Industrialization, Poverty and Paradigmatic Thinking in the English Speaking Caribbean

by

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1. Introduction

There is currently a crisis in development thinking in the English speaking Caribbean (and for that matter, in the entire Caribbean area). The timeworn, top-down, macro models of industrialization, be they of the import substitution mode or, more recently, of the export promotion variety, have failed to address seriously the concerns of the region's poor. Indeed, by any measure of poverty, many countries of the English speaking Caribbean are worse off today than they were ten to fifteen years ago. The problem of endemic poverty, in turn, has led to periodic crises of legitimation for the states of the region.

In this paper I look briefly at industrialization patterns in the English speaking Caribbean over the past three decades and suggest some reasons why they have failed to ameliorate significantly the poverty problem in the region. The following section elaborates on a conceptual framework which I find useful for theorizing and evaluating the industrial patterns—the framework of dependent capitalism. This is followed in section three by an overview and assessment of the industrialization strategies themselves. Given the failure of past attempts at industrialization, does there exist a viable alternative strategy of development for the poor? In sections four and five I shall argue that a viable alternative lies in community empowerment at the grassroots level.

2. Industrialization Within Dependent Capitalism: A Conceptual Framework

2.1. The Meaning of Dependent Capitalism

Virtually all radical political economy analyses of underdevelopment in the less developed countries (LDCs) start off with the following basic theoretical proposition:

...peripheral countries as they are integrated into the world-wide capitalist economy are (for the most part) locked into a state of limited economic development. (Meeropol, 1972: 77)

This development is, furthermore, dependent in nature. Dos Santos (1970), Frank (1967) and others of what has come to be known as the 'dependency school' view dependence as a situation in which the economies of one group of countries are conditioned by the development and expansion of others. Furthermore, this conditioning has negative effects on the immediate development of the dominated countries. Within the radical political economy paradigm of underdevelopment itself dependency theory has come under attack by Marxist theories of underdevelopment (Laclau, 1971; Rey, 1975). The former emphasises foreign domination (the international circuit) as the primary mechanism for surplus extraction from the LDCs, while the latter places emphasis on the role of internal class structures within the LDCs themselves (the domestic circuit). I do not propose to get into that debate here. Clearly, a more complete view of dependent capitalism must incorporate analyses of both the international and domestic circuits of surplus extraction.
2.

Sutcliffe (cited in Palma, 1978: 885) identifies three distinct phases in the evolution of dependent capitalism (and, by corollary, three distinct sets of mechanisms for surplus extraction) in the LDCs. The first involved the plunder of wealth and slaves and exports of manufactured goods to the periphery. The second was characterized by the export of capital, the growth of monopoly and the competition for raw materials. The third has come to involve "a more complex, post-colonial dependency of the peripheral countries in which foreign capital (international corporations), profit repatriation, adverse changes in the terms of trade (unequal exchange) all play a role in confining, distorting or halting economic development and industrialisation".

2.2. General Characteristics of Dependent Industrialization

When one considers industrialization in the LDCs, then, attention must be focused on the third phase identified above by Sutcliffe. It is here that one can locate the genesis of the two modes of industrialization within dependent capitalism -- the import substitution mode and the transnational mode. In the former imports of manufactured goods into the LDCs are replaced by domestic production. In the latter industrialization is primarily export propelled and transnational capital is integrated with domestic public and private capital in the industrial sector, albeit in different proportions in different countries. Within the transnational mode mention must be made also of the growing importance of offshore or export processing zones in the most recent stage of global capitalism characterized by Harvey (1982) as a regime of flexible accumulation.

It is possible to identify several general characteristics of dependent industrialization. These include:

(1) A high degree of dependence on foreign capital usually supplied by transnational corporations or based on foreign loans.

(2) A net drain of monetary resources from the local economy in the form of repatriated profits, interest and dividends accruing to foreign capital invested in the domestic economy.

(3) A net drain of monetary resources from the local economy in the form of domestic surplus product appropriated by the local elite class -- bureaucrats, politicians, etc. -- whom Baran (1957: 205-218) calls the "comprador bourgeoisie". Quite often this appropriated surplus product is not used for domestic productive investment but for luxury import consumption or may be spirited away to foreign bank accounts.

(4) A high degree of dependence on foreign modern technology required for the domestic industries being established, and the monopolistic control of this technology by foreign corporations as reflected in the terms at which the technology is imported by LDC governments i.e. licenses and royalties.

(5) A high degree of dependence on foreign raw materials and semifinished goods for the domestic industries being established.
3.

(6) The inability of manufactured exports from the industrializing LDC countries to penetrate metropolitan markets due to protectionist measures and demand conditions.

(7) A persistent deterioration in the terms of trade of the industrializing LDCs. This is especially so in the import substitution mode where primary commodities must be exported in order to obtain the foreign exchange needed for the importation of materials for the newly established domestic industries.

(8) Persistent balance of payments problems. This is especially true in the import substitution mode where repatriated profits, interest and dividends from foreign investment in the local economy and high levels of imports of semifinished materials, etc. siphon off scarce foreign exchange resources.

(9) Foreign loci of decisionmaking. The control of the newly established industries by transnational capital transfers all major decisionmaking to foreign metropolitan centers.

(10) A low degree of integration of the local mass economy into the development process
    (a) Employment generated by the newly established industries is usually low given the capital intensive nature of the foreign technology introduced by the foreign corporations.

    (b) The forward and backward linkage coefficients of the industries are also low given the dependence on foreign raw materials, semifinished goods, and machinery.

(11) A low degree of diversification of the local economy given the new concentration on industrial activity
    (a) Neglect of the agricultural sector as shown by continually rising levels in the volume and value of imported foodstuffs.

    (b) Significant changes in the contribution by sectors to GDP over time in favor of industry as other sectors are neglected.

3. Industrialization in the English Speaking Caribbean
3.1. An Historical Overview

At the end of World War II the territories of the English speaking Caribbean were still colonial possessions of Great Britain and exhibited all the features of a typical agroexport or enclave economy. One or two agricultural products or raw materials dominated the export sector (for example, bananas and sugar in Jamaica, sugar in Barbados, and petroleum products in Trinidad-Tobago) and virtually all manufactures and capital goods were imported from metropolitan countries.
But all was not well in the region. Rapid decline in the sugar industry, dating from even before the Great Depression of 1919, had led to deplorable social conditions, widespread unemployment and social unrest during the 1930s. In the final analysis, of course, widespread poverty in the region could be attributed to the distorted economic structure of the enclave economy wherein output and resource use were geared towards the export market and not to the satisfaction of the basic needs of local inhabitants. Matters came to a head in 1937 when a series of strikes rocked several of the British colonies in the Caribbean. So great was imperial concern that a Royal Commission of Inquiry, the Moyne Commission, was sent out in 1937 to investigate and to make recommendations. The Commission's major recommendation was a revitalization of the sugar industry and, in effect, a perpetuation of the plantation economy structure.

The first major watershed in the region's economy came in 1950 when W. Arthur Lewis published his now classic article "The Industrialisation of the British West Indies". In this article Lewis rejected the Moyne Commission's recommendations and proposed a strategy of import substituting cum export promotion industrialization. This strategy was somewhat along the lines of the model being put forward at that same time in Puerto Rico (called "Operation Bootstrap") and in several Latin American countries by economists at the Economic Commission for Latin America (ECLA, 1949).

By the late 1950s virtually all the territories of the English speaking Caribbean had put in place the institutional framework required for implementing Lewis's industrialization model. The "industrialisation by invitation" strategy envisaged the creation of a modern industrial sector through the twin process of import substitution and export promotion. The initiative would itself be financed by foreign capital lured to the region by government subsidies, tax exemptions, government provision of infrastructure, and a reservoir of cheap labor.

One decade later, however, there was tacit admission among regional economic planners that the Lewis strategy had failed. The strategy came to exhibit many of the characteristics of dependent industrialization outlined in the previous section. The industries failed to penetrate foreign markets, emphasising import substitution for the local market over export promotion; employment generation was low given the primarily capital intensive nature of the technologies utilized; the industries were characterized by high import coefficients and few local linkages; balance of payments problems were aggravated; and the self-generating capitalist development so eagerly sought simply did not materialize since increased industrial production was achieved at the expense of other economic sectors, in particular, agriculture.

The decade of the 1970s that followed was an exciting time in the English speaking Caribbean. It was characterized by social and political activism and economic experimentation virtually throughout the region. For one thing, the erosion of the hegemony of the dominant conservative power in the region, the United States, had begun by the early seventies and, no doubt, emboldened many of the territories toward economic experimentation.

The early 1970s saw too the emergence of a new set of economic writings on Caribbean economy which were radically different, especially in their definition of economic development. Typified by the writings of William Demas (1970) and George Beckford (1972), the 'new economics', an offshoot of the Latin American dependency school, took an historical-structural approach to the problems of
underdevelopment in the Caribbean. The open, dependent nature of the Caribbean economy was clearly identified, and it was argued that it was necessary to aim for a form of self-sustaining economic development based on the utilization of local raw materials with less dependence on foreign capital and technology.

In almost all cases the economic experimentation involved a vastly augmented role for the state in national development initiatives, and was accompanied in some cases by attempts at new types of industrialization. We witnessed the 'democratic socialist' experiment of the Manley government in Jamaica, the energy-based development strategy of the Williams regime in Trinidad-Tobago, and later in the decade the ill-fated, socialist experiment of the New Jewel Movement in Grenada.

In terms of the notion of industrialization as an engine for economic development, the energy-based strategy of Trinidad-Tobago is of particular interest. We shall review briefly the background for the strategy. In the early 1970s two events occurred that were to have a decisive impact on development planning in Trinidad-Tobago during the seventies and beyond. The first was the international oil crisis of 1973 which ultimately led to a quadrupling of international oil prices. This meant that Trinidad-Tobago, endowed with significant deposits of petroleum, had quite literally overnight received a windfall in foreign exchange reserves, reserves which would total almost 10 billion dollars (TT) by the early eighties.

The second development was the discovery of huge deposits of petroleum and natural gas off the southeast coast of Trinidad. Proven reserves of gas total 6.65 trillion cubic feet. The stage was thus set for a new type of industrialization strategy, ostensibly rooted in the economic philosophy of the 'new economists' and financed by the revenues from the petroleum sector in concert with foreign capital. The strategy envisaged the establishment of several energy-based industries engaged in the manufacture and export of industrial products -- steel and steel products, urea and methanol -- and using local natural gas as the energy source. The industries themselves would be joint ventures between the Trinidad-Tobago government and transnational corporations.

But other developments of a global nature were also at work in the 1970s. Fundamental transformations within global capitalism were leading to a restructuring of the international division of labor. In an effort to maximize capital accumulation, many industries began to flee the high wage advanced countries and to set up offshore operations in export processing zones of many Third World countries, exploiting the huge, unskilled and low wage reservoirs of labor found in these regions. This development was perhaps best exemplified by the maquiladora twin plant schemes on the Mexico - U.S. border. A plant on the U.S. side of the border would engage in high-skill (and hence high wage) operations while its twin on the Mexican side would be engaged in low-skill, low wage operations, usually the final assembly of imported components.

Lured by generous tax exemptions, unrestricted profit repatriation, government provision of infrastructure and, of course, low labor costs, several offshore industries were located in the territories of the English-speaking Caribbean during the seventies. In the 1980s they proliferated rapidly, especially after 1984 in concert with the Reagan sponsored Caribbean Basin Initiative. The principal product groups were textiles and garments, and electronics, all produced wholly for export.

The failure of the industrialization initiatives of the 1970s -- the energy-
based strategy in Trinidad-Tobago and the export processing zones -- to generate a process of self-sustaining development in the English speaking Caribbean had become quite evident by the mid to late eighties with the deepening of the economic crisis throughout the region. Like their predecessor, the Lewis strategy of "industrialisation by invitation", they have come to exhibit many of the structural features of dependent industrialization outlined before.

3.2. Industrialization, Economic Crisis and Poverty

Compared to the 1960s and 1970s, which were decades of relatively significant economic growth for most of the territories in the English speaking Caribbean, the decade of the eighties up to the present time has been a period of deepening economic crisis throughout the region. Growth rates of GDP have slowed down, actually becoming negative in Trinidad-Tobago and Guyana by the late 1980s. Unemployment rates have soared, reaching 22% in Trinidad-Tobago, 21% in Jamaica and 18% in Barbados in 1987. The rate of growth of Gross Domestic Investment has also slowed significantly in most of the territories. These dismal figures have been accompanied by generalized balance of payments, fiscal, and debt crises throughout the region.

But the question that remains to be answered is why has industrialization in the English speaking Caribbean persistently failed to address seriously the concerns of the region's poor. Here I draw on some of the recent work of Lakshman Yapa. In a recent article Yapa (1990) argues that the fundamental cause of poverty in the Third World lies in the current conceptualization of economic development -- what he calls the "developmentalist mode of thinking" -- and consequently in the flawed conceptualization of the nature of poverty itself.

The developmentalist mode of thinking (or what I call "paradigmatic thinking") can perhaps be best illustrated by a set of propositions:

1. Poverty is a manifestation of underdevelopment.
2. Underdevelopment is a lack of development and results from a deficiency in production.
3. Poverty, therefore, will be eradicated via development by increasing production.

This argument seems reasonable enough. Indeed, it constitutes the basis of development planning throughout the Third World today. Yapa (op.cit.) however, claims that poverty in the Third World, far from being eradicated by means of increased production, is a condition that continues to be created in the very act of production. Economic development, then, as it is currently conceptualized, is not the solution to the problem of Third World poverty but instead is one of its major causes.

The relationships between industrialization and poverty in the English speaking Caribbean can be traced through this process of production in the region. First, as was outlined in section two of the paper, industrialization in most of the territories of the region operates within the framework of dependent capitalism. Surplus extraction via the international circuit means a loss of productive resources to the local economy, resources which could be utilized for the provision of basic goods to the mass economy of the poor.

At the local level surplus extraction, through corruption on the part of bureaucrats, politicians and other elements of the comprador bourgeoisie, also implies a loss of resources to the basic goods economy of the poor. In the case of Trinidad-Tobago, for example, the instances of corruption were particularly
egregious during the second half of the seventies, the halcyon period of the petroleum boom, when the country was a virtual one-party state. In connection with the domestic circuit of surplus extraction, there is an important point which I think should be made. There is often a tendency to treat corruption as idiosyncratic, as a characteristic of personality that is somehow inappropriate for inclusion in a formal theory of underdevelopment. I disagree. The fact that corruption is endemic to the Third World and is a major drain on these economies suggests to me that it is a structural feature inherent in the nature of dependent capitalism.

The second set of relationships between industrialization and poverty in the English speaking Caribbean derives from the logic of production itself. Under certain circumstances the creation of new use values which occurs in the act of production may be accompanied by the destruction of other preexisting use values of benefit to the poor. Yapa (op.cit.) terms this the "twin faces of production" or the "creation-destruction dialectic". For example, the promotion in the region of breakfast cereals, other highly processed foods, and American-owned fast food chains dealing in beef and chicken with high levels of cholesterol and saturated fat is being accompanied by a decline in healthy local diets which increasingly are being viewed as inferior. Other examples include infant formula being promoted at the expense of breast milk, and chemical fertilizers at the expense of organic fertilizers. It is conceivable that in time the creation-destruction dialectic can lead to a "production induced scarcity" as knowledge, technologies, etc. of benefit to the poor are neglected or even forgotten.


The macro models of industrialization in the English speaking Caribbean just reviewed are but one example of countless development schemes throughout the Third World that have failed to solve the problem of poverty. It is not surprising, then, that some Third World scholars (admittedly few in number) are beginning to rethink completely their views on development. They argue that an alternative strategy of development for the poor lies in community empowerment at the grassroots level. This strategy arises from the routine, day to day activities of people as they struggle to earn a living. As Yapa (op. cit.) puts it, "[These new] social movements ... are organized around specific subjects, have substantive goals, and are territorially based. They do not seek to capture state power through revolutions nor are they driven by a desire to create utopian societies starting on a clean slate. They seek revolutionary changes in those areas of life that engage them". Given the sheer magnitude of the Third World poverty problem and the fact that the development establishment has been indoctrinated into developmentalist thinking for such a long time, it is not surprising that the majority of professional development planners still regard grassroots initiatives as amateur and idealistic.

A comprehensive and coherent theory of community empowerment has not yet been devised. Yapa (op.cit.) however, discusses five components which he believes such a theory should possess. I shall review these briefly and elaborate on some
4.1. A Social Theory of Poverty as a Production Relation

This argument has already been made, namely that Third World poverty is not an original state to be eradicated by economic development (qua production) but is a condition created in the act of production. Obviously, it is only when a valid theory of poverty is articulated that appropriate solutions to poverty can be devised.

4.2. Techniques of Mass Literacy

In order for the poor to escape from the grip of poverty they must understand the forces (local, national and global) that affect their reality. Literacy of this sort goes beyond the ability to merely read and write. Paulo Freire's "pedagogy of the oppressed" through his technique of "conscientization" is an example of this.

4.3. A Program of People's Science

A new type of natural science which is biased towards the poor has to be created. The work of Michel Foucault (1980) on the genealogy of knowledge is, I believe, quite relevant here. Foucault claims that the last three decades have witnessed the emergence in the developed world of "localised knowledges" that are beginning to act as countervailing forces against the centralizing power of the many hegemonic discourses found within industrial capitalism. He cites, for example, the case of new developments in psychiatry that are deconstructing the totalizing discourse of Freudianism. These localized knowledges have, for a long time, been regarded by hegemonic discourses as illegitimate or inferior.

Similar forces, I believe, are at work in the Third World and grassroots movements must exploit these developments. The renewed interest by the Appropriate Technology movement in ethnobotany, folk remedies and other forms of indigenous knowledge, which were considered to be illegitimate or inferior knowledges during colonial times, are good examples.

4.4. A Production-Based Politics

Poverty is, in the final analysis, a relationship of power. It is therefore inextricably linked to politics. In his theory of historical materialism Marx showed how changes in the productive forces of society (in particular, technology) led to transformations in social relations and, ultimately, to changes in the superstructure (Fig.1). This is precisely the task of the grassroots movement: to create alternative productive forces (based on a peoples' science, etc. alluded to above) which would in time restructure social relations in favor of the poor and ultimately foster a politics of community empowerment. Yapa (op.cit.) terms this a "production-based politics".
Figure 1: Marx's Materialist Conception of History
4.5. A Theory of the Organization of Social Movements

Finally, we need to understand better how new social movements actually function. The researcher, himself, has a crucial role to play in this regard. The modernist development paradigms of neoclassical economics and radical political economy are both characterized by the 'cult of the expert' and maintain a subject-object relationship with their area of study. A strategy of community empowerment, on the other hand, requires that the researcher actively participate in the action, taking into consideration the aspirations and capacities of the people. Orlando Fals Borda's ideas on "participatory action research" are relevant in this instance.

5. New Social Movements in the English Speaking Caribbean

Community empowerment through grassroots activity is by no means a completely recent phenomenon. Over the past decade, however, new social movements have proliferated rapidly in various parts of the Third World (Table 1). In India local groups number in the tens of thousands and there are some twelve thousand independent development organizations. In Brazil there are about one hundred thousand Christian Base Communities, and 1,041 independent development organizations. In Sri Lanka the rapidly growing Sarvodaya village awakening movement includes over 8,000 villages, one-third of the country's total, and some three million people who are involved in activities that range from preventive health care to cooperative crafts projects. Clearly, a new form of social and economic organization is in the making in many countries of the developing world.

Below I present briefly a selected list of new social movements in some of the territories of the English speaking Caribbean. The objective is to merely give a sense of the resources that are available in the region, resources that could be used to fashion an alternative model of development for the poor.

Belize

1. BREAST IS BEST (BIB)
   The BIB league is a chartered Belizean non governmental organization founded in 1979 by a group of Belizean women who were concerned about breast-feeding, infant feeding practices, and parenting.

2. BELIZE RURAL WOMEN'S ASSOCIATION (BRWA)
   BRWA is a private, non-profit organization of rural women committed to improving their communities. It was established officially in 1987. It has 26 member groups with a total membership of some 400 rural women and men.
### Table 1: Grassroots Organizations in Selected Developing Countries, Late Eighties

<table>
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<tr>
<th>Country</th>
<th>Description</th>
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<tbody>
<tr>
<td>Bangladesh</td>
<td>1,200 independent development organizations formed since 1971, particularly active in health and income generation with large landless population.</td>
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<tr>
<td>Brazil</td>
<td>Enormous growth in community action since democratization in early eighties: 100,000 Christian Base Communities with 3 million members; 1,300 neighborhood associations in São Paulo; landless peasant groups proliferating; 1,041 independent development organizations.</td>
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<tr>
<td>Burkina Faso</td>
<td>Naarm grassroots peasant movement has 2,500 groups participating in dry-season self-help; similar movements forming in Senegal, Mauritania, Mali, Niger, and Togo.</td>
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<tr>
<td>India</td>
<td>Strong Gandhian self-help tradition promotes social welfare, appropriate technology, and tree planting; local groups number in at least the tens of thousands, independent development organizations estimated at 12,000.</td>
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<tr>
<td>Indonesia</td>
<td>600 Independent development groups work in environmental protection alone; peasant irrigation groups multiplying.</td>
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<tr>
<td>Kenya</td>
<td>16,232 women's groups with 637,000 members registered in 1984, quadruple the 1980 number (1988 estimates range up to 25,000); many start as savings clubs.</td>
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<tr>
<td>Mexico</td>
<td>Massive urban grassroots movement active in squatter settlements of major cities; at least 250 independent development organizations.</td>
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<tr>
<td>Peru</td>
<td>Vital women's self-help movement in Lima's impoverished shantytowns, with 1,500 community kitchens; 300 independent development organizations.</td>
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<tr>
<td>Philippines</td>
<td>3,000-5,000 Christian Base Communities form focal points for local action.</td>
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<tr>
<td>Sri Lanka</td>
<td>Rapidly growing Sarvodaya Shramadana village awakening movement includes over 8,000 villages, one-third of total in country; 3 million people involved in range of efforts, particularly work parties, education, preventive health care, and cooperative crafts projects.</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Small-farmer groups throughout country have estimated membership of 400,000, 80 percent women; active women's community gardens multiplying.</td>
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Source: Worldwatch Institute, based on numerous sources.
Dominica

1. SMALL PROJECTS ASSISTANCE TEAM (SPAT)
   The efforts for national reconstruction after the 1979 devastation of Hurricane David led to the formation of a non-profit, non-governmental organization, which was registered in 1981 as Small Projects Assistance Team.

2. MOVEMENT FOR CULTURAL AWARENESS (MCA)
   The origin of the Movement for Cultural Awareness dates back to December 1978 when it was the Cultural Committee of the National Youth Council. With the dissolution of the NYC in 1981, the Committee was renamed the Movement for Cultural Awareness. Since 1983, MCA's work has focussed on popular theatre and popular research.

Grenada

1. GRENADA POPULAR THEATRE ORGANIZATION (GPTO)
   GPTO was established in 1986. Its objectives are to use popular theatre to mobilize marginalized sectors for action aimed at solving problems that hinder their development, and to develop and preserve indigenous art and culture.

2. GRENADA COMMUNITY DEVELOPMENT AGENCY (GRENCODA)
   GRENCODA is a non-profit, non-governmental agency formed in 1985 to assist marginalized social sectors -- especially in rural areas -- in developing and improving themselves and their communities.

Jamaica

1. PROJECTS FOR PEOPLE LIMITED (PFP)
   Projects for People was established in November 1979. Its objectives are to empower the poor and to improve their standard of living through projects that can generate income and employment, and through training and education to increase awareness.

2. SISTREN THEATRE COLLECTIVE
   SISTREN was established in May of 1977. It developed from the initiative of a group of working-class women, and is best known for its popular theatre work. Its objectives are to use popular theatre to organize women and to build community groups.
1. TEYAT PEP-LA

Established in 1983, Teyat Pep-La (Popular Theatre) grew out of a need for alternative education techniques and for a developmental element in community recreation. Its objectives are to use drama as a vehicle for folk communication and social development, and to stimulate the use of popular theatre as a means of clarifying and tackling community development issues.

(The Development Gap, n.d.)

6. Conclusion

The top-down, macro models of industrialization in operation in the English speaking Caribbean over the past three decades have failed to solve the problem of poverty in the region. Their failure can, first of all, be traced to the region's position as a dependent element in the global system of capital. Second, and more fundamentally, their failure derives from the perpetuation of an hegemonic economic discourse rooted in the philosophy of developmentalism, and consequently from a flawed conceptualization of the nature of poverty itself.

Deere et al. (1990: 14) express quite succinctly the development dilemma in the region:

Today the development debate in the Caribbean is set forth in quite clear terms: On the one hand is the position that seeks to further the region's incorporation to the world economy, calling for a reduction in state intervention and less support for measures to reduce poverty or class, race and gender inequities. On the other hand is a position that seeks to elaborate a regional economic alternative that responds to the social needs of the majority and not to the structural needs of capital.

The argument that I have attempted to make in this brief paper is that community empowerment at the grassroots level, via new social movements that are springing up throughout the region, can represent such a regional economic alternative.
Notes

1. By the early 1970s Western Europe and Japan had resurged as major actors in the global economy, thereby threatening the competitive position of the U.S. Moreover, the abandonment of the Bretton Woods agreement in the early seventies meant that the U.S. dollar was no longer the basis of the post-war financial system. Finally, the late seventies also saw the erosion of U.S. global military superiority (Deere et al., 1990: 133-134).

2. For an excellent treatment of the genesis and subsequent development of the economic crisis in the region, see Deere et al. (1990): 17-50.
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