous thought for Caribbean scholarship that was supposed to radically differ from metropolitan ones.

Watson's first article entitled, *Alienation and Fetishization: A Critical Analysis of "Radicalism and Innovation" in the New World Group's Approach to and Rejection of Metropolitan Intellectual and Political Hegemony*, explores philosophical and theoretical issues in order to demonstrate that there are no reliable theoretical and empirical grounds for arguing that the New World Group (NWG) produced a radical and innovative approach that rejected "metropolitan intellectual and political hegemony" in relation to the study of the Caribbean. NWG, Watson

contends, was a loose grouping of mainly male academics, writers, professionals and other intellectuals, most of whom were University of the West Indies workers. Most NWG intellectuals approached questions of history, culture, theory, the state, sovereignty, self-determination, and development in the post-war Caribbean in mainly eclectic nationalist terms: there was no coherent theoretical, philosophical and ideological framework that characterized NWG. Furthermore, continues Watson, most NWG thinkers failed to provide the coherent 'indigenous view of the region' they imagined, instead their inward-looking vision differed with Western approaches by degree rather than kind, and the mainly reformist NWG tendencies were neither anti-western nor anti-British in definitive terms. NWG had a limited impact on the struggles of the Caribbean working classes. The dominant NWG tendency saw the postcolonial sovereign state as an instrument of national development (modernization) in an increasingly interdependent international capitalist order, with serious intellectual and policy consequences for the region.

Watson's second article, a continuation of article 1, is entitled *W. Arthur Lewis and New World: Variations within the Analytic Framework of Neoclassical Economics* notes as follows. New World Group (NWG) intellectuals erroneously held W. Arthur Lewis largely responsible for Caribbean development problems, based on his economic development with unlimited supplies of labor theory. Lewis and NWG shared a positivist approach that viewed history in technical problem-solving terms relative to poverty, foreign investment, industrialization, and labor and development problems. NWG thinkers did not see the postwar international order in terms of the spatial organization of capitalist relations; hence they saw the domestic and international aspects of reality as distinct spheres that interacted in technical ways. Lewis argued that the development of the productive powers of industry and labor tends to benefit workers, whilst NWG social scientists favored "innovative labor-intensive techniques" with full employment in a world driven by techno-industrial innovation, international economic integration and growing global inequality among masses of workers. Watson discusses the impact of the crisis of development theory on NWG thought and shows that Lewis's embrace of the Ricardian 'comparative advantages' theory requires appropriate critique beyond NWG interventions. He concludes by analyzing emigration and the transition to globalization, asking whose interests NWG ideas served with a critical appraisal of the assertion that NWG thought was radical and innovative and rejected metropolitan intellectual and political hegemony.

IV. PART II SOME SELECTED DEVELOPMENT STRATEGIES

The theme for this special issue is deemed to be particularly pertinent for CARICOM as it grapples with challenges posed by globalisation and trade liberalisation. Removal of trade preferences for CARICOM's major exports, the trend towards free trade arrangements that emphasize reciprocal rather than preferential trade pose important questions for the region's development goals.

The spectre of economic decline and its attendant socio-political ills compelled CARICOM leaders to seek new approaches to development. In her article, *Enhancing CARICOM Competitiveness: Can the Caribbean Single Market and Economy (CSME) and the EU-CARIFORUM Economic Partnership Agreement (EPA) Facilitate This Process?*, Dr. Debbie Mohammed addresses this issue of economic restructuring at both the national and regional levels. She prescribes an economic framework that marries industrial policy with trade policy based on knowledge, innovation and creativity as the basis for sustained competitiveness. Collaboration amongst firms, research centres and governments are advocated to ensure new product and service identification that can ultimately yield high-value added.

The CSME is seen as critical for increasing the region's trade and competitiveness because of deficiencies including small size, limited skilled human capital and investment pools and small, un-diversified product ranges. However, Mohammed argues that the CSME, as currently conceptualised, can only be a short-term measure to address the critical issue of competitiveness. She sees the EPA as providing an excellent opportunity for CARIFORUM to leverage assistance for export diversification and overall economic restructuring. Dr.

Mohammed's thesis clearly envisages the strengthening of institutions at the regional level.

