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JAMAICA'S DEMOCRATIC SOCIALIST PATH:  
AN EVALUATION

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\*Author's Note: This paper is part of a forthcoming book on the Manley Government by the authors. We wish to acknowledge support for the research on which this paper was based from the Social Science Research Council and the Fulbright Program. The research was carried out in 1981-1982 while we were Visiting Research Fellows at the Institute for Social Economic Research at the University of the West Indies, Mona, and a draft of this paper was written while we were Fellows at the Woodrow Wilson International Center for Scholars.



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## ABSTRACT

### Jamaica's Democratic Socialist Path: An Evaluation

This paper presents an evaluation of the attempts made by the People's National Party (PNP) government under Michael Manley in Jamaica to chart a new path of development in the period 1972-80. It argues that, despite the negative record in economic growth, the PNP's pursuit of its democratic socialist development model was well conceptualized and resulted in some important achievements. Consequently, one should not conclude from the Jamaican experience that the democratic socialist model is unviable. The government made some progress in the areas of all its major goals, namely in reducing dependence (however partial the success in this area), in establishing a mixed economy with the commanding heights under state control, in increasing social equality, in deepening political democracy, and in forging an independent foreign policy. Its major shortcomings were in the areas of macroeconomic management and in the implementation of many of its programs. Also, the government was not successful in creating a class alliance among the lower and middle classes and in coming to an accommodation with significant sectors of the capitalist class. And while it made important progress in strengthening the political movement, this progress fell short of what was needed to sustain the process in the face of the impact of the economic crisis. And finally, a more adept and skillful handling of its difficult geopolitical position could have spared the country some damage from United States hostility. In part, these shortcomings had their roots in the unfavorable conditions for embarking on a democratic socialist development path faced by the PNP in 1972, such as the great dependence and openness of the Jamaican economy, the limited capacity of the state apparatus, and the weakness of the political movement in term of the nonideological, nonparticipatory character of the party, and the divided labor movement. These conditions may be different in other countries as well as in Jamaica in the eighties, which together with lessons learned from previous experiences may increase the chances for success in future democratic socialist development attempts.

JAMAICA'S DEMOCRATIC SOCIALIST PATH:  
AN EVALUATION

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In the 1972 Jamaican elections, Michael Manley led the People's National Party (PNP) to an impressive victory over the then governing Jamaica Labour Party (JLP). The PNP then proceeded to institute a number of programs aimed at redistributing income, introducing land reform, providing employment for the country's large jobless population, and expanding the scope of the state in the economy. In early 1974, after negotiations with the North American bauxite-aluminum companies became deadlocked, the country, which was the world's second largest producer of bauxite, unilaterally imposed a levy on the mineral increasing Jamaica's revenue from its bauxite and aluminum exports sevenfold. Later that year, the government declared that its new development path was a democratic socialist one and, in the succeeding two years, with the resources provided by the bauxite levy, it accelerated the pace of change. It scored another impressive electoral victory in December 1976, in an election which also witnessed a class realignment of Jamaican politics, with the PNP gaining support among the lower classes and losing support in the middle and upper classes.

The election victory occurred despite growing economic problems in the preceding years, in which the government came to rely increasingly on foreign loans at unfavorable interest rates in order to maintain its social and economic programs in the face of recession, international and local. This led to a foreign exchange crisis in early 1977, and ultimately, after much agonizing, the PNP government turned to the IMF for assistance. Under the typical IMF stabilization program, devaluations and budget austerity resulted in the reduction of Jamaican living standards by one-quarter in a single year. Consequently, the government's political support evaporated and it experienced a crushing election defeat at the hands of the JLP under the leadership of Edward Seaga in 1980. Despite strong financial and political support from the Reagan administration, the Seaga government fared little better economically. Unemployment continued to climb and further foreign exchange shortages forced large devaluations in 1983 and early 1984. The JLP's popular support, in turn, declined sharply.<sup>1</sup>

This paper presents a comprehensive evaluation of the PNP's successes and failures in the pursuit of its democratic socialist development model, and it draws out the implications of the Jamaican experience for the question of the viability of this mode. Because of the seven consecutive years of economic decline, most observers, left and right, consider the PNP experiment with democratic socialism in Jamaica to have been a failure.



And, indeed, we agree that it was in the area of economic strategy that the Manley government made its most serious mistakes. But this should not obscure the significant, and permanent, achievements of the PNP government, such as the bauxite policy, land reform, the State Trading Corporation, labor legislation, and social inclusion policies. Moreover, since some of the PNP's failures were correctable and others due to the very unfavorable conditions for pursuing a democratic socialist path faced by the PNP at the outset, the economic decline experienced by Jamaica in the seventies does not demonstrate that the democratic socialist path is not a viable one. To evaluate that question, one needs to assess whether idiosyncratic and country-specific features of the Jamaican experience in the seventies were primarily responsible for the decline or whether it was due to the very characteristics of the path itself.

In the process of evaluating the successes and failures of the Manley government, we will identify a number of chronically difficult problems encountered in such attempts at gradual socialist transformation in politically relatively open societies. The first two problems concern the relationship of the socialist movement to the capitalist class and other privileged groups: (1) The model requires the successful operation of a mixed economy. What is the role of private capital in the economy and what are they expected to contribute in the way of investment and so on? Is it reasonable to think that they will do this? (2) What is the role of the capitalist class (or segments thereof) and the middle strata in the class alliance underpinning the movement? Are they in it, outside of it but somehow neutral, or are they the enemy? If they are in it or neutral, can this be reconciled with the need for political mobilization of the lower class required by the political strategy? (3) The third problem area is the difficulties of a young political movement in finding the proper balance between the need for political education and the danger of alarming people with unnecessarily provocative ideological sloganeering. The Jamaican movement was doubly "young" in that it not only confronted privileged groups as a government based on an ideological movement for the first time, but in that it also was in the initial stages of the formation of its ideological posture. (4) The fourth problem area has to do with geopolitics, in Jamaica's case with the proximity to the United States. Do the degree of foreign economic penetration and the security concerns of the United States make a democratic socialist model impossible?

### The Goals and Policies of the PNP's Democratic Socialism

#### Reducing Dependence

The PNP government's efforts to reduce Jamaica's economic dependence on and vulnerability to external forces met with mixed success. The most successful of these efforts were the ones designed to reduce the control exercised by foreign capital, in the form of direct investment, over the domestic economy, further success was achieved in reducing two aspects of trade dependence, partner concentration, and food imports. Other aspects of trade dependence, however, such as the overall importance of the

external sector, product concentration in exports, and the debt burden remained the same or got even stronger.

The takeover of the utilities, urban transport, a radio station (RJR), three banks, the sugar estates and sugar factories, half of hotel capacity, and the bauxite lands and 51 percent of the bauxite mining operations, all of which had been under foreign ownership, significantly reduced the extent of direct control exercised by foreign capital in the Jamaican economy. With the exception of the banks and the bauxite operations, these takeovers constituted a burden rather than an asset for the government in financial terms. The utilities needed major investments to upgrade their capacities to provide service to larger sectors of the population, and they required substantial subsidies for their operations because the government kept prices for basic services to consumers low. The sugar estates and many sugar factories had been heavily decapitalized before being sold to the government. The hotels were not economically sound either; they came under government ownership because of defaults on loans guaranteed by the previous JLP government. By putting a financial burden on the government, then, these takeovers induced greater foreign borrowing and thus, paradoxically, aggravated Jamaica's foreign dependence in financial terms, while at the same time constituting a potential asset for national development by eliminating foreign control over crucial sectors.

The advantages were that the utilities could be upgraded according to criteria of need for service, and the leakage of foreign exchange earnings from the sugar and the tourist industry could be reduced. The takeover of the radio station from its British owners and the sale of shares to various organizations eliminated foreign control over one important instrument of opinion formation, turning this instrument over to a plurality of groups independent of the government as well as of any other special interest.

The banks and the bauxite operations were economically sound, and thus promising assets in financial terms in the medium and long run, after amortization of the purchase price, as well as in control terms. Control over a larger share of bank credit gave the government the opportunity to channel it to areas important for national development, such as agriculture and small businesses, which would enjoy low priority for lending on purely profit considerations. Acquisition of the bauxite lands gave the government control over reserves and thus the opportunity to search for new investors and partners for forward integration of the industry. Acquisition of 51 percent of the existing bauxite operations also facilitated the government's attempts to develop new markets and thus to build the base for a potential future step-up of the rate of extraction.

Other aspects of the bauxite policy also worked to reduce Jamaica's dependence on the TNCs. The setup of the Jamaica Bauxite Institute significantly strengthened national technical, managerial, and research capacity. The "apprenticeship" period for national directors, managers, and technicians under the management contract with the TNCs has worked in the same direction. And the formation of the International Bauxite Association has led to information sharing among the producer nations, thus strengthening their bargaining positions vis-a-vis the TNCs and



their capacity to develop an alternative network of production and marketing outside the TNC network.<sup>2</sup>

The PNP government's strong efforts to diversify its foreign trade partners for bauxite/alumina and other exports, as well as for imports, were successful in reducing Jamaica's dependence on the North American and British markets. Whereas the United States, the United Kingdom, and Canada accounted for 71.2 percent of Jamaican exports and 63.6 percent of imports in 1972, their share had declined to 60.3 percent of exports and 44.1 percent of imports by 1980.<sup>3</sup> In terms of a reduction of dependence on the developed capitalist countries, the increase in the combined share of CARICOM, the Latin American Common Market, Japan and other countries outside of North America, the ECM, and EFTA from 10 percent of total trade in 1972 to 40 percent in 1980 shows considerable progress indeed. In contrast to the successful reduction of partner concentration, the government's efforts to promote nontraditional exports in order to reduce product concentration did not achieve the desired results. Bauxite and alumina, sugar, and bananas accounted for 79 percent of the total value of exports in 1972 and for 82.5 percent in 1980.<sup>4</sup> Ironically, this increased dependence was a direct result of the success of the government's bauxite policy.

If financial transactions are taken into account, Jamaica's situation of dependence on the international capitalist system has clearly increased. The ratio between the combined value of imports and exports of goods and services, including financial services, and the GDP increased from 72 percent in 1970 to 107 percent in 1980.<sup>5</sup> The total external public debt outstanding increased from U.S. \$370m in 1972 to U.S. \$1,697m in 1980; and debt service as percentage of exports of goods and services increased from 4.7 percent in 1972 to 16.5 percent in 1979 and 13.1 percent in 1980.<sup>6</sup> Furthermore, the structure of the debt shifted as loans from foreign commercial banks became more prevalent than loans from bilateral and multilateral institutions. The greater proportion of loans contracted on commercial rather than concessionary terms brought not only higher interest rates but also shorter maturities, implying greater difficulty in meeting debt service obligations without substantial refinancing and new loans. The percentage of the total outstanding debt having maturity periods of 0 to 5 years increased from 40 percent in 1970 to 51 percent in 1980, whereas the percentage with maturities of more than 10 years declined from 33 percent to 29 percent in the same period.<sup>7</sup>

This greater indebtedness and more intense debt service pressure are clearly the most serious obstacles to the pursuit of policies designed to reduce dependence. Bankers have been unwilling to renegotiate the debt or extend new loans without the IMF's seal of approval, and the IMF's policy prescriptions obstruct efforts to increase self-reliance by imposing policies of deregulation and insisting on concessions to attract foreign investment. The pursuit of an alternative path to the IMF, in turn, becomes more difficult, the more acute the foreign exchange shortage is. Severe disruptions in production and the resulting shortages and layoffs are certain to produce strong political reaction against an alternative path. The fear of such political reaction was decisive in the rejection of the People's Production Plan in 1977.<sup>8</sup> And the experience with the alternative path in 1980 confirmed the extreme difficulty in maintaining minimally

adequate supplies of imports for domestic production and consumption, even if one makes allowances for the extra problem presented by the short prospective life span of the government. The only way through which severe disruptions could be avoided is renegotiation of the debt and a change in IMF policies towards structural adjustment programs allowing for and even promoting the development of greater self-reliance. Certainly, a country like Jamaica cannot bring about such change alone. Rather, only collective action among developing countries and some sympathetic allies among the Western European countries could wring concessions from the IMF and bring bankers to renegotiate. For this purpose, as well as for the development of a new international network of production and trade, not under the control of the developed capitalist countries, the pursuit of greater South-South cooperation is crucial.

A (if not the) key role in reducing dependence certainly has to be played by agriculture, both in reducing dependence on food imports and, in the case of export agriculture, reducing dependence on loans as a source of foreign exchange. Greater self-sufficiency in food production can cushion consumers of basic foodstuffs against the impact of foreign exchange shortages. The PNP government had some important successes in this area. Domestic food production increased, and the proportion of food declined from 14 percent of total nonfuel imports in 1973 to 10 percent in 1980.<sup>9</sup> Though the increase in domestic food production did constitute a success, the overall results of the government's considerable efforts in the promotion of agriculture fell short of expectations. During the PNP's two terms in office, a variety of policies and programs were pursued, some of which were more successful than others. Restrictions on agricultural imports effectively raised demand for local crops. And the development and marketing of new products, such as a type of bread made out of cassava, were designed to further increase this demand. Among the various agricultural programs, Land Lease was the most successful; various credit schemes, such as Crop Lien and support programs for medium farmers, were partly successful, as were the Pioneer Farms. Food Farms and the sugar cooperatives, in contrast, were beset by so many problems that they have to be considered failures.<sup>10</sup>

The most important barriers to success of any agricultural policy or program were the steep slopes, the lack of adequate water supplies, and the inaccessibility of much of the land owned by small farmers or the government. In order to significantly increase productivity on these lands, heavy infrastructure outlays for terracing, irrigation, and roads were required.<sup>11</sup> Or productivity could be increased by implementing a land reform designed to bring better (i.e., flat, accessible, with adequate water supplies) but idle land forming part of large estates into production. Some of the land owned by large farmers was acquired or leased by the government under the provisions for idle land. However, acquisition again was costly, and pressure on unwilling landowners to sell or lease to the government had unfavorable political repercussions, thus making a large-scale land reform very difficult. Many landowners did agree to sell or lease under some pressure, but the provisions for compulsory acquisition or lease were virtually never invoked.

