

# **Agricultural Policy and Collective Self-Reliance in the Caribbean**

**W. Andrew Axline**

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**Westview Special Studies  
on Latin America and the Caribbean**



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## About the Book and Author

Focusing on the process of agricultural policy-making within the Caribbean Community and Common Market (CARICOM), this book provides a context for understanding the evolving theory of regional integration among developing countries. Dr. Axline traces the progress of Caribbean integration from its beginnings in the mid-1960s to its present state of stagnation. Drawing on original documents and extensive interviews in the twelve CARICOM member countries, he describes the move away from a market-oriented *laissez-faire* approach to agriculture and the shift toward sectoral programming. The role of other regional organizations, such as the Caribbean Development Bank and the Caribbean Agricultural Research and Development Institute, is examined and related to national and regional policies in the agricultural sector. The Caribbean experience, concludes Dr. Axline, suggests that the future direction of regional cooperation among developing countries will likely be toward more intensive integration on a less extensive scale.

W. Andrew Axline is professor of political science at the University of Ottawa. He has published works on regional integration in Europe, Latin America, Africa, and the Caribbean. Since 1974 he has carried out extensive field research in the Caribbean and at present is engaged in research on the South Pacific as part of a comparative study of regional cooperation.

## Preface

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The present study is the result of research carried out over a number of years and the culmination of the evolution of my thinking about the process of regional integration among developing countries. It is limited to a descriptive analysis of the adoption of regional agricultural policy among the states that constitute the Caribbean Community and Common Market. By choosing to study policy-making within a single economic sector in a particular region, I have sacrificed a certain amount of generality in favor of the detail that can be provided by such a case study. However, by carrying out the study within a clearly defined theoretical framework, I hope that lessons can be drawn regarding the development of agricultural policy on a regional basis and the progress of regional integration among developing countries in general.

Attempts by the member states of CARICOM over the past few years to use the regional organization to address the fundamental problems of declining agricultural production (both domestic and export), increasing food imports, and problems of nutrition provide the focus of the study. These regional activities are analyzed against the theoretical and historical background of colonialism, slavery, the plantation economy, and the move toward regional integration as a partial solution to the problems of underdevelopment and dependence.

No attempt has been made here to develop a theory of agricultural integration different from the general theoretical framework for understanding the broader process of regional integration among developing countries. Rather, activities in the agricultural sector are seen as part of the tendency for integration to proceed toward more intensive cooperation on a less extensive scale.

Unlike the traditional theory of customs unions, which focuses on the freeing of trade as a basis for regional integration, other types of policies are better adapted to less developed countries with relatively small industrial sectors. For these countries, a form of regional sectoral programming can offer benefits and provide the basis for negotiating

regional agreements necessary for the adoption of policy on a region-wide basis. Regional agricultural policy in the Caribbean reflects this form of cooperation, particularly in its Regional Food and Nutrition Strategy and in the activities of the Caribbean Food Corporation.

To my knowledge, the Caribbean represents the most ambitious attempt on the part of developing countries to attack the fundamental problems of agriculture through regional cooperation. As such, it may prove to be a useful example for the study of other regions in addition to contributing to a theoretical understanding of regional integration.

The field research for this study was carried out during numerous visits to all twelve member countries of CARICOM over the past ten years; the documentary research was carried out at the Institute of Commonwealth Studies in London and the Institute of Development Studies at the University of Sussex in England. The major source of data on regional cooperation in the agricultural sector was provided by interviews with hundreds of officials of member governments, the CARICOM Secretariat, the Caribbean Development Bank and other regional institutions, farmers and members of farm organizations, agricultural marketing boards, and other individuals in the region. All of these people were unfailingly helpful and friendly in responding to my inquiries, and I owe them a great debt of gratitude, even though I must respect their anonymity. Of particular help were the librarians of the CARICOM Secretariat in Georgetown, the Caribbean Development Bank in Bridgetown, and the United Nations Economic Commission for Latin America, Office for the Caribbean, in Port of Spain. This research was funded by the Social Sciences and Humanities Research Council of Canada, without whose support the present project would have been impossible.