Anselm Francis in his article, *Bridging the Implementation Gap In The Revised Treaty of Chaguaramas*, examines the strengthening of Community Organs created under the revised Treaty of Chaguaramas to advance the deepening and widening of the integration process and has concluded that the existing structure is deficient with respect to the development of regional policy, the monitoring and implementation of such policy. The crux of the problem rests with the composition of these bodies that comprise national parliamentarians who have little time to discharge responsibilities at both the national and regional levels.

He argues that the idea of a Caribbean Commission proposed in "A Time for Action" should be revisited even though he recognizes that this may not be entirely without its own problems, accountability being a

major one. He proposes an Assembly of Parliamentarians to address this issue. He also advocates the development of a body of Community Law that would have the force of law within each member state. This he suggests will address the implementation deficit that plagues the region. However, he recognises the importance of national interest and proposes that this could be addressed by decisions being taken on the basis of consensus or unanimity.

Gordon Layne in his article, *The Concepts and Activities of Integration within the Caribbean Basin: Is there an Agenda for the 21st Century*, focuses on the processes and benefits of integrative activities within the Caribbean basin. He discusses the idea that the interest of state managers from the English-speaking Caribbean in a free trade arrangement was stimulated by the need to facilitate industrialization and increase exports at the regional level after national opportunities were exhausted, since the size of individual domestic markets is a major constraint to production. The Treaty of Chaguaramas initiating CARICOM was an attempt to redress this.

He argues that CARICOM has set the foundation for deepening and widening of regional integration, which involves, *inter alia*, the free movement of factors of production, and the harmonization of fiscal incentives and a common external tariff. This process has been constantly evolving in order to secure the most favourable terms of trade for goods and services, originating within the Community. With quantitative increase provided for in the cornerstone of this venture, non-CARICOM countries are under consideration for membership, two of which have since joined the union. In response to increasing global challenges, the dynamics of this grandiose *schema* now include Latin American nation-states as displayed in structures of the Association of Caribbean States (ACS).

Dr. McCree's article, *The Social Bases for Exclusion of Sport from Caribbean Economic Development: Identity Formation vs Capital Accumulation*, reminds us that development cannot be narrowly defined but must be seen in its broadest sense. He contends that sports should be viewed as an important industry that encompasses various income generating spin-offs ranging from media coverage to merchandising and sport tourism. Given the global value of sports, this can provide a niche for CARICOM countries that are currently trying to restructure their economies to become more competitive. He thus sees sport as an important industry for income generation in the region and so advocates that sport be viewed as another plank of economic growth and development. This calls for a broadening of the concept of economy to incorporate more than simply natural resources.

He thus argues that the perception of athletes as gladiators must shift to one where they are seen as persons and workers possessing particular skills or talents in sport, which can be monetized.

In the last article, Wardally, with a focus on Grenada's recent strategy of growth, draws attention to the most recent growth or development strategy characterised as a new growth model adopted by many of the small Caribbean States by establishing offshore centres. The article is entitled *Offshore Financial Operations, Development Strategy or Neo-liberal Illusion? The case of the First International Bank of Grenada*. It focuses on the new trend toward the establishment of offshore financial centres notes that offshore financial operation is regarded as a source of wealth and an opportunity for advancement in the era of globalization. Some economists have defined the strategy as a new pole of growth for small developing countries. But he questions whether this is a real and reliable source of growth, good development strategy or is it a neo-liberal illusion. A contrast is made on the failure of traditional sources of income such as agriculture, manufacturing and tourism with the perceived opportunities offered by offshore financial operations in small island states such as Grenada. The failure of the First International Bank of Grenada (FIBG) and the repercussions for Grenada's reputation internationally as an investment destination raises many question's as to the soundness of the strategy. Attention is also given to the domestic political fallout of the scandals surrounding the bank and the adequacy of the regulatory infrastructure. Finally, the article concludes by examining the impact of the FIBG fiasco on offshore banking regulations within CARICOM and the lesson that can be learned there from.

V. CONCLUDING REMARKS

While the articles are diverse, they nevertheless give some important insights into the background the some selected issues of development that are important for the discourse regarding the subject area, growth and development. These have undergone much rethinking from the thoughts of the NWG to the new strategies of growth as exemplified by the growth of the offshore sector.

