

THE CRISIS OF NEO-COLONIALISM:
THE CASE OF TRINIDAD AND TOBAGO

by
Isaac Saney ©

A thesis submitted in partial fulfillment
of requirements for the degree of Master of Arts in
International Development Studies

at
SAINT MARY'S UNIVERSITY

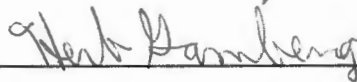
December 11, 1992

Signatures of the Examining Committee:

Professor Henry Veltmeyer _____
Supervisor and IDS Co-ordinator



Professor Herb Gamberg _____
External Examiner



Professor James Sacouman _____
Reader



DEDICATED TO THE MEMORY

WALTER RODNEY

Marxism is the doctrine which believes that freedom, equality and democracy are today possible, for all mankind. If this (book) has stimulated you to pursue the further study of Marxism, we will have struck a blow for the emergence of mankind from the darkness into which capitalism has plunged the world.

C.L.R. James
(From Modern Politics, p. 46)

Who is responsible for this? Is capitalism removed from this problem? Are colonialism and neocolonialism removed from it? Is US imperialism removed from this problem? How can they come along now with the formula that what is needed is more capitalism to develop these countries?.....Where did injustice and inequality come from? Where did poverty and underdevelopment come from? Where did all these calamities come from, if not from capitalism?

Fidel Castro
(From How Far We Slaves Have Come, p. 57)

ABSTRACT

Trinidad and Tobago is a clear example of the crisis that permeates post colonial countries. The neocolonial nature of its post independence history political economy. The origins of the present crisis lie in the subordination of the country to the forces of the international economy. The present phase of global capitalism ensures that countries in the "Third World" (the periphery) will be unable to participate in or derive "benefits" from the "technological revolution".

Recent historical conjunctures of imperialism foreclosed the possibilities of the East Asian NICs. Surviving or serving as blueprints dependency and underdevelopment. However, the history of capitalism has been the present crisis and looming catastrophe of neocolonialism demand a challenge to imperialism and the imperatives of global capital accumulation and a reinvigoration of the socialist project.

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My deepest debt is to my beloved mother, and my dearest father, for their invaluable support and patience.

This study is far from being perfect. I, of course, am responsible for every single error and mistake throughout this study.

CHAPTER ONE

INTRODUCTION

Trinidad and Tobago presents a stark example, of a decolonized country that moved from relative underdevelopment to a form of superficial prosperity - due to the extraction and export of one particular raw material (oil) and some attendant local industrial development - only to be plunged back into crisis and poverty when the price of that raw material fell on the world market. The move, from the "newly rich to the newly poor", as Saint Vincentian economist Ralph Gonzales pointed out after the abortive coup of July 1990, "has obviously caused a great deal of dislocation." (Trinidad Express 10 August 1990). As high oil prices created a boom in the nation's economy between 1974 and 1980 Trinidad and Tobago became one of the most industrialized countries in the Caribbean, with its people enjoying a per capita income much higher than elsewhere in the eastern Caribbean. By 1988, however, after 6 consecutive years of contraction, the economy had plummeted. The oil sector was contributing only half of what it had made in 1981 for government revenues; foreign reserves had been wiped out and debt repayments were taking 40% of the gross national product (GNP). In 1982, 2.4 Trinidad dollars was worth one U.S. dollar, In 1988, following a 33% devaluation, 4.25 Trinidad dollars was worth 1 U.S. dollar (Financial Times 9 November 1989). In 1987 the Trinidad government entered into a series of measures that reduced government expenditures in health care, education; raised the price of

public utility services and cut wages in the public sector. By 1990 unemployment had risen to over 25 per cent (Inter-American Development Bank, 1991). The Standard of living has deteriorated for the majority with the gap widening between rich and poor.

The defining features of Third World countries are their dependency and underdevelopment, which derive from the unequal manner in which they have been incorporated into the periphery of world capitalism. The relationship between periphery and centre is sustained and perpetuated through certain structures which are served by various agencies and institutions. Since economic crisis is an organic feature of world capitalism, whenever there is a general crisis it spreads to the periphery with an intensity that depends on the extent to which the global capitalist order controls a specific peripheral economy. Given this situation the task that confronts Third World leaders, generally is to break out of dependency and underdevelopment and to construct self reliant and just societies. This objective is clearly articulated by most leaders, but their development strategies often contradict the objective. As a result of dependence and underdevelopment, the leaders of the peripheral states have limited scope for action, and their comprador status makes them beneficiaries of an imperialist order of which they are an organic part. Even if they were genuine in their attentions to guide development in a self reliant direction, they could not pursue this objective without pitting themselves against domestic and international capital. This would clearly jeopardize the positions of these leaders, and history teaches us that leaders do not willingly give up their positions out of concern for the plight of the suffering majority.

Consequently, in the case of Trinidad and Tobago, despite the rhetoric of self-reliant development in every budget and development planning speech, the enormous wealth derived from the export of oil, the Trinidad and Tobago economy is still very much foreign controlled, and worse off than it was at the time of independence three decades ago. The oil boom

is definitely over. During that period the late Prime Minister Eric Williams frequently uttered the slogan "Money is no problem". But years of unguarded spending, economic mismanagement, corruption and misplaced priorities, compounded by the contradictions of peripheral capitalism, have caught up with the country. The economy is in shambles.

Many development economists have blamed the present situation on the failure of the government to implement an appropriate economic development plan. The inappropriate development path pursued is, thus, blamed for the country's state of dependence and underdevelopment. Hence, the deepening crisis is treated as unconnected to the logic that governs the operation of capitalism on a world scale. Even many progressive development thinkers have located the problems that now confront Trinidad and Tobago as a result of the governments failure and lack of vision to institute policies that would alter the country's position within the periphery of capitalism. Thus, the deepening crisis is treated as if it were a mere consequence of contact with the capitalist world system. This is further reinforced by the leaders acceptance of the capitalist countries culture, values, etc., which have coloured their world outlook and development strategy. The crisis is thus seen as stemming from the failure to move from the confines of peripheral capitalism to a process that would place it closer to the centre.

Of course, this ignores Trinidad and Tobago's unequal integration into the periphery of world capitalism, and its assigned role of serving the core states. In such circumstances independent and self-reliant development are an illusion. World capitalism is not benevolent. To those who believe in the East Asian option, it must be quickly pointed out that it is no longer available, and that South Korea and Taiwan existed and exist in a different historical geographical context and location in world capitalism.

Underlying all of this are two basis assumptions. The first one is that it is not possible for a neocolonial state like Trinidad and Tobago

to achieve independent, self-reliant development within the capitalist system. The corollary of this is the assumption that a neocolonial state is incapable of effectively structuring a development strategy to overcome dependency and underdevelopment. The fragility and dependence of the economy circumscribes this possibility. It must always be borne in mind that a country's development strategy is constrained by its economic base. A nation with a fragile economic base is extra-ordinarily vulnerable to external economic pressure. The logic of dependency dictates that it cannot afford to be assertive or confrontational for fear of provoking retaliation from those on whom it is dependent. In such circumstances, the best that a nation can do is appeal to its "benefactors" for assistance. For imperialist countries to oblige, the client state would have to make concessions at the expense of the country in general and workers in particular.

FRAMEWORK

These global changes and the deepening of the crisis of underdevelopment is situated within the framework of an analysis of imperialism. The present period is characterized by changing imperialist contours. Therefore, the argument advanced is that the present changes in the world economics and politics is not the essence of what is taking place but are merely reflections, manifestations and epiphenomena of a new moment in the life cycle of imperialism as a historical entity. Thus, the fundamental set of economic, political and social relations that characterizes imperialism are still operative: a change in form not in content has occurred. Consequently, at the core of the framework adopted lie Marxist categories. The role of class struggle and capital accumulation are central to this study. The solutions that will arise on a basis of this study will place at centre stage a necessity to re-envision and re-invigorate the socialist project.

METHODOLOGY

The source of data and information will be both primary and secondary. Primary sources will consist of documents and information provided by government, non-government and international organizations (focusing on economic and social indicators). Also, interviews and discussions with workers, farmers, unemployed and intellectuals (ie., university professors) will also be a source, especially in terms of gauging the level of response of the people (ie., class consciousness). Numerous secondary sources will be consulted. These include studies, books and articles focusing on the international regional and national dimensions of development. Newspapers from the region will be consulted. Thus, the foundation of this study will rest on both empirical (objective) data gathered from several sources that will be analyzed and possibly reinterpreted. However, this will be supplemented by information gathered on the basis of evaluating the subjective aspects that play such a critical role in the development process.

THESIS

At the centre of this study is the assertion that Trinidad and Tobago is a neocolonial country. The thesis advanced is that: The present crisis in Trinidad and Tobago is a particular phase in the continual crisis of imperialist underdevelopment or neo-colonialism.

The argument put forward in support of this thesis will proceed from the general to the particular. It will demonstrate (1) the source of the crisis by proceeding from an analysis of Trinidad and Tobago; and (2) on the basis of this argument it will be substantiated that only a break with the system will ensure development. Trinidad and Tobago provides the detailed case study but frequent reference and analysis of the general Caribbean situation is utilized. The experience of any country within the Caribbean can not be separated from the overall historical experience and contemporary forces that shape the region. The evidence in support will

come from various sources as noted and will encompass empirical data (economics and social statistics) as well as participatory data obtained from personal interviews and discussions as well as those done by others. The aim is to provide a step-by-step process by which the argument is cogently and coherently put forward and confirmed.

Chapter Two deals with the nature of the political economy of Trinidad and Tobago and the parameters of the present crisis. Chapter Three focuses on the nature of the neo-colonial state. Chapter Four focuses on the relevancy and lessons of the Newly Industrialized countries of East Asia for the Caribbean. Chapter Five examines the impact and implications of the global technological revolution for the Caribbean. Chapter Six presents a broad overview of the situation and places the necessity for a rupture for imperialism at the centre of any meaningful national development project.

CHAPTER TWO

POLITICAL ECONOMY OF TRINIDAD AND TOBAGO: FROM OIL BOOM TO BUST

BACKGROUND

At the southern most tip of the Caribbean archipelago, nine miles of the coast of Venezuela lies the twin island nation of Trinidad and Tobago. It has an area of 4, 944 square kilometres with a population of 1.2 million. Trinidad is an economic and political leader in the English speaking Caribbean. The country exports petroleum products, chemical, bananas, cocoa and sugar. The natural gas resources are currently under development. Tourism provides a small contribution to national income. However, the petroleum sector has been the overwhelming engine of the economy. Since the 1970's Trinidad and Tobago's oil based economy has been the wealthiest in the region, making it the major market for Caribbean intra-regional trade. (Thomas 1988, p. 311). The end of the oil boom in 1982, thus, spelled disaster for Trinidad.

Trinidad was "discovered" by Columbus in 1498. In 1802 it was formally ceded by Spain to England. Tobago which had been held by the Dutch and French became British in 1803, with the islands being politically joined in 1888. After a brief period in the West Indies Federation, the islands became an independent state in 1962, and a republic with a parliamentary system in 1976.¹

The history of Trinidad has left it with an interesting population mixture unique within the English speaking Caribbean. As originally a Spanish colony, Trinidad gave half to several thousand French royalists fleeing Guadeloupe, Martinique and Haiti during the French Revolution. By

¹Historical Information taken from a variety of sources. See: From Columbus to Castro: The History of the Caribbean 1492-1904, A Short History of the West Indies, The Growth of the Modern West Indies.

the 1790s, Trinidad had changed "from a backward American Colony governed by Spain into a Spanish Colony run by Frenchmen worked by African Slaves." (Williams 1971, p.17).

After the emancipation of the slaves in 1835, the British brought in hundred of thousands of indentured labourers from India to work on Trinidads' Sugar estates. The East Indians became the backbone of the country's agricultural peasantry, while the freed slaves moved away from the estates to form an incipient urban working class. Trinidad, as the rest of the Caribbean, was a sugar economy based on the exploitation of slave labour on the plantations. However, with the Emancipation Proclamation, the now freed Africans did not wish to return to working on the plantations which embodied the legacy and history of oppression and degradation (Rodney 1969, p.8).

The political economist George Beckford wrote, "The history of the West Indies is the history of Sugar." (Beckford 1972, p.9). However, in Trinidad oil was discovered in 1907, with U.S. based oil companies arriving in the early 20th century. By 1935 oil accounted for almost 60% of Trinidad's exports, the rest consisting of Sugar and Cocoa. The growth of the oil sector set Trinidad apart from most of the Caribbean islands, by taking it out of the Sugar loop, and which were predominantly peasant with small working classes. Consequently in relation to the other islands, Trinidad was split very early into industrial and agrarian sectors, broadly corresponding to the racial split between Africans (in the oil industry and urban areas) and East Indians (in the rural and Sugar growing areas). For Trinidad, the history of oil, not sugar, has dominated the country's history in the 20th century.

At independence Trinidad suffered from the same problems as the rest of the Caribbean: dependence and economic backwardness. This situation left the Caribbean particularly vulnerable to the vicissitudes of the world economy. As the late Maurice Bishop noted when the economics of the United States and Western Europe catch cold, the Caribbean catches pneumonia

(Bishop 1983, p.142). The Caribbean was tied into an almost total dependence on U.S. and West European capital. This dependence was, of course, due to the reliance on a small number of exports. The process of colonization has created economies that are geared primarily as producers of a few commodities (eg. sugar, bananas etc.). This position as primary producers has been the constant that has characterized the islands.

The pre-second War situation was marked by the lack of industrialization in the Caribbean. This was consistent with a process of capital accumulation under colonialism. Industry was almost exclusively confined to the metropolis and the colonies was maintained as producers of primary products and goods.

Thus, the Caribbean colonies had no choice but to produce Sugar, coffee, cocoa, copra and other similar products for the colonial centre, where the economic surplus thus extracted would be utilized in the industrial sector. Through its control of the colonial state the metropolis discouraged and actively intervened in order to pre-empt and prevent the development of a manufacturing sector in the colonies. Any manufacturing activities that were set up were subordinated to European capital. The colonial state consistently tied the Caribbean colonies to the interests of the metropolis.

The discovery of oil in 1907 transformed the Trinidad and Tobago economy, which up to that time was agricultural. Trinidad's incorporation into the world economy had been based on the production of typical tropical products (primarily sugar which were exported to the metropolitan centre. The incorporation of oil diversified the economy, but more importantly lead to a fundamental alteration in the generation of economic surplus. The oil industry was to dominate the economy and any plans for development and prosperity were to be centred around it.

The industry proved to be very profitable from its inception. In 1910 there were three oil companies operating in Trinidad, by the 1930's there were fourteen. An early trend to monopoly or oligopoly manifested itself,

so that by the late 1930s 5 companies produced and controlled 90 percent of Trinidad's oil production. (St. Cyr. 1981).

Increases in oil production was stimulated by the strategic role oil was beginning to assume in the British economy, especially in the British Navy which had replaced coal with oil in 1919.

In the late 1930's oil production doubled as the presence of U.S. military bases stimulated infrastructure activities. The U.S. naval base at Chaguaramas poured "Yankee dollars" into the economy. This led to many people leaving their homes, in order to relocate in the areas around the base seeking employment. (St. Cyr 1981).

The presence of the base also played a significant role in the anti-colonial nationalist movement which developed after the Second World War. This movement was the direct heir of the 1937 anti-colonial uprisings, led by labour leader Uriah Buzz Butter, that shook the foundations of British rule. The social basis for the nationalist movement lay in the urban working class. However, it was led by black intellectuals who were predominantly members of the rising black middle class or petty bourgeoisie who would inherit the state apparatus from the metropolis. The nationalist movement became embodied in the People's National Movement (PNM) of Dr. Eric Williams, an historian educated at Oxford University in England. In 1956 he was elected Prime Minister. On April 22, 1960 the P.N. M. led a march through Port-of-Spain (the capital city) demanding the return of the Chaguaramas base back to Trinidad.