*W. Andrew Axline*

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## Introduction: The Setting for Caribbean Integration

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The Commonwealth Caribbean extends from Guyana on the north-east coast of South America to Belize in Central America.<sup>1</sup> In between, stretching over thousands of miles, are the island territories, from Jamaica in the center of the Caribbean Sea to the republic of Trinidad and Tobago at its southeast extremity. North of Trinidad and Tobago, constituting part of the lesser Antilles of the East Caribbean, are the Leeward Islands of St. Kitts-Nevis, Antigua, and Montserrat, and the Windward Islands of Dominica, St. Lucia, St. Vincent, and Grenada. East of the Windward Islands is Barbados, jutting out into the South Atlantic ocean. The Bahamas, though a member state of the Caribbean Community, is not a participant in the Common Market, and thus does not figure in this analysis.

The Commonwealth Caribbean region as a whole is economically underdeveloped, given that all of the countries included in it are essentially primary producers, depending heavily on extractive industry and agriculture for export earnings. Tourism has begun to supplement these earnings in some countries, particularly Jamaica, Barbados, Antigua, and more recently St. Lucia. But in no country does manufacturing account for more than 15 percent of GDP. On the basis of the differences in levels of economic development within the region, Barbados, Guyana, Jamaica, and Trinidad and Tobago have been designated as the more developed countries (MDCs) and those remaining as the less developed countries (LDCs). Basic indicators for the Caribbean countries are provided in Table 1.1.

In the mid-1960s, just preceding the establishment of CARIFTA, the pattern of intra-Caribbean and international trade revealed the degree of dependency of the region, with dominant ties remaining to the United Kingdom (along former colonial lines) and, more recently, to the United States. In 1967, approximately 6 percent of total Caribbean exports went to other Caribbean countries, compared

Table 1.1

| Basic Indicators for CARICOM Countries, 1980 |                                 |          |                   |            |                   |           |                                 |         |          |           |           |
|--|---------------------------------|----------|-------------------|------------|-------------------|-----------|---------------------------------|---------|----------|-----------|-----------|
|  | Less Developed Countries (LDCs) |          |                   |            |                   |           | More Developed Countries (MDCs) |         |          |           |           |
|  | Antigua                         | Dominica | Grenada           | Montserrat | St. Kitts         | St. Lucia | St. Vincent                     | Belize  | Barbados | Guyana    | Jamaica   |
| Population (1980)                            | 75,000                          | 74,000   | 98,000            | 12,000     | 44,000            | 116,000   | 99,000                          | 145,000 | 234,000  | 884,000   | 2,192,000 |
| Area (a <sup>2</sup> )                       | 440                             | 751      | 344               | 104        | 269               | 616       | 389                             | 22,963  | 430      | 214,970   | 10,992    |
| Density                                      | 170                             | 99       | 285               | 115        | 164               | 188       | 254                             | 6       | 591      | 4         | 199       |
| GDP (\$US million)                           | 83                              | 55       | 58                | 15         | 29                | 95        | 51                              | 63      | 726      | 524       | 2,668     |
| Per Capita GDP                               | 1,102                           | 742      | 590 <sup>a</sup>  | 1,215      | 665 <sup>b</sup>  | 820       | 512                             | 436     | 2,859    | 592       | 1,217     |
| Arable Land (hectares)                       | 11,000                          | 19,000   | 16,000            | 2,000      | 15,000            | 20,000    | 19,000                          | 125,000 | 37,000   | 1,378,000 | 475,000   |
| Density, Arable Land                         | 7                               | 4        | 6                 | 6          | 3                 | 6         | 5                               | 1       | 7        | 1         | 5         |
| Exchange Rate (\$US)                         | 0.37                            | 0.37     | 0.37              | 0.37       | 0.37              | 0.37      | 0.37                            | 0.50    | 0.50     | 0.39      | 0.56      |
| Agriculture as percent of GDP                | 6.4                             | 38.2     | 31.9 <sup>a</sup> | 6.6        | 18.5 <sup>b</sup> | 12.8      | 13.7                            | 31.4    | 9.8      | 23.4      | 8.4       |
| Manufacturing as percent of GDP              | 6.1                             | 5.0      | 2.8 <sup>a</sup>  | 7.4        | 14.8 <sup>b</sup> | 7.3       | 14.4                            | 10.5    | 10.9     | 12.1      | 15.5      |
| Mining as percent of GDP                     | 0.8                             | 0.7      | 0.1 <sup>a</sup>  | 0.5        | 0.4 <sup>b</sup>  | 1.6       | 0.3                             | 0.3     | 0.8      | 16.5      | 14.3      |
| Construction as percent of GDP               | 7.0                             | 10.2     | 2.2 <sup>a</sup>  | 13.5       | 6.2 <sup>b</sup>  | 15.1      | 12.1                            | 7.2     | 7.2      | 7.1       | 5.9       |
| Transport, Distribution as percent of GDP    | 29.9                            | 14.3     | 21.4 <sup>a</sup> | 25.9       | 19.7 <sup>b</sup> | 22.2      | 23.6                            | 10.1    | 27.8     | 14.2      | 24.7      |
| Government as percent of GDP                 | 13.8                            | 21.6     | 22.1 <sup>a</sup> | 21.6       | 20.8 <sup>b</sup> | 14.0      | 16.9                            | 10.5    | 14.9     | 18.7      | 14.7      |
| Other Sectors as percent of GDP              | 35.9                            | 9.9      | 19.6 <sup>a</sup> | 24.6       | 19.5 <sup>b</sup> | 27.1      | 19.1                            | 30.0    | 28.6     | 7.9       | 16.6      |

SOURCE: United Nations/Economic Commission for Latin America, Office for the Caribbean, Agricultural Statistics: Caribbean Countries, 1982 (Port of Spain, Trinidad and Tobago: ECLA, 1982), various tables.

<sup>a</sup> Data for 1979.

<sup>b</sup> Data for 1978.

to 20 percent to the United Kingdom and 35 percent to the United States.<sup>2</sup> Intra-Caribbean trade was limited to a very few commodities: petroleum and its products, rice, copra, coconut oil, fruits, and vegetables.

The institutions of the Caribbean Community and Common Market are intergovernmental, with none of the aspects of "supranational" decision making found in the European Community. The policy of the Community is determined by the Heads of Government Conference (HGC), which is the supreme decision-making organ. This conference meets several times a year, with each member country represented by the head of its government or designated alternate. Each member has one vote, and a unanimous vote is required to take decisions and make recommendations, the former of which are binding on the member states.

The principal organ of the Common Market is the Common Market Council of Ministers, which consists of one state minister or his or her alternate from each member country. With some minor exceptions, its decisions are also taken by unanimous vote. Normally a Council of Ministers meeting will immediately precede a meeting of the Heads of Government Conference, at which time the decisions of the former are ratified. The council will also convene between meetings of the HGC to deal with its principal responsibility—namely, the ongoing operations of the Common Market. The Council of Ministers meetings are often preceded by a meeting of the council with the Joint Consultative Group (JCG), which was established in 1971 to provide communication with the major economic groups in the region. The Caribbean Association of Industry and Commerce (CAIC), the Caribbean Congress of Labour (CCL), and the Caribbean Council of Consumers (CCC) have all participated in the Joint Consultative Group, but the Caribbean Association of Industry and Commerce has been the most active participant by far.

The Caribbean Community Secretariat, formerly the Commonwealth Caribbean Regional Secretariat, is the principal administrative organ of CARICOM. It operates under the accepted rule of international secretariats, in that its personnel may neither seek nor accept instructions from any national government, and its actions must be in the interest of the Community. The functions of the Secretariat are to service the meetings of the institutions and committees of CARICOM, implement the decisions of these meetings, initiate and carry out studies relating to regional integration and cooperation, provide member states the services they may request in order to achieve the objectives of the Community, and perform other duties that may be assigned

by the Heads of Government Conference or other institutions of the Community.<sup>3</sup>

There are other specialized institutions of the Community responsible for the specific sectors of Health, Education, Labour, Foreign Affairs, Finance, Agriculture, and Mines.<sup>4</sup> In addition, the Treaty provides for the establishment of Associate Institutions of the Community; those established thus far are the Caribbean Development Bank (CDB); the Caribbean Investment Corporation (CIC); the Organization of East Caribbean States (OECS), formerly the West Indies Associated States (WISA) Council of Ministers; the East Caribbean Common Market (ECCM) Council of Ministers; the Caribbean Examinations Council; the Council of Legal Education; the University of Guyana; the University of the West Indies (UWI); the Caribbean Food Corporation (CFC); the Caribbean Meteorological Council; and the Regional Shipping Council.

Caribbean integration is taking place within this institutional structure. However, the real politics of integration is reflected in the bargaining and negotiations among member governments and other actors, which began with proposals to establish a free trade area in the region in the mid-1960s.

Hence the Commonwealth Caribbean provides a unique setting for the study of contemporary theory and policy relating to development issues. The Caribbean Community and Common Market (CARICOM) is a prime example of a group of small postcolonial countries involved in efforts to overcome the constraints of underdevelopment and dependency. These efforts are being made through policies combining a number of different approaches to development and reflecting the evolution of theory and practice over the past three decades. One of the most interesting features of development policy in the Caribbean is that it brings together under the aegis of formal regional institutions the concern with "basic needs"<sup>5</sup> as a basis for development and the approach of "collective self-reliance"<sup>6</sup> as a means of pursuing development goals. The evolution of regional integration from a liberal prescription for freeing trade to a positive framework for coordinating development policy qualifies it as a central example of collective self-reliance. And the emphasis within integration on satisfying regional food requirements represents a shift toward concern for basic needs. The concrete manifestation of the union of these two approaches is found in the regional policies that CARICOM is developing in the agricultural sector.

Although a study of regional policy in a single sector limited to the Caribbean provides a rather narrow focus, conclusions drawn from this analysis can shed light on the broader issues of the role of

agriculture in development, the place of the agricultural sector in the overall process of integration, and the changing nature of regional integration among developing countries.

To understand fully the broader implications of CARICOM's agricultural policy for Third World regional integration, we must place it in the context of the change in theoretical emphasis that has taken place in recent years. Development needs have become more important, and marginal increases in efficiency, which are central to traditional customs union theory, have become less important. The form of integration has moved away from simple measures of liberalizing trade and toward a greater degree of policy coordination aimed at directly affecting conditions within the region and relations with third countries. This integration is reflected to a certain degree in the evolution of the general thrust of Caribbean integration over the past decade and a half, but it emerges most strikingly when recent efforts in the specific area of regional agricultural policy are analyzed.

CARICOM is in the process of formulating a comprehensive and ambitious regional program that goes far beyond what other integration schemes among developing countries have attempted. As such, CARICOM's agricultural policy may serve as a model for other regions, although it is too early to tell if it will be a model to emulate or one to avoid. In any event, there are certain useful lessons to be learned from the Caribbean example.

Of particular interest to the student of regional integration is the relationship between the progress of integration within the agricultural sector and the stagnation of the broader integration movement in the Caribbean. The present study leads to the conclusion that more intensive integration is possible when undertaken on a less extensive scale—in this case, the agricultural sector. The history of Caribbean agriculture, with its legacy of British colonialism, sugar cultivation, and slavery, is reflected strongly in present-day conditions in the region. This history represents a particular kind of dependent underdevelopment—the plantation economy—that conditions the region's relationship with the outside world and defines its place in the world economy. A knowledge of this history is no less important to understanding regional agricultural policy than is an understanding of regional integration theory. Hence the present study analyzes CARICOM's agricultural policy within the context of contemporary integration theory, the recent history of Caribbean integration, and existing conditions in the agricultural sector of the region.

