Development theory and domestic agriculture in the Caribbean: recurring crises and missed opportunities

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Summary: Caribbean development theory has long advocated a break from economic reliance on single crop exports through the promotion of domestic agriculture. Yet today the domestic agricultural sector in much of the Caribbean is underdeveloped, as the rising food import bill attests. This paper examines the historical views on domestic agriculture by development theorists with a focus on how recurring economic crises have created opportunities to advance domestic agricultural production. While internal and external forces have thwarted many of these efforts, the current global food crisis may provide a sustained incentive to overcome the structural legacy of the plantation economy through development of the domestic agricultural sector.

Key Words
DEVELOPMENT THEORY DOMESTIC AGRICULTURE CARIBBEAN

Introduction

The application of development theory in the Caribbean has legitimised industrialisation and export agriculture at the expense of agricultural production for the domestic market, maintaining the colonial legacy of a plantation economy. The customary explanation assumes that development theory deems domestic agriculture as unviable while emphasising the comparative advantage of tropical crops for export (Figueroa, 1996). However, in retrospect, it appears that the theorists are not solely to blame. The particular applications of many development strategies have failed to take account of the role of agricultural production for domestic consumption elaborated in the theories. It is the purpose of this paper to seek out the misplaced theory regarding the role of domestic agriculture in the development process and make a case for the return to a more balanced interpretation of theory that guides action.

The neglect of domestic agriculture has resulted in the Caribbean becoming a net food importer with a growing food import bill and increased food insecurity. The revitalisation of domestic agriculture can help address these problems and contribute to diversification of Caribbean economies (Deep Ford & Rawlins, 2007; McIntosh & Manchew, 1985). With 26 percent of the Caribbean labour force engaged in agriculture
the contributions domestic agriculture can have for rural livelihoods are significant (FAO, 2008).

However, the promotion of domestic agriculture requires challenging the legacies of resilient plantation economies in the Caribbean. Throughout history, economic crises have provided windows of opportunity for contestation of the plantation legacy and several development theories have made the attempt to do so (Lewis, 1955; Beckford, 1972). Advocating agricultural production for the domestic market as part of the development process, these efforts have repeatedly been thwarted by both internal and external forces. Yet today the global food crisis has provided another opportunity for the nations of the Caribbean to implement long-lasting change in the agricultural sector. Will the lessons be heeded or will history merely repeat itself as the plantation economy is perpetuated? Here the historical role of domestic agriculture in the development process will be explained from the colonial past through the present, focusing on recurring crisis and resultant opportunities, and concluding with a call for action. In the context of the current global food crisis, the timeliness of such an endeavour has indeed become urgent.

Precursor to Development: Colonial policies and the absence of domestic agriculture

Economic policy in the British Caribbean during the early colonial period centred on the mercantilist doctrine of market protection. The strategy focused commodity trade on importing raw materials from the colonies and exporting manufacturers, creating a favourable balance of trade for the benefit of the metropole (St Cyr, 1993). Production of foodstuffs in the colonies was discouraged as resources were focused on tropical export products while sustenance needs were met through importation of agricultural products produced in the temperate regions of the metropole. There were contrary voices calling for diversified domestic production in the Caribbean, and a proposal to ban imported foodstuffs to force domestic production in the colonies was put before the British Parliament in 1698 (Williams, 1970). Predictably, this proposal was rejected on the basis that it would decrease land devoted to the prize tropical product of the period; namely sugar. During the majority of this period labour was provided through slavery, but even after emancipation the denial of land and other schemes forced the majority of the newly free labour-force to work on the plantations for the benefit of the metropole (Beckford, 1975; Best, 1975; Mandle, 1982).

Industrialisation in Britain in the nineteenth century created a need for access to foreign markets and mercantilist market protection was abandoned in favour of Adam Smith’s classical free trade economics, as evident in the repealing of protectionist duties on sugar in 1852 (Williams, 1970). For the Caribbean the result was largely the same as domestic agriculture was viewed as a sector of disadvantage and all efforts were focused on maximising the region’s comparative advantage in sugar production for export. However, the result of free trade policies created a crisis for the British West Indian sugar industry where, by the 1890s, competition from other tropical colonies and sugar beet production in the temperate regions of Europe caused sugar prices to crash (Richardson, 2007). As a response the 1897 British Royal West Indies Commission, organised to
assess the needs of the Caribbean colonies, presented a critique of the sugar plantocracy and endorsed the promotion of small peasant farms (Williams, 1970). The Commission recommended the creation of botanic gardens on each of the islands, focused on economically valuable plants with agricultural extension agents to pass new technologies to the small farming sector. Henderson and Patton (1985) claimed success of these extension agents throughout the Lesser Antilles, albeit in terms of increased exports of vegetables with economic value. Yet this period of crisis created an opportunity to diversify and challenge the structural dominance of the plantation economy.

For the most part the recommendations of the Commission were ignored as the colonial authorities gave domestic agriculture scant attention. Prior to emancipation slaves were at times permitted to work provision grounds and, post-emancipation, a peasant sector did emerge in the recesses where the plantations either broke down or never reached (Beckford, 1975; Levitt & Best, 1975; Mintz, 1985). But the production of domestic agriculture was for the most part limited to familial consumption and informal trade. It was not until the advent of the domestic market that the small farming peasantry began to have a greater impact on Caribbean economies (Witter & Beckford, 1980). Geographically the market began a distribution network for domestic production which laid the groundwork for rural roads from hilly interiors to coastal centres of economic activity. Additionally, an interdependent relationship between capitalist plantations and the subsistence small farming sector developed through supplemental plantation fieldwork for the farmers and foodstuff production to augment basic sustenance needs (Mintz, 1985; Witter & Beckford, 1980).

Even with the concurrent evolution of a small farming peasantry, the end of the nineteenth century saw a region highly dependent on a declining sugar industry and imported foodstuffs. However, during World War II the blockage of shipping lanes created another crisis which provided an external impetus for the region to focus on satisfying basic needs (Taitt, 2007). The temporary disappearance of markets for sugar and supplies of basic foodstuffs resulted in a communal effort to produce for domestic demand, with the Caribbean largely feeding itself during the war (Jesse, 1994; Axline, 1984). The result suggested the possibility of a Caribbean self-sufficient in food supply, albeit as a response to war imposed conditions.

**Development Theorised: W.A. Lewis and the inclusion of domestic agriculture**

It was in the post-World War II period that the era of formal development studies commenced. From within the Caribbean region there emerged development theories justified to be appropriate to the particularities of the region, with the St Lucian born economist Sir Arthur Lewis arguably the most notable. Lewis detailed a dual economy for the Caribbean consisting of a large subsistence sector and a small capitalist sector. The subsistence sector was considered unproductive as its marginal productivity was near zero due to the excessive amount of labour working on the small land base. Thus, labour could leave the subsistence sector without decreasing production or increasing the marginal wages. Meanwhile, the capitalist sector could increase profits through paying the low marginal
wages determined by the subsistence sector (Lewis, 1954). In effect, the large size of the subsistence sector created the conditions of a virtual unlimited supply of cheap labour which would contribute to capital accumulation and reinvestment in productive capacity (Lewis, 1954; 1955).

According to Lewis, the Caribbean islands could use the unlimited supply of cheap labour as a comparative advantage in attracting industries. In practical terms, initial efforts would be focused on manufacturing for export as it was the only sector capable of expanding without necessitating an expansion in domestic demand, particularly due to the small size of domestic markets and initially low wages (James, 1996). In relation, the lack of local capital and knowledge presupposed investment from foreign sources; although Lewis did prefer local capital if available and felt it would eventually accumulate and be available for reinvestment (Figueroa, 1996). Meanwhile, the subsistence sector would shrink as agriculture modernised and became more productive through such investment (Lewis, 1954). By the time the condition of an unlimited supply of labour ended, due to the drying up of available peasants to enter the workforce and the resultant rise in wages, capital accumulation and reinvestment in all sectors would create a balanced and modernised economy.

Lewis’s inclusion of domestic agriculture in his development theories is often overlooked as analysis focuses on aspects of the so-called ‘industrialisation by invitation’ model of development (Beckford, 1972; Best, 1976). This is due to Lewis’s dismissal of development that began with greater productivity in food for the home market since any increase in food production while other sectors remained stagnant would bankrupt the farmers for lack of growth in demand (Lewis, 1958). Further, the development process could not begin with agricultural exports due to the difficulty of getting favourable terms of trade for agricultural commodities and a corresponding requirement to focus efforts away from industrialising. Instead:

‘The farmers’ position is much more hopeful if development begins outside agriculture ... This in turn generates an increase in demand for agricultural products, and so development spreads from sector to sector’.

(Lewis, 1958: 28).

But just because Lewis believed development should begin outside agriculture does not preclude agricultural development, it simply would delay it until a growing market for increased agricultural production arose. By developing a non-agricultural sector there would be a concurrent rise in wages and demand for food (Johnson, 1982), thus creating an impetus for further stages of economic growth to occur in the domestic agricultural sector (Lewis, 1954). This illustrates Lewis’s belief in balanced development to avoid the loss of profits from the manufacturing sector through unfavourable terms of trade for imported foodstuffs (Lewis, 1955).

Belatedly, Lewis’s prescriptions were not implemented correctly, particularly the premise for the increase in agricultural production for the domestic market. The concentration on ‘industrialisation-by-invitation’ was accompanied by a focus on agriculture for export, partly due to the entrenched plantocracy (Williams, 1970; Witter, 2004). The profits of the manufacturing sector were then squandered on imported products instead of
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being reinvested and development did not spread from sector to sector as Lewis had proposed (Demas, 1975). The results were disarticulated economies with a lack of local markets, low wages, and increasingly dependent on foreign capital, foreign markets, and foreign imports (de Janvry, 1981; Axline, 1984).

Radical Reprise: the Plantation School and the promotion of domestic agriculture

The lacklustre results of the application of Lewis’ theories were accentuated by high unemployment and lack of improvement for the majority of the populace. It was time for a populist response:

‘Thirty years later, if you look at the evidence, all of this feverish activity in winning capital and entrepreneurship from abroad, appears now to have been an enduring futility’. (Best, 1976: 2).

A growing cadre of Caribbean economists during the 1960s critically attacked Lewis’ industrialisation-by-invitation model of development, which was blamed for growing foreign dependence that was antithetical with their struggle for greater economic autonomy (Girvan & Jefferson, 1971; Blackman, 1980; Bernal et al., 1984).

Cultivated by such Caribbean economists as Lloyd Best, Norman Girvan, George Beckford, and Clive Y. Thomas, this group became known as the Plantation School due to their analysis of the plantation economy, defined as situations where:

‘the internal and external dimensions of the plantation system dominate the country’s economic, social, and political structure and its relations with the rest of the world’. (Beckford, 1972: 12).

Deeply embedded in the plantation economy was the continued legacy of the colonial era whereby Caribbean islands remained subservient to foreign capitalist economies (Levitt & Best, 1975). The Plantation School pinned the continued foreign dependence of the region on Lewis and his influence on post-war industrialisation (Demas, 1975). The main criticism of Lewis, claimed the model, came from an alien historical context (classical theories of Western Europe) and, therefore, failed to see the structural obstacles imposed on the Caribbean that disallowed an internalising of economic growth and reinforced dependency on the metropole (Bernal et al., 1984; Levitt & Best, 1975).

The arrival of these Caribbean dependistas occurred during the era of independence for many of the islands of the Caribbean (Conway, 1998). The hope was that through independence the Caribbean could break dependence on the metropole by fighting foreign capital and control and concentrating on the structural problems of the domestic economy through resource allocation toward domestic production. Creating more self-sufficient development would lead to balanced growth whereby:

‘[t]he process of capital accumulation becomes internally driven - that is, based on the national market with exports as an extension of production for domestic use’. (Bernal et al., 1984: 72).

For domestic agriculture this required breaking the plantation legacy of a perpetual reliance on imported foodstuffs for consumption, paid for by earnings from exports. In a principle reminiscent of Lewis, Beckford claimed:
'Without responsive food production the export earnings will just be frittered away on food imports, and whether the country is better or worse off will depend on the terms of trade between exports and food imports'. (Beckford, 1972: 189).

The small farmer was important to achieving the goal of agricultural production for the domestic market as they were argued to be more productive than the plantations due to the utilisation of a larger percentage of their land in diversified production (Beckford, 1968; 1975; Williams, 1970; Marshall, 1985). Land redistribution from plantations to small farmers would increase production for the domestic market and lessen the dependence on volatile agricultural exports. Further, expanding the small farm sector would provide livelihood opportunities for the surplus labour which was not being drawn into the manufacturing sector as readily as Lewis had hoped (McDonald, 1980).

In order for the small farming sector to deliver these benefits it would have to be provided with support services and initial protection from cheap imports as they built productive capacity. The Plantation School theorists proposed access to adequate land of good quality, the diffusion of technical knowledge, availability of capital for investment, subsidies, and tariff protection to achieve this support (Beckford, 1968; Bernal et al., 1984). For the first time theory was linked with policy in an attempt to increase agricultural development for the domestic market. Examples included the creation of the Caribbean Agricultural Research and Development Institute [CARDI] in 1975 to promote diffusion of technical knowledge to small farmers through research and extension services, and the founding of the Caribbean Development Bank [CDB] in 1969 to provide capital for investment in agricultural development (Axline, 1984).

The Plantation School’s treatment of domestic agriculture had similarities with the 1897 British Royal West Indies Commission recommendation in supporting small farmers. Further, they shared Lewis’ belief that agricultural production for the home market was necessary so that profits would not disappear through adverse terms of trade for imported foodstuffs, albeit they had different ideas on how this should be achieved. A poignant example was Jamaica’s attempt at ‘democratic socialism’ under Michael Manley (Conway, 1998). Rising oil prices, decreased export revenue due to global recession, and soaring imported food prices in the mid-1970s stimulated the promotion of domestic agricultural programmes along the lines of the Plantation School’s prescriptions, with a resultant increase in domestic food production (Manley, 1982; Weis, 2004; Witter, 2004).

Unfortunately, while the oil crisis offered the opportunity to implement the Plantation School’s theories, the experiment of promoting domestic agriculture was short-lived as external factors forced the transition from increased self-sufficiency to greater dependence on the world market (Manley, 1982; Thomas, 1989; Weis, 2004). The oil crisis of the 1970s and subsequent global recession of the 1980s created severe fiscal crises for many states in the Caribbean, which opened the door for the imposition of a new economic policy which eroded the gains of the Plantation School’s advancements (Mandle, 1982; Deere, 1990).
Retrenchment and Retreat: Neoliberalism and the challenge to domestic agriculture

Entering the 1980s Caribbean economies were faced with severe pressures resulting from high prices for oil and imported commodities, low prices for exports, stagnant or declining economic growth rates, and exploding national debt burdens (Harker, 1989). With several Latin American countries facing default on their debt, world financial institutions, primarily the International Monetary Fund [IMF], formulated policies to stabilise the global financial system through fiscal austerity. Termed Structural Adjustment Programmes [SAPs], conditions were placed on renegotiating debt and the approval of new loans which sought to reduce state expenditures and raise revenues to fulfil debt obligations. These conditions commonly applied supply-side policies to raise revenues, such as controlling wages and devaluing the currency in order to lower the market price for exports. Theoretically this would raise demand for exports abroad and stimulate further production. To reduce state expenditures public services were cut and government staffing reduced, fees for public services raised and taxes increased, and subsidies removed (Deere, 1990; Gayle, 1998; Klak, 1998).

While efforts at fiscal austerity are indeed sensible, the timing and speed with which the IMF imposed these conditions on countries often had the opposite effect and created political crisis for governments as their citizens bore the brunt of rising costs, fewer public services, a decline in the productive capacity of the economy, and a resultant deterioration in the quality of life for a vast majority of the population. The initial fiscal austerity measures had a negative effect on agricultural production for the domestic market as cuts in government spending gutted agricultural research, development, and extension services (Weis, 2004), effectively reversing the programmes created during the Plantation School era (Deep Ford & Rawlins, 2007). IMF policies, concerned about inflation, raised domestic interest rates to such a high degree, from 20–40 percent, that neither businesses nor farmers were able to obtain capital for productive investment (Stiglitz, 2003).

However, in what was termed the Washington Consensus and is now commonly referred to as neoliberalism, the IMF went beyond its stated mission of maintaining global economic stability through fiscal austerity and included conditionalities promoting the ideology of laissez faire economics through privatisation and trade liberalisation. Claiming Caribbean economies were stifled by the inefficiencies of protectionism implemented during the era of the Plantation School’s influence, the neoliberal agenda believed liberalised trade based on comparative advantage would create competitively efficient economies and raise global wealth with trickle-down benefits for all (Stiglitz, 2003; Weis, 2004). Begun in the 1980s, and accelerated in the 1990s, publicly-owned enterprises were privatised and protectionist trade policies scaled-back in the indebted countries.

The reduction of subsidies and trade barriers sought to create an environment whereby highly competitive producers excel while those less productive would be assimilated into other competitive sectors of the economy. Domestic agriculture in the Caribbean proved to be at a disadvantage competitively when pitted against the
industrialised agricultural sectors of North America and Europe— which were protected and supported by the very trade barriers and subsidies the neoliberal agenda derided. Any concerns about food security were answered with the availability of cheap and (assumed) stable imports, which stands in stark contrast to the theories of both Lewis and the Plantation School. The acceptance of this food security strategy has even contributed to the decrease in the proportion of foreign assistance devoted to agricultural development; from 18 percent of assistance budgets in 1979 to 2.9 percent in 2006 (Walt, 2008).

Critics have warned that relying on cheap imports is a short-term strategy whereby once agricultural subsidies in the North America and Europe are eased the cost of imported food would rise accordingly (Weis, 2004). In the meantime nations lose domestic producers, creating increased unemployment and a populace less able to afford any rise in costs. The recipient of the Nobel Prize in Economics, Joseph Stiglitz, pointed out this failure:

‘Trade liberalization is supposed to enhance a country’s income by forcing resources to move from less productive uses to more productive uses; as economists would say, utilizing comparative advantage. But moving resources from low-productivity uses to zero productivity does not enrich a country, and this is what happened all too often under IMF programmes’. (Stiglitz, 2003: 59, italics in original).

In the Caribbean, cheap food imports have flooded domestic markets, damaging the increasingly unprotected and unsubsidised local agricultural sectors and biasing domestic tastes toward foreign goods while leaving the region vulnerable to the vagaries of the international market (Timms, 2006; Deep Ford & Rawlins, 2007; Weis, 2004; Iqbal, 1993).

Just such a scenario victimised the Jamaican dairy industry when structural adjustment programmes in the 1990s liberalised importation of subsidised powdered milk from the United States and Europe. Domestic milk production dropped from 38.8 million litres of milk in 1992 to 14 million litres in 2007, the latter representing only 10 percent of the milk consumed on the island (Myers Jr., 2008). Proponents of trade liberalisation acknowledged that while local dairy farmers suffered, ‘poor children could get milk more cheaply’ (Stiglitz, 2003: 5). Yet this qualification overlooks the fact that a decline in a country’s productive capacity makes it more difficult for the poor to escape poverty. Further, the forewarnings of Weis (2004) became a reality when the European Union lowered export subsidies for milk which, in combination with the rise of demand in China and India, resulted in the price of an imported metric ton of powdered milk to increase from US$2,200 in 2006 to over US$5,000 in 2008 (Myers Jr., 2008). In response to the scarcity of milk on the shelves of supermarkets the Government of Jamaica has announced plans to import dairy cows and begin the rebuilding of the domestic dairy industry.

For the Caribbean region the effects of neoliberalism have seen a growing agricultural trade deficit due to low prices for export commodities and an increasing food import bill (Table 1) (Thomas, 1993; Deep Ford & Rawlins, 2007; World Bank, 2008). The increasing reliance on imports and damaged productive capacity of the domestic
TABLE 1: Agricultural Trade Balance for CARICOM Member States (US$ '000)

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<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>-17,542</td>
<td>-35,291</td>
<td>-37,670</td>
</tr>
<tr>
<td>The Bahamas</td>
<td>-142,373</td>
<td>-176,503</td>
<td>-246,109</td>
</tr>
<tr>
<td>Barbados</td>
<td>-59,129</td>
<td>-62,020</td>
<td>-95,311</td>
</tr>
<tr>
<td>Belize</td>
<td>36,382</td>
<td>65,369</td>
<td>61,582</td>
</tr>
<tr>
<td>Dominica</td>
<td>4,373</td>
<td>-1,821</td>
<td>-11,488</td>
</tr>
<tr>
<td>Grenada</td>
<td>-14,428</td>
<td>-23,846</td>
<td>-26,786</td>
</tr>
<tr>
<td>Guyana</td>
<td>155,801</td>
<td>134,548</td>
<td>133,102</td>
</tr>
<tr>
<td>Haiti</td>
<td>-212,831</td>
<td>-337,133</td>
<td>-383,588</td>
</tr>
<tr>
<td>Jamaica</td>
<td>-47,941</td>
<td>-144,690</td>
<td>-249,732</td>
</tr>
<tr>
<td>Montserrat</td>
<td>-8,846</td>
<td>583</td>
<td>-3,790</td>
</tr>
<tr>
<td>St Kitts &amp; Nevis</td>
<td>-9,101</td>
<td>-14,759</td>
<td>-22,057</td>
</tr>
<tr>
<td>St Lucia</td>
<td>-2,120</td>
<td>-19,949</td>
<td>-41,787</td>
</tr>
<tr>
<td>St Vincent &amp; the Grenadines</td>
<td>13,115</td>
<td>-3,675</td>
<td>-17,452</td>
</tr>
<tr>
<td>Suriname</td>
<td>-25,618</td>
<td>-52,480</td>
<td>-84,457</td>
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<tr>
<td>Trinidad &amp; Tobago</td>
<td>-94,773</td>
<td>-77,248</td>
<td>-143,090</td>
</tr>
<tr>
<td>CARICOM</td>
<td>-425,031</td>
<td>-748,914</td>
<td>-1,168,631</td>
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</tbody>
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SOURCE: FAO, 2008

Agricultural sector make the region even more susceptible to volatility in global commodity markets. Further, trade liberalisation has resulted in a decline in tariff revenues, which have traditionally been a significant source of revenue for Caribbean governments (Khaira & Deep Ford, 2007; Witter, 2004).

Critics of the macroeconomic 'one size fits all' approach of neoliberal structural adjustment programmes point out the lack of historical and local context in the focus on short-term balance of payment difficulties and trade liberalisation without due regard to the severe long-term negative impacts they have on balanced development (Klak, 1998; Stiglitz, 2003; Karagiannis, 2004; Weis, 2004; Conway & Timms, 2003). In addition, neoliberal policies have been asymmetrically applied whereby the industrialised countries of North America and Europe retain subsidies and trade barriers while developing countries are forced to dismantle their own in the name of fiscal austerity and liberalised markets. This creates unfair trade that undermines the comparative advantage of farmers.
in the Caribbean on both the global and domestic levels (Conway & Timms, 2003). Further, it denies the fact that development in the industrialised countries began with protectionism and only opened up to free trade, albeit selectively and incompletely, once their industries were in an advantageous competitive position (Deep Ford & Rawlins, 2007; Stiglitz, 2003). Hence, the imposition of neoliberal policies has placed the horse in front of the cart, increasing the economic instability and vulnerability of Caribbean nations.

The results of neoliberal policies for the Caribbean are reminiscent of the colonial era when the British adopted free trade and reinforced the negative aspects of the plantation economy. Even the unequal power relations between the colonial metropole and colony are perpetuated in the uneven terrain of ‘fair trade’ whereby agricultural sectors in the Caribbean are left without support financially, technically, or protectively, and opened up to compete with imported goods supported by financial, technical, and protective policies in developed countries. And just as the 1897 British Royal West Indies Commission and the policies of the Plantation School responded to crisis by calling for support of the small farmer for domestic production, the current global food crisis resulting from unfair trade may require the success of similar efforts.

The Global Food Crisis: an opportunity for domestic agriculture?

While the results of neoliberalism have damaged the agricultural sector, recently the logic of it has proven to be dangerously unstable as well. The past two years have seen a dramatic increase in food prices, creating what the World Bank has termed a global food crisis as the international food price index rose 82 percent between March of 2006 and March of 2008 (World Bank, 2008). Of special importance are basic grains such as rice which has tripled in price between January and May of 2008 (Walt, 2008), wheat which is up 130 percent from 2007 to 2008, and the price of maize which rose 30 percent in the same time period (IFAD, 2008). Such developments create extreme food insecurity, and often political instability as evident in Haiti, for regions reliant on food imports such as the Caribbean.

The typical reasons given for the current food crisis include the effects of rising oil prices raising costs of production of agricultural inputs and transport, a resultant rise in the conversion of maize into ethanol, rising demand from emerging markets such as China and India, the change in global diets toward grain-intensively produced meats, crop failures from droughts and flooding, and even the increase in shipping costs attributable to the repositioning of ocean freight toward Asia (Walt, 2008; World Bank, 2008). While the number is still debatable, the expansion of bio-fuels has been blamed for 75 percent of the rise in global food prices as maize is diverted from the dinner table to gas tanks (Chakraborty, 2008).

Yet there are deeper underlying reasons for this crisis. The structural contradictions of industrial agriculture have resulted in overproduction as an outcome of technological competition, subsidies, protectionist trade policies, and corporate-based integrated agribusiness (Goodman & Redclift, 1990). Overproduction created a crisis of
falling prices, and to mediate the oversupply the markets in the developing world were accessed through structural adjustment liberalisation. However, as can be seen, this has damaged local production and replaced it with cheap imports, up until the present. The process by which this occurs can be considered an example of ‘dumping’, whereby goods are sold at below fair market value (due to subsidies) to drive out competition and create a monopoly (Khaira & Deep Ford, 2007; Stiglitz, 2003). While anti-dumping laws in the United States have been created to protect competition, they do not apply when accessing markets in less economically and politically influential parts of the world. However, while past food crises were cyclical and temporary, the World Bank claims the contemporary factors contributing to high food prices are structural and economic simulations point toward the maintenance of high prices in the foreseeable future (World Bank, 2008).

If one can find the proverbial silver lining to the current global food crisis it may be the incentive for Caribbean nations to, once again, combat the colonial legacy of the plantation economy. With rising prices there is an incentive for farmers to recover domestic markets, which were lost during the era of trade liberalisation and unfair competition from industrialised and subsidised foreign agriculture (Weis, 2007; IFAD, 2008). Such situations have presented themselves before, notably during the oil shocks of the 1970s when the costs of imported agricultural inputs rose steeply. But attempts at increasing domestic production were defeated by trade liberalisation with cheap food imports replacing self-sufficiency in the short-term strategy of food security (Weis, 2004). Today that avenue appears to be closed and, if this is indeed a long-lasting structural crisis, then it may be the sustained incentive needed for a structural change to the plantation economy to finally succeed.

One country which faced a severe crisis and proactively worked to transform the domestic agricultural sector is Cuba. Prior to the collapse of the Soviet Union in 1991, Cuba had a highly modernised agricultural sector dominated by sugar exports with a reliance on imported agricultural inputs and foodstuffs. When the Soviet Union disintegrated Cuba saw an immediate 53 percent decrease in oil imports, 80 percent decline in fertilisers and pesticides, 50 percent drop in imported grains, and a resultant 50 percent drop in calorific intake (Rosset, 1997: 21). The reaction was to institute the Special Period in Peacetime which switched from high-input agriculture to low-input self-reliant farming and a reorganisation of large state-farms to small work teams which could sell any surplus above their quotas in newly created farmers’ markets, drastically raising production (Torres et al., 2007; Lynch, 2006; Rosset, 1997). Programmes were implemented focusing on biological pest and disease control, increased emphasis on energy conservation and renewable energy, the promotion of root and tubers to replace imported wheat, and urban agriculture. By mid-1995 calorific intake had recovered to pre-crisis levels and today 90 percent of Havana’s produce is supplied by urban farms (Rosset, 1997; Stricker, 2007). While the massive public mobilisation required for Cuba to achieve this transformation is not necessarily transferable in total, many aspects of the programme have been promoted as a model for other countries in the Caribbean to follow (Weis, 2007).
Examples of similar efforts are being made throughout the Caribbean with public campaigns urging citizens to change eating habits toward local production (Richards, 2008; Thompson, 2008); including replacing imported wheat and rice with domestically produced yam and cassava (Wilson, 2008). The Jamaican Ministry of Agriculture has initiated an Urban Backyard Garden Programme that provides free garden kits, aims to distribute 200,000 packets of vegetable seeds to students, and seeks to establish school gardens in 966 public institutions (Thompson, 2008). There is also discussion about utilising Guyana's vast agricultural potential to cooperatively produce rice for the region, although such talks have not yet approached any practical development (Richards, 2008). While not on the scale of the Cuban programme, these efforts do signal a response aimed at increased regional agricultural production to combat the global food crisis.

There is also a fundamental shift in the global order which may serve as an alternative to the adverse impacts of neoliberalism. China, whose demand is one factor contributing to the rise in commodity prices, has become the world's largest money holder ($1.5 trillion in foreign exchange reserves) and has become a new source of foreign aid and development loans (Zakaria, 2008). China's aid packages often surpass those of the USA and its loan packages are competing with the World Bank and the IMF with lower interest rates and without the dreaded conditionalities (Zakaria, 2008). While these financial packages are being used politically to create state support for the One-China policy, the lack of IMF type conditions can give developing countries more leeway in determining their own development agendas (Sanders, 2008). Evidence of this shift in funding can be seen throughout the Caribbean (Manian, 2005) and, notably, in a Chinese grant of $2.5 million for agricultural development in Jamaica that is in the process of being finalised (Richards, 2008).

However, while the current global food crisis provides an opportunity to increase domestic agricultural production, the rise in commodity prices also creates an incentive that may perpetuate the legacy of the plantation economy. If the demand for ethanol continues to increase it may promote expansion of the sugar industry. While it would be prudent to take advantage of the profits of such an endeavour, it would be folly to waste them on importation of foodstuffs. Hopefully the historical lessons from the past development theorists such as Lewis and the Plantation School will be heeded and the profits earned from the expansion of sugar for ethanol reinvested in domestic agriculture, promoting long-term resilience in food security through growth in small-holder production (IFAD, 2008; United Nations, 2008). For example, the rise in cost of imported food may drive the tourist sector to seek domestic sources, which has historically suffered from lack of supply (Timms, 2006). By reinvesting in domestic agricultural production this limitation may be remedied. Further, reinvestment in other export crops can spur diversification, particularly in niche markets where product differentiation is more important than price (e.g. fair trade items). If so, the opportunity that crisis provides may finally allow development to spread from sector to sector and break the legacy of the plantation economy.
Conclusion: time for action...again

By examining the historical role of domestic agriculture in Caribbean development theory this paper highlights how recurring crises have provided opportunities to challenge the structural legacy of plantation economies. In the late nineteenth century falling sugar prices from free trade induced competition prompted the British Royal West Indies Commission to recommend the promotion of small peasant farms producing for the domestic market. In the post-World War II period Sir Arthur Lewis elaborated the importance of expanding domestic agriculture to shore up foreign exchange leakages and achieve balanced development. The Plantation School was able to implement policies supportive of domestic agriculture during the rise in import costs resulting from the 1970s energy crisis. While the latter two theorists were often at odds with each other, they concurred on the need for investment in the productive capacity of domestic agriculture to spread development from sector to sector and to combat the leakage of capital through adverse terms of trade, which would effectively break the legacy of the plantation economy.

Unfortunately, while crises provided opportunities to achieve this long sought after goal, in large part the attempts to do so were unsuccessful. Whether it was internal resistance to the shifting of resources from plantation to domestic production by the entrenched plantocracy, external resistance by colonial powers seeking to maximise tropical crop exports, or more recently imposed neoliberal policies damaging domestic production, these brief windows of opportunity were missed. Once again opportunity presents itself, and if the current global food crisis is indeed as long-term and structural as the World Bank believes then it may provide a sustained incentive to finally achieve lasting development of the domestic agricultural sector. There is no time like the present to become proactive instead of reactive and heed the lessons of history by taking advantage of this opportunity and make domestic agricultural a central component of balanced development in the Caribbean.

References