The election of the PNM, and the granting of independence in 1962 allowed Williams to initiate and implement an economic program for industrialization based on the theories of E. Arthur Lewis. The road to industrialization was considered the indisputable method by which economic development would be assured. The link between industrialization and economic and social prosperity was central to the ideology of ensuring its acceptance by the population.

Raul Prebisch had argued that industrialization was a necessary step

for Latin America. He argued that pursuing this strategy was the only way to avoid the further widening of inequality (especially technological) between the developed world and Latin America. (Prebisch, 1951.). Lewis, also, argued similarly for the Caribbean. In proposing this as the direction for the Caribbean to follow he wrote: "The policy which seems to offer most hope of permanent success is for the islands to follow in the footsteps of other agricultural countries in industrialization" (Lewis 1939, p.44). Lewis focused on those industries which he saw as offering the best prospects: sugar, cocoa and other resource based industries.

Trinidad, thus faced the same problem that the other Caribbean islands confronted: How to do away with the untenable position of having the economy resting on the export of one or two commodities. The problem of underdevelopment led the Caribbean countries in the 1950s and 1960s to adopt economic policies similar to those of Latin American countries which were influenced by the "diffusion", or "trickle down" models of development. The aim of diversification was to be fulfilled through industrialization. To accomplish this task capital from abroad was deemed necessary. In order to attract foreign investment the doors were thrown wide open to foreign capital and trade. This amounted to facilitating and aiding the penetration and control of the economics by Transnational Corporations (TNCs). The links of dependence with the U.S. and European economies were strengthened and reforged.

The attempts at industrialization, thus, involved the implementation of the Lewis dictum: "industrialization by invitation". ie. industrial development or economic growth could not occur unless foreign capital occupied a position of prominence. Within these parameters various development plans were employed, all focusing on either import or export oriented approaches. All the strategies involved allowing generous tax holidays and almost unrestricted repatriation of profits for TNCs. In Trinidad and Tobago the specific policy was the implantation of a strategy.

The implementation of the Arthur Lewis dictum; industrialization by

invitation, in the final analysis it merely exchanged one form of subordination and peripheralization for another. Within these parameters various development strategies were employed, all focusing on either import or export oriented approaches. All the strategies involved allowing generous tax holidays and unrestricted repatriation of profits for TNCs.

In Trinidad and Tobago the specific policy followed was the implementation of a strategy familiar to "Operation Bootstrap" employed in Puerto Rico. In Trinidad, "Operation Bootstrap" became known as "Aid to Pioneer Industries". An integral aspect of this plan was the usual tax free incentives and duty free imports (Carrington, 1974). Dr. Eric Williams, the then-Prime Minister, thus emerged as a strong ally (or servant) of foreign capital. His government entrenched the policy of promoting industrialization through granting major concession to foreign investors.

The PNM strongly favoured a policy of industrialisation by invitation from the mid-1950s onwards. The high capital intensity of the import-substituting industries which were actually established and the relatively small-scale nature of their operations, however, resulted in very little net labour absorption. In fact the sector as a whole employed only about three-quarters of the 25, 000 people employed in the traditional sugar industry. Between 1958 and 1973 the government published three national plans. The first, which covered the period between 1958 and 1962, was known as the 'People's Charter for Economic and Social Development, and was prepared principally by Sir Arthur Lewis. Although Lewis usually advocated a combination of import substitution and export-promoting industrialisation as the major thrust for West Indian economies, in this case the structure of incentives was heavily focused on the local market. In the second plan (1964-68) state intervention in economic life featured more prominently than ever before. This resulted in the introduction of a number of institutions and laws to encourage local and foreign private investments, to provide the infrastructure for industrial and agricultural development

and to improve basic social services especially in health and education.

In addition, the state took over a number of commercial activities, including sugar, oil and certain selected enterprises in the import-substitution manufacturing sector. By 1972 the state owned 21 enterprises and employed about 30 percent of the labour force. It was often stressed at the time that, although the government was conservative and pro-capital in outlook, it was sufficiently nationalist and pragmatic to have created in Trinidad-Tobago in the early 1970s, the largest state-owned sector in the whole of the Caribbean apart from Cuba and without any recourse to labels such as 'taking the commanding heights of the economy' or 'expropriating the expropriators'.

The PNM's policies towards the major sectors of the economy (manufacturing, agriculture, tourism and other services) were so much like those of the other Caribbean territories that there is no need to discuss them here. What is important, however, is that by the time of the third five-year plan (1969-73) the import-substitution model was showing signs of rapid exhaustion and the plan strongly recommended regional integration as the best way out of the impasse the industrialisation experience of the past had created. With real incomes falling and signs of deep social unrest, the oil boom of the early 1970s came as a completely unanticipated blessing to established political and economic interests in the territory. As Farrell notes:

The economic policies of its government, centring initially on attracting investment and subsequently on import substitution, failed either to generate genuine industrialisation and transformation, or to deal with the problem of growing unemployment. The result was the 1970 Black Power rebellion which shook the nation to its foundations and threatened at one time to topple the government. Eric Williams's administration managed to weather that storm, but between 1970 and 1973 the economy continued to decline ... and Eric Williams announced his imminent retirement from the Prime Ministership and political life. Then came the Arab oil embargo and quadrupling of oil prices. These events, with generous assistance from expanded oil and gas production based on new reserves ushered in a decade of the long oil boom. (Farrell 1986, p. 8)

By 1970 this strategy had yielded minimal results. Unemployment hovered around 25%. As a result social unrest grew to the point of the 1970 Black Power uprising, commonly called the February Revolution. In response to the uprising and the economic crisis Williams announced the abandonment of the "Aid to Pioneer Industries" strategy. He declared, "Aid

to Pioneer Industries" is now a laughing stock even in Puerto Rico. Our goals in Trinidad, by contrast, are the highest levels of technological development based on hydrocarbons, leading to petrochemicals and steel. Our inspiration is the OPEC countries" (Ryan, 1989). This was a strategy at whose core oil revenues lay. Oil was to be the economic motor. Indeed the oil sector had been the major area of foreign investment and had come to dominate the economy.

OIL BOOM

Between its independence in 1962 and 1986, Trinidad-Tobago was under the political rule of one party, the People's National Movement (PNM) and, until his death in 1981, Eric Williams led the party and headed the government. Except for a nearly successful coup in 1970 (when the black power protests in the region reached their apogee) and the subsequent boycott of the elections by the opposition parties in 1971, the two-party parliamentary system of politics has survived and remains strong. By the end of 1973 the economy of Trinidad and Tobago was in a deep and all-sided crisis. The neo-colonialism in Trinidad was bankrupt. The previously noted high unemployment continued and foreign exchange reserves plummeted precipitously (by September 1973 only six weeks remained) (Ambursley, 1982). Despite the crushing of 1970 uprising the social and political crisis continued. During 1973 major labour disputes dominated the political climate and a group (National Union of Freedom Fighters) carrying out armed struggle arose. It was in this context that the 1973 Middle East War and the oil price hikes by OPEC came to the rescue.

Government revenue went from \$960 million (TT) in 1974 to \$4.4 billion (TT) in 1981. From 1974 to 1981 the country generated a surplus of \$73 billion (TT) (Sebastien, 1985). In other words, a surplus equivalent to \$30 billion (U.S.) for a country with a population of only 1.3 million was created.

The economy became one primarily based on oil. In 1970 oil accounted for 20% of government revenues; by 1976 it accounted for 70%. By 1979 it accounted for 90% of all exports (Sandoval, 1983). As a result of the oil boom and the construction activity associated with the new enterprises considered above, between 1974 and 1982 total GDP in Trinidad-Tobago (measured at factor cost in current prices) grew by a factor of nearly 5, that is from TT \$4, 000 million to over TT \$19, 000 million. Over the same period, per capita incomes (in current prices) grew from TT \$3, 937 to TT \$19, 682. Almost all the expansion centred on the performance of the oil

sector. Excluding some smaller companies, each producing less than 1 percent of total output, Trinidad-Tobago housed four major oil companies. Until 1985, two of these (Texaco Trinidad and Amoco) were TNC subsidiaries, but in 1985 the government purchased a significant share of Texaco's operations. The third company, a joint venture between the state and Tesoro of Texas, was formed in 1969 after BP's 1,500 workers, when all else failed, eventually bought BP's assets. The fourth major company came into existence after the government took over Shell and created its first wholly-owned oil company, Trintoc, in 1974. In addition, Texaco, Tesoro and Trintoc became equal partners in an offshore oil venture, Trinmar, with the distribution in the production of domestic crude as follows: Texaco 8 percent and Trinmar 22 percent. Amoco, which became the largest producer of local crude in 1977, had (unlike the other TNCs) entered Trinidad-Tobago in 1968 in search of crude, of which it was short for its world-wide operations. Texaco, which produces less than one-tenth of the local crude, came there mainly to refine imported crude. In 1986 approximately three-quarters of the domestic crude was being produced in offshore fields.

Although domestic crude is produced, the traditional focus of the oil industry in Trinidad-Tobago has been its role as an offshore refining centre. The TNCs undertaking these investments were originally attracted by the lower processing costs, the political stability of the country (which was presumed to stem from the fact that it was still a colony) and its geographical proximity to the east coast of the US where most of the oil (residual fuel) was consumed. Initially, most of the imported crude came from Venezuela, but with larger tankers and the consequent decline in freight rates, crude was brought in from the Middle East, Africa and Asia for refining. Crude imports peaked in the early 1970s at over 290, 000 barrels per day (bpd), but by 1978, had fallen to 230, 000 bpd and by 1985, to between 160, 000 and 170, 000 bpd. In 1984, there was a small 6 percent increase in output over 1983 and in 1985 a 4 percent increase over 1984, but this was the first time any increase had been recorded since three-

tenths of 1 percent of world output.

The structure of the industry is such that the country both produces and exports crude, while at the same time also importing crude for processing. This has developed because of specific company interests. Most of the oil refined and exported is residual fuel, whereas most of the local production comes from offshore fields.

The contribution of oil to GDP peaked at 48 percent, averaging 44 percent for the period 1974-77. Thereafter there was a decline and it was not until 1980 that the figure once again exceeded 40 percent. Petroleum also dominated the export trade, accounting for over 90 percent of export earnings. In 1982, however, the oil economy began to stagnate and in 1986 its prospects were still exceedingly depressing. Since 1982, the economy has had negative rates of growth of GDP in real terms, with the decline in 1983-85 being -3.8, -6.3, and -10.8 percent respectively. Foreign-exchange reserves peaked in 1981 at over US \$1, 000 million. The external debt, although not as economically significant as in other West Indian territories, stood at US \$1, 000 million at the end of 1985, about double the debt at the end of 1982. Foreign-debt servicing, which cost only 2.5 percent of exports of goods and servicing, which cost only 2.5 percent of exports of goods and services between 1970 and 1983, has since trebled. Government fiscal operations, which showed huge surpluses on current account (averaging 50 percent of current revenue in the year 1980/81) declined substantially after that period, resulting in an overall deficit on current and capital account for the first time since the oil boom began. For the year 1982/83, this overall deficit averaged 13 percent of GDP at current market prices. By 1984, this was reduced to under 7 percent GDP as government tightened its fiscal operations.

This dramatic rise in oil revenues was paralleled by a massive increase in U.S. investment. Throughout the oil boom period (i.e., until the collapse of oil prices) 90% of U.S. investment in Trinidad was in the oil industry. The control of the industry and its resources were

increasingly placed in the hands of U.S. corporations and their subsidiaries. By the early 1980s only 14% of oil production was in the hands of the government with one American company, Amoco, controlling as much as 56% (Sebastien, 1985).

Half of the surplus generated was appropriated by the major corporations. With its share--obtained through taxes--the ruling class was able to buy itself out of the crisis--precisely because of the windfalls generated by the oil boom the Trinidadian bourgeoisie was granted more manoeuvring room on the imperialist terrain. While still tied into a neo-colonial economy there was considerably more leeway for experimentation of a partial national capitalist project, as long as it did not threaten imperialism.

At the macro political-economy level of formulation, the development strategies and policies pursued by the PNM government in Trinidad-Tobago after the 1970s differed little in their main essentials from those pursued in many other parts of the region. The effective differences, where they do exist, derive principally from the huge economic windfall oil generated in this period and which was of course, specific to Trinidad-Tobago. As in other countries of the region, control to pursue the wider class project of creating a large indigenous bourgeoisie in the country. Everywhere this process has been facilitated by historical circumstances, particularly those that permitted the post-colonial state to play exceptional roles' in West Indian social life. The marked expansion in the state-owned sector of Trinidad-Tobago, which preceded the oil boom, is but one indicator of this. In Trinidad-Tobago the period after one indicator of this. In Trinidad-Tobago the period after the 1970s witnessed the use of the state power by these elements to reinforce capitalist relations within the national economy and stop promote the continued integration of the country into the international system of capitalist accumulation and reproduction. The windfall gains were used to promote this project. Such an overall policy thrust, however, could only have been predicated on the continued

CRISIS

Thus, Trinidad was seemingly able to break out of the nexus of historical and economic forces that had bound the other Caribbean countries to underdevelopment. As long as the oil sector was able to provide (1) the TNCs with the profits they desired and (2) substantial revenues for the governments, the government was ably positioned to test the "outer" limits imposed by U.S. imperialism on the possible configurations of developmental paths. However, the basic constraint on the development trajectory was one that kept it in the imperialist orbit.

At the end of 1981 the country had accumulated \$8 billion (TT) in foreign reserves. A figure that represented the value of two years of imports (Kamara, 1988). The government had a fiscal surplus of \$820 M (TT) and unemployment had dropped to 1'0% (Sebastien, 1985; Sandoval, 1982). Most notably there was no public debt.

Two connected changes in the world economy contributed to the rupture of the bubble. The most important one was the dramatic drop in oil prices which severely cut into the government earnings. The effects of the ongoing restructuring of the world economy, specifically the reorganization of the global energy industry were profound. This reorganization centred around the West's reduction of its need for oil which helped feed the oversupply of oil that led to the drop in prices. Also the U.S. oil industry was able to develop the technology to produce within the U.S. many of the petrochemicals that Trinidad produced and exported.

As a consequence of the oversupply of oil and development of new petroleum technologies, U.S. oil companies began to reduce their interests in the Trinidad oil sector. The oil companies began to significantly reduce production. This tactic forced the government to reduce taxes several times with no effect on the dropping oil production (E.I.U., 1987-88).

As a consequence export earnings declined from \$9.8 billion (TT) in

1980 to \$5.6 billion (TT) by 1983, leading from a 1980 surplus of \$2.2 billion (TT) to 1982 deficit of \$1.5 billion (TT). Revenue from oil declined from \$3.75 billion (TT) in 1981 to \$2.0 billion (TT) in 1984 (Caribbean Report, March, 1989). This led to precipitous drop in overall government earnings, and led to crisis in the other sectors of the economy.

Thus began Trinidad's present crisis. However, it must be noted that while the present phase of Trinidad's development is characterized as a "crisis," it is more accurately the deepening of the chronic crisis that has characterized the Caribbean since the advent of colonialism. The inability of the Trinidadian government to transform the economy from a dependent one is part and parcel of the whole network of structural constraints that hold the entire Caribbean in a state of underdevelopment.

On March 5, 1989, organized labour called a general strike. Labour leaders told workers to "stand firm today or be struck down tomorrow by the inhumane economic policies of the present administration" (Caribbean Report, March 1, 1989). The general strike was simply the highest expression up to that time of the social unrest that has been escalating in direct response to the IMF's austerity programme imposed on (and by) the government.

Trinidad is beset by a severe and deepening economic crisis. In the past six years the economy has experienced steady and pronounced contraction. This decline is evidenced and mirrored in the domestic drop in Gross Domestic Product (GDP) figures. In 1984 GDP stood at \$18.8 billion (TT). By 1988 it had dropped to \$15.5 billion (TT) (E.I.U., 1988-89). This amounts to an average decline of around five percent annually, attaining a peak of 7.5 percent in 1987. In 1989 the decline was four percent (E.I.U., 1988-89).

The specific cause of this decline were the factors of constriction in the petroleum industry and the plummet of world prices. Oil was the engine of the economy, and the generator of the economic boom of the middle and late 1970s and early 1980s. There has been a steady decline in crude

oil production in the 1980s . From a peak of 11 million cubic metres in 1981, production dropped to 8.5 cubic metres by the end of 1988 (Caribbean REport, June, 1989). This, coupled with the dramatic drop in world prices (from U.S. \$40 per barrel in 1979 to U.S. \$9 in 1986 and about U.S. \$18 by 1988) tremendously exacerbated the situation. As a consequence, government revenue--of which oil provided around 40 percent--shrank drastically (Black, 1988).

Oil's contribution to government revenues has declined rapidly since 1980/81 when it averaged about two-thirds of total revenue. Over the period 1983-85, this averaged 40 percent of total revenues. Total exports, which peaked at nearly TT \$10, 000 million in 1980, had declined to TT \$5, 300 million by 1985. Oil exports at over TT \$9,000 million in 1980 were less than half that amount in 1985 (TT \$4, 200 million) and as a percentage of total exports had fallen from 93 percent in 1980 to 80 percent in 1984.

Currently, the refining capacity of the local industry is several times larger than the local crude available and, with a dramatically softened oil market, the effects on the local industry have been disastrous. In evaluating the experience of Trinidad-Tobago it is important to recognise that declining output in the oil industry reflects a number of basic changes taking place within the structure of the industry at both the international and local level. First, there is the obviously important softening of the petroleum market, which has created the bust in oil prices. Second, the high price structure created by OPEC in the 1970s and again in 1980/81 resulted in concerted efforts by the US to reduce its dependence on imported residual fuels for its public utilities by encouraging a switch to coal. The reduced demand led to significant over capacity in the region's refining sector, which was oriented towards serving this market. (Thomas 1989). The traditional specialisation of the region on residual fuel is a specialisation on the cheap end o the oil barrel and not the more expensive end of the distillates and lighter fuels such as gasoline. As a result, this subsector of the regions's operations

less than 0.30 percent of the respective totals for the country. (Parsan 1981, Long 1985).

This rapid development of the new energy-intensive export sector is not only inherently limited by these marketing and other technological threats, but is also too small to make up for declining oil production and prices, the neglect of domestic agriculture and the limitations of a manufacturing sector so highly dependent on external sources for raw materials, capital inputs, spares, licences, patents, know-how and privileged access to protected local and regional markets. Moreover, there are significant income and foreign-exchange leaks from the new energy-intensive sector because foreign contractors, skilled personnel, hardware and software were used to set it up in the first instance and also because the sector has had to resort quite extensively to loan financing in the international market which has helped to increase the country's external indebtedness. The TNCs have encouraged this development as a partial hedge against risk, for they know from experience that Third World countries find it easier to nationalise foreign equity represented in local facilities than to default to loans.

In the wake of negative developments in the mid-1980s, the government adopted the classic pattern followed by other Third World oil producers, namely to cut public expenditure, restrict imports, lay off or retrench employees in the state sector, remove subsidies, tighten bank credit and introduce a more active system of foreign-exchange management. Oil revenues declined by nearly one-third between 1980 and 1985 and total revenue, which averaged TT \$6, 400 million in 1984/85. State expenditures declined from a peak of TT \$9, 500 million in 1982 to TT \$7, 500 million in 1985. Most of the cuts were in capital expenditure, which had increased at an annual rate of over 40 percent between 1974 and 1981 and declined by over 50 percent for the two years of 1983 and 1984. In addition, subsidies to a wide range of essential goods and services were cut at an annual rate of over 50 percent between 1979 and 1982. Oil exports were more than halved

between 1980 and 1985 and, to offset this, imports were reduced by about 40 percent over the same period. Foreign-exchange control mechanisms were put in place and, towards the end of 1985, the exchange rate was placed on a dual-rate system and devalued by 50 percent for most imported commodities. Many of these policies, particularly attempts to tighten up on non-essential imports, capital flight and luxury consumption at home, came too late, since most of the losses had already been incurred at the height of the oil boom when, as one calypsonian put it, Trinidad-Tobago was a place where 'capitalism gone mad'.

It has not only been the dominant oil industry which has been mired in crisis. The non-oil sector, the manufacturing (essentially textiles) and agricultural (essentially sugar) sector, has found itself in a similar condition of stagnation and decay. Between 1984-88, the non-oil sector has experienced an overall annual decline of -6.3 percent. This decline reached a peak of 7.9 percent in 1987, and is still continuing apace (Caribbean Report, March, 1990).

The six years of severe economic contraction has exacted a terrific price on the labour force. The ranks of the jobless continue to grow by leaps and bounds. Unemployment has soared, rising from 15.5 percent in 1985 to 22.3 percent in 1987, to around 25 percent today (E.I.U., 1988-89). Moreover, it is common knowledge that the actual figures are much higher. From this writer's experience in this country, the actual figure would presently stand between 30 and 35 percent. Among the youth, the figures, both official and actual, are even worse: 40 to 50 percent among the ages of 15-19, around 40 percent in the age group 20-25. In short, the number of unemployed in a population of 1.2 million lies somewhere between 150,000 and 180,000. In 1989, some 15,000 people had fled the islands as economic refugees (Caribbean Contact, March, 1990).

Per capita income has also declined substantially. From a per capital income of U.S. \$^, 760 in 1984, it steadily declined to about U.S. \$4,200 in 1989 (Caribbean Contact, March, 1990). The per

capital figures and the jobless rate are an indication of the deterioration of the life of the people, particularly the working class, small farmers & peasants. A major element in the living conditions are the draconian measures the Trinidad and Tobago government has employed, as it attempts to overcome the crisis.

The current regime, led by Prime Minister A.N.R. Robinson, is shifting the burden of this crisis onto the back of the working people as its "solution" or way out of the crisis. As part of this whole process, the government has slashed social programs; the most telling example of this was the elimination of the Cost of Living Allowance (C.O.L.A.). A series of wage freezes and wage cut was imposed on the entire public sector. Concomitant with these measures is increased taxation, leading to an increase of tax revenues in 1989 by a total of TT \$235.1 million. In early 1990, a new Value Added Tax (V.A.T.) was put in place, imposing a new across-the-board 15 percent tax on everyone, regardless of income. In this way, the regime expects to raise an additional TT \$863.3 million (Caribbean Update, January, 1990). The wage cuts and Tax hikes have had a tremendous effect on the living standards of the people.

Tied to this is the question of servicing the national debt. This now stands at around U.S. \$9 billion (Caribbean Report, January, 1990). In the eyes of the people, the government is seen as being caught in the I.M.F. debt trap. For instance, in 1989 alone the cost of debt servicing increased by TT \$246 million or 35% over the budgeted estimate. The total interest payments on loans had reached an incredible TT \$933.6 million. In the 1990 budget, this cost is estimated to rise to TT \$1,056.6 million. This means that 19% of recurrent expenditure is committed to foreign and domestic loan interest payments (Caribbean Report, February, 1990).

This brief economic overview shows that a deep, ongoing and all-sided crisis has Trinidad and Tobago in its vice. It is a crisis obviously of the social and economic system there--of capitalism. The major characteristic around which all the rest revolve is the obvious shortage

of capital. This capital crisis is (as noted) primarily the product of the plummet in oil prices. The sector of state capital has been in crisis and outlines the parameters of the present crisis. The crisis faced by the country is one of capital accumulation. The actions of the state, in the form of the policies of the National Alliance for Reconstruction government (N.A.R.) regimes, is then viewed as a new project of national capital accumulation initiated by the Trinidad and Tobago bourgeoisie.

Most importantly, this crisis of national capital accumulation must also be considered in terms of the all-sided crisis of world capitalism, with the economic crisis at the base. The state capital has always been subordinate to the needs of international capital providing (1) expenditures for infrastructure that facilitated the exploitation of the country by international capital; and (2) outright subsidies.

The subsidization is carried out by the takeover by the state of areas of production that are no longer profitable enough for international capital. The major examples, in the case of Trinidad and Tobago, abound in the oil sector. The American oil corporation Amoco, which produces over 50% of the crude oil, along with other monopolies working in the country such as Texaco, have had their taxes cut substantially. Taxes paid by the foreign oil companies plunged from \$3.5 billion to \$1.5 billion. This amounts to a change from representing 50 percent of state revenues to 23 percent (Report of CPTT, 1987). At the same time, nationalization of the Texaco refinery at Pointe-a-Pierre was carried out. An out of date, run down refinery, a fact known to the government, was purchased for millions of dollars more than it was worth. Such "nationalization" has not altered in any way the exploiting and enslaving role of international capital and the Transnational Corporations. On the contrary, they have increased and intensified the expropriation of capital and the exploitation and oppression of the working people of Trinidad and Tobago.

The Transnational Corporations are escalating the tremendous profits they make from the islands. And these profits, to be frank, plunder, are

appropriated by a handful of giant foreign companies. Between 1956-1967 \$908.3 million dollars were invested in Trinidad and Tobago's oil industry, while 1, 410.9 million dollars were taken out. (McIntyre and Watson, 1970). In other words there was over a 50% (55.33%) return. This imbalance between capital inflows and capital outflows has characterized the Trinidad and Tobago oil industry. In 1982, for example. the investment going abroad (i.e., the outflow of capital) was officially \$186 million. By 1986 the figure had risen to \$1,123 million-- a colossal increase cumulative total of \$3.2 billion was taken out of the country. In short, for every dollar invested in the country, five are taken out.

This increase in the rate of imperialist exploitation is directly related to the crisis of state capital and the world crisis in general. Unable to reap the subsidies from the state as in the past (due to the drop in oil prices) the TNCs, in order to maintain their high levels of monopoly profit and offset the general falling rates of average profit and the sharpening of the competition that characterizes the present period, must increase their exploitation of the LDCs (Kolko, 1988). Consequently, as Trinidad and Tobago occupy a subordinate position in the capitalist world economy, the capital accumulation project of its bourgeoisie is subordinated or shaped to the needs and interests of international capital (Ambursley, 1983). In the case of the Caribbean as a whole this subordination is most pronounced in relation to U.S. capital, and is a function of U.S. imperialist domination of the islands. Thus, the actions of the Trinidadian bourgeoisie attempting to restructure the world economy.

In the case of Trinidad and Tobago (and the Caribbean) the impact is mostly felt from the restructuring of American imperialism (Watson, 1988).

Within this whole framework of restructuring, the role of supranational institutions (Primarily the I.M.F. and World Bank) assume great importance and becomes crucial to assessing the role of this international bourgeoisie and the maintenance of neo-colonialism in the present grave crisis. The I.M.F. and World Bank function as promoters and

protectors of the biggest monopoly capital interests throughout the world economy, and are an organic and constituent part of this imperialist capital. This role has been "reshaped" in the context of the current crisis (Kolko, 1988). This change in shape is merely to sharpen its policies so that international capital can further its penetration, control and plunder of the working people and resources inside and out side the country, ie. the periphery.

Acquiescence to the recent I.M.F. lending programmes is tantamount to the complete sell-out of a country's economic and political sovereignty. The loans and credits advanced are not done without the prior calculation of the political and economic profits they will draw from the recipient state, taking into account both its economic potential and its ability to pay. In no case are these loans and credits provided for the development and construction of genuine national economies, but to bind t hem ever more closely into the spider's web o world imperialist capital. They provide them to destroy national economies. This process has been called "economic genocide" (Chusodovsky, 1991). Therefore, a genuinely national state will not accept such "development aid, " in any form, from such institutions.

The imperialist financial schemes of the I.M.F., under the name or guise of "structural adjustments," are imposing on Trinidad and Tobago heavy burdens. These measures include the usual austerity measures being advocated by the I.M.F. as a condition to receive debt and financial considerations by the mass of debtor countries throughout the world:

- (1) currency devaluation (carried out in 1985, 1987 and 1988) which has resulted in a 80 percent drop in the value of the country's dollar, rendering it virtually worthless;
- (2) drastic reduction in government expenditures by cutting wages and salaries to working people in the public sector and significant retrenchment of workers through layoffs and attrition (in 1988 the cost of living allowance was cut, and the 1989 budget resulted in a 10 percent cut in salaries for public sector workers--a measure to be carried through 1990, with wage freezing being imposed in many industries in the private sector;
- (3) increased cost of utilities such as electricity and water rates and slashing the expenditures of social capital by the

state , with the removal of subsidies from health care, education and social services in general, the slashing of school food and book allowance programmes in particular; additional "user pay" surcharges in this sector, such as the introduction of a health surcharge in 1988; and

- (4) draconian anti-labour legislation, such as the attempts to implant "economic free trade zones," as well as restrictions on the people's political liberties and freedoms. Designed for foreign multinationals, these zones were to be exempt from any labour laws of the Trinidadian state, as well as the multinational would be exempt from taxes, until blocked by massive popular resistance.

The entire crisis, therefore, has been shifted onto the backs of the masses of working people. In doing so, in advancing such funds to the recipient country such as Trinidad and Tobago, the I.M.F. takes into account, as mentioned, its ability to pay, one of the major factors being enforcing labour stability and stifling social unrest. Indeed, it can be said that in measuring the tribute to be collected, the I.M.F. gauges the exact extent at which popular revolt can be averted. Together with this is propagated and orchestrated an entire anti-social, anti-national propaganda and psychology. This response by capital is its reflex response to the onset of the current economic crisis, and it's deepening and broadening, and is furthered by the conscious presentation of various rationales. As Kolko writes

In capitalist ideology the crisis is always attributed to labour that must bear the cost of restructuring the economy for renewed profitability. Capitalists routine arguments cite labour's strength or full employment as a "rigidity" causing inflation and preventing the necessary "readjustment" of the economy to resolve the crisis. Wages, they claim, take a larger share of national income, inhibiting investment; labour's militancy prompts relocation and, therefore, is responsible, along with the minimum wage and unemployment compensation, for unemployment. Welfare measures cause deficits and are now expendable, the tax on corporations for social security is a drain on capital that could be invested, and so on. (Kolko, 1988, pp.91-92).

Robinson's IMF prescription came as a cruel blow to working people, many of whom had switched allegiance from the PNM when evidence of the latter's criminal record of corruption and graft became more and more publicly known during the early 1980s. The presence of the ULF in the ruling coalition lasted long enough to feed illusions that the new government might respond to the needs of the nation's working class, but Panday and his colleagues soon departed, giving Robinson a much less diluted consensus for his Caribbean version of Thatcherite policies. The public sector labour movement rallied for a one-day strike by teachers, bus

output in 1984 was just over one-quarter of output levels achieved since the Second World War. As with other sugar-producing territories in the region, this decline did not reflect a phased withdrawal from sugar but the mismanagement and poor organisation of the industry at all levels. Cocoa production at 1, 307 metric tonnes in 1985 was also less than one-third of the 1975 output, while in the same year coffee fell to about one-half of its 1975 output. Citrus production also showed a decline.

The overall result of all this was that, by 1985, per capita consumption of imported foods was estimated at less than one-third of domestic consumption. Meanwhile the TNCs have dominated other sectors of the economy and have generally prospered, particularly in such areas as dairy milk (Borden and Nestle), feeds and grain (Central Soya, Pillsbury and International Multifoods), juices, biscuits, preserves and concentrates (Unilever and Nabisco), beer (Guinness and Heineken), soft drinks (Pepsi-cola and Coca-Cola) and fast-foods outlets (Pizza Hut and Kentucky Fried Chicken).

In the case of the domestic assembly/manufacturing sector, output performance since 1980 has been mixed despite the state's protection. This is partly due to the recession and partly to the failure of these products to capture significant shares of the regional market. For example, far fewer radios were produced in 1985 than in 1980, whereas television production was up by over a half. Gas cookers were about one-seventh below their 1980 output, but the production of motor vehicles grew substantially from under 12, 000 in 1980 to nearly 23, 000 in 1984, only to fall by nearly a half in 1985. Domestic cement output expanded so significantly since 1980 that by 1984 the product was no longer being imported. It has frequently been claimed that one of the major factors affecting the regional export capability of the manufacturing assembly sector in Trinidad-Tobago has been the high wage/high cost inflationary economy which materialised with the oil boom. This factor is also blamed for the weak performances of the traditional export crops, although there is ample

evidence that other circumstances may be of at least equal importance. The 50 percent devaluation introduced in 1985 was mainly designed to rectify the situation produced by inflationary wage increases and an overvalued exchanged rate.