In Chapter 2 I elaborate a general theoretical framework for integration among developing countries and examine the role of agriculture in integration. Chapter 3 contains an analysis of the progress

of Caribbean integration from 1967 to the present, including an examination of the role of agricultural policy in the overall process of integration. Chapter 4 describes existing agricultural conditions in the region as they have evolved out of the history of colonialism and slavery. Chapter 5 presents a detailed analysis of the various policies that have been formulated by CARICOM in the agricultural sector, and in Chapter 6 some general conclusions are drawn concerning Caribbean integration in the agricultural sector.

## Notes

1. The material from this section relies mainly on the official publications of the CARICOM Secretariat, principally *CARIFTA and the New Caribbean* (Georgetown, Guyana: CARIFTA, 1971); *From CARIFTA to Caribbean Community* (Georgetown, Guyana: CARIFTA, 1972); and *The Caribbean Community—A Guide* (Georgetown, Guyana: CARIFTA, 1973).

2. The relationship between dependence and lack of integration of the national economy is conceptualized in Havelock Brewster, "Economic Dependence: A Quantitative Interpretation," *Social and Economic Studies* 22 (March 1973):90-95.

3. *The Caribbean Community—A Guide*, pp. 68-69.

4. *Ibid.*, pp. 66-68. For a detailed analysis of CARICOM institutions, see Hans Geiser, Pamela Alleyne, and Caroll Gajraj, *Legal Problems of Caribbean Integration: A Study on the Legal Problems of CARICOM* (Leiden, Holland: Sitjhoff, 1976). See also Kenneth Hall and Byron Blake, "The Caribbean Community: Administrative Aspects," *Journal of Common Market Studies* (March 1978):211-228.

5. The concern with basic needs as an important element of development was given a major impetus with the publication by the International Labor Office of *Employment, Growth, and Basic Needs: A One World Problem* (New York: Praeger Publishers, 1977), in which emphasis is placed on the fulfillment of the minimal food, clothing, housing, and health needs of the poorest segment of the population in underdeveloped countries.

6. "Collective self-reliance" refers to efforts at cooperation among developing countries on a South-South basis to achieve a redistribution of world production, control over the production and allocation of surplus in developing countries, and the power to make their own decisions on matters affecting their own societies. In effect, collective self-reliance strives to restructure or replace North-South links through the creation of new links among developing countries. See Enrique Oteiza, "Collective Self-Reliance: Some Old and New Issues," mimeo, Institute of Development Studies (IDS), University of Sussex, 1978. See also Enrique Oteiza, "Collective Self-Reliance Among Developing Countries," in Khadija Haq, ed., *Equality of Opportunity Within and Among Developing Countries* (New York: Praeger Publishers, 1977), pp. 81-87.



## 2

# Regional Integration and the Agricultural Sector

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There is an impressive volume of literature treating both the theory of integration among developing countries and the role of agriculture in economic development. However, there is little or no theoretical literature dealing specifically with agriculture in regional integration. The agricultural sector is generally treated as though it were subject to the same economic and political forces as other sectors of the economy and, therefore, as subject to the same analytical framework. In the analysis of regional integration among developing countries, agriculture has been largely ignored in favor of studies of industrialization; where it *has* been dealt with, it is treated as analogous to the industrial sector. This emphasis is understandable, but it has led to a neglect of one of the most important problems facing developing countries.

This study does not propose to develop a theoretical framework for the study of agriculture in integration; rather, it provides a detailed analysis of regional integration policy in the agricultural sector within a particular framework for the study of integration and development. CARICOM's agricultural policies are the most ambitious regional integration schemes among developing countries, which, for the most part, have relegated agriculture to a position of low priority in regional activities.

### **Agriculture in Integration**

It seems paradoxical that the European Community—a region composed of highly industrialized economies in which agriculture accounts for a relatively small proportion of economic activity—has a very complex and comprehensive Common Agricultural Policy (CAP), whereas integration schemes among developing countries, which rely to a great degree on agricultural production, have few and very