\* Other problems which hampered agricultural production regardless of the government's programs were the shortage of farm inputs caused by the



foreign exchange crisis, the problem of praedial larceny, and the secular decline of the Jamaican sugar and banana industries. Praedial larceny has been and still is a problem plaguing farmers of all sizes. The important role of higglers in the food distribution system provides ample opportunity for stolen farm products to be sold and thus for praedial larceny to be a worthwhile undertaking. Various farm security programs have been under study by different governments, but none of them have had any significant impact on the problem.

The obvious reason for the secular decline of the sugar and banana industries is their noncompetitiveness with other producers. For bananas, the underlying problem is quality. A large proportion of bananas are produced by small farmers, and the transport over the bumpy roads tends to bruise the bananas which renders them unacceptable for the, mainly British, customers. Also, small farmers have problems in correctly applying pesticides and fertilizers. But large plantations have quality problems as well, due to problems with spraying in windswept areas, for instance, and due to unreliable water supplies. Furthermore, the plantations in the northeastern part of the island are exposed to very strong winds and vulnerable to hurricanes.

The problems in the sugar industry have their roots in the period of rapid growth of output and of high profits between the forties and the sixties.<sup>12</sup> The foreign companies, prominent among them Tate and Lyle (G.B.) and United Fruit (United States), derived their profits primarily from processing, shipping, and refining of sugar, not from the cultivation of sugar cane. Thus, they increased cane production on their estates by including marginal sugar lands rather than by increasing efficiency. Cane yields per acre increased only marginally between 1940 and 1960, and cane quality actually deteriorated between 1950 and 1960. At the same time, production costs increased rapidly in the cane fields as well as in the sugar factories. By the early sixties, the sugar factories had become technologically outdated and inefficient. The state of the industry deteriorated even further during the sixties, as the companies decreased replanting in the fields and neglected maintenance and replacement of equipment in the factories. One of the reasons why the foreign companies did not invest sufficiently to keep the productivity of cane fields and factories in an internationally competitive position was that they did not need to do so for the sake of their profits. Commonwealth sugar arrangements protected them from outside competition and thus allowed for inefficient but profitable production. From the mid-sixties on, the Jamaican sugar industry was clearly on the decline, and the major estates lost money every year. This decline continued throughout the seventies, despite the government's efforts to arrest it.

In addition to the problems with the availability of land and farm inputs, and with the secular decline of the banana and sugar industries, the government's efforts to increase agricultural production through various programs were beset by problems in the implementation of these programs. For instance, insufficient screening of candidates for participation in programs, interference of politicians in the selection of participants, inadequate supervision of the use of credits, inadequate provision of advice on different crops and technology, and little or no action against nonperformers, all hampered the production drive and made it

expensive for the government. The key underlying reasons for these problems were the limited managerial capacity of the state (to be discussed below), and the clientelistic nature of Jamaican politics.

The Ministry of Agriculture was a particularly traditional and inefficient branch of a generally inadequate state bureaucracy. Its structure was overcentralized, its personnel policies dominated by favoritism, and much of its personnel characterized by a lack of commitment to agricultural improvement programs and their peasant clientele. A reorganization of the ministry in 1977, on the basis of recommendations from the UNDP<sup>13</sup> decentralized its operations by creating three regions under the control of regional directors to which a fourth region was added in 1978. The Parishes within each region were further subdivided into a total of 65 Divisions and 401 Extension Areas. Under this organization, new extension officers were to be placed to achieve a ratio of one officer to each 500 farmers. However, finding sufficient suitable qualified personnel was a problem.<sup>15</sup>

The clientelistic character of Jamaican politics and the importance of agricultural programs as a patronage base due to their wide numerical reach meant that MPs and local politicians frequently put pressure on the officials in charge of these programs to have their supporters included, even if they did not meet eligibility criteria. Or, where programs could not accommodate enough people, for instance due to a shortage of available land, pressures sometimes caused them to be expanded to include marginal lands. Both of these situations, of course, had a negative impact on productivity in the government-sponsored agricultural programs.

Finally, the agricultural marketing network was inadequate to deal with the increase in production. Higglers accounted for the marketing of 70 to 80 percent of the domestic food crops, but they clearly could not provide outlets at guaranteed prices for sudden or massive increases in certain crops. In order to provide such an outlet and to ensure adequate supplies of basic foods at controlled prices for poor areas, the government expanded the functions of the Agricultural Marketing Corporation (AMC). However, the AMC was also beset by a multitude of problems, such as by a lack of adequate information and planning, of transport and storage facilities, and by overcentralization and overstaffing. Furthermore, beneficiaries of agricultural programs who were supposed to sell their crops to the AMC at fixed prices and thus repay their loans found it frequently more attractive to sell to higglers, hide their income, and delay repayment on loans.

These various problems affected all of the government's programs to some degree, but in some cases, for example Land Lease, they only made the program less cost efficient, whereas in other cases, for example Food Farms, they destroyed the program. By the end of 1980, Project Land Lease had placed 37,661 farmers on 74,568 acres of land. Thus, 26 percent of the 144,605 farms (and presumably farmers) listed in the 1968 agricultural census as having less than 5 acres benefited, and the total acreage covered by these small farms was increased by 32 percent. By far the largest proportion of beneficiaries (71 percent) had received land under the provisions of Phase I, and only 3 percent had been settled under the provisions of Phase III, mainly because Phase III was by far the most expensive

because it included provision of a house.<sup>15</sup> The success of the program was twofold: on the one hand, it contributed to the increase in domestic food production, and on the other hand, it improved the living standards of the beneficiaries in kind and in cash. The problem with the program was that it was relatively expensive; the accumulated cost by 1980 was \$39.1 million, of which \$13.7 million were recoverable loans. These loans were extended for soil improvements and agricultural inputs. The farmers were supposed to sell their products to the AMC at fixed prices and then repay the loans out of their earnings. However, by the end of 1980, only \$2.8 million had been recovered. Thus, the average cost per beneficiary to the government amounted to roughly \$960. Given the budgetary austerity imposed by the IMF, it is not surprising that very little progress was made in the program between March 1978 and December 1980. In this period, only 3,459 farmers were given land under Phases I and II, and not a single one under Phase III. One specific problem which hampered productivity of land leased under Phase I provisions, which accounted for 64 percent of the total acreage leased, was fragmentation; farmers frequently leased land at a considerable distance from their own, which involved additional costs in time for commuting and in transport.

The Crop Lien program was initiated under the Emergency Production Plan in 1977, designed to provide credit to small farmers quickly and on easier than commercial terms, to encourage the production of selected crops. Land Lease as well as the Crop Lien programs were important because they were both aimed at small farmers who produced about 90 percent of agricultural production for domestic consumption. In the first year of the program, \$20.7 million were to be made available for special credit to Land Lease participants and other small farmers;<sup>16</sup> by January 1978, \$7.9 million in loans had been disbursed, and by December 1980, a total of \$37.5 million had been approved and \$24.8 million disbursed. The loans carried an interest of 6 percent and their duration was for the life of the crop, which amounted to a significant negative real interest rate under the prevailing high inflation. Nevertheless, the repayment record was poor; a total of \$3.2 million, or 13 percent of the disbursed amount, had been collected by December 1980.<sup>17</sup> Crop failure due to inexperience with the designated crops as well as due to adverse weather conditions contributed to this low collection rate, as did poor investigation of loan applications and the general deterioration of living standards in the country which caused many small farmers to first cover the basic needs of their families before repaying the loans.

Loan repayment problems were not confined to programs aimed at small farmers. They also affected support programs for medium farmers financed by the Agricultural Credit Board and by the Agricultural Development Program of the Jamaica Development Bank. Farmers who owned between 5 and 25 acres were provided with loans and technical services, and farmers with up to 100 acres could obtain assistance for constructing or upgrading buildings and irrigation facilities and for land preparation. Besides such general support programs, there were industry-specific ones, such as the replanting and increased production loans granted by the government and administered by the Banana Board, which did not fare much better in terms of collection of repayments.<sup>18</sup> However, whereas the various farm support programs were a financial burden on the government and were clearly in great need of more efficient implementation, they did contribute



to the increase in production of domestic food crops and thus to the decrease in dependence on food imports.

The least successful of the agricultural programs was Project Food Farms. Its purpose was twofold, that is, the farms were supposed to train farmers to become efficient cooperative farmers, and to contribute to domestic food production. They started out as state farms on which people were to be trained in farming techniques. Eventually, the best participants were to be selected and permanently settled on this land, and the farms were to be transformed into cooperatives. The farms were supposed to become self-supporting through the sale of their products, but this never happened. By January 1976, accumulated expenditures for the 10 Food Farms amounted to \$3.9 million, of which only \$0.4 million had been recovered. During 1976, the program was discontinued and the land was allocated under Project Land Lease. The key reason for the failure of Project Food Farms was patronage. Local MPs put pressure on the farm managers to admit their supporters to the program, even if these supporters had no interest in farming whatsoever, and even if the farms had sufficient personnel already. As a result, the farms became a source of relief employment rather than centers for training and efficient production. Furthermore, the farms suffered from considerable praedial larceny. The idea behind the Food Farms cannot be faulted; the lack of understanding of the importance of the concept and of its successful implementation for the PNP's development path among PNP MPs themselves obstructed its realization.

A similar concept, but on a smaller scale and with concentration on rural unemployed youth, formed the basis for the Pioneer Farms program which was initiated in 1978. Young people were employed on farms on land owned by the government. These farms were under the supervision of farm managers, assigned by the Ministry of Agriculture, and they were organized as precooperatives. In the first year, nine Pioneer Farms were set up with a total of 193 members, and by December 1980 eleven farms were in existence but total membership had decreased to 120 farmers. The acreage planted went up from 370 acres by the end of 1978 to 706 acres two years later.<sup>19</sup> The accumulated costs over the three years of the program were \$2 million, of which \$1.2 million was recoverable; but again, only \$0.08 million had been repaid. In its first two years, the program suffered to a certain extent from political pressure like Food Farms, and in 1980 political violence added to their problems. The farms were correctly perceived as PNP creations and their members were easily identified as PNP supporters, thus making them easy targets of anti-PNP violence. Despite these problems, however, production on the farms increased from 193,276 pounds in 1978 to 545,713 pounds in 1980.<sup>20</sup>

A further program designed to deal with the problems of rural youth unemployment and agricultural production was the special youth employment program in soil conservation. Young people were employed in projects such as terracing and irrigation on government land. Whereas this program was reasonably successful in providing some relief employment and rendering some land potentially more productive, it suffered somewhat from the problem of deficient work efforts typical of all relief employment programs in Jamaica.

The problems encountered in the agricultural sector should not be allowed to obscure the fact that this sector did comparatively well during the PNP's tenure in office. It experienced growth in all but three years of that period.<sup>21</sup> Two of the three bad years for agricultural production were due to weather, 1979 to the floods in western Jamaica and 1980 to Hurricane Allen. Moreover, as Davies points out, domestic agriculture was performing much better than export agriculture.<sup>22</sup> For instance, in 1977 and 1978, domestic production grew at an annual average rate of 15 percent compared to 6 percent for the whole sector. Indeed, during the whole period sugar experienced a secular decline. Given this, there is a strong argument that the more marginal lands on the sugar estates should have been transferred to domestic agriculture.

A further effort to promote self-reliance and provide employment was the establishment of Community Enterprise Organizations (CEOs). The CEOs had been conceptualized as part of the People's Production Plan in 1977 as socially owned, worker self-managed enterprises. They were to be linked to agricultural activities through their use of locally produced raw materials in manufacturing, construction, and marketing activities. Thus, they were to provide employment in rural as well as depressed urban areas. The initiative for such projects was to come from community organizations which were then to be assisted with financing and advice, originally by an interministerial committee, later by the Ministry of Parliamentary and Regional Affairs, and still later, by the Ministry of Youth and Community Development. However, the development of the CEOs lagged far behind expectations. During 1977 and 1978, while the administrative support machinery was being put into place, few CEOs were set up. From the beginning of 1979 to December 1980, 86 CEOs were financed, with a total expenditure of \$6.6 million.<sup>23</sup> Fifty were in agriculture; the rest in small manufacturing (mainly furniture), food processing, and handicrafts.