In evaluating the PNM's policies, it is also important to look at the nature of the relationships which have developed between political leaders, top state employees and the TNCs corporate leadership, for a considerable amount of evidence has been unearthed over the years of bribery, corruption, nepotism and criminal negligence in the disbursement of public funds.

A number of scandals been reported in the press involving the purchase of aircraft for the national airline, the proposed construction of a horse-racing complex, ISCOTT, the handling of import licences, foreign-exchange remittances and customs administration at ports of entry, to name but a few. One source estimates that as much as one-quarter of the windfall oil revenues has been wasted through corruption and negligence. If to this we add the gross inefficiencies which have been disclosed in project preparation and feasibility analysis, the social cost of the investments has been unbelievably high. To cite just one example, the final cost of installing ISCOTT was nearly two-thirds higher than the original estimate.

To conclude, there seem to be four major lessons to learn from Trinidad-Tobago's experiences. First, even with windfalls of the magnitude obtained by Trinidad-Tobago, economic transformation in the region is no easy task. The intractable nature of the economic and social elements of the system should never be underestimated, for the historical tendency to reproduce discrepancies between resource use, production, consumption and the basic needs of the broad mass of the region's population has been formed by centuries of slave and colonial domination. Difficulties of this magnitude do not simply disappear with an abundance of foreign exchange, or, for that matter, of any other resource. The pro-capital conservative

policies adopted during the oil boom masked rather than removed the economy's basic structural weakness.

Second, responsibility for the use (or misuse) of resources during a windfall ultimately lies with the classes, strata and groups who control the state and who own and control the means of production. The link between these various social elements is what keeps the momentum of the system going. The petty bourgeoisie pioneered the drive for energy-intensive industries and it is important to recognise that, although this was presented as an attempt to transform the economy and the society as a whole, it was actually designed to transform the country's petty bourgeoisie into a big industrial bourgeoisie. It is therefore not coincidence that the Point Lisas proposals originated from a group of ambitious businessmen and that it was only with the oil boom that the initiative was taken over by the state. As it has turned out, the massive investments in this sector not only led to a substantial siphoning off of public funds into the private hands of corrupt leaders, but also brought prosperity to a range of increasingly important local petty-bourgeois interests (subcontractors, engineers, architects, financiers, accountants, estate agents and property developers) who turned the services they offered into lucrative business ventures. It is also not surprising that many of the financiers associated with the Point Lisas project's scandals and 'ripoffs' were also heavily involved in dubious deposit-raising and loan schemes. The dominant local classes, however, were prepared to accept their junior status in the system of international capitalism. Throughout the period they vigorously pursued links with the TNCs and welcomed state initiatives in this direction. Since these groups had many links with the US and Europe, they staunchly supported an 'open system', for it protected their assets and offered them unrestricted access to foreign exchange with which to finance their personal travel abroad and their conspicuous consumption at home. The end result was a colossal social waste of resources.

Third, because of Trinidad-Tobago's abundant supply of natural gas (it is among the ten leading countries in the world), energy-intensive industrialisation is bound to play a part (despite the disappointments it has brought) in any foreseeable transformation of Trinidad-Tobago's economy. Opponents of this strategy argue that a country should exploit the resources it has and that the energy-intensive industries of the sort being promoted in Trinidad-Tobago (especially iron and steel) are in structural decline and should therefore not be developed. As Farrell argues:

The essential conception behind Point Lisas was not only seductive but intuitively seems both logical and correct. The basic idea was that Trinidad and Tobago was rich in natural gas and that it should go into industries which were energy intensive and gas intensive. Trinidad and Tobago would have a natural comparative advantage in such industries ... this notion which seems intuitively correct is notions which seem intuitively correct, but are in fact false ... the truth about industrialisation and what industries a country should get into is ... counterintuitive. The truth is that for a small country which has to export, the first criterion in the list needed for deciding on what to get into has to be what is in demand. In what areas is demand on a secular upswing. Those are the commodities to try to get into. Your cheap and abundant resource may or may not be relevant to such areas. If it is, great, if it is not, then that cheap and abundant resource is not as valuable as you might intuitively think it is. It is important not to confuse the use fullness of something with its value. (Farrell 1986).

The flaw in this reasoning, however, is that the world economy is replete with examples of countries discovering an abundant resource for which they then create a world demand through skilful development, promotion and marketing. There is no reason why the Caribbean should not do the same. Rather than making the energy-intensive sector the central pivot for development, it would surely be preferable to use the sector exclusively for extending the foreign-exchange earning potential of Trinidad-Tobago's resources. What form of development the natural gas takes could then be determined in the light of what plans are being developed for the effective use of the foreign exchange. These criteria were given insufficient attention in the initial feasibility studies for the project, which laid far more emphasis on projected industrial diversification than on net foreign-exchange earnings. Consequently, as with the processing of sugar or production of alumina, this type of

CHAPTER THREE

THE NEO-COLONIAL STATE

In appreciating the situation of a peripheral country in relation to the world economy and its lack of autonomy in terms of opposing the measures of the IMF and World Bank, it is essential to recognize that the internationalization of capital, above all financial capital, has created and consolidated an entire system of inter-state linkages with the "Third World" integrated into this system in a subordinate way. In other words, there exists a world imperialist system that can be viewed as an integral whole (Lenin, 1982). The system is now in crisis and is attempting to restructure itself out of the crisis by intensifying the exploitation of workers in the poor countries, and by intensifying the plunder of Third World countries (Watson, 1988).

In terms of Trinidad and Tobago, a further understanding and realistic appreciation of its position in world capitalism can also be served by the exploration of the dependent capitalism and class structure of the Caribbean, which is beyond the present bounds of this chapter. The "development" process a whole--the actions of the national bourgeoisie in the economic and political spheres--has always been conditioned by external constraints, except in those cases where (if only temporarily) a break with imperialism has occurred. In short, Trinidad finds the root of the present phase of crisis in the almost total domination of its economy by US imperialism and, as US imperialism restructures itself, the costs of this domination have gone up.

The economic crisis in Trinidad and Tobago has been conceptualized as one of capital accumulation, from conditions of capital scarcity generated by the present economic crisis. The method or problem of how Trinidad and Tobago (and the Caribbean in general) acquires capital is one aspect of accumulation in the periphery. In understanding capital accumulation in the periphery it is essential to appreciate that the structure of world capitalism revolves around a core of developed capitalist countries whose

interests lie in maintaining hegemony over the entire system. This domination is manifested in their control of the conditions under which countries in the periphery obtain capital.² Capital accumulation in the Third World is regulated and engineered by external forces. Transnational corporations and transnational organizations all function in unison to impose conditions of national capital accumulation in the periphery that serve and augment accumulation on the world scale.

THE STATE

The state in the periphery is then seen as conditioned and shaped to serve international capital. Thomas has emphasized this role of the state in the Caribbean in his works. He pinpoints the origin of its comprador nature in the interaction of internal transformation and external penetration. The evolution of the Caribbean state finds its historical genesis within the parameters of global imperialism: first, European imperialism, then US imperialism (Thomas, 1984). The state therefore functioned as an imperative within the parameters established by historical linkings between the imperial centres and the local ruling classes.³

The internationalization of capital was (is) primarily based on the expansion of TNCs. The multinational companies are levers of imperialism and one of the main forms of its expansion. They are pillars of neo-colonialism and affect the national sovereignty and independence of the countries in which they operate. But it is the imperialist state (s), i.e., imperial centres, that creates and consolidates and solidifies the environment in which international capital TNCs is dominant. Petras notes that it is the imperialist state apparatus that delineates and creates the condition under which world capital accumulation can take place (Petras, 1981).

²The capital scarcity in the periphery is of course the result of a capital drain from periphery to center: a result of imperialist relations.

³The state must be understood as an historical process.

The imperialist state is able to coerce (by applying various kinds of pressure) Third World countries to capitulate to conditions imposed on them from without. This is, of course, essential to facilitate the internationalization of capital and its rule. The same total of the activities of the imperial state is to ensure pro-imperialist outcomes.

Petras locates the subordination of the peripheral state to imperialism in the linkage(s) between the imperial state and the peripheral country. He understands imperialist domination as based on three factors: (1) the ability to penetrate another country's social structure; (2) the creation of double linages; and (3) the maintenance of collaborator classes (Petras, 1981). Petras argues that imperialist domination is centred around the collaborator classes that sell out the economies and political sovereignty of their countries. Petras characterizes these countries as being imperialist where the superstructure (ie., cultural, political and military spheres) are utterly penetrated and controlled and can now be shaped and wielded in the image the imperialist seek. This superstructural penetrating, almost by definition, necessarily mirrors the penetration and domination of the economic base. Petras notes that vital sectors of the economy of LDCs are effectively under the control of foreign capital (Petras, 1981).

This characterization of the state in the periphery as a comprador state under the control of comprador classes is quite an accurate description of the state in the Caribbean region. Foreign capital did not supplant the local bourgeoisie as these societies themselves were the products of the colonial powers (Barry et al., 1984). The economic policies and "development" strategies are geared to serving the needs of international capital via the imperialist centres. "The kind of goods produced, the terms of exchange, and the direction of exchange all maximized gains to the imperial centre and the principal classes and institutional members within the collaborator state. "Subservience of the nation to the interests of US imperialism" has been the sin qua non of the

Trinidadian and Tobago state (CPTT, 1987, p. 9).

Jalee poignantly equates the world economic system as one of constant plunder of Third World resources. He observes, as do Petras, Thomas and many others, that the imperialist countries monopolize and perpetuate their dominant economic position in the world economy so as to accrue all the benefits or, as Jalee puts it, "to reserve for themselves that industrialized process which multiplies wealth" (Jalee, 1969, p. 130). This relationship has resulted in the disappearance of the Third World countries' autonomy. Petras further notes, along with Ambursley among others, that the insertion of the Third World into the world capitalist economy together with the internationalization of capital has created the condition whereby capital accumulation is one compromised of individual sub-projects. Thus, the peripheral state functions to preserve and reproduce the social order in which capital rules and under which capital accumulation on the world scale can take place. The domination of peripheral countries such that their national capital accumulation projects serves the imperial centres is essential to the perpetuation of the system.

The power of TNCs and other transnational organizations is then seen to be rooted in their ability to alter the political behaviour of the state of given country, in order to ensure the conditions necessary for the perpetuation of international capital. By their domination and control of various structures of these countries, transnational are able to impose their conditions of behaviour (Watson, 1985). Watson writes, "The domination by TNCs of importance markets in the functioning of the system, as well as their insertion in the dominant social structure allows them to exert effective political pressure within the host society" (Watson, 1985, p. 139).

Third World countries are thus subordinated to the needs of international capital. The links of countries in the periphery with imperialist capital are the determining factors in outlining the conditions

under which periphery capital accumulation takes place. Petras further argues that the investigation and explication of the conditions under which capital accumulation takes place and its impact on class structure clearly delineate the process of capital accumulation (Petras, 1981). The conditions of capital accumulation refer to the nature of the state and class relations. The impact of capital accumulation on class structure are: class formation, income distribution, and social relations (Petras, 1981). The tyranny of international capital is almost absolute as 'the foreign component is clearly dominant in internal as well as external relations' (Petras, 1981, p. 39).

Countries in the periphery are subordinated to the conditions under which capital is made available. At the same time, capital is expropriated from the country: a vicious circle. Precisely because they (ie., the comprador class) are tied to international capital they are unable and unwilling to initiate an indigenous capital accumulation projects; thus, they rely on capital from the imperial centres. This is reflected in the outward looking or extroverted path of development: the capitalist modernization path. In the case of the Caribbean, we saw this manifested in the Lewis model, which was merely a variant on the Puerto Rican model. The Caribbean Basin Initiative is merely the reissue of "Operation Bootstrap" under a different guise.

The result has been the acceptance of being subject to conditions imposed from without. These countries then become imperialist countries. The conditions of imperialization are set by the process of peripheral accumulating. It is on this basis that dependent development is set in motion. The allocation of the capital required to fuel these outward looking development strategies is determined by the imperial centres and the conditions and parameters they impose in order to realize their interests.

The state is only intelligible with reference to its relationship to the economy and the social relations of production that the later

implies. (Poulantzas, 1979). For the state is above all a condensation of social relationships, the cohesive force of a conflict ridden society, a force for order, and ultimately a relation of power between antagonistic social classes. (Engels, 1972). Through its role as 'regulator' or 'social' gendarme, the state endeavours to moderate or to contain the various contradictions of which it is a product to maintain order and social cohesion. In so doing, it upholds the interests of the class which dominates the social order and acquires its character in the process.

The class character of the state is thus defined not only in terms of the type of state but also in terms of the form of the state. The later in the Third World is determined by the objective interests, positions and strength of the various social classes in the international class struggle. And it is by locating its place in this struggle that the nature of the class in charge of the state and its particular imprint on the form of the state can be determined.

In the Third World the major dimension of the international class struggle impacting on it is the contradiction between the Third World as the underdeveloped portion of the capitalist system still struggling to develop economically and the imperialist countries which continue to dominate.

When the class in charge of the state promotes or accommodates itself to neo-colonialism, and thus sides with imperialist capital the state can be defined as a neo-colonial state, a dependent capitalist state which helps to further integrate and subordinate the social formation within the world capitalist system. An obvious corollary is that such a state is not properly structured to undertake development tasks.

THE CARIBBEAN

The study of a particular aspect of the periphery under study of a particular aspect of the periphery under very specific conditions. The whole Caribbean experience, while differing from island to island for

economic, social, political and historical reasons, can be generalized as a baseline of analysis for the whole region. This has been the focal point of Clive Thomas' work which has focused on the role of the state and the origins and dynamics of Caribbean socio-economic formations.

The state in the Commonwealth Caribbean finds its historical genesis located within the era of British colonial rule and the global parameters of European imperialism. The state was in itself an outside intervention because the internal conditions for its emergence did not exist--before colonialization there was no class society. The original Caribbeans--the Arawaks and Caribs-- did not require a state to preserve their societies. Ritual and habit sufficed to fulfil this role. The first Caribbean ruling class ---the dominant white planter class---came from outside the region (thomas, 1974). The state in the English-speaking Caribbean arose not from the internal motif of the Caribbean society but was an exigency of British colonialism and the inevitable spread of capital relations of production. One of the functions of this spreading capitalism was class formation such that the new state-based societies could be integrated in a subservient mode to the metropolitan powers. Thus, in a very powerful and concrete sense, what exists in the Caribbean "dependent" capitalism. The class structures have in many senses been dependent class structures.

The point of briefly stating the above is to draw out that from the very beginning of state formation in the Caribbean--ie., with the intrusion of colonialism and, then, capitalism--the dominating factor has been external forces and constraints. Hence, very often internal configurations and constraints are reflections of what is taking place in the international system.

Some writers, the most well-known being Carl Stone, have argued that the state in the Caribbean has been an economic stabilizing factor in the post-colonial period (Ambursley, 1983). They argue that without the role of the state in prompting and managing economic development, trying to solve unemployment and broadening the productive base of the economy of the

economies, the islands would have been more severely buffeted by the latest long crisis of capitalism that begun in the early 1970s and was marked by the breakdown of Bretton Woods and the "outbreak" of the oil crisis in 1973. However, what is not noted is that the extension of the state in the Caribbean (as has occurred in and characterized the periphery) was the response to the exigencies of the realities of the present world capitalist system in attempts at national capital accumulation. For years, the impression has been given that massive aid and investments together with the formation of regional market would solve the inherent economic problems, and this would automatically solve the other problems. The West Indies Federation of 1959, CARICOM of 1973 and the Caribbean Basin Initiative of the USA have followed one after the other in the name of "restructuring" the economies.

The inability of the Caribbean to compete in the world market is reflected in the debate about the necessity for the introduction of appropriate technology into the Caribbean which is mainly a reaction to the restructuring that is taking place in the world economy--the impact of the world capitalist crisis on these countries, as the more developed countries on the basis of the "computer revolution" strive to enhance the productivity and profitability of their enterprises. Watson argues that this debate is merely evidence of the failure and inability of Caribbean governments and technocrats to deal with and find a path through the global restructuring taking place (Watson, 1988).⁴

Within this context, the Reagan administration formulated the Caribbean Basin Initiative as the strategy for economic development for the region, along with renewed propagating of the theories trying to convince the peoples that the day of nationalism and independence, of what are called with chauvinist arrogance, "microstates", are allegedly outdated and out of step with "modern times" and the necessity to adapt to the new

⁴See Chapter Five "Technological Revolution and the Caribbean."

conditions existing in the world today, the changes that capitalism and imperialism have undergone. Allegedly, the islands are "too small" to exercise the legitimate rights of a sovereign and independent state, to develop a self-reliant economy, to be anything but a neo-colony, a satellite, under the tutelage of the great powers. With all their propaganda and theories, including the prescriptions for a new modus vivendi, a hybrid "new society," for an "interdepent world" and "Western civilization and values, "American imperialism and its apologists have tried to negate the incontrovertible truth that the legacies of centuries of economic backwardness and super exploitation have not and will not be overcome within the structures and chains of the imperialist centre. Indeed their aim has been to expand their sphere of influence within the Caribbean in the face of penetration by its old and new competitors in their mutual struggle for redivision of the world, consolidate the bourgeoisie-capitalist states which base their existence as states on US imperialism, and to disorient the people, to convince them that future prosperity, freedom and social progress will only be found by tying themselves more closely with the imperial centre--that is, reinforcing external shackles of dependency and a new internal imbalance of wealth and power! These theories and concepts also form the legal-theoretical-technical basis for the "integration" of the islands under the US dictate. The CBI mitigates against Caribbean unity and self-reliance with a primary economic aim being the fight for new markets, for spheres of influence, new sources of cheaper labour, power and zones for investment and capital exports for US companies, to monopolize sources of raw materials--to extend its neo-colonialism. Indeed, the CBI is only one aspect of the US restructuring strategy--an aspect that is designed to further and deepen the integration of the region into US imperialism (CPTT, 1987).

Part of this integration involves bringing the Caribbean into line with its military structures and processes. An integral part of its restructuring and strengthening of its sphere of influence involves the

shifting of the US administration of the burden of its military costs onto its "allies" and the bourgeois capitalist states that base their existence as states on the USA. The CBI was preceded by the formation of the Caribbean Basin Command by the Carter Administration in 1978-79 as part of the "new policy" of US imperialism--the genesis of the Rapid Deployment Force-- and has been accompanied by a wide series of economic, political and military activities as part of a whole strategic plan in the region of the Caribbean and Central America for the purpose of extending its expansion and hegemony (Seed, 1989). The US invasion of Grenada in October, 1983 was followed by intensive involvement in strengthening the police and military forces of island states, characterized hitherto by the absence of standing armies, especially the creation of para-military forces linked directly to the Pentagon, the rising report of arms, and the establishment of the Regional Security System, along with the investment and credits to those states and cliques in which they have established their influence and domination. These are presented as concessions, as contributions to regional unity and integrity, as part of the restructuring of the Caribbean with the participation, consultation form and collaboration of the member states, while the American forces which landed in Grenada were presented as a Caricom (Caribbean Community) Peacekeeping Force. While the Caribbean governments explain these "negotiated" commitments to their sovereignty and defence, it is quite apparent that all the strategies and policies are made in Washington. Such concessions are new methods to replace the old, brutal previous methods, but such concessions not only cause them no harm, do not threaten their system, but in fact are expressions of the US dictate and blackmail to cope with the national liberation movements of the peoples of the islands who aspire to liberate themselves from the yoke of world capital, especially from US imperialism.

Notwithstanding this growing militarization, the new assault on national sovereignty and the failure of foreign investments to solve the

growing crisis, the endemic mass unemployment, rising social crime and so forth, the Caribbean governments continue to tread down the same old path. Despite the fact that long term investment and real economic growth has been anything but encouraging the political directorates of the English-speaking Caribbean countries continue to adhere and actively pursue the same old development strategies based on the Puerto Rican model. There have been the implementation of resource-based industrialization partially followed at one time or another by Guyana and Trinidad; export-oriented industrialization (the characteristic of the majority of the islands) and import substitution industrialization.

The development strategies implemented almost invariably have never challenged US domination. Jamaica under Manley from 1972-80 did not, as frequently portrayed, constitute a serious attempt to escape the tutelage of the USA. The Manley years merely amounted to the attempts to renegotiate the terms of imperialist dominant of Jamaica (Ambursley, 1983).

As inoffensive as Manley's form of "democratic socialism" was, even this attempt to gain a few degrees of freedom to manoeuvre with world capital ultimately proved unacceptable to US imperialism and was met with a series of concerted external and internal destabilization measures orchestrated by the IMF and the CIA. With its rhetorical emphasis on anti-US imperialism and an allegedly independent development model--the so-called "non-capitalist path of development"--oriented towards socialism, the Grenada experience was more radical (Pineiro, 1984). The US invasion aimed at enforcing its dictate over the national liberation movements and popular struggles in the region.

Grenada had also fallen into the trap of relying on one form of imperialism, Soviet imperialism, as a way out from the yoke of another, US imperialism, while preserving the rule and privileges of a governing section of the bourgeoisie of the island linked with the New Jewel Movement and the government of Maurice Bishop. As with Jamaica, the invasion was preceded with a series of external and internal destabilization measures,

with the pressures leading to the breaking out of internecine factional struggle within the bourgeoisie, facilitating the outright US invasion and occupation.

CONCLUSION

The Monroe Doctrine of 1823, with its thesis of exclusive American sovereignty and sanction against interference by outside interests, remains the fundamental pillar of American policy in the hemisphere, the pole for the "intercontinental" and "Pan American" foreign policy of the successive American administrations. Its reaffirmation by the Reagan administration--in a speech to the Canadian Parliament 1981--and then by the Bush administration is part of the ideological justification of US imperialism of its dictate, as clearly shown by its response to the developments in Grenada, Nicaragua and most recently, Cuba. Indeed, the specific "justification" given by Washington for the Grenadine invasion was the Soviets, not the Grenadine people, were the real masters of the people's destiny. This is a reformulation of the colonial, racist theses that the black and other peoples are incapable of self-determination, rule, development and culture without the tutelage of the master race: the Yankees.

Thus, the USA openly advertises that the Caribbean forms its private "backyard" and its internal sea an American lake (Palmer, 1979). The capitalist states in the region have the precise function of fulfilling this hegemonic conception. From the time the region passed from open and direct European (British, French, Spanish and Dutch) domination to US neo-colonial domination, the role of the state moved simply from being elements in the British order to that of carrying out this function within the US order. Within the limits set out by the reality of this relationship, the various development strategies noted have been implemented. but they have always been a variation on a theme--an archetypical model with the main aim of deepening the hold of world imperialism.

CHAPTER FOUR

THE RELEVANCE OF THE EAST ASIAN EXPERIENCETO THE CARIBBEAN

INTRODUCTION

In place of the great hope of seeing a process of development inexorably unfold in the "Third World", there now stands profound disillusionment. Development in many cases has broken down, if not downright collapsed. However, many have emphasized the economic successes of the newly industrializing countries (NICs), particularly the East Asian NICs (the so-called "Four tigers" - South Korea, Taiwan, Singapore and Hong Kong). The "conclusion, thus drawn, is that the only development possible is one that surrenders itself (albeit "intelligent") to the working of the world economy. Therefore, Ipso Facto, the example of the NICs should be followed, and the illusions, no delusions, of alternative paths should be abandoned, especially as socialism ("real" and/or existing) is in crisis, and those countries are now obliged (forced) to recant and seek reintegration into the world economy.

This chapter, challenges this view by arguing that the East Asian NICs were the products of a particular conjuncture and confluence in the world economy, that created conditions in which intelligent development planning could then have an appreciable and meaningful input and affect. Furthermore, these enabling conditions were historically specific to the East Asian NICs, thus rendering it a non-republicable "miracle": a product of structural interactions rather than farsighted and practical technocrats. The differential performances of East Asian NICs (excluding the city states of Singapore and Hong Kong) and Latin America (with specific reference to the Caribbean) will serve as the empirical core around which the argument will revolve.

The conceptual framework employed in one based on the assumption that the world comprises a single capitalist world political economy. Thus,

the various countries of the world are not simply separate elements with parallel histories, but parts of a whole reflecting that whole. Since different parts of the world play, and have played, differing roles in the capitalist world political economy, they have different socio-economic profiles. But to understand the internal dynamic of a particular state, we must first situate it in the world political economy.

The NICs have been characterized (defined) as a group of countries that have achieved: (1) rapid penetrations of the world market of manufactures, (2) rising industrial employment and (3) increase in GDP per capita relative to the industrializing world (OECD, 1979, p. 19). The NICs have achieved sustained high growth rates (8.2 percent in the 1970s and 4.6 percent in the early 1980s), substantially increased their share of exports and proportion of GNP and raising domestic investment. The Four Tigers contribute 45 percent of all manufacturing exports from developing countries (World Development Report, 1982, p. 87).

The situation in Latin America and the Caribbean has been dramatically different. In the late 1960s this region suffered a net capital drain of \$4.3 billion (US) (Chailand, 1981, p.121). In the 1980s per capital GDP averaged only -0.7 percent. From 1980 to 1988 in the countries of Latin America and the Caribbean domestic investment declined by an average annual rate of 5.4 percent. The ratio of external debt payments to total exports rose from 34 percent in 1980 to 50 percent in 1986.

The spectacular performance of the NICs has, of course, challenged development theorists, especially dependency theorists. Both right-wing "modernization" (neo-liberal) and the left-wing dependency theorist shared one conception, namely that of the ubiquity of the development experience throughout the Third World. It was thought that whatever forces economic, social or political impinged on these "backward" regions, all were affected equally. The experience of the Four Tigers has, however, challenged these assumptions.

THE DEVELOPMENTAL STATE

Statist theorists have adopted the developmental state conception to explain the success of the NICs. This involves a concept of state that locates a fundamental accretion of activities within state function and behaviour. The state becomes an overweening entity directing development by extensive and intensive intervention in the economy. However, this intervention is not an end in itself; it is a means to an end. The developmental state is a most rational creature which defines the national interests, independent of classes, and sets out to realize that goal. It is a state whose aim is national development, rather than existence as a social parasite and/or comprador for foreign capital.

The developmental state conception is rooted in the success of statistic theorists to explain or account for the miracle of the East Asian NICs. While the rest of the so-called Third World was mired in economic crisis South Korea, Taiwan, Singapore and Hong Kong were able to sustain high rates of growth. Dependency theorists had argued that there existed structural constraint that restricted Third World development. Thus, industrialization was deemed impossible without the substantial restructuring of relations within the world economy. However, if Third World countries are really restricted by relations of dependency the how could such industrial growth as the NICs have achieved occur? Many present day modernizationists and neo-classical economists have exploited the NICs in order to demonstrate that the notion of dependency (and, thus, an unequal world economic order) is wrong.

Proponents of neo-classical economics had argued that it was free market policies and the absence of state intervention that was the foundation upon which the NIC phenomenon rested. However, this view (which mainly has ideological currency) has largely been refuted. It was not the implementation of neo-liberal policies that lay at the heart of the success of the Four Tigers. The neo-classical economists had argued that the success was due to the lack of regulation of the economy, reliance on free

trade, free labour markets and the building of private domestic markets. However, detailed research has clearly demonstrated that there was extensive and strategic state intervention in the economy. Intervention aimed at controlling finance capital circuits, foreign investment and domestic markets. In short the state became the central player in the economy.

The conception of the developmental state, thus, finds its roots in the inability of both neo-liberalism and dependency theory to explain the success of the NICs. In this conception the state is the main development agent and assumes a multi-dimensional role in governing and setting the course of development. The state formula for society not only directs all sectors of society but creates the modern technocrats and managerial elites required to compete in the world economy. The developmental state is seen as the forger and integrator of societies into a unified, coherent whole which can then embark on a development project that is not defined by which social group's interest it serves but by national interest. The developmental state is then seen not only as a state that intervenes extensively and intensively in the economy, but also as a political and social (therefore, national) cohesive force. With the overall definition of a national interest the state can then implement strategies that consider both external and internal constraints, as well as opportunities. This, thus, puts them in a position to take advantage of world market forces by the appropriate state intervention.

Thus, while other Third World countries have been caught in the throes of world economic forces, the NICs, through a rational state that identifies national economic development as the priority, were able to avoid becoming adjuncts of the various economic powers.

Of course the most striking feature of the developmental state is the level intervention in the economy. It is ubiquitous. It is directly intervenes in the financial markets, establishes control over banking, determines under what conditions and where foreign capital can be invested.

The state intervenes directly on the micro-economic level in order to direct certain sectors along the chosen path. State corporations and firms dominate the major industrial sectors, with the private sector carefully controlled by government credits and by regulation of trade and finance. The intervention reaches the extent to which foreign capital investments are very carefully vetoed to determine if technology transfer will occur.

Thus, the state intimately controls the economy and protects it by setting up a wall of protectionism. The developmental states, in the eyes of their proponents 'have played a strategic role in taming domestic and international forces and harnessing them to a national economic interest' (White, 1988, p. 9).

Critical to fulfilling this national interest was, as previously noted, political and social cohesion. The developmental state in order to ensure this condition acted as a discipliner of classes: both bourgeoisie, land holding and working classes. It also was a creator of classes. The bourgeoisie that existed were small and weak, but the state through its policies, (land reform really enforced by the Korean War by North Korea and Japanese the channelling of capital) was able to create an industrial bourgeoisie capable of running the industries. However, this class was tied to and subordinate to and beholden to the state which could and would dictate on its own where capital should go, how it should be invested and which sectors and industries to develop.

Labour was also brought under control. The working class was repressed and unions came under the control of the state. Thus, autonomous working class movements were preempted, and labour tied to the national development project.

Crucial to the developmental state conception is its implicit assumption about state autonomy. While South Korea and Taiwan develop within the framework of capitalism, reproducing capitalist relations of production, the state supposedly stands above classes, utilizing them efficiently in the economic projects. Thus, the state is not an

institution representing and reacting to classes and class relations, but an entity that makes use of classes to further capitalist development.

This conception of an autonomous state is, of course, open to series discussion and debate. The functions of the state are determined by the structures of society (shaped by the process of surplus value production). Where the ruling class is divided internally or is weak and is unable to recognize or ensure the conditions necessary for the continuing expansion of capital accumulation the state enjoys autonomy. The state, thus, acts as the intelligence of the bourgeoisie: "by virtue of its social distance from the class it serves, the state is all the more able to orchestrate and plan the strategies for bourgeoisie survival". (Wallerstein 1979).

The state performs 3 major tasks: One is to push through those social reforms which are in the long term interests of the bourgeoisie, even if some of its sections resist them. (eg. land reform in South Korea and Taiwan). The second is to break up the unity of the working class. The third is to project the rationale of capitalism as being in the interests of the entire community - an ideological task that involves invoking the symbolism of "the nation" or public interest, and is more effectively performed when the state is seen to be, however, intermittently, independent of the ruling class. The state "symbolizes the unity of the social formation. (Petras 1991, p. 190) But the unity is, of course, unreal. (Saul 1974, p. 351)

The lack of conception or treatment of classes and their relationship has been a major weakness of developmental statism. Petras has argued that it was not the developmental state that results in the NIC success but the pattern and nexus of class relations in which the state operates. Thus in order to understand how the states in South Korea and Taiwan function "one must look at the state in a context of struggle among different classes and different sectors of classes as well as examining its tendencies to self-perpetuation. (Petras 1981).

Most notable is the fact that exploitation and repression of labour was (is) central to state activity in the NICs. The rebellion in South Korea's KwangJu City over poor living standards and low wages is the most dramatic and poignant demonstration of this point.

THE DEVELOPMENTAL STATE IN ACTION

The developmental states "have played a strategic role in taming domestic and international market forces and harnessing them to a national economic interest" (White, 1988, p. 9). The state involved itself in direct intervention and control of the economy, increasing its share of state revenues. It intervened directly in the financial markets, controlling where and how foreign capital would operate within the countries while at the same time establishing equivalent levels of control over the banking system. The state has set up economic planning agencies which guide the direction and manner of investment, trade and industrial policy.

Taiwan provides an excellent example of this state domination. Taiwan is clearly a society in which state control of the economy is extensive and entrenched. Statism in Taiwan has involved two waves of land reform (under the Japanese and the Kuo-mintang) and intimate control of agriculture by the government. The old land owning class was disposed, and an extreme fragmentation of land ownership ensued. The mass of small holders has been " beholden to the state" for credit and for the supply of fertilizer. In return, while their productivity has risen sharply, the farmers are taxed heavily, if indirectly, through the operation of state marketing monopolies in rice and other products (Haggard, 1987). A "superexploitive" state has not only extracted a large surplus from the rural sector (which it has mainly reinvested in industry). It has also prevented the development of a class of wealthy farmers who might challenge the regime and create resentment on the part of smallholder (Amsden, 1979, p.349).

The government's control of industry is also extensive. During the so-called liberalization of the late fifties and early sixties, Taiwan switched from a policy of import substitution to one of "export-led growth" based on labour-intensive industries. Of course, such "liberalization" should in no way be interpreted as a restoration of a market economy" (Amsden, 1982, p. 32). Government owned firms dominate the major industrial sectors such as steel production, shipbuilding, engineering,

chemical and petroleum processing and development of semi-conductors. Virtually all banks are state owned, and the government controls the operation of the private sector by regulation of trade and finance, encouraging the creation of cartels and even requiring prior official approval of foreign loans and technical agreements (Barrett, 1982).

The NIC policies were also based on repressive social politics. Growth in GDP and industrial output is accompanied by a stagnation or fall in workers' and peasants' incomes. For these reasons the population does not seem to welcome the model. The state policies had at their centre the disciplining and suppression of labour to ensure it was readily exploitable. Their export strategies depend on low wages, which aggravate internal social tensions. One of the most dramatic examples occurred in South Korea's Kwangju City in May 1980. Poor living standards and low wages among workers in the export-oriented electronics industry sparked off a major demonstration, which was brutally suppressed. In response the city rose up in revolt, thereby precipitating a major military offensive costing some 1, 000 lives and new repressive civil legislation. Hence, Manfred Bienefeld's comment that the NICs illustrate "the disturbing possibility that ... the competitive process is beginning to [indicate] that the most 'efficient' form of social organizations of production" may be more centralized and corporative than before (Bienefeld, 1982, p. 37). Military and political repression enable greater competitiveness.

The interesting aspect of the Taiwanese case is its apparent transformation from a garrison-state, dominated by Chiang Kai-shek and his military associates (who were fairly indifferent to economic growth) into a bastion of outward-oriented state controlled development representing a specific section of the bourgeoisie. A productive agriculture and the establishment of a heavy industrial sector were quite compatible with the priorities of the military. Along with suitable protectionist measures this could be seen as a form of mercantilism (Amsden, 1982, p. 37). Yet outward orientation and a dependence of foreign trade inevitably make a

country more vulnerable to economic as well as political pressures from the outside.

Thus, how was the Taiwanese state able to withstand these pressures? Of course, on one level, the implementation of outward-oriented policies was very selective: for example, the state's self-sufficiency in armaments and related equipment was not reduced. At the same time the economic success of the state's policies seemed to reinforce it, giving the state elite more confidence and direction in trying to hold the island (vis a vis Mainland China) by increasingly directing the development process.

Taiwan demonstrates "the reciprocal interaction between the structures of the state apparatus and the process of economic growth" (Amsden, 1982, p. 55). The state directed and changed the character of economic development, and was in turn modified by the form of economic development that occurred. But the state itself was largely responsible for transforming the island's economy, and its "history" demonstrates the possibilities for political control of economic development. South Korea followed a very similar route. It Pursued an export-oriented growth, on "the secure foundations of more than a decade of intensive import substitutions based on trade restrictions, to build up an industrial state" (Economic Journal, 1983, p. 752). The pattern of South Korean economic expansion, like Taiwan's, has been carefully planned by a powerful state.

CONCLUSION

The key factor is, however, history. And it is within this context that state behaviour must be analyzed. The above discussion of Taiwan is valid, but only at one level; there exists a deeper level of explanation. The evolution of the state in Taiwan (and South Korea) does not occur in a vacuum. States do not exist in isolation. The East Asian NICs are situated within a global framework. Even though the internal structure and conditions of a given country is the primary factor in development it cannot be separated from the international context (i.e., world political

economy) in which they operate.

The state must be viewed as an historical process. The debate that centres around a description of profound differences in state behaviour reflects these conditions. It is continually responding to problems of capital accumulations, class struggle and the matrix of the imperialist order. The state is, therefore, defined by all these interrelated, interconnected and interdependent features. Its specific nature is determined by the historical outcomes of the way it is formed, its various class struggles, the way it was and is inserted in the world political economy, and its particular ties with particular imperial centres.

It is within this context that the differing functioning and behaviour of the Taiwanese and South Korean states and those of LA must be understood. Or to put it another way, the differing state functions or behaviour is the result of different contexts. The Caribbean illustrates this well.

Thus, the possibilities of developing their future history within the framework of the Caribbean state as it evolved was greatly curtailed, if ever existent. In the context of the Caribbean and Latin American context the use of the state as a mechanism to overcome the initial colonial situation has failed. Far from promoting real independence-economic, political, diplomatic, technological and cultural-the state has more often than not acted in the interests of a landowning and financial oligarchy. The state has, in fact, assisted the international financial and commercial capital to take over whole sectors of these countries economicviews.

It is thanks to the state that local aristocracies have prospered at the expense of public finances. Within these oligarchies most fortunes or careers have been made through the state. A parasitic comparator bourgeoisie thus exists, tied to the metropolis, thus augmenting the

inability to overcome a history of colonial subordination and the one-sided plantation economies that resulted. The question then arises, How did South Korea and Taiwan escape?

The case of Taiwan and South Korea is much different. These countries had state formations that preceded colonialism. Japanese rule did not destroy these states but subordinated them brutally. In fact, Alice Amsden argues "that the forceful manipulation of Taiwan's political economy by the state" is an inheritance both of the Japanese occupation in the interwar years and of the Chinese imperial conception of the state (Amsden, 1982, p. 48).

It would seem to be a plausible explanation to state that there is a relationship between state ability and effectiveness to implement a national development project and whether its formation was the result of endogenous or exogenous factors. Of course, this may be a necessary condition, but it is hardly sufficient. The detailed theoretical analysis and discussion of the proposition falls outside the scope of this study.

However, of greater importance are two important historical conjunctures in the world political economy that clearly dictate different conditions for Taiwan and South Korean, and thus delineate the parameters for much different state behaviour than in the Caribbean: US geopolitics vis a vis communism and intra-core rivalry between Japan, the US and the EEC.

Both Taiwanese and South Korean development was facilitated by large amounts of external aid obtained through its strategic importance vis a vis the global interests of US imperialism. This aid was crucial in the development of infrastructure. South Korea has received \$13 billion US in American aid and Taiwan some \$5.6 billion. This is to be contrasted with \$14.8 billion for all of the Latin American region (Petras, 1991, p.196). This investment greatly assisted domestic capital formation and equalled 30 percent annually between annually between 1962 and 1979 (Petras, 1991, p. 197).

Coupled with these huge American investments was US government control of how transnational corporation operated in the two countries. The "normal" restraints and constraints that TNCs normally exert on developing countries were absent. Thus the usual high price enacted by the world system was avoided. The US ensured that trade and markets were opened for them that were not available to the other Third World countries (Petras, 1991).

These unique sets of concessions were made not for direct economic reasons, but as part of Washington's geo-political strategy against the spread of communism in this case China, North Korea and Vietnam. These prophylactic measures ensured a long-term protection of US interests. In order to challenge both China and Vietnam, successful economic projects were essential. Capitalist hegemony in East Asia could only be protected and expanded if viable, not dependent, capitalist projects existed (Petras, 1991).

Thus, the state was allowed to act and develop policies that could and would not have been possible anywhere else in the world. While the Latin American and Caribbean countries were exposed to workings of international capital, South Korean and Taiwan were buffered. And while foreign investment was predicated on reducing other developing countries to adjuncts of the world economy, the East Asian NICs were allowed to initiate national projects with a substantial degree of independence. It was not simply a case of stupidly adopting neo-liberal policies while East Asian NICs pursued increasing policies of state intervention in order to harness international economic forces for domestic growth. The pursuit of these neo-liberal policies was the result of the particular role that this world played in the world political economy. In other words, global capitalism dictated the policies which could be implemented in Latin America and the Caribbean while, because of different conditions, the dictate applied to South Korea and Taiwan was not only different but almost absent.

In many ways an analogous situation exists in regard to Japan. A

strong Japan was required by US imperialism as a bulwark in the Pacific. Thus, Japan was allowed to erect a neo-mercantilism edifice that would have been unthinkable in an economy dominated by the US ideology of freeing up trade markets and access for international capital that dominated the post-Second World War period. Japan anticipated the NICs.

The economic success that resulted from this special case, served only to strengthen the "developmental state". In the case of Taiwan the success gave the elite more confidence in its capacity to hold the island - as well as a direct interest in its development, through the wealth its members had derived from economic growth. A corresponding set of geo-politics articulated in harmony with US interests emerged: opposition to and obsession with reconquering Mainland China now melded into preoccupation with establishing the legitimacy and viability of the state as widely as possible in Asia and beyond (Amsden, 1982, pp. 54-55).

Another critical factor that separates Latin America and the Caribbean from NICs was the manner and time of incorporation into the world economy. Petras (1991) makes the important point that the incorporation was for political reasons, not economic ones (which thus avoids the economic consequences of being drawn economically into the system), but that it occurred when world economy was in an upswing (i.e., 1960s). Thus, coupled with the exceptional treatment they had received, they were able to take advantage of their good fortune:

Core capitalists were eager to invest, Euromoney was easy to borrow, and interest rates were relatively low; there were fewer trade barriers against Third world Manufacturers and little competition from other labour-rich developing countries. (Petras, 1991, p. 190).

Japan also played a significant role in the success of NICs. Japan's involvement was the result of growing intra-core rivalry among the dominant capitalist economic powers. Hence, another propitious conjuncture in the global political economy was to benefit the NICs. As competition with the EEC and the US sharpened, Japan called for a New International Division of Labour that was rationalized with the logic that "the durability of the European Economic Community has enhanced the possibility that unless Japan

finds its niche in a bloc of nations, the country will be left behind increasingly to negotiate economic and political arrangements on its own, confronting unified regional interests" (Robertson, 1986, p. 167).

To reduce that possibility Japan has invested heavily in Asia, particularly South East Asia, raising direct investment from US \$ 166 million in 1970 to over US \$9 billion in 1981 (Tharp, 1983). The countries of South East Asia have therefore emerged as Japan's major economic grouping, with offshore facilities being established for Japanese capital. In South Korea and Taiwan, steel foundries have been set up, with South Korea also acquiring a petrochemical industry.

In the bid to head off European and US inroads into Asia as well as to consolidate its economic position as contradictions sharpened within the core, Japan was forced to invest heavily in South East Asia. Not only was capital exported, but important transfers of technology took place. South Korean and Taiwan were once again able to gain from a favourable conjuncture in world economics and politics.

The reasons for the economic success of the NICs are myriad. A unique result of world political economic forces working under unique circumstances: an endogenously generated state, radical land reform (externally forced on them) and, most importantly, their geo-political importance (explaining why they had to succeed), their closeness to the Japanese giant (of whose economic expansion they formed a part), and the world economy content for their take-off (which is not likely to be often repeated). The NIC miracles were encouraged by the capitalist world order, while other countries pursuing self-reliant strategies were discouraged and/or destabilized. The NICs accept and fortify the old international economic order. What they want to change is their place in it.

It is fairly clear that the forms of development in Eastern Asia reveals particular characteristics that distinguish them greatly from the rest of the Third World. However, precisely because the success of the NICs was based on a "fortunate" conjuncture, their success is transitional.

Economic growth and industrialization in the NICs is reliant upon continuing core assistance, particularly in the provision of markets for export products and the encouragement of investment and technology flows (Amin, 1990). The NICs themselves remain dependent on the metropolitan powers. As the international political economy is restructuring itself and three major economic blocs are coalescing, the space that existed for nationalist capitalist projects has narrowed and is disappearing. The restructuring of world imperialism requires that the capital accumulation projects of all countries be subordinated and shaped by international capital. Taiwan and South Korea have already felt the squeeze from Japan. In the middle 1980s, Japan halted the transfer of iron and steel technology to East Asia in order to reduce competition with her own industries (Tharp, 1984). While the NICs strengthened their resolve to continue on an "independent path", it is clear that the conditions which allowed or led the US and Japan to countenance the NIC projects are not long for this world. The capital outlays and trade and market concessions along with the largesse so freely handed out will be replaced by more severe measures in line with those in the rest of the Third World, as the NICs are brought to heel and reintegrated in a subordinated and dependent position into the global economy.

This will, of course, lead to the destruction of the "developmental" state. The "developmental" state, no matter how nuanced and useful a conception, was in the final analysis merely the distillation of specific historical and objective conditions in a particular geographic location in the world political economy.

The East Asian and Caribbean experiences are two disparate ones set aside by history and the manner of insertion into the world economy. The proponents of the developmental state have criticized the outlook of the ruling classes in Latin America, citing this as the reason for their economic failure, because the

lack of concern for who controls production, foreigners or nationals, has resulted in much production for

the lucrative end of the domestic market being in the hands of multinational corporations. The lack of concern for the limiting of growth of financial capital (financial enterprises are treated on par with industrial enterprises) has allowed a sizable share of the economy's investment to go into financial dealings and speculations, rather than into industrial production - into making money, not things. (White, 1988, p. 9)

However, this view is historical. The emergence of a comprador bourgeoisie with concrete ties to international finance capital circuits occurred under very specific historical circumstances. The state, as noted before, becomes imperialist, and the classes that dominate the state imperialist agents and partners whose vested interest as a class lie not in national development but in the ups and downs of the international economy. Taiwan and South Korea were able to initiate a successful economic project because the effect of imperialism (for reasons already noted) were attenuated and mediated by the imperial centres themselves, which thus forestalled a process which would have created the East Asian NIC states and ruling classes in its own image. The NICs were able to achieve national economic growth and industrialization because they were consciously not drawn naked into the international economy by the capitalist powers.

The development of the Third World is a history of the development of capitalism on a global scale. Differing and contrasting accounts of its progress are more the result of differing perspectives and expectations than about the process itself. The Caribbean has been caught in the historical vice of this process.

CHAPTER FIVE

THE TECHNOLOGICAL REVOLUTION AND THE CARIBBEAN

INTRODUCTION

It has been almost a cliché to emphasize and outline the dramatic (even devastating) effects that the scientific and technological revolution is having on Lesser Developed Countries (LDCs). This new industrial Revolution 'promises' the introduction of some profound structural transformations in the world economy. Consequently, the argument has been advanced that without the rapid input of the new technologies into LDC economies further marginalization will occur.