The problems which hampered the development of the CEOs were the lack of an appropriate legal status, of financial and administrative support, and the scarcity of organizationally skilled local leadership. The creation of an appropriate legal framework for the CEOs was originally linked to the process of constitutional reform envisaged by the PNP. One of the aims of the constitutional reform was decentralization, involving a strengthening of local government and of direct citizen involvement. For this purpose, Community Councils had been created, and these councils were to be given legal status and to become the legal carriers of the CEOs. As the constitutional reform effort got bogged down, the creation of Community Councils was promoted by simple legislation. Yet, the Act giving legal status to the councils did not get to the stage of a first reading in parliament until October 1980, a few short weeks before the election.<sup>24</sup>

In the interim, CEOs could be set up under a provisional legal status, but the lack of adequate financial arrangements constituted another obstacle. Scarcity of funds under the budgetary austerity, combined with problems of evaluation of CEO proposals meant that existing lending institutions were not likely sources of financing. Thus, a new public sector institution, the Community Economic Organization Project Development Company, was created, which finally came into operation on April 1, 1979.

It was in charge of providing technical assistance as well as financing for the development, implementation, and operation of CEO projects.

The slow development of this new company itself and thus of the CEOs can in part be attributed to problems of higher level administrative responsibility. Shifts from an interministerial committee to one ministry and then to another created problems in terms of delays and in terms of continuity of support personnel. Davies indicates that there was also a lack of real belief in the project on the part of the central authorities.<sup>25</sup> The availability of support personnel to provide assistance in managerial and technical aspects was crucial for the development of CEOs because of a scarcity of local leadership with the necessary experience to organize and manage entrepreneurial projects. And, like so many other programs, some of the CEOs suffered from the fact that some members viewed the operation as part of the usual state bureaucracy and thus saw profitability as of negligible importance.<sup>26</sup>

Finally, many CEOs were hampered by political violence which increased dramatically in 1980, during or soon after the establishment of most of the CEOs. Like the Pioneer Farms, CEOs were perceived as PNP creations and became targets for attacks, such as vandalism. Certainly, most people employed in CEOs were either PNP supporters or at least nonpartisan, as the concept of the CEO had a clearly socialist character, and the degree of political polarization prevented any JLP supporter from becoming associated with such a concept. On the whole, then, the concept of the CEOs was imaginative and an essential ingredient in a self-reliant, democratic socialist development path, but the implementation of the program suffered from financial and administrative weaknesses of the state, as well as from the economic disruptions and political repercussions in the society.

In his review of internal obstacles and policy mistakes of the PNP government in its efforts at creating a more self-reliant economy, Davies argues that the government missed an opportunity to promote self-reliance and production by failing to promote the small business sector.<sup>27</sup> Drawing on detailed information from a study which included a survey of small businesses (less than 25 workers) conducted by him and several associates in 1979, he points out that this sector accounted for 80,000 jobs including 30,000 in manufacturing which accounted for 40 percent of all employment in manufacturing. Moreover, the sector, in sharp contrast to large manufacturers, is not very dependent on imported raw materials. Only 22 percent of the small businessmen mentioned raw material supplies (domestic or imported) as a problem and only 8 percent as their most important problem, which is impressive given the severe shortages of imported raw materials experienced by the economy as a whole at that time. Inadequate demand and finance were much more important. Davies argued that state aid in financial recordkeeping (as inadequate recordkeeping is a barrier to acquiring loans) and in consumer identification could increase the output of the small business sector. With regard to demand, it could also be observed that the IMF imposed austerity in this period quite certainly had adverse affects on this sector.

This brings us back to the question of alternatives to IMF stabilization policies. We have shown that the government on the one hand managed to reduce dependence in terms of control exercised by foreign capital

over the domestic economy and in terms of partner concentration and food imports, but that on the other hand, it let dependence on foreign loans increase and with it the control of foreign lenders over the domestic economy via the IMF. The factors impinging on the 1977 IMF decision as well as the problems experienced in attempting to do without IMF loans in 1980 demonstrate just how difficult it is for a country which is already in debt and still very economically dependent on the developed capitalist countries (especially the United States) to rapidly develop new sources of loans and trade outside of Western commercial banks, multi-lateral lending institutions, and corporations. Indeed, for a country very deeply in debt it may be almost impossible, on its own, to find financial assistance outside the IMF-Western commercial banking system at anywhere near the level available within the system.

This is a very strong argument for extreme caution in contracting large amounts of loans, particularly from commercial banks, in the first place. At the same time, developing more economic insulation through diversification of trade and cultivation of alternative foreign exchange sources, such as loans from oil exporting countries, lines of credit from the Eastern bloc, and assistance from social democratic governed Western European countries may allow a country to forego IMF "assistance" when faced with a debt problem of moderate proportions. Another important factor in this regard is internal. It was political factors that made the non-IMF option impossible in 1977. The strength of the political movement, and thus, the internal balance of class power, is a strong factor conditioning a country's ability to rapidly alter external economics relations.

#### Establishing and Operating the Mixed Economy

In addition to the nationalization of foreign holdings discussed in the last section, the flour mill, the cement company, and a textile mill were taken over by the PNP government. Also, another public bank was established, RJR transferred from foreign to "popular" ownership,<sup>28</sup> co-ops introduced on the sugar estates, CEOs established primarily in agriculture and agro-industry, and a substantial portion of imports transferred to the State Trading Corporation (STC). State and co-op ownership increased from 2 percent of the total to 20 percent.

It is true that, in the case of state sector expansion, much of this would have been done by any government in power at the time. As Phillips points out, expansion of the state sector in the seventies is a Caribbean-wide phenomenon occurring in a variety of countries with different ideological orientations. In Jamaica, the JLP government of the sixties had already begun the process by buying into the utilities and acquiring some sugar lands. Acquisition of the hotels and sugar estates was forced on the government, as mentioned previously. And it seemed likely that the utilities would have eventually been forced on the government also. Only in the cases of the flour mill and the cement company, which were Jamaican-owned and profitable, did the government encounter opposition to its bid for ownership. And, of course, the establishment of the STC caused a big furor from the private sector, Gleaner and the JLP.



Regardless of what a JLP government in the same period might have done (and it most certainly would have done less), the expansion of the state sector was a necessary feature of the democratic socialist developmental model. The question is whether the transformation of ownership relations was successful both in terms of its extent and the efficiency of operation of the new state sector enterprises. The question of the proper extent of state sector expansion is a complex one, since it involves two separate questions which can work in opposite directions. The first one is whether the size of the state sector was sufficiently large for the government to be able to plan and direct development. The second one is whether the state could effectively manage the enterprises it had acquired.

The first query could again be subdivided into (1) whether the threshold for effective state sector led development had been reached and (2) whether further expansion might have made the process more effective. We would give an affirmative answer to both questions. Given the level of public ownership achieved by the middle of the second term, the government did have sole ownership, joint venture shares, or a substantial portion of capacity in all sectors making up the commanding heights of the economy. On the other hand, the benefits derived from the STC could have only been increased by its expansion and it seems probable that investment planning could have been made more effective by greater ownership and control in the financial sector.<sup>29</sup> But, by and large we would argue that the government's mistake was not in the area of insufficient nationalization, but rather in not expanding the state sector through new investment in existing enterprises and new ventures.

Whereas from the point of view of the ability of the state to plan and direct the economy one can generally say the more state ownership the better, efficient state management of public sector enterprises may act to limit the desirable level of state expansion, particularly when the former middle and upper level management personnel are unwilling to continue to work for the enterprise in question once it is transferred to the state sector. This, along with any financial layouts involved, would be the key considerations in the case of further bank nationalizations. As for the nationalizations the Manly government did carry out, we get a mixed picture of the effectiveness of management.

The most negative result in this regard was the transformation of the nationalized sugar estates into cooperatives. This experiment was important both because of its ambitiousness, as the estates accounted for one-third of the country's second largest export, and because the failure of the co-ops became a symbol of the government's "mismanagement" and its utopian and impractical schemes to its opponents. We have dealt with the problems of the sugar co-ops extensively elsewhere;<sup>30</sup> suffice it to highlight the most important of these here.

The co-ops were very hastily set up as the government was under pressure from activist sugar workers and the left Catholic Social Action Center (SAC) to move in this area. Moreover, there was deficient follow-up in correcting the initial problems experienced. There was no education program to teach the workers about cooperative management and no system of effective cost accounting. The problems which had made the estate

inefficient in the first place: undercapitalization, overstaffing, and cultivation of marginal lands, were never rectified. Moreover, the co-ops were structured such that there was no connection whatsoever between wages, on the one hand, and workers' efforts and co-op productivity, on the other. As a consequence of all these problems, the co-ops were plagued by constant cost overruns and accumulated a large debt over the years.

The reasons why none of these problems were adequately addressed are complex. The lack of sufficient follow-up was due in part to the failure of the top political directorate, including Manley, who was the main promoter of the process at the top, to exercise adequate supervision of the project. At the middle level, the co-ops suffered from bureaucratic hostility as the main officials in the relevant bureaucracies (the Sugar Industry Authority, Frome Monymusk Land Company, the Ministry of Agriculture) had no faith in the co-op concept, from overlapping bureaucratic responsibility for the co-ops, and from the transfer of responsibility for the co-ops from one ministry to another. And, finally, the co-ops suffered from political competition as the government pushed the SAC, which did have an effective education and cost accounting program, off the co-ops partly out of fear of autonomous mobilization of the sugar workers by the independent-left SAC.

Despite the problems, a government committee (the Lindsay Committee) appointed to suggest corrective action produced a report in October 1979 which would have gone a long way toward making the co-ops viable enterprises. Its proposals included bringing the SAC activists back to introduce and supervise the educational program and a management and budget control program, and cutting overstaffing through attrition and the offer of severance pay. However, due to IMF imposed financial constraints and time constraints from the coming election, the committee report was never fully implemented.<sup>31</sup> Seaga did not follow up on this effort, but rather terminated the co-ops in 1981.

Not surprisingly, in the case of other "forced" nationalizations, and here we include the utilities, as well as the hotels, there were also serious difficulties. In the state sector in general, but particularly in these forced nationalizations, one is faced with a difficulty in evaluating the performance of the enterprises because profitability is not the only criteria to be taken into consideration. As Brown and McBain document in their survey of public sector enterprises in Jamaica, these enterprises were charged with such goals as maintenance or creation of employment (as in the case of the hotels), price subsidization, delivering essential services at affordable prices (the utilities), etc.<sup>32</sup> Thus, one cannot look at the bottom line in the ledger to evaluate their efficiency.

In the case of the hotels, the government simply did not have the capacity to run the hotels itself. Recognizing this, the government began a policy of leasing the hotels, selling management contracts while retaining ownership of the hotels, a policy which was continued by the JLP government.

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The effectiveness of management in the utilities varied. The telephone company appears to have been effectively run. The service by the electricity company definitely deteriorated after improving immediately after the takeover, but this was primarily due to the shortage of foreign exchange.<sup>33</sup> The bus transport system in Kingston definitely deteriorated under government management but this was primarily because the theft of parts crippled the bus fleet. The government was considered fair game for theft, and it was much too lax about this.

In the case of other public sector enterprises, the picture is somewhat better but still mixed. In an interview, one leading public sector manager contended that, generally, the newly developed state enterprises and statutory bodies fared better than those which were simply statified previously (usually inefficient) private ones, citing the STC, JBI, and its subsidiary, Jamaica Bauxite Mining, as examples of efficient operations. On the other hand, the banking sector does not fit the pattern: the Workers Bank consistently suffered major losses, while the National Commercial Bank was a successful business, despite the fact that the year before nationalization (as Barclays) it lost money.<sup>34</sup>

So, how do we make sense out of this admittedly complicated picture? There is no doubt that there were managerial problems in public sector enterprises, some of which were correctable and deserve attention in the future, as Brown and McBain argue.<sup>35</sup> But it is unlikely that many of these would have fared better in the private sector, and thus the government's takeovers were appropriate even on efficiency grounds. The fact that Seaga announced his willingness to divest these enterprises and got very few takers (except in the case of the hotel management contracts) strongly supports this contention. Thus, with the reservations expressed above, we would term the PNP's state sector expansion policy moderately successful. Moreover, as in the case of the sugar co-ops, the proper course of action would have been to attempt to correct the managerial difficulties, not to reverse the policy, in this case, divest the properties.

The attempted economic transformation was not limited to the expansion of the state and cooperative sectors. There was also an effort to transform relationships in the private sector. The government attempted to strengthen labor's position through labor legislation and its schemes of workers' participation. Though the extensive labor legislation fell short of what the unions wanted, the labor legislation clearly strengthened the hand of organized labor and individual workers against employers. Replacing the century old (and appropriately named) Master and Servants Law, the Labor Relations and Industrial Disputes Act provided for compulsory recognition of the union (or unions) democratically elected by the workers, for recourse to a tribunal in the case of dismissal, for the right to compensation and reinstatement in the case of wrongful dismissal, and for arbitration on the demand of either party to an industrial dispute. Another law passed by the PNP provided for severance pay giving workers in bankrupt enterprises priority treatment among creditors.

The workers' participation plans, on the other hand, never went very far. Given the fanfare with which the plans were announced, their crucial importance for the process of structural transformation, and Manley's own

strong commitment of the project, it is worth examining why.<sup>36</sup> Essentially, the whole project fell victim to the combination of lack of strong support from the labor movement, opposition from the private sector, and the economic crisis.

Given the nonideological character and the authoritarian structure of the labor movement, it is not surprising that the unions were less than enthusiastic about the project. All but one of the unions paid lip service to the goal of workers' participation. Unofficially, however, they were concerned about a possible erosion of their power. The private sector, of course, was virtually unanimously opposed to the introduction of workers' participation, particularly to any legislation on the issue. Reactions ranged from mild and pragmatically argued to quite rabid and principled opposition.