The locus of underdevelopment in this historical phase has widely been 'determined' in the mainstream literature as centring around the ability to LDCs of acquire and incorporate the new technologies. The proposed alternative is to be pushed further into the grips of underdevelopment and peripheralized right out of the main circuits of the world economy (Persad 1989). In the Caribbean, the road out of the region's perpetual crisis has clearly been identified as one tied to the technological gravy train, which necessarily requires the pursuit of the Foreign Direct Investment (FDI) strategies employed since independence. However, this chapter challenges the proposition that lies at the heart of the development problems facing LDCs. While recognizing the significance of the advances in technology (from micro-electronics to bio-technology) and their applications in revolutionizing the productive forces and national economies, this study does not treat them as the icon to which all analytical homage must be paid. By appraising the international situation, in general, and the Caribbean one, in particular, technology is analyzed as not some isolated factor in 'Third World' development, but as a crucial mechanism and relation of underdevelopment. In other words, technology is one factor (albeit important) in the imperialist calculus.

Before proceeding further a note of epistemological clarity is

necessary. Throughout this chapter reference to the structural changes wrought by the technological revolution will be made. However, the meaning of 'structure' is not in the sense of indicating some permanent features of the world economy, with 'structural change' meaning a fundamental alteration in of the essence of world capitalism. 'Structures' are used in the sense of identifying certain historically specific organizational forms of world capitalism. Forms that are manifestations or reflections of systemic or intrinsic properties of the system. This recognition is critical in accessing the meaning of the technological revolution and the prevailing view that technology is remaking the world .

IMPACT ON PRIMARY PRODUCTS

The new technologies have had and is continuing to have a drastic impact on LDCs. One of the new emerging features has been a restructuring the international division of labour. The international division of labour had previously been based on LDCs being:

- 1) the suppliers of mineral and agricultural raw materials to the metropolitan countries;
- 2) markets for metropolitan industrial products; and
- 3) as sources of capital (through investment and repatriation of profits).

It was according to these basic features of the international division of labour that LDCs political economies were organized. However, the technological revolution has begun to drastically transform this feature of the world economy. Advances in technology has disrupted the need of the industrialized world for the primary products of the Third World. The incorporation of new technologies into developed countries has led to more economical use based on:

- 1) less input per unit of manufactured output, and
- 2) the rise of new synthetic materials that are replacing the traditional materials from the developing world (Watson 1990, Pantin 1987).

As a result of these changes, the realization of any traditional export products of the LDCs in the world market meets with ever greater

difficulties. Owing to the synthetic substitutes and to newly discovered resources, the growth in demand on the part of the advanced capitalist for a number of primary products - the so-called "colonial" or "traditional" commodities - has consistently slowed. (Griffith 1990). The application of the advances in bio-technology to agriculture has limited the agrarian export possibilities of LDCs. The impact of the decline in agricultural possibilities is crucial when one reflects on the offside gearing of many LDCs to export crops. This is especially the case in the Caribbean where the economies have "retained" the same plantation structural characteristics from the advent of colonialism to independence to the present, leaving the islands tied to the export of one or to primary commodities (Beckford 1983, Thomas 1988).

This impact is illustrated by the example of Barbados. Barbados had recently begun attempts to diversify its economy by expanding cotton cultivation. But as Barbados attempts to boost its cotton production for export, developments in bio-technology threaten to devastate their cotton sector. At the same time, the Barbadian government earmarked cotton to be a major leg of the economy, important advances in cotton production were being announced. Researchers at Texas University have developed a process by which they can "induce a single cell to grow a cotton fibre." (Pantin 1987). This has been part of Texas University's attempts to get single cells to regenerate into whole cotton plants and raises the possibility of "test-tubes becoming cotton farms". (Pantin, 1987).

This technological breakthrough is part of a broader revolution that creates the real possibility - "spectre" - that countries may suddenly discover their products have been replaced by new technological marvels. The constraints that the advances in genetics are exerting on LDCs threaten to dislocate and disarticulate their economies. These external constraints render anachronistic the present policies of certain LDCs, policies aimed at adjusting and eliminating internal economic structures to interact more effectively into a global situation that is increasingly invalid, or in

some cases no longer exists.

Many Caribbean countries have put into place programs that aim at boosting vegetable and fruit production for export. The Eastern Caribbean states are particularly dependent on the exports of agricultural produce, accounting for between 60-70% of GNP. (Thomas 1988). With the advent of the bio-technological advances, however, agriculture faces the real prospect of devastation. Norman A. Jacobs, president of Biotechnia, a company involved in joint ventures with the huge corporation R.J.R. Nabisco, declared: "We have the tools to modify genes within crops of major food...interest. The time is now to be applying that technology. (Griffith 1987). New varieties of fruits and vegetables that are more nutritious, more disease resistant, better flavoured and above all cheaper to produce. Included among these are bananas a major export of many of the smaller islands.

The Caribbean sugar industry has also been hit hard by technological change. This has led to American sugar policies that reduce the regions sugar quotas. Transnational corporations like Gulf and Western have become leaders in the development of science and technology that have made high fructose corn sweeteners the leading competitor with table sugar. (Thomas, 1988). The major sugar TNCs have begun to divest themselves of many of their operations in the Caribbean while holding on to those areas that are most profitable. Tate and Lyle, marketing through the region (Cuba excluded). Up until 1976 it directly controlled 90% of Trinidad's sugar production. In response to the declining competitions of cane sugar on the world market, Tate and Lyle sold a controlling interest in the company's operations in the country. However, what actually transpired was that the government with this "nationalization" took over the those areas of sugar production that were no longer profitable to Tate and Lyle and provided comment on the sugar industry is Jamaica's decline from being the best sugar import sugar (Thomas 1988).

The main immediate concern of Caribbean policy makers is 1992, when the Lome IV agreement, allowing preferential access of Caribbean produce into European markets, comes to an end. Europe comprises a major (and, for some islands, the major) market for their agricultural commodities. Once that preferential treatment ceases, then the increasingly uncompetitive agricultural products will be squeezed out. This is an obviously devastating prospect for countries whose economies have depended since the advent of colonialism on one or two major export crops. With the growing wave of protectionism and the technological advances in agriculture, it is very difficult for Caribbean food producers to compete on the international food market (Demas 1987), and will throw up major obstacles to any at diversification within these economies.

The petroleum industry has also been undermined by the technological revolution. Along with the oil glut and low prices the oil industry has been under going technological restructuring (Pantin 1987). The re-organization of the global energy industry together with the depressed market has had drastic repercussions for Trinidad. Trinidad depends on the United States as the major market for its petroleum products. However, the US oil industry has developed the technology to produce within the US many of the petrochemicals Trinidad produces and exports (Farrell 1988). This technological restructuring in conjunction with the glut and low prices has resulted in leading oil TNCs shutting down their Caribbean operations. The effects on Trinidad have been disastrous. Trinidad depends on oil for 70% of its GNP and 85-80% of exports. Consequently, as shown in Chapter Two the country has been plunged into a deep crisis with the imposition of harsh austerity measures implemented under the auspices of the IMF.

The world bauxite industry has also been seriously affected by the new technology. The industry is being restructured to adjust to the production and marketing of substitutes such as plastics and composite materials. Thus the importance of Guyana and Jamaica as bauxite production centres has declined. (Watson 1990). Production and investment in the bauxite

industries in these counties has, thus, declined substantially (Thomas 1988). The bauxite companies have had to adjust and re-orient themselves (as have so many other corporations) to the ongoing and ever deepening restructuring process that is working its way through the world economy. As the instruments of production are revolutionized on a global scale the old commodities, technologies, skills and division associated with them must continuously yield ground.

IMPACT OF THE MICRO-ELECTRONIC REVOLUTION

Probably the most significant development in the productive forces has been the diffusion of micro-electronics to virtually all aspects of production. This diffusion and the way it is taking place is having a tremendous impact on industrial organization. The versatility of micro-electronics and the rise of robotics are leading to a reduced scope for labour intensive industries (Griffith 1987). It is radically altering production processes and factor requirements. Studies show that in virtually all cases that have been examined the new technologies are leading to greater capital and skill intensity in production. Therefore, these new technologies would fall out of the reach of LDCs; while eliminating their traditional competitive advantages in labour-intensive industries, such as textiles and clothing. (Pantin 1987, Watson 1990, Harker 1989, etc). The widescale introduction of robotics requires a level of technological sophistication that few LDCs can hope to acquire in the near future.

The micro-electronics technology differs from the previous technology in that it is adaptable and can be programmed to perform multiple tasks. In the preassembly stage of clothing production, there are sophisticated computer aided design (CAD) and computer aided manufacture (CAM) installations in the grading, marking and cutting stages (Watson 1988). The new technology is also performing sewing functions, and clothing manufacturer are using it to ease the control function (Demas 1987).

Production costs have as a result been considerably lowered.

Relatively low labour costs have been an important element in the ability of Caribbean countries to attract TNCs. This wage advantage was crucial in TNCs setting up assembly type activities in the region. In the garment industry, for example, the wage rate in the Caribbean ranged from \$0.45 US an hour in Dominica to around \$2.00 in Trinidad. In US the average wage was \$5.40 US an hour (Ramsarran 1989). The Caribbean apparel industry thus has had a decided wage advantage over the US.

But with the permeation and integration of micro-electronics into the industry, the advantage will be (and is being) subjected to steady erosion: the competitive edge will disappear. As the new technologies are integrated into production, the demand for labour in traditional industries will decline. At the same time, technological advances have lowered the costs of production. Thus, as is noted by several authors, the wage-productivity ratio may fall so low as to reduce the attractiveness of the setting up of production sites. (Griffith 1990, Watson 1988). This will have a devastating effect on the small and fragile manufacturing sector in the Caribbean. The manufacturing industry has been based on the policy of attracting foreign investment and has mainly centred around TNCs setting up "offshore" operations in textiles, clothing and small scale electronics. It has been precisely these activities that have constituted the industrialization efforts in virtually the entire Caribbean. But with TNCs shifting their operations away from unskilled labour and technologically deficient areas of production the Caribbeans's lack of a capital goods sector and failure to diversify the production base will be further exacerbated, leading to the further undermining of industrialization.

There is no doubt that the world economy is being structurally transformed by the technological revolution. Concurrently, in response to the technological threat, Caribbean policy makers and their advisers have put forward two options:

- 1) introduce new policies that induce firms with the new

- technologies; and
- 2) develop and/or adopt the new technologies to various local manufacturing and let their firms compete with those in the industrialized countries. (Watson 1988, Griffith 1990)/

The second option has more or less been rejected on the basis that the region does not have the technical resources to carry out any meaningful research and development (R&D). The already existing gap is also considered too large to bridge and overcome on the basis of local efforts. Thus, the response of governments has been to concentrate on the first option by trying to attract new foreign investment that will lead to the transfer of technology. In short, in response to the global economic restructuring taking place, the Caribbean governments have decided to follow the same development paradigm that has been employed since independence: the complete reliance on foreign investment. The historical experience of the process, as explored in the previous chapters, has not been a positive one.

The problem of underdevelopment led the Caribbean countries in the 1950's and 1960's to adopt economic policies similar to those of Latin American countries which were influenced by the "diffusion" or "trickle down" models of development. This involved efforts to attract foreign investment. Consequently, the doors were thrown wide open to foreign capital and trade. This amounted to facilitating TNC penetration into the island economies and the forging of new links of dependence with the US, UK, French, etc. economies. Thus, the attempt at industrialization amounted to the implementation of the Arthur Lewis dictum; "industrialization by invitation". In the final analysis it merely exchanged one form of subordination and peripheralization for another. Within these parameters various development strategies were employed, all focusing on either import or export oriented approaches. All the strategies involved allowing generous tax holidays and unrestricted repatriation of profits for TNCs.

One of the many weaknesses of this process was its negative effect on

technology (Thomas 1988). The technology was mainly associated with the assembly of fabricated parts for export and had no structural links with other sectors. The technology arrangements under which TNCs operate preclude any real transfer of technology to the local economy. There are strict conditions attached to patenting rights and in the licensing arrangements for local production. Maintenance, replacement of equipment and innovation are also strictly regulated in these arrangements (Barry et. all.). The overall consequence is that the technology utilised is not rooted in the development of an indigenous technological capability based on the use of local skills and local resources (Gomes 1985). There exists, therefore, a relation to technology in which people use it but do not produce it. There exists no creative social interaction between the local people and the machinery and techniques which they produce.

TNCs totally dominate the Caribbean. Indeed, the region is the most penetrated and controlled one in the world (Barry et. all. 1984, Farrell 1988). Recently, they have, as previously noted, from direct control of agriculture and mineral operations. This has been done for profitability reasons, however, they have maintained their stranglehold on technology. In agriculture dominate every aspect and control not only marketing but, also, the supply of chemicals and equipment. (Barry et. all.). The whole process of divestment has resulted in the protection of TNC investments and profits. In Trinidad and Tobago not only was a massive state subsidy given to the sugar giant Tate and Lyle under the guise of "nationalization" but very specific agreements were signed asserting the continuance of Tate and Lyle's control of the supply of technical assistance. The situation is similar in the oil industry where TNC dominance is even more pronounced (Sebastien 1985). The stranglehold that TNCs and the industrialized world maintain in relation to LDCs is well document (Clarke 1985, Bary et. all. 1984, Thomas 1988, etc).

The ongoing debate about the acquisition of technical know how and appropriate technology into the Caribbean is the knee-jerk reaction to the

restructuring of the world economy. (Watson 1990). Indeed, the debate is merely evidence of the failure of Caribbean governments and technocrats to understand and come to terms with the fundamental nature of the world capitalism that is shaping and guiding this whole restructuring process. In essence the appropriate technology debate has little relevance to the technological revolution, global restructuring and the economic crisis in the Caribbean, or anywhere else in the Third World.

CONCLUSION

The crisis of world capitalism has necessitated the restructuring that is taking place and requires intensification of imperialist exploitation of LDCs. TNCs -the main organizational form of global capitalism-in order to offset falling rates of average profits must increase the exploitation of LDCs. This crisis of capitalism dates from the collapse of the Bretton Woods system and the rise of inter-imperialist competition and rivalry. In response to this crisis and the emerging new imperialist terrain the room or space that once existed for national capitalist projects has disappeared. Thus, more and more the capital accumulation projects of the LDC bourgeoisie is subordinated to and shaped by international capital. Of course, the ability of international capital to impose their desired pattern on LDC "development is the product of the historical development and expansion of imperialism.

The various changes that capitalism has undergone-from the collapse of "global keynesianism", to the present technological revolution and the emergence of new economic blocs represent not this essence of the global system but a reflection and manifestation of a specific socio-economic context within certain historical conditions. In other words what we are witnessing is a restructuring process guided by the operation of the law of value at the level of world production and exchange. In terms of the LDCs and technology it is important to appreciate the condition of

dependency as being a global social relation, integral to imperialism, where a transfer, appropriation and expropriation of surplus-value occurs between the imperial centres and the periphery. Historically, this process of the international transfer of surplus-value has been mediated by various mechanisms: unequal terms of trade, foreign debt, the international division of labour and so on. These have merely been the particular forms and not the essence of dependency.

Technology, or more precisely, the technological gap and the near total control of technology (its creation and diffusion) exercised by the developed world has been one of the mechanism operating within the dependency framework. With the major and qualitative advances in technology and its applications the global technological inequality has become quite possibly the major tool for the transfer of surplus value from LDCs to the centre economies. Indeed, the dramatic increases in the massive outflow of capital from the LDCs is one of the major ways the technological revolution has been financed. It is in this context that the technological revolution must be analyzed and accessed. The "revolution" is deepening the integration of all countries of the world according to the dictates of capital. As the "revolution" develops the productive forces, it increases productivity and output and given the nature of capitalism serves as a strategic weapon in the class struggle both within the developed nations and globally (Watson 1990). The present restructuring is intended to re-equip capitalism's productive base and to overcome the present crisis and contradictions (Kolko 1988).

The inability or outright refusal to recognize the fundamental underpinnings of the ongoing economic restructuring is reflected in the prevalent romantic notion that some mystical form of appropriate technology is waiting to be discovered or acquired to meet the particular needs of LDCs. In the Caribbean this fantasy of a technological panacea exists. Any technology must be competitive internationally (Griffith 1987) and the Caribbean lacks the resources to develop such technology or the level of

industrial and technological infrastructure, skills and technical training to attract foreign capital in order to give the trickle down model of technology transfer its remote chance of success. All of the developments clearly indicate that the present national strategies to overcome the present crisis will not work. The degrees of freedom of LDCs has been severely circumscribed by the crisis of world capitalism and the technological solutions being instituted. The global technological inequality is defining the shape of the emerging new international division of labour. It is being used to tie Third World capital more directly to international capital, as imperialism attempts to put in motion all the resources it can subordinate to the demands of capital accumulation in a time of crisis. The implementation of this strategy has necessitated the institution of the process destruction of the LDC economies as they are integrated and entangled in the imperialism web. The technology is the main "club" in this process.

Technology is not some amorphous value-free phenomenon. It has always operated in a historical space whose parameters have been determined by the socio-economic system in place. Under imperialism technology has always been part of a relationship of power and control. Consequently the discussion centring around the promise that the new technologies offer for LDCs (eg. increased agricultural output) is artificial. Technology does not operate with a logic all its own. It operates as part of the overall logic of imperialism. Thus, under conditions of imperialism, especially in this historical phase, technology becomes an instrument of exploitation on the worldscale. In closing, the problems facing LDCs (in the opinion of this writer) are two fold:

- 1) the necessity for a break with imperialism requiring a socialist revolution; and
- 2) the conceptualization of the socialist project such that social relations capable of consistent innovation in production are created.

In the case of the Caribbean the old paradigms will not do. The nexus

of historical forces that have held the islands in underdevelopment must be broken. the technological revolution has meant the increasing generalization of the world capitalist crisis in the national economies of these countries. The general world situation is unstable. There is the outbreaks of inter-imperialist rivalry as witnessed in the conflicts and disagreements about rules of trade. This can only further deepen the crisis of Caribbean nations and weaken their already inadequate resources to deal with it. Clearly, a change of a fundamental nature is required. It was Lenin who articulated that economic questions of this magnitude necessitated a political solution (Lenin 1980).

CHAPTER SIX

PROSPECTS FOR THE FUTURE

In the final analysis once the anatomy of imperialism in the Caribbean is drawn out the question arises of what development strategies are required in order to overcome underdevelopment and latest redefinition of the terms of dependency. Of course, the perennial question arises once again of whether a break away from imperialism is possible. The need for a radical rupture with the present socio-economic formations in the region is self-evident. This reorganization of the social structures must involve norms that are deeply rooted in the masses and open to their input, flexible and allow the production of new techniques and innovations that can raise productive levels. In short any break from imperialism must necessarily settle around a self-reliant approach to development, with the most intimate contacts between government and the people. This, of course, entails a profound democratization of societies whose structures have developed with an express function of denying and suppressing popular input into the decision-making process.

The present global economic restructuring cannot be separated from class struggle, class struggle is central to comprehending the ongoing process. The Trinidad and Tobago working class has a proud and rich history of struggle from the 1919 dock workers strike to the 1937 anti-colonial uprising to the 1970 revolution to the 1975 formation of the United Labour Front, to its present struggles. The most powerful manifestation of popular opposition to the present economic and political order occurred during the 27 July, 1990 Coup attempt by the Jamaat-al-Muslimeen sect. At 6:10 on Friday, 27 July 1990, in Port of Spain, Trinidad, a group of the Jamaat-all-Muslimeen shot their way into a sitting in the parliament chambers of the Red House, taking hostage the prime minister of Trinidad and Tobago, A.N.R. Robinson, plus fifteen of his parliamentary colleagues. This attack was simultaneous with a bomb assault on the main police headquarters in the city, a raid on the Radio 610

CONCLUSION

However, the prospects for a successful working class project are greatly enhanced by understanding the crisis and its structural nature.

Antonio Gramsci wrote in the Prison Note Books:

A crisis occurs sometimes lasting for decades. This exceptional duration means that incurable structural (or organic) contradictions have revealed themselves--and that despite this the political forces which are struggling to conserve and defend the existing structure itself are making every effort to cure them, within certain limits, an to overcome them. These incessant and persistent efforts (since no social formation will ever admit it has been superseded) form the terrain of the "conjunctural," and it is upon this terrain that the forces of opposition organize (Gramsci, 1971, p. 178; emphasis mine - author).

Thus before evaluating the class struggle and offering future prescriptions it is essential to understand the dimensions and dynamics of this present phase of imperialism and crisis: its socio-economic-political ramifications. The present imperialist landscape is changing in response to both global capitalist crisis and shifts in economic power. With the disappearance of the old order under US political and economic hegemony, the imperialist creature has donned new clothes. A new period of instability, or more precisely flux, is on us, but soon a new imperialist structure will coalesce. What this will mean for the Third World specifically is unknown. No one is a prophet. But generally it can only expect to be reincorporated in a subordinate manner and once more be the first battle ground when inter-imperialist rivalry breaks and in the emerging tripolar world. The international capitalist order is going through a new revolution in production. The technological revolution in the developed countries is being financed by an immense transfer of capital form the Third World. The mechanisms for their transfer centre around the foreign debt and unequal terms of trade. The ubiquitous structural adjustment packages have opened to facilitate this situation. Just as the industrial revolution was financed through plunder and profit from the new world, the present restructuring and transformation of the global capitalist economy is being financed by capital transfers from the Third World. A transfer of economic surplus from the LDCs to the core capitalist

countries is taking place. The Third World thus retains its role that it has historically fulfilled within global capitalism as "the locus for capital accumulation and profit-making by giant corporations and financial institutions of the advanced capitalist nations". (Monthly Review, March 1992, p. 18) Development and underdevelopment, poverty and affluence are in a symbiotic relationship - neither can be understood except in relation to one another because they are interdependent.

Sub-Saharan African (excluding South Africa) declining by - 2.4% and Latin America and the Caribbean declining by - 0.7%. (World Development, 1991). In 1960 the per capita GDP of the Third World was only 8.7% of the that of the North. In the 1980s that figure fell to 7.4%, and then further to 6.1% by 1987. (Monthly Review, March 1992, p. 17). For Sub-Saharan Africa the per capita GDP as a percentage of that of the North was only half of what it had been in the 1960s the average per capita Gross National Product (GNP) of the developed world was \$5, 081 US) while in the Third World it was \$392. By 1986 the average per capita GNP for the North was \$10, 182 US, for the South \$788 US. The gap seems to be dramatically growing as history runs its course. The ratio between North and South per capita has falling steadily and dramatically. In 1860 it was 1/5, in 1900 1/7, in 1929 1/8, in 1958 1/3, and in 1970 1/3. In the 1980s this growing disparity has been reinforced. A poignant and ironic example of a Third World loss to the developed world each year is the massive brain drain of scientists with ensuing loss of skills, capital and production. This has amounted to the transfer of \$51 billion to the US between 1967 to 1985 (Globe and Mail April 8, 1991, p. A7).

Initially, the present reorganization of global capitalism will mean instability and some disintegration of social fabric in the Third World. As the "new" world emerges the Third World states' forms will slip into a period of disorientation as they readjust to the new configuration of imperialism. Of course, there will be heightened tensions between old passing away constellations of imperialist-comprador bourgeoisie and the

emerging new ones.

But the future of the working class and other oppressed classes will still lie in the historic task of an anti-imperialist democratic revolution leading to the eventual socialist reorganization of society. How successful they will be in clearly conceptualizing and defining, much less accomplishing, this goal will be determined by how presciently their leaders appreciate the dialectical historical process that defines the nature of social reality (from economics, to the state, to class consciousness). But what actually does this mean? Any theory of social change is useless unless it is rooted in a known and practical reality. The great African revolutionary Amilcar Cabral frequently said, "Do not confuse the reality you live in with the ideas you have in your head" (Cabral, 1975, p. IX). The point, of course, is that any idea, any theory only assumes utility if it is interwoven with reality, which can only be achieved by a conscientious and devoted study of present concrete conditions.

Lenin frequently spoke of the necessity to move from the general to the particular (Lenin, 1980). Indeed, the general only exists through the particular, and the particular is only one aspect of the general. Consequently the appreciation and comprehension of the history of the process of imperialist development is a useful enterprise only so long as it serves as a tool to explicate the living present and illuminate the onrushing future.

The present epistemological crisis and searing ontological anxiety among many development experts (especially the left) derives specifically from the above context. The past twenty or thirty years have witnessed a progressive and incessant identification of the real nature of the development process and capitalism. Indeed, is there really anything new in social science? This is the crux. For having identified the fundamental nature of the global system we are all perforce members of, we must constantly confront the seemingly systematic inability to absorb this

existential understanding and wield it as a lastingly constructive instrument.

Our achievements (and by "our" I mean humanity's) in overcoming the capitalist order have amounted to temporary victories. This may be a function of the very seige nature of their birth and subsequent existence. In short, they become the heart and soul of the compelling meta-narrative of revolution an human liberation from suffering and want. By meta-narrative one understands some great enabling or legitimating myth or project which offers, if not ultimate transcendence or an immoral existence, at least then something worth struggling for, rendering in short value (Lyotard, 1981).

Quite clearly, the conception of the socialist project became the new salvationist. Albeit one rooted in the real world. But precisely because this conception emerges out of the womb of its antithesis--capitalism--its "failure" (ie., collapse of Eastern Europe) has left most progressives with the deep-seated foreboding that what we call the future is merely the attenuated seepage of the present system. What we keep running into in the future is the failed present, a frightening prospect. Thus, we are now confronted by the new iron "law" of social development that seems to guarantee that we will never get our project right, an that even trying is no longer sufficient justification. This is the complimentary psychic crisis to the End of History ideological terrorism.

The roots of this profound alienation cum nihilation are complex: from the advent of the neo-classical counter-revolution in development thought, to the collapse of "socialism," to the resurgence of a vibrant imperialist doxology. Faced with the overriding weight of truisms thither increasingly ignored, the major theoreticians have now been reduced to various bouts of depression.

In moving beyond these setbacks we must once again embark on the path of creatively attacking the problem (of imperialism an its attendant underdevelopment. Of course, this difficult task requires the vigorous restatement of all the truisms as the first stage. Only this process can

revitalize the theory and ideology that is the requisite foundation for the creation of a new strategic working class-peasant project that can be successful.

A short list of these truism are:

- (a) The Third world is defined and characterized by its subordinate an unequal insertion and integration into the periphery of world capitalism.
- (b) This unequal relationship is an exploitive one; and is an integral part of imperialism, and leads to underdevelopment.
- (c) The relationship is maintained by the generation of various structures encompassing imperialist institutions and agencies.
- (d) Crisis is an inevitable recurrent organic feature of capitalism.
- (e) These crises when they originate form the centre of metropolitan powers exacerbate the ongoing crisis of imperialist development. The present crisis stems from stagnation and financial explosion (as productive forces are degraded and destroyed) at the centre (Kolco, 1988). This leads to increasingly destabilizing effects. Of course, this crisis affects different Third World countries differently depending on their position in the world economy, the historical nature o their incorporation into the system, an the level, history and outcomes of its class struggles--(1) between the bourgeoisie and the working class and peasants/small farmers, (2) between various factions of the bourgeoisie, (3) between the indigenous bourgeoisie and the international imperialist bourgeoisie.
- (f) The state must be viewed as part of a historical process. The debate between whether the state is an instrument of class rule or merely a preserver of capitalist social relations is an ahistorical and undialectical approach. The state is not some abstraction but an historical entity evolving under concrete conditions; thus continually responding to problems of capital accumulation , class struggle and the matrix of the imperialist order. The state in the periphery is defined by all these interrelated and interconnected factors. It primary nature is a comprador one. However, the nature of its comprador role and the mechanisms (internal and external) of compradorism are determined by various things. Prominent among these (as noted) are the historical outcomes of its various class struggles, the way it was and is inserted into the world capitalist order, and the specific imperial centres. Actually this last point (ie., ties to imperial centres) assumes tremendous importance today. The present-day comprador states are an organic part of the imperialist order. But thy emerge in a process occurring in real life, ie. their anatomy is not constituted in the abstract. When we speak of an imperialist order we mean a specific one (a particular historical phase of imperialism), an imperialist order (one under US economic and political hegemony) the gives historical specific elements that comprise the peripheral state dynamic. The point is that as we witness a shift in the imperialist terrain, a reconfiguration of the world order, then it is only inevitable that previously historically specific constructs that arose on and to serve a historically specific

imperialist order will have lost their historical validity and purpose. Thus while in the general and the universal context the state is transhistorical (performing under capitalism the dialectically linked tasks of bourgeoisie instrument and preserver of capitalist relations), its form is historically constrained. With the present restructuring of world imperialism the existing forms of states are going to be superseded, as a new imperialist state matrix will be required. Of course, this shift will not occur overnight, superstructural changes always lag behind changes in the base. The transition from one historically specific state form to another will involve a degree of instability and stress that will be reflected in increased economic and political crisis, mirrored by a disorientation of class forces (both within and between classes) paralleled by a disorientation of class struggle. It is quite possible that peripheral states may temporarily gain more room for manoeuvre. This increased scope for action will be the result of an imperialism in flux as terms of dependency between periphery and imperial centres are renegotiated against a backdrop of the emerging new relations between various imperial centres; the first signs of new powerful inter-imperialist rivalries and competition. However, this 'negotiation' will serve only to reformulate imperialist economic and strategic interests, ensuring continued imperialist domination.

The neo-colonial state is an economically and politically dependent structure and, as previously noted, is unable to carry out the project of a national development. Decolonization and the years subsequent to decolonization did not involve the necessary structural changes in the political economy to improve the chances for development. The neo-colonial state has been an extension of the interests of the metropolitan state and followed this path of 'development', in the interests of its own rules and metropolitan allies. As the state is thus, both a source (or accumulator) of wealth and the means of defending it, domestically, as well as, internationally it has been unable and incapable of addressing, let alone satisfying the basic needs of the masses.

Consequently, any serious discussion of development must view a break with imperialism as the essential starting point. Such a strategy towards development would have to focus around an auto-centred process in which development would be generated and sustained from within, and the international economy would be marginal to the national economy, rather than the other way around. Given the capital outflows (ie. the surplus extracted from the periphery). It is clear that Trinidad and Tobago, for

example, generates enough wealth to sustain a national development project.

Such a strategy would, of course, involve the mobilization of the masses for development and the creation of an independent technological base in the form of research centres. At the core of this project lies the goal of eliminating the neo-colonial state and replacing it by a people's state in which the democratic rights and basic freedoms that ordinary and working people had expected from independence would be guaranteed. It is only when the masses can participate in the process of their own economic and social development that the state can be said to represent their true interests.

What is now required of the cognitive and emancipatory projects is not clear. How events in the world will develop is unknown. Lenin wrote that it is time to abandon the idea that it is possible to foresee "all the forms of development of subsequent world history. It would be timely to say that those who think so are simply fools" (Lenin, 1980). It is only possible to crudely paint the outskirts and then embark hopefully on refinement. However, it is clear that in the case of Trinidad the possibilities of a successful revolutionary project depends on the avoidance and elimination of the atavistic stupidities of the Abu Bakr coup attempt.

Marxists have always acknowledged the weight of history as a real force in shaping class struggle. but history itself, its understanding and its making, must be secondary to the liberation of humanity. Currently, those struggling on behalf of the oppressed increasingly see the need not only to become an organic part of the oppressed classes but utilize their (ie., the oppressed and exploited) history, traditions, experience and wisdom to sketch out a vision of the future as it has, and probably not been possible to do before. In The Eighteenth Brumaire of Louis Bonaparte Marx writes that socialist revolution:

Cannot draw its poetry from the past, but only from the future. It cannot begin with itself before it has stripped off all superstition in regard to the past. Earlier revolutions required recollections of past world history in order to drug themselves concerning their own content. In order to arrive at its own content the revolution of the 19th century (and those of the 20th and beyond!--author) must let the dead

bury their dead. There the phrase went beyond the content; here the content goes beyond the phrase. (Marx, 1982, p. 106).

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