Despite this strong entrepreneurial opposition against anything more than management-controlled consultation schemes, and the lukewarm reaction of the unions, Manley pushed the project announcing in his May 1977 budget speech outlines for the establishment of workers' participation schemes involving joint consultation on economic and technical matters and possibly codetermination on personnel affairs, as well as worker representation on the board of directors.<sup>37</sup> However, in the following years, the impetus behind the project largely dissipated. In February 1978, eight of fifteen field organizers trained to promote the organization of participation schemes within enterprises were laid off, and in June 1978 new guidelines concerning participation in the public sector were issued, along with the universal restriction that only experimental schemes were to be set up, and on a purely voluntary basis. The lay-off of the field organizers was a result of strong union objections to the personalities and political inclinations of the particular people chosen and trained. The scaledown of the project as a whole was largely a result of the economic crisis. The aftermath of the failure of the December 1977 IMF test absorbed the energies of the top level political directorate, which means that the only force which could have overcome union opposition as well as bureaucratic inertia in the Worker Participation Unit of the Ministry of Labor was otherwise occupied. And even if there had been more support for it, the second IMF agreement, with its premium on the cultivation of private sector confidence, would have made a compulsory introduction of workers' participation against the strong employer opposition altogether impossible.

For future progress on the path towards social transformation, a reactivation of the workers' participation project is clearly crucial. The first task for the PNP will be to swing the unions behind the project. An educational program directed at union leaders, emphasizing how unions in other countries have been able to strengthen their position along with the position of workers as a whole by becoming actively involved in participation schemes, will be a necessary first step.

The private sector, needless to say, did not produce as the PNP hoped it would. We will treat this topic in detail in the context of our subsequent discussion of the class alliance. Suffice it to emphasize here that the PNP could have handled the relationship to the capitalist



class better and thus could have gotten better performance out of the private sector to produce the levels of economic growth it hoped to achieve.

This leads us directly to the key mistake that the PNP government made in the area of economic management: its failure to increase the level of state sector investment to make up for the fall of private sector investment. The critical turning point for the PNP was fall of 1974, after the imposition of the bauxite levy, when it had the resources to do this. Instead, the budget increase of over \$100 million went primarily to consumption. At the same time, import restrictions were relaxed, wasting valuable foreign exchange on nonessential consumer imports. In this same period, the government shifted to a much greater reliance on foreign commercial loans at high market interest rates to finance the government budget. Again, this proved to be a mistake.

Davies points out that the key problem with the foreign borrowing was not so much the level of borrowing but rather the type of project that was supported with these funds.<sup>38</sup> While they were targeted for the capital budget, most of the loans went to projects such as schools, housing, and health centers that were only indirectly productive and only very remotely, if at all, connected to a saving or earning of foreign exchange that would equal the outlay. He suggests, correctly we believe, that foreign funding would be contracted primarily for directly productive projects which are net foreign exchange earners either through import substitution or export, and secondarily for physical or social infrastructure directly required by such projects.

Obviously what we are arguing for, in a sense, would be a more "conservative" approach in this period. Though expanding state sector investment, increasing taxes, and restricting middle class consumer imports can hardly be termed conservative, that label could be applied to the greater restraint in redistributive spending, lower levels of foreign borrowing, and smaller budget deficits that this formula implies. And while stepping up land reform and the development of CEOs would have been redistributive as well as productive, and the suggested tax program and import restrictions also could have had a redistributive impact, it seems likely that this formula would not have had as great an effect on income distribution, at least in the short run, as the one pursued by the government. At any rate, the urban unemployed would have been worse off and this would have had social costs for the society and political costs for the PNP. But this economic formula just might have put the country on a viable economic development path and would have had a very good chance of allowing the government to avoid the agony of the IMF.

In addition, there were problems with the management of some state sector enterprises, as was just mentioned, and serious problems with the implementation of a number of the programs introduced. In some cases, such as the National Youth Service, which should have been recognized at the outset as being prohibitively costly, this was a matter of poor planning and faulty conceptualization of the program.<sup>39</sup> These programs should have never been started. In other cases, such as Food Farms, the program was properly conceived but implementation was abysmal for the reasons cited previously (and again below) in this paper. In these cases, corrective

action should have been taken, or where that was not possible, they should have been terminated.<sup>40</sup> These steps would have saved the government money and/or resulted in greater production, both of which would have had a favorable macroeconomic impact.

It should not be surprising that, in our 1982 elite study, we found that there was remarkable agreement in the whole elite that the central failure of the PNP government was its failure to properly manage the economy (see Table 1).<sup>41</sup> The criticism fell into four areas: (1) mismanagement, overspending; (2) rhetoric, policies, and/or Cuban relationship leading to loss of confidence of business and skilled personnel; and thus flight and economic deterioration; (3) poor implementation of programs; and (4) lack of a coherent economic plan. Ninety-two percent of business-people, 86 percent of JLP politicians, 63 percent of PNP politicians, and 72 percent of other elites listed at least one of the four of these as one of the main failures of the PNP government. As one can see, there were differences in the categories emphasized by the various groups: business and JLP elites emphasized the first two, PNP elites the fourth, and the other elites the third.

That the political mobilization process frightened the capitalist class is to be expected and counted on as a cost of the whole transformation process. The negative effects of political mobilization should have been partially offset by efforts at national mobilization for production and nation-building. A Ministry of National Mobilization and Human Resource Development was created in the second term. The ministry almost totally atrophied after Duncan's resignation, but even under his leadership, it did not perform its task. In Duncan's defense, he did not head the ministry very long. Moreover, the first few months were taken up with developing the economic plan (in which the ministry did perform an important function) and after that, at least from his point of view, he was mobilizing people for the "IMF plan," something he was not very enthusiastic about for obvious reasons. Nevertheless, there were serious deficiencies in the operation of the ministry that make it unlikely that it would have been able to perform its function without major reorganization.<sup>42</sup>

It should be made clear at the outset that national mobilization in the context of a highly competitive two-party system is a very difficult task. From the very beginning of the Manley government, almost every attempt it made to mobilize people to make its development program work or simply to get people to identify with collectively building the country was obstructed by the JLP, who saw all of these efforts in party partisan terms. So, when Manley in 1972 called on the nation to put in a day of voluntary work on some community project on Labor Day, the JLP and BITU announced that they would continue to celebrate the day in the traditional fashion. In April 1977, when all other social forces, including PNP opponents like the Gléaner and the private sector organizations, were lining up behind the government's production efforts, Seaga issued a blistering critique of the production plan. Numerous other examples could be cited.

In this context, it is probably safe to say that Duncan, who remained as PNP General Secretary, was a bad choice for Mobilization Minister,

despite his considerable talents as a political organizer. Not only was he strongly identified with the party apparatus, which made him suspect from the point of view of the JLP and its supporters and allies, he was also strongly identified with one wing of the party, which made his actions controversial within the PNP. This situation was aggravated by the cross-cutting nature of the ministry. As Jones (1981a:20-21) points out "one of the ministry's major functions was to coordinate and monitor aspects of the field work of other ministries," a function usually carried out by the Finance or the Prime Minister in the Westminster model, and thus "...the role of the new Ministry overtly contradicted administrative tradition of autonomous departmentalism."<sup>43</sup> This led to severe conflicts between Duncan and other ministers.

In fact, the whole ministry was staffed by Party cadre and these were drawn mainly from the left, who were the only ones interested in the Ministry and its task in the first place. The production side of the task was not emphasized and thus the cadre were primarily involved in consciousness raising, which, without the productive effort, left what was perceived as rhetoric by the public, and which, taken alone, tended to alienate people. Moreover, some of Duncan's lieutenants and the field cadre took the attitude that "if you are not for socialism you are against it" which further alienated people. The situation was aggravated by the cultural style of many of the field cadre. As one PNP advisor who was sympathetic to the left related:

...the symbols of mobilization, the tam and the unprofessional presentation and unkempt appearance, became associated with socialism especially in the rural areas...thus, socialism became associated with anarchy and disorder. The discipline necessary in a genuine mobilization process was not there....

In addition, the structure of the ministry made its smooth operation yet more difficult since there were no intermediaries between the center and the field cadre. This made it very difficult to monitor the cadre's work and, at the same time, made it possible for the cadre to give the center feedback which the cadre felt they wanted to hear but which did not really reflect the situation in the field. Thus, no corrective action was taken when it actually was necessary.

The standard leftist remedy to counter anticipated adverse reactions to efforts at social transformation is to stop or control capital flight. The assumption is that by eliminating or reducing possibilities for capital export, the government can stop disinvestment and possibly even induce domestic capitalists to invest some of their money given that this is their only alternative. The experience of the Manley government argues that controlling capital flight in any significant way is very difficult if not impossible to do, at least in an economy as open as the Jamaican economy. Some of the currency controls and restrictions on foreign exchange for travel may have had a positive effect, but the more dramatic moves, such as the legislation on declaration and possible repatriation of foreign assets were almost certainly counterproductive because they frightened people and thus stimulated further capital flight. In Jamaica, almost all large businesses are involved in foreign trade, at least in a small way, either in exporting products or importing inputs. This gives

them an easy opportunity to export capital which is almost impossible to stop: by overinvoicing imports and underinvoicing exports in agreement with their foreign customers or suppliers.

### Increasing Social Equality

The PNP government attempted to increase social equality through many domestic programs, most of which were initiated in its first three years in office. These programs were aimed at economic redistribution, cultural inclusion, increased political participation, and equal opportunity, or some combination of these. The employment programs: the housing program, which resulted in the construction of 40,000 new units; rent control; basic needs subsidies; the minimum wage; health care; property taxation; and land reform all contributed to economic redistribution. It is certain that together these programs effected significant redistribution, but just how significant it was, and whether it was significant enough to offset the effects of the rising unemployment caused by the faltering economy, is unclear, given the lack of adequate statistics on the matter.<sup>44</sup> However, it seems certain that the redistribution between 1972 and April 1976, when unemployment began to rise after declining in the early years of the government, was very significant, and it is very likely that the poorer segments of the population were better off in both relative and absolute terms to the time of the second IMF agreement. Moreover, the dramatic decline of the infant mortality rate from 30.9 per 1000 live births in 1972 to 12.4 in 1979 indicates that an improvement of at least health conditions took place throughout the period.<sup>45</sup>

In the case of social and cultural inclusion, on the other hand, there is no doubt that the country went through a very significant and permanent change. It is not possible for the most part to put one's finger on a specific policy here, but rather the whole thrust of the government to include the mass of people in the life of the society, the political mobilization process, and the PNP's openness to and encouragement of the African cultural heritage contributed to the change. One of the few specific policies one can point to was the Status of Children Act, which abolished bastardy. In doing so, the government made the norm of race/class subcultures which form the great majority of the Jamaican society, the legal norm in society. The inclusion of domestic servants in the minimum wage law, quite apart from its effect on their financial situation, made these people, in an often socially degrading occupation, feel like full members of society. The education and literacy programs, in a quite different way, aided the process by giving many people (over 200,000 in the case of the literacy program) the skill to participate in society. But these policies were just smaller pieces to the general process set off by the direction the government was moving in. As one PNP leader said:

I think our biggest success was the extent to which, as a government and as a party, we were able to raise the level of consciousness of the people. People were saying for the first time 'is black man time now.' For example, domestic servants, for the first time, felt entitled to walk through the front door....



'This cultural and social inclusion process was closely linked to the political inclusion process and the increased political participation which occurred during the Manley years. This manifested itself in the rising levels of electoral participation and in the massive turnouts at political gatherings held by the PNP throughout the period and by the JLP in the last two years. For instance, 40,000 people came to the public session of the PNP's 1976 conference and 120,000 to the election campaign rallies in Montego Bay in 1976 and 1980. (For comparative purposes, the latter figure is equivalent to 3.4 million in the United Kingdom or 12 million in the United States.)

But the process resulted in more than sheer mobilization of vast numbers of people. The people's level of political awareness was raised and the average Jamaican felt like a full citizen in the country for the first time. As one can see from table 2, when queried about the successes of the Manley government, this was by far the most frequent answer. People became aware of the political issues of the day. For instance, Stone found that, in an opinion poll, 72 percent of the respondents were aware of what the IMF was.<sup>46</sup> Moreover, the people became aware of the potential power they had. As to the successes of the PNP government, a JLP leader said:

The Manley regime advanced and developed the political consciousness of the Jamaican people in a very fundamental way. People became aware of their political potential and of the use to which political organization and influence could be put.

In short, the Manley government changed the balance of class power in Jamaica. Two factors contributed to this raised political consciousness and increased political awareness of the people: (1) the general progressive thrust of the government, especially the social and cultural inclusionary aspects and distributive policies; and (2) the efforts at organization building and political mobilization, detailed in previous chapters, carried out first by the PNP and then, as a response, by the JLP.

The processes of cultural, social, and political inclusion and of increased political mobilization and consciousness were not without costs. As was pointed out in earlier discussions of the reactions of the capitalist class, businessmen and other elites resented and were frightened by the developments. Much of the reaction to these phenomena was inevitable and had to be counted on as part of the change process.

The education and literacy policies were also aimed at expanding and equalizing access to more privileged positions in society, as were the cultural inclusion policies. The government furthermore made a number of specific appointments to various statutory boards and governmental agencies which expanded the representation of black people in these organizations.

The educational policies, primarily free secondary and tertiary education, are difficult to evaluate in the absence of hard data on the number and class composition of students graduating, the average level of competence of graduates, and the jobs which they ended up in. But based on research on the effects of educational expansion on growth and mobility

it seems likely that the reforms may have had some effect, and that it is a good guess that it was limited.<sup>47</sup> Expansion of secondary and tertiary education does not appear to increase social mobility, particularly if it is unaccompanied by expanding job opportunity due to economic expansion. Moreover, expansion of education at this level, as opposed to the primary level, does not appear to contribute strongly to national economic development. Finally, there were not enough funds allocated to these reforms to provide high quality education to all those who were now able to attend. Given all this, it might have been a better use of the funds available to devote them to upgrading primary education.

The PNP also instituted a number of reforms which promoted equality between the sexes. Prominent among these were the minimum wage, which helped women most because they were in the lowest paying jobs, equal pay for equal work, and maternity leave with pay.

In enumerating the achievements of the PNP government in increasing social equality through these various programs, we do not want to give the impression that all these programs were effective or, even if effective, should necessarily have been instituted. Like some of the other policies which we have examined, a number of these programs were poorly implemented. Given the space constraints here, it is impossible (and unnecessary) for us to thoroughly evaluate each program individually. Suffice it to remind the reader here of our contention that state sector investment should have been expanded and that this would have necessitated a corresponding restraint on the expansion of some of these social programs. Obviously, the poorly performing ones should have been the first victims. The importance of financial constraints also argues that legislative changes that could be achieved without financial outlay, such as in the cases of the labor relations legislation and the Status of Children Act, might have been further explored.

### Deepening Political Democracy

There can be no doubt that the PNP not only adhered to the rules of the democratic game,<sup>48</sup> but that it also deepened political democracy in the narrow sense of making the electoral process fairer and in the wider sense of bringing more people into active participation in the process. The latter was discussed in the previous section on the processes of political inclusion and popular mobilization. As to the former, the PNP made some moves in the first term such as extending the vote to 18-year-olds, updating the electoral lists to include many people unfairly excluded from voting in the 1972 election, and redrawing electoral districts so the outcome in seat distribution would more closely reflect the outcome of the popular vote. Though they were never given legal status as originally intended, the community councils, of which over 400 were established, did provide a nonpartisan forum for grass roots political participation. After years of discussion, the government appointed an Ombudsman, whose duty it was to receive, evaluate, and propose redress to citizens' complaints about actions of the governmental bureaucracy. Most important, the PNP, in cooperation with the JLP, enacted the electoral reform which made the 1980 election the fairest in Jamaican history.

## Forging an Independent Foreign Policy

The PNP's foreign policy of nonalignment, promotion of the NIEO and third world economic cooperation, support for national liberation movements and political independence, and broadening of foreign economic and political ties has to be viewed against the background of its economic strategy, particularly the goal of reducing economic dependence. The foreign policy achievements of the PNP government were impressive: under Manley's leadership backed by Foreign Ministers Patterson and Thompson and an able corps of diplomats such as United Nations representative Donald Mills, this small country moved from virtual isolation, obscurity and total subservience to the West to a position of leadership of the Third World, particularly on the issues of the NIEO and antiapartheid. Manley became the leading spokesman for the NIEO and vice president of and the leading Third World advocate in the Socialist International; Patterson was elected head of the ACP group of countries in the negotiations for the Lome Convention; Thompson spearheaded the drive for the passage of the Law of the Seabed; and Jamaica was elected to the Security Council of the United Nations.

Critics of Jamaican foreign policy have argued that there were costs to this policy and that Jamaica got nothing in return. JLP leaders argue that the pursuit of the NIEO was "pie in the sky" and that antagonizing the United States did damage Jamaica economically. It is true that the short-term benefits from the pursuit of the NIEO and Third World economic cooperation were limited. But a movement must start somewhere, and if the Third World is to get anywhere economically, greater economic cooperation and greater solidarity in negotiations with the developed world will be a necessary feature of that progress. Moreover, the Lome Convention did materially benefit the sugar industry. The country was rewarded for its efforts at Third World economic solidarity and the pursuit of the NIEO, with the siting in Jamaica of the IBA headquarters and the Law of the Seabed Authority, which will bring not only diplomatic contacts and prestige to the country but also badly needed foreign exchange. Third World leadership brought the country loans from OPEC, Libya, and Algeria, and concessionary oil prices from Mexico and Venezuela. Manley's role in the Socialist International was responsible for the Norwegian and Dutch aid and trade packages. New ties with the Socialist bloc brought a line of credit from Hungary and, more important, trade diversification (see above). And, CARICOM, though not living up to expectations, did increase Caribbean trade.

The precise costs of the foreign policy posture are much more difficult to calculate, particularly if one wants to specify the costs which were necessary features of the development path pursued by the PNP and those which were, so to speak, unnecessary elaborations. We will deal with this question extensively in the section on "Managing Geopolitics" below. Suffice it to make several points here. First, the costs were primarily attributable to the political aspects of the policy, such as the extensive exchange programs with Cuba and verbal attacks on imperialism, and only secondarily to the economic aspects, such as the bauxite levy or trade diversification. Second, we are prepared to argue that, with adjustments for the "unnecessary elaborations," the policy promises to bring benefits that outweigh the costs in the long run, but that the

political slant of the incumbent United States administrations can substantially change the cost-benefit calculations in the short run.

Democratic Socialist  
Political Strategy

Constructing a Class Alliance

The two key elements of the political strategy for placing the country on a democratic socialist development path were the construction of an alliance of social classes behind the program and the building of a political movement to create and sustain support for it. As we saw in earlier chapters, the nature of the class alliance, in particular the role of the capitalist class and the middle strata, was a point of contention in the PNP intraparty debates. We have presented extensive information on the reactions of the capitalist class to the PNP government, and it is worth reviewing the results of our analysis briefly here, in order to evaluate what can be expected of the capitalist class under the sort of development path pursued by the Manley government.

Our analysis of capitalist class reactions runs contrary to popular opinion in two ways. The first is the emphasis that we have put on the policies of the government in generating the reactions of the capitalist class. For the first wave (1973-1974), the record is totally clear and cannot be read in any other way: the socialist (nationalizations), egalitarian, and social inclusionary policies were the most important factors stimulating increased criticism and decreased investment and they were the second most important factor (to crime) stimulating migration.

Our contention that the government's policies continued to play a major role in the second wave (1975-1976) will be more controversial, but the historical sequence of events makes it relatively clear that the government's ideological posture per se (i.e., "rhetoric," "Cuba," etc.) did not become a major issue until early 1976. One flaw in previous discussions of private sector reactions is the one-sided focus on opposition to specific policies rather than the level of expenditure which the policies as a whole generated and how the government proposed to pay for these policies, particularly when the crunch came in the second half of 1975. Whereas strong opposition to specific policies was confined to the ultra-conservative segment of the capitalist class, opposition to the overall level of government expenditure, taxation, and borrowing was widespread. Jamaican businessmen attributed the difficulties of the Jamaican economy, which became obvious to everyone in late 1975, to these government policies. Thus, we would argue that it is false to separate the issue of economic management from the government's policies. Many of the critiques of management were indirectly or even directly attacks on the Manley government's reform program. It was argued that the government needed to reduce the level of spending, borrowing, and taxation so that the private sector would and could invest. The measures in the government's fall 1975 anti-inflation package were entirely counterproductive from dominant business points of view. Indeed, the Gleaner and Seaga argued that the package had nothing to do with inflation and government was using the crisis as an excuse to introduce its socialist policies.



Nevertheless, it cannot be overemphasized that the bottom line for the capitalists was the state of the economy. Had the Manley government followed a somewhat different set of policies with the same class orientation but with a better economic outcome (which we argue probably would have been possible), the capitalist class would have grumbled about the policies but not in its entirety turned against the PNP government. The accommodation between the government, which at that time was at the peak of its political strength, and the capitalist class could have been maintained.

Though the deteriorating economy and the government's responsibility for it (in the eyes of the capitalist class) initiated the second phase of alienation of the capitalist class from the PNP government, there can be little doubt that social and political mobilization, the increase in rhetoric, the rise of the PNP left, and the Cuban relationship combined with skillful exploitation of these issues by the Gleaner and the JLP generated a tremendous amount of fear in the Jamaican upper classes which cannot be accounted for by the policies alone. Indeed, it is worthwhile reflecting on why there was not at least some recovery in domestic investment once the IMF imposed its policy prescriptions, that is, austerity, real wage decreases, and profit guarantees, on the government. In addition to the continuing foreign exchange shortage, rhetoric from the left and psychological warfare from the right certainly go a long way in explaining why that never happened.

The second surprising result in our analysis is the decisive clarity with which the first term of office appears as crucial in the PNP-capitalist class relationship. The impressive electoral victory of December 1976 tends to obscure this. We would argue that, given the balance of class power and the low level of ideological development of the PNP, it was politically impossible for the PNP to deepen the reform process in 1977 by adopting the People's Production Plan and foregoing the IMF loan. If this is correct, then the book on the Manley government was basically closed by the time of the 1976 election, because by that time there were no progressive options open to the government given its political resources.

What does our analysis of capitalist class reactions say about the role of the capitalist class in the class alliance and about the viability of the model of development pursued by the Manley government? Let us be clear at the outset that we must address here not only the basic policies necessary to the model (social programs, state sector led development, etc.) but also the political means necessary to carry out the policy. It is simply not possible to carry through such a reform process without building a political movement in organizational and ideological terms (that is, if such a movement does not already exist). Social and political mobilization and ideological definition and education are essential elements of the model. Thus, some of the so-called rhetoric of the PNP was essential to the process and not excessive verbiage. For example, one of our respondents, in answer to a query about rhetoric, said: "I didn't know I was a capitalist until I was told (by the PNP) I was one." Any kind of process of ideological definition would have to let this person in on this secret. On the other hand, there definitely were instances of excessive rhetoric.

The same sort of thing could be said about the relationship with Cuba. Third World solidarity and cooperation were necessary elements of the development model pursued by the Manley government. Thus, cordial relations with Cuba, defense of its territorial integrity and cooperation on issues such as antiapartheid were necessary. But the extensive exchange relationships (the Brigadista program, etc.) and the effusive praise of Cuba were not. These things were not politically advisable, because of their potential for exploitation by the Gleaner and the JLP, a potential used to the hilt by them. Despite the fact that Cubans had only the best intentions in giving Jamaica the aid and that (ironically, given the counterpropaganda) the Cubans generally cautioned the PNP toward a moderate course when asked for their opinions, it is certain that the net effect of the close ties to Cuba was negative, because of their impact on the capitalist class (and thus investment) and the United States.

Given the fact that not only most of the policies of the government but also social and political mobilization and ideological definition were essential to its model, it is clear that the model, as pursued, was not a viable one because it depended on the private sector to produce more investment than it would even if adjustments in toning down rhetoric and in foreign relations were made. Again, as we have repeatedly emphasized, greater levels of state sector investment were necessary.

As to the role of the capitalist class in the class alliance, we would contend that neither the radicals' nor the moderates' position was entirely correct. The moderates, especially the right wing, were wrong in arguing for an inclusion of the capitalist class in the class alliance, because the PNP's policies were not in the interests of capitalists, particularly when we consider their broader interests as wealthy individuals concerned about taxes and upper class family men concerned about their wives' security or their offspring's career chances and marital partners (and thus social mixing) in addition to their interests as capitalist qua capitalist. When one speaks of a class being part of a class alliance, one generally expects that most members of the class will actively support the program and not just tolerate it. It is probably fair to say that once the general contours of the Manley government's program became clear, most capitalists did not support it though they did tolerate it until late 1975.

On the other hand, the position of the PNP left cannot be accepted either because it did not sufficiently recognize that it was necessary to ensure toleration of the program by the capitalist class to make the mixed economy work. In correctly rejecting an alliance with the capitalist class which was impossible given the opposition of interests, the left did not realize the necessity of pursuing a compromise with the capitalist class.

A related error, in our view, in the analysis of the PNP left, as well as the extra party left, was its one-sided focus on the class forces within the party as a barrier to change. The capitalists within the party were seen as the main obstacle, and it was sometimes added that the petty bourgeois backgrounds of other party leaders predisposed them to "reformism."<sup>49</sup> Without denying that some PNP leaders with business backgrounds did have a conservative influence on the party, there is little doubt in our minds that the main obstacle to further progress in the process of

social transformation was the balance of class power in civil society. The 1977 People's Production Plan is a case in point. The implication of this is that deepening the process required extensive, painstaking work in building the movement. It wasn't just a matter of kicking the capitalists out of the party.

The centrists, on the other hand, generally recognized that the barriers were in society, though they would not use the language of class power as we have but rather the language of public opinion. That is, the people (or the workers, or the middle classes, or the unions, etc.) would not support such a policy, would not cooperate, were not ready to sacrifice, etc. The error of the centrists was that they reified the present state of "public opinion" or the present level of social consciousness, which is determined by the underlying balance of class power, by the present state of development of the political movement. Thus, they downgraded the political education program, seeing it primarily as a vehicle for the left's power aspirations. Mobilization was reduced, in their minds, primarily to a method of influencing electoral outcomes.

To return to the question of the construction of an accommodation with the capitalist class, based on the literature on Latin America, we expected, given the structure of the Jamaican economy, to find two distinct segments of the Jamaican bourgeoisie, a comprador (or commercial) segment, and a national (basically manufacturing) segment. Moreover, it should be obvious that the policies of the Manley government were much more damaging to commercial interests than to manufacturing interests. Under these conditions, it would be natural to assume that the Manley government should have been able to construct a satisfactory compromise with the manufacturing bourgeoisie.

Unfortunately, the only segment of Jamaican capital with a distinctively more tolerant attitude toward the government was the exporters as represented by the Jamaica Exporters' Association (which makes sense given the PNP government's incentives for exporters). The Jamaica Manufacturers' Association (JMA) was, if anything, more militantly anti-Manley than the Chamber of Commerce. One might argue, with some justice, that this was due to the ultraconservative politics of its president, Winston Mahfood. But the members of the JMA did constantly reelect Mahfood, so there must have been some level of approval of his strident posture. Moreover, in examining the 1974 and 1982 elite study data, we did not find that manufacturers were significantly more liberal or more pro-PNP than commercial capitalists.

What is the reason behind this surprising fact? As Reid<sup>50</sup> and Holzb<sup>51</sup> document, the Jamaican capitalist elite is heavily interlocked both in economic and kinship terms. The larger concerns often include holdings in commerce, manufacturing, tourism, and sometimes agriculture. And, even if their own concerns are not diversified, the heads of these concerns are virtually always closely related to people in the other sectors. This is not to say that there are no ideological differences within the Jamaican capitalist class; there were significant differences. However, these were not related to structural fissures in capital, and thus may not be as stable as in other cases where the two are related. In any case, the PNP would have to relate to the ideological (rather than structural) division within the capitalist class in constructing its compromise with capital.

Had the PNP government followed the policies with regard to state sector investment, rhetoric, and foreign policy suggested here, it could have strengthened its relationship with the liberal bourgeoisie, who favored state sector led development anyway. (In our interviews one of them criticized the PNP for not having a greater focus on state sector investment.) And there is a good possibility that it could have come to an understanding with the patriotic bourgeoisie to insure its continued investment and to minimize the disinvestment of all but the ultraconservative segments of the rest of the capitalist class. The latter, which we estimate as comprising one-quarter to one-third of the whole class, was irredeemable; it was bound to migrate and/or disinvest, and the government would have had to make up for the falloff. To this group we also have to add those who migrated because of the violence, particularly the Chinese medium and small businessmen. The level of state sector investment necessary would have had to be at least as large as these segments' previous share in order to have improved the economic situation in 1975. Let us remind the reader once more of how critical the economic situation that year (and the PNP government's response to it) were in initiating the decisive turn of the capitalist class against the government.

Second only to the capitalist class in controlling economic resources crucial to any path of development is the professional and managerial class. It must be admitted that the material interests of this class were adversely affected by the Manley government's policies, even if one ignores the negative effects of the economic decline. The taxes, the luxury import restrictions, minimum wage for domestics, and so on were not in this class' interest. Though a significant minority of this class is black, the social inclusionary policies represented a threat to hereditary privilege. And the mobilization process threatened them almost as much as it did capital. Thus, the professional and managerial class as a whole cannot be counted on as part of the class alliance. However, given their skills, the democratic socialist movement needs to come to some sort of compromise with them in order to, at the very least, induce them to stay in the country and contribute to its development. From the timing of migration as well as from Maingot's study of Jamaican migrants to the Miami area,<sup>52</sup> it appears that these highly skilled people left primarily because of the deterioration of the economy. Thus, economic performance would seem to be the key to keeping this class in place.

In the case of one segment of this class, state sector managers and technocrats, one can go further. Given their leading role in planning and executing the development process, they experience an increase in power, and presumably prestige, under democratic socialist development as compared to private capital led development. Moreover, in the Jamaican case, the traditional nationalist ideology of this class segment gives the party an ideological entry point into the group with appeals to economic nationalism and self-reliance. This, combined with a set of policies to recruit, train, and develop state sector managers and technocrats as suggested by Davies<sup>53</sup> forms the basis for inclusion of the class segment in the class alliance.

With regard to material interests, the salaried middle class and the petty bourgeoisie are in an ambiguous situation. As was pointed out earlier, the petty bourgeoisie benefits from the emphasis on self-reliance



since these small concerns are much less dependent on imported goods than larger concerns, but they are adversely affected by price controls and, in the case of medium-sized enterprises, labor legislation. The salariat is positively affected by labor legislation, employment policies, and price controls, but negatively by income taxes. Many members of both groups are home owners and thus negatively affected by property taxes. On the balance though, the material interests of both these two middle strata predispose them toward support for democratic socialism, and thus they should be targeted as potential members of the class alliance. In the case of small business, the type of support policies advocated by Davies<sup>54</sup> might further cement them into the alliance. And, indeed, the PNP, though losing ground between 1972 and 1976, still retained the support of a substantial majority of these classes in the 1976 election.

The remaining classes: small farmers, farm labor, the lumpen proletariat, and the urban working class, which make up some three-quarters of Jamaican society, are clearly favored by the policies of democratic socialism and it is these classes that must form the core support base for the movement. Of course, even with regard to the interests of these groups, adequate economic performance is necessary or their material situation cannot be improved. Bernal has shown how the IMF-imposed austerity policies shattered the class alliance,<sup>55</sup> constructed by the PNP in its first term, undermining the positions of virtually all classes in the alliance. But even a progressive economic plan cannot demand sacrifices without hope of an eventual economic turnaround. Thus, economic performance is a key element in constructing the class alliance of popular classes as well as striking a compromise with capital and the professional and administrative class.

### Building the Political Movement

If the objective interests of the people, as structured by class relationships, were the only or even the main factor determining the outcome of political competition, democratic socialism would be an incomparably more successful movement than it is today. The class structure is only the terrain on which movements competing for ideological and social hegemony and political power fight out their battle. And though the terrain favors socialism, the capitalist forces have a natural advantage in owning the instruments of economic and ideological warfare and are favored by the deep trenches that the status quo makes on the outlook of all classes in society, particularly the middle classes. Building the organizational and ideological weapons to overcome this advantage is a long, painstaking, difficult process, a process which, though begun by the PNP in the late thirties, was at a very low level of development when the party took office in 1972.

We have documented the successes of the PNP in the area of party building and political mobilization earlier in this chapter. Certainly, there were missed opportunities in this area, particularly during Duncan's absence in 1977-1979, but only one is very glaring: the PNP never passed legislation regulating the financing of political activity. Legislation forbidding corporate and foreign funding of parties, other political organizations and political campaigns, limiting personal contributions and campaign expenditure, and providing for support of parties in relation to their electoral support from public coffers was (and is) essential to the

long run development of the PNP as a socialist party. This type of legislation is particularly important in the Jamaican situation because, given the competition of the unions for members, the unions have generally not been willing to contribute heavily financially to the parties, making their main contribution in manpower and material at election time. The effect of this absence of party financing legislation can clearly be seen in not only the JLP's tremendous financial edge in the 1980 election campaign, but also in the PNP's totally desperate financial situation in 1981 and 1982. In the end, the refusal of liberal capitalists to contribute to the party as long as Duncan remained as General Secretary forced his resignation in early 1983.<sup>56</sup>

The PNP's progress in forming a coherent ideology and propagating it within the party and the larger society was substantial but still far short of what was (and will be) necessary. Given the internal party divisions and the economic crisis, it is easy to explain why the party did not make more progress. But with a little more understanding of the importance of ideology formation and ideological education from party moderates, the advances in this area could have been much more significant. As it was, it was not until 1978 that the party could agree on an ideological document, and the 1978-1979 education effort did not make much headway.

The problem was (and is) that many moderates understandably see the party ideology and more so the political education program as opportunities for the left to engage in sloganeering and rhetorical excess. Unfortunately, instead of trying to influence the tone of the program, they have tried to kill it. The moderates failed to understand that ideology, as opposed to dogma or rhetoric, is an essential element of any attempt at social transformation. Ideology, in Tingsten's classic definition, is "a collection of political concepts that are developed into a systematic whole and are meant to give a general and definite directive for action."<sup>57</sup> In the PNP's case this ideology would include an analysis of the nature of capitalist society in Jamaica, a coherent critique of the development model pursued in the fifties and sixties and an understanding of the PNP's alternative model of self-reliance and democratic socialism and of the political strategy and, when needed, the economic sacrifices necessary to implement the model.

The lack of ideological understanding at every level of the PNP was debilitating. Earlier in this chapter, we saw how the tradition of clientelism and the lack of understanding of the PNP's program on the part of PNP MPs undermined the Food Farms program. This is no isolated instance; a large number of programs suffered the same fate.

At the rank-and-file level in the party, there was relatively little understanding of what the democratic socialist path entailed. It was associated with the distributive programs of the government. This was also the view they propagated in society. One negative consequence of this was that it tended to legitimate and promote a get-something-for-nothing mentality which had detrimental effects on work motivation, which, for a variety of the structural and historical reasons was already low among employees (though not among the self-employed). The PNP activists did not understand that sacrifice might be necessary at some point despite speeches by Manley and other PNP leaders emphasizing this. One PNP

Minister, referring to what he would have the party do differently if he could go back in time, put it succinctly:

I would precede the programs of change with the development of dedicated political cadre who had an understanding of the programs and ideology and the sacrifices necessary. They (the PNP activist) were not prepared for struggle of adversity. They were lost once the material benefits from the programs, which sustained their enthusiasm stopped coming. This is how you can explain that there was a massive enthusiasm for the process in 1976 despite (the communist smear, destabilization, etc.). But when the strains and difficulties began in 1977 and 1978, they didn't know what to do, they were not prepared.

In addition, a better understanding of the ideology and the purposes of various programs among the cadre might have helped to moderate pressures for patronage benefits from programs whose primary intention was production not redistribution (Food Farms).

Manley himself was cognizant of the defects in, and the importance of, internal party ideological education, and the PNP has made an effort to rectify this deficiency in its first years in opposition. Though the political education program of 1978-1980 got off to a slow start and then the effort was deflected into the election campaign, the materials produced for the program did contain a comprehensive and popularly accessible explanation of the PNP's democratic socialist ideology (using the word in the sense defined in the paragraph above).<sup>58</sup> This material was used in the PNP's election campaign in 1980.

In terms of movement building, the PNP missed opportunities in the area of media policy. It is probably fair to say that the PNP had no plan for the media; their policy was primarily reactive. The development of the government-owned Jamaica Broadcasting Corporation (JBC) as a whole and the newsroom in particular in the late seventies, and the handling of the Daily News are indicative of this lack of coherent policy. However, the flaws in the PNP policy could most clearly be seen after they left office. With the demise of the Daily News and the return of the JBC to its late sixties style after the replacement of the board and the firing of the newsroom, the PNP is now almost without access to the mass media. RJR is the only exception, thanks to the insightful policy of the government in this one case. Since any attempt to convert any of the existing major organs (Gleaner, Daily News, RJR, JBC) into a PNP organ would have been either politically impossible in the short run or easily reversible by a subsequent government in the long run, the best course of action would have been for the PNP to create what we would term a democratic (rather than socialist) media structure. The RJR solution was one way to do this. In the case of JBC, the institution of a board selected by popular organizations, such as those eligible to buy shares in RJR, and access to a certain amount of air time based on organizational membership, polls, or some other means of ascertaining popular support, would be another way of democratizing the structure of the media. In addition to the time allocated to the parties, the present system whereby the government through the Agency for Public Information (or the Jamaica Information Service) is

allocated time for programs explaining its policies and promoting national mobilization might be retained. Either the RJR solution or this JBC formula could have been applied to the Daily News. As for a PNP-controlled media organ, this could have been provided for either directly or indirectly through the party financing provisions discussed earlier.

Another area that needs further investigation is whether the performance of the Agency for Public Information, whose task it was to inform the people about the government's programs and mobilize support for them could not have been improved. We have no specific deficiencies or remedies to point to in this regard, but it is clear that many Jamaicans, who were or could have been, direct beneficiaries of the PNP's programs or, at any rate, would have supported them, were unaware of what the government was doing. This was the case with Project Land Lease, which is more probably one explanation why the PNP government never achieved an electoral majority, even in 1976, among small farmers despite the emphasis on domestic agriculture and land redistribution in its program.

What we have tried to outline here is a media policy which would have been politically workable in Jamaica in the current era. A fully democratic media establishment, by which we mean an establishment which gives representation to views according to popular support and not economic (or political) power, would include democratization of the Gleaner, whose abuses of its near monopoly position in the print media to defend the interests of privileged groups in society have been thoroughly documented elsewhere.<sup>59</sup> Private ownership and control of such an important mass media organ by a tiny privileged economic group even more clearly violates principles of democratic opinion formation than does government ownership and control of such an institution because the government (in Jamaica) is, at least, democratically elected. (We hasten to add here that we are not suggesting government control of the press but rather democratic control, as in the solutions mentioned above.) However, the traditional conception of freedom of the press is so deeply entrenched in both the Jamaican upper and middle classes and in United States political elites and foreign policymakers that the democratization of ownership and control of the Gleaner would be politically impossible, without any doubt.

In the struggle for ideological and social hegemony, the socialist movement's main instruments of warfare to conquer, bit by bit, a few yards of terrain across a broad front reaching all target classes are the party and media. In advanced capitalist societies, one would add, no, one would begin with the trade union, an instrument which is the prerequisite for even beginning an offensive, and whose weakness would mean sure defeat in any serious battle. In dependent capitalist countries, the party takes this preeminent role, because unlike in advanced capitalist countries where the huge majority of the population has been converted to wage earners and thus potential union members, the wage earning classes (the urban working class, agricultural labor, and the salariat) are a minority of the population in the class structure of these countries. Thus, the party rather than the unions must structure the class alliance. Nonetheless, the strength, unity, and ideological posture of the union movement is extremely important to any social transformation attempt in a Third World country. The divided and nonideological union movement was a tremendous handicap for the socialist movement in Jamaica. Unfortunately, it cannot



be said that matters improved much during the Manley government. The Bustamante Industrial Trade Union (BITU, linked to the JLP) gained substantial ground vis-a-vis the National Workers' Union (NWU, linked to the PNP), especially in the last years of the PNP's period in office. In Jamaica, the union affiliated with the party in power always tends to lose membership to the union affiliated to the opposition. This trend was much more exaggerated than usual in the latter half of the PNP's second term because of the austerity policies, particularly the wage restraint. The BITU gains were especially large among white collar employees, who were organizing in large numbers for the first time. The combination of the economic situation and the swing of the social class as a whole to the JLP attracted this group of employees to the BITU. Fortunately for the PNP and NWU, the tendency for the union affiliated with the opposition to gain membership had already set in within a year of the JLP's 1980 election victory.

During the Manley government, the NWU's main contribution to the PNP continued to be manpower and in-kind resources for election campaigns. The union continued to neglect political education. And, though some steps were made, promotion of leadership from the rank-and-file still was the exception rather than the rule. This also meant that the PNP leadership remained overwhelmingly from middle strata origins, as the union was one of the few potential channels for developing working class leadership.

One small step toward trade union unity was made with the establishment of the Joint Trade Union Research and Development Center which includes the Jamaica Association of Local Government Officers (JALGO) and the Trade Union Congress, as well as the NWU and BITU. The main barrier to greater unity is, of course, the political affiliation of the two large unions. The problem here is that the two goals, greater union unity, and promotion of political education within the NWU, are partly contradictory. It might be impossible to promote the kind of ideological, but nonpartisan, education program that the NWU itself has been pushing since 1981, while at the same time pursuing union unity, but realistically the near future is unlikely to witness much progress toward unity. As a consequence, the divided labor movement probably will remain a key obstacle to the pursuit of a democratic socialist development path in Jamaica.

Whereas the union can provide an additional link to the employed classes, the party is the only organizational link the movement has to the lumpen proletariat and small farmers. As we just pointed out, the PNP failed to effectively penetrate the peasant population. The party continues to have strong links to the urban lumpen proletariat, though competition with the JLP is very stiff.

These links might well have been weakened had the PNP been more successful in overcoming clientelism. Clearly, there was simply a lack of will in this area. Though there were difficulties in coming to an agreement with the JLP, in the last analysis, the PNP was the government and could have made unilateral steps to reduce the extent of patronage in the system. While it is obviously utopian to believe that such a pervasive characteristic of the system could be eliminated overnight, the party could have and should have taken steps to cut the extent of it in productive programs. Ironically, the one step that they did make, the

establishment of the National Housing Trust, was in the distributive side of the public housing program. Naturally, we are not arguing that this was a bad move. Rather, we are strongly arguing that the success of the PNP's development path depends on effective implementation of programs initiated by the state and on efficient operation of state enterprises, and that this is incompatible with patronage. The disastrous state of the Guyanese economy should make this point abundantly clear.

Despite the possibility that the reduction of patronage might weaken the PNP's ability to politically mobilize the lumpen proletariat, it would clearly benefit the PNP in purely party partisan terms. The blow to the JLP would be much more serious because patronage is the major mechanism through which a clearly procapitalist party like the JLP under Seaga can retain a strong lower class base in Jamaican society.

During its second term, the PNP unofficially accepted the support of the Communist Workers' Party of Jamaica (WPJ). The PNP Women's Movement entered into an open alliance with the communist Committee of Women for Progress, and the PNP secretariat, without a decision on the matter from the party as a whole, asked for and received active WPJ support in districts where the PNP organization was weak in the 1980 election campaign. This unofficial alliance came under attack after the election, with the PNP moderates arguing that the relationship with the WPJ had contributed to the election defeat. Manley came down strongly on their side; after the party refused to accept his resignation as PNP president, he laid down the distancing of the PNP from the WPJ as one of the conditions for his continuing in the post. For its part, the WPJ in its analysis of the election outcome argued that the PNP had done better in districts where it had been active than in districts where it had not been active.<sup>60</sup> The PNP moderates, in contrast, attacked the WPJ in the very strongest terms, accusing the party of opportunism, of "riding on the PNP's back."

There is no doubt that the tacit alliance, particularly in that it involved toleration of WPJ influence in the JBC newsroom, did benefit the communists. But the decision to support the PNP was not made for purely opportunistic reasons; it grew out of a variety of factors including the communists' analysis of the meaning of the capitalist class' opposition to the PNP and the general move of Latin American and Caribbean Communist and Workers Parties to an adoption of the noncapitalist path theory.

Nevertheless, the balance of the evidence does support the contention that the WPJ-PNP alliance did more harm than good to the PNP. Even if one accepts the WPJ's claim that the PNP did do better in districts where it helped them than where it did not and that this was the reason for the differential performance,<sup>61</sup> it is probable that the resulting general public perception that the PNP was cozy with the domestic communists hurt the PNP across the board in all districts to a greater degree, because it fed Gleaner-JLP propaganda about the danger of a communist takeover in Jamaica. The very logic of coalition formation and the numbers involved argue against the PNP making such an alliance. To make up for the alienation of centrist voters, a party at the end of the political spectrum must be able to offer a more centrist party large numbers of its own activists and voters to make the move worthwhile electorally. The WPJ, commanding no more than three or four percent of the electorate, simply could not

offer this. From a comparative perspective, the Communists do not become an attractive coalition partner for the Socialists, until they gain the support of at least 10 percent of the electorate and then only in the context of a proportional representation system.

#### Using the State as an Instrument of Transformation

The very logic of the development model pursued by the PNP was built on the use of the state to initiate and carry through a process of social transformation. The key question for any such model, of course, becomes how good an instrument the particular state is, how well it can be controlled and made to efficiently perform the tasks assigned to it. In the Jamaican case, there were both structural and behavioral problems in terms of the quality of the instrument, as well as control problems in terms of ensuring a consistent effort behind the transformation process or, at least, preventing any obstruction.<sup>62</sup> Furthermore, certain rules of the game constrained the latitude of action of the state, which made the issue of constitutional reform important.

The structural problems hampering the effectiveness of the state in carrying out policies of social transformation were its small size at the outset, institutional fragmentation leading to overlapping responsibilities, overcentralization, and a scarcity of skilled personnel. The development model of the 1950s and 1960s left the state sector very small. As we saw earlier in this chapter, this had an adverse effect on the expansion of the state enterprise sector, though on the balance performance here was not that bad. This also meant that there were very few public sector institutions and members of the civil service available for and capable of performing the tasks posed by the expansion of the state's role in managing the economy and the introduction of new social programs. Besides being small, the public sector was characterized by duplication and fragmentation of functions and authority. After the achievement of independence, new tasks of public administration were frequently handled by the creation of new semiautonomous institutions outside the structure of the civil service.<sup>63</sup> This made coordination and implementation of policies through the ministries formally in charge of a given area often exceedingly difficult. For instance, a former top level civil servant whom we asked why the "accelerated land reform" announced in September 1977 had not materialized, told us:

There were too many individuals from too many different disciplines involved. The accelerated land reform program was not under the authority of the Ministry of Agriculture, but rather under the Ministry of Mobilization. Every meeting I ever attended ended in utter confusion; no clear-cut policy was ever set and decisions were given many different interpretations afterwards.

Likewise, the sugar co-ops suffered from the fact that responsibility for them fell under a number of different boards, agencies, and ministries.<sup>64</sup>

Internally, authority in the various agencies and ministries was highly centralized. The lack of significant delegation of authority

meant that decisionmaking and implementation processes were slowed by the many hierarchical levels they had to go through. Furthermore, the scarcity of skilled personnel impaired the managerial capacity of the state. From the start, the state was competing with the private sector for people with managerial and technical skills and their competition got keener as the deteriorating economic situation stimulated increasing migration among this group. At the same time, the state's position in this competition was weakened because of fiscal austerity which made it impossible to match the remunerations offered by the private sector.

From the outset, the government did make efforts to improve the quality of the state apparatus. Right after winning the 1972 election, Manley set up a task force for the reorganization of the civil service and built up new organizational structures for economic and social planning.<sup>65</sup> In 1973, a new Ministry of Public Service was created to select and train professionally competent personnel and to improve organizational structures and procedures. Merit criteria were assuming gradually more weight than seniority for promotions, and in 1975 the rules were changed to base promotions on merit only. This created considerable difficulty in that it required that supervisors had to write annual evaluative reports which could serve as a basis for the Public Service Commission's assessment of merit for appointments and promotions. Frequently, the quality of these reports left something to be desired, and the interview part for appointments of officials to important positions by the Public Service Commission became crucial.

In February of 1977, a new Public Service Commission was appointed, which was controversial in two respects.<sup>66</sup> First, the head of the new commission was the general secretary of JALGO, which raised the issue of a possible conflict of interest between his union position and his "public employer" position. Second, and more important, the new commission was perceived as too PNP partisan to make impartial appointments on the basis of merit. This perception was reinforced by the importance of the interview procedure. In these interviews, the commission attempted to assess the candidates' understanding of development policy issues, but its function and procedures were interpreted and attacked as highly political. Though even the strongest critics of the new commission could point to only two cases where partisan loyalty had been put above expertise for an appointment, the perception of political bias created by the attacks on the commission caused some demoralization and loss of personnel, and considerable resentment.

Given the magnitude of the task and the considerable difficulties encountered in improving the quality of the state as an instrument to manage change, the government made a mistake in overloading the instrument. It started too many programs, at too fast a pace, for the available state machinery to be able to handle them efficiently. As a result, many of these programs were poorly implemented and constituted a greater drain on the government's resources than they were supposed to and than the government could afford. If fewer programs had been initiated, they could have been better planned and their implementation could have been more closely supervised.



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The attitudinal and behavioral obstacles to managerial effectiveness of the state apparatus, which predated the controversy over political criteria for appointments, deserve some further discussion. These obstacles had two dimensions, namely, intellectual inertia and politically motivated hostility. A study of top level civil servants carried out in the early seventies found that only a very small percentage emphasized scope for creativity as a central value in a civil service career.<sup>67</sup> Rather, they valued their jobs because of job security, pensions, and advancements. Furthermore, almost two-thirds of them were found to be marginal readers, that is, reading at most one item besides newspapers or popular magazines. In part, one can certainly interpret this inertia as a legacy of the colonial bureaucracy where the goals of occupational socialization were reliability in the execution of decisions handed down from above, with strict adherence to formal rules. The resulting "pass-the-buck" mentality and reliance on bureaucratic procedure often prevented effective follow-up and corrective action in the implementation of the PNP's social and economic policies.

The PNP's problems in ensuring a commitment and a consistent effort of the bureaucracy in carrying out its policies of social transformation were in large part due to the class position and class bias of civil servants. Partisan political hostility was of much less importance. If anything, partisan loyalties in the career civil service should have favored the PNP, since middle class employees and professionals were a traditional PNP support base. And in appointments to positions on statutory boards, the PNP had followed Jamaican practice and asked all the incumbents to resign after the 1972 and 1976 elections, in order to replace the JLP appointees with its own and to weed out uncooperative appointees after the first term. However, like large sectors of the middle class, many upper level civil servants resented the PNP's social inclusionary policies. And they continued to prefer to interact with people of their own social standing rather than with the lower class clientele that was the target public for programs such as land lease, the youth service, rent control, etc.<sup>68</sup> Accordingly, responsiveness to this new clientele and initiative in promoting the programs often left much to be desired.

Commitment of civil servants to the PNP's programs declined even further with the government's general loss of support. Not only did the disaffection of large sectors of the middle class affect civil servants as members of this class, but the obvious political weakness of the government and the consequent prospect of a JLP election victory affected them also as members of a bureaucratic apparatus likely to undergo significant changes which might threaten careers under a new government in the not too distant future. Thus, in 1980 many bureaucrats avoided being identified with PNP programs and policies by dragging their feet on implementation.

For the future, then, some structural and behavioral problems (scarcity of skilled personnel, class bias of civil servants) are likely to persist, whereas others (size, structural fragmentation, loyalty to the incumbent government) might be alleviated through the expansion already in place, a serious continuation and improvement of the reform efforts directed at the state apparatus itself, and greater political strength of the PNP when returning to office. But even in the case of scarcity

of personnel, Davies (1984) suggests measures that might help alleviate the problem.<sup>69</sup> Furthermore, the effects of the persistent problems could be moderated by the adoption of a slower pace and stricter supervision of program implementation.

The argument about the effect of the PNP's loss of political support on the civil servants also applies to the security forces. Their turn against the PNP in 1980 made an important contribution to its election defeat, but it was primarily a turn against a politically weak government, not against democratic socialism per se. In 1976, when all the major programs had been initiated and the ideological battle was waged openly as well, the security forces had remained neutral. By 1980, they were turning with the majority in the society, under the impact of the economic hardship, the rising political violence, and the opposition's intense delegitimization campaign. And despite this turn, the top command of the JDF remained loyal to its constitutional role and foiled the coup attempt. Thus, it is reasonable to assume that a politically stronger PNP government in the future could maintain the security forces in their constitutional role and could count on their neutrality.

The constitutional rules of the game which constrained the latitude of action of the state most noticeably were the clause on compensation for expropriation, the structure of the top of the civil service, and the role of the Senate in blocking constitutional changes. The PNP had a clear plan for generating a process which could lead to a change of these and other rules through a revision of the constitution. The public education and discussion component of this plan fell victim to the economic crisis and the IMF. The crisis and the negotiations assumed absolute priority on the agenda of the government, at the expense of virtually all other projects. The budgetary austerity affected the constitutional reform program to an even greater extent than other programs because it was clearly an "unproductive" expenditure in the eyes of the IMF and its supporters. The bargaining component of the PNP's plan worked slowly towards the desired end, despite the intense struggle with the opposition. The government was able to use the electoral reform as a bargaining chip and to achieve an agreement with the JLP in August of 1979, which included changes in the electoral system, the replacement of the Monarchy with a Republic, and a change of the property clause. However, the whole process of putting this agreement into legal practice would have taken some 18 months, and thus the call of early elections obstructed its realization. For the future, a resumption of the constitutional reform effort is clearly essential. By pushing for it while in opposition and starting work on it soon after returning to power, the PNP could benefit from this reform in terms of enjoying greater room for action and having a more effective instrument available to promote its process of social transformation.

### Managing Geopolitics

The foreign policy of the PNP government did have its costs. As we argued above (see Constructing a Class Alliance), the close relations to Cuba along with rhetoric and the WPJ relationship fed the fears of the capitalist class and the middle classes of a communist threat by playing into JLP-Gleaner propaganda. Moreover, our State Department/Foreign Service interviews suggest that the close exchange relationships with Cuba

constituted the single most important factor in causing the deterioration of Jamaica-United States relations in 1975-1976 and again in 1979-1980. The other policies of the government, its internal economic policies (state sector expansion, redistribution, etc.), the STC, the bauxite initiative, trade diversification and nonalignment, had only a secondary impact on relations with the United States during the Ford/Kissinger period and almost none at all during the Carter administration. Thus, the Jamaican case indicates that during the period in question, East/West relations and the United States' perception of its security interests were far more important than the government's development model or even direct challenges to United States economic interests in determining the posture of the United States toward Third World countries.

For the greater part, the Cuban relationship, the cooperation with the WPJ, and at least some of the so-called rhetoric were not, in our view, essential to the development path and therefore adjustments could be made without compromising the key elements of the democratic socialist model of development. In the view of the PNP left, close relations with communist countries, including party to party relations, support for their posture in international fora and so on, was necessary in order to encourage trade diversification and other forms of economic cooperation with these countries. Blasier's work on USSR-Latin American relations shows that this is not the case.<sup>70</sup> In the case of the large Latin American countries, Brazil and Argentina, which were by far the largest Soviet trading partners in the seventies in the region outside of Cuba,<sup>71</sup> the USSR was willing to develop its economic ties with these right wing military dictatorships despite their internal repression of the left and anticommunist foreign policy. In the case of smaller countries, there is some connection of economic relations to other policies, but a posture of nonalignment and the existence of full diplomatic relations with the USSR are generally sufficient.

Let us be clear about what will be forthcoming from these countries in any case. Most of the economic relations will involve lines of credit at concessionary terms (in comparison to prevailing bank rates) and purchases of Latin American and Caribbean countries' exports. Actual aid will be limited to such emergencies as disaster relief. The lines of credit, though concessionary, are designed to promote Soviet exports to this region (in which the Soviets incur a huge trade deficit) and thus are similar to United States Export-Import Bank credits.<sup>72</sup> These economic relations are in the Soviet Union's economic interest. So, for example, in the face of not only Seaga's pro-United States, anticommunist foreign policy but also his ejection of four Soviet diplomats from the country on incredibly flimsy grounds in November 1983,<sup>73</sup> the economic relations in bauxite trade were continued. It is arguable, then, that with a return to nonalignment and a less hostile posture to the USSR, but without the close relations advocated by the PNP left, Jamaica's economic relations with the USSR and other communist countries could be further developed. Thus, there are no real dilemmas between choosing to adjust foreign policy in the ways suggested earlier in this chapter and diversification of external economic relations which is an essential feature of the democratic socialist development path.

However, there were aspects of the foreign policy which did present the PNP with genuine dilemmas. Small Third World countries cannot hope to defend their political independence militarily. Within the context of a nonaligned policy, their only hope vis-a-vis the superpowers is to hold together in a solidaristic front supporting each other, at least diplomatically, if not with materials and men, when their independence is threatened. Thus, Jamaica felt compelled to support the Cuban aid to Angola as it was the PNP government's analysis, reinforced by consultation with African leaders, that the South African troops would have entered Angola in the absence of the Cuban reinforcements. Jamaica's position on this issue contributed to the sharp deterioration of relations with the United States on its first term. The United States administration reduced aid, contributed to negative press reports which damaged tourism, and probably funded the opposition as a result.

The ideological stance of the government domestically and in international fora presents a similar dilemma. In particular, the liberal use of the term "imperialism" did have costs. The negative impact of its use in the domestic arena could be seen in that it influenced local affiliates of international banks to feed reports hostile to the government to their head office, and in that it led to negative attitudes towards tourists in the Jamaican population and thus damaged tourism. In international fora, speeches such as Manley's at the Nonaligned Conference in Havana contributed to the negative attitudes and actions of the United States government toward Jamaica.

Some PNP moderates contend that, given the negative consequences, the PNP should drop the term since the idea is implicit in the NIEO anyway. But it must be admitted that advocating the NIEO does not have the same impact in making clear that current international economic relationships are exploitative that the use of imperialism does, and it seems likely that any term that did make the exploitative nature of the system clear would also evoke a similar negative reaction. There may be some gain in avoiding the use of United States imperialism and using instead corporate or economic imperialism, but the dilemma and the need to weigh the costs and benefits is still there.

Some of these dilemmas appear only because of Jamaica's geographical situation and thus its importance to the United States' self-defined security interests. Jamaica's break with the IMF confronted the government with this problem. From our interviews with United States policymakers, it was clear that the main motivation of the United States in wanting Jamaica to continue to deal with the IMF was related to national security.<sup>74</sup> The fear was not of economic ties with the Eastern Bloc per se but rather that these would lead to closer political and perhaps military ties. Again, the costs and benefits have to be balanced against one another.

The difficulty in making such an assessment of costs and benefits is that both sides of the equation, but particularly the costs of incurring the displeasure of the United States, are often difficult to assess before the fact. Not only is bluffing, exaggerating your intended sanctions, a standard part of the game, any covert action is denied even after the fact. Moreover, for various reasons, domestic or international, the United States response to a given measure can change through time even in



the absence of a change in administration. The shift of United States policy in the Caribbean in the second half of 1979 is a case in point. Anticipating such moves is obviously extremely difficult.

The advent of the Reagan administration injects a note of extreme caution in generalizing from the experience of the Manley years. Aspects of the development model do now matter. Even if they avoid the type of policies like the Cuban exchange that led to much of the PNP's trouble, Third World regimes following a nonaligned foreign policy and progressive domestic policies, at the very least can expect little or no aid, unless they are very important strategically. In the worst case, well, one does not really know what the Reagan administration is doing in the area of covert action. A further problem in generalizing is that we do not know whether the post-Vietnam, post-Watergate years of Ford and Carter were exceptional interludes or whether the Reagan years represent an exceptional temporary return to Cold War Third World policies.

Table 1

ELITE PERCEPTIONS OF SUCCESSES OF THE PNP GOVERNMENT  
(% of respondents)

	PNP	JLP	Capitalists	Other	All
Raising the political consciousness of the people	63	57	23	61	50
Introduction of ideology; party organization and mobilization	13	0	8	17	11
Awareness of needs of the poor	0	0	8	11	7
Redistribution of power in society; broader participation at all levels	13	0	8	17	11
Labor legislation	25	0	0	11	9
Minimum wage	13	0	8	22	13
Social legislation: Status of Children Act	38	14	0	17	15
Equal status of women; equal pay	25	29	15	0	13
Social programs: education, housing	38	14	0	6	11
Promotion of agriculture, land reform, sugar co-ops	63	0	0	6	11
Expansion of state's role in economy	13	0	8	6	7
Bauxite policy	38	0	31	11	20
Foreign policy of nonalignment; Third World leadership role	50	0	0	11	13
Other	25	0	15	17	15
None	0	29	31	11	17
Total number of respondents	8	7	13	18	46

Table 2

ELITE PERCEPTIONS OF FAILURES OF THE PNP GOVERNMENT  
(% of respondents)

	PNP	JLP	Capitalists	Other	All
Economy: mismanagement, overspending, no growth, foreign exchange shortage	0	43	46	22	28
Economy: destroying confidence of capital and skilled personnel	25	57	54	28	39
Poor implementation of programs	13	29	31	56	37
Lack of an economic plan	38	0	0	6	9
Too close to Cuba and domestic Communists	0	0	23	22	15
Anti-Americanism	0	0	23	6	9
Lack of appropriate policies to deal with opposition, sabotage, security forces, constitutional limitations, media	50	0	0	11	13
Lack of strategy to maintain support among key interest groups (labor and professionals)	25	0	0	11	9
Indecisiveness; disunity; lack of leadership	0	0	15	17	11
Self-criticism: lack of ideological preparation and confidence in capacity for transformation	50	0	0	0	9
Pace of change too rapid	13	0	0	17	9
Divided country; too much conflict	0	43	15	0	11
Abuse of party and state machinery for repression of opposition	0	0	8	11	7
Corruption	0	0	15	0	4
Anti-elitism; antisuccessful people	0	14	9	0	4
Encouragement of indiscipline; resulting in lack of personal security	0	14	15	6	9
Other	0	0	8	33	15
Total number of respondents	8	7	13	18	46

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- <sup>1</sup> For a brief treatment of the whole experience of the PNP government see Evelyn Huber Stephens and John D. Stephens, "Democratic Socialism in Dependent Capitalism: An Analysis of the Manley Government in Jamaica," Politics and Society 12:3 (1983), pp. 373-4]].
- <sup>2</sup> A detailed discussion of the PNP government's bauxite policy and its effects is given in Evelyn Huber Stephens and John D. Stephens, "Bauxite and Democratic Socialism in Jamaica," in Peter Evans, Dietrich Rueschemeyer, and Evelyn Huber Stephens (eds.), States versus Markets in the World System (Beverly Hills: Sage Publications, 1985). On the International Bauxite Association, see also Christopher Maule and Isaiah Zhitvak, "The International Bauxite Agreement," International Affairs, Spring 1980.
- <sup>3</sup> World Bank, Jamaica: Structural Adjustment, Export Development and Private Investment. (Washington, D.C.: World Bank, 1982), Statistical Index.
- <sup>4</sup> Ibid., Table 3.2.
- <sup>5</sup> Interamerican Development Bank, External Financing of Latin American Countries. (Washington, D.C.: IDB, 1982), p. 24.
- <sup>6</sup> Ibid., p. 393.
- <sup>7</sup> A detailed analysis of Jamaica's foreign borrowing and its economic effects is given by Richard Bernal, "Transnational Commercial Banks, The International Monetary Fund and Capitalist Crisis in Jamaica 1972-80." Paper presented at the Conference on Finance Capital and Dependence in the Transnational Phase, Mexico City, March 4-7, 1980.
- <sup>8</sup> When the government was faced with an acute foreign exchange crisis and the prospect of an IMF austerity program, a task force was set up and charged with elaborating an emergency production plan that would not involve an IMF standby agreement. In three months of intense work, such a plan was put together. The plan advocated reorientation of the Jamaican economy toward greater use of local inputs, less reliance on imported raw materials and partly finished goods, and a much greater role for socially-owned and community-owned enterprises. This plan was called the People's Production Plan by its authors, in contrast to the greatly modified Emergency Production Plan which was implemented under the IMF program.
- <sup>9</sup> Calculation by the authors on the basis of figures from National Planning Agency, Economic and Social Survey-Jamaica 1975, and Jamaica 1980. (Kingston: National Planning Agency, 1976 and 1981).
- <sup>10</sup> The following discussion of the various agricultural programs owes much to Derrik Stone, former Permanent Secretary in the Ministry of Agriculture. He offered us much information and many interesting insights. Of course, the assessments we made on the basis of our interview with him and the responsibility for the opinions expressed here are entirely our own.



<sup>11</sup> Interamerican Institute for Agricultural Sciences, "A Review of Land Reform in Jamaica 1972-1978" (Kingston: IICA, 1982).

<sup>12</sup> This discussion of the problems in the sugar industry relies heavily on Carl Feuer, "The Internal Political Economy of Democratic Reform: Sugar Workers' Cooperatives in Jamaica." Paper presented at the XXXVII Conference of the New York State Political Science Association, New York City, April 9, 1983. He provides figures which document the changes in productivity, in costs, etc., and he also offers an insightful discussion of social dynamics in the industry.

<sup>13</sup> The United Nations Development Program report, prepared by the Food and Agriculture Organization (FAO, 1975), provides an excellent introduction to the problems of Jamaican agriculture and the development of the government's reform programs in their early phases. Food and Agriculture Organization of the United Nations, "Agrarian Reform and General Agricultural Development: Jamaica." Report prepared for the Government of Jamaica (Rome: FAO, 1975).

<sup>14</sup> National Planning Agency, Economic and Social Survey-Jamaica, 1977, p. 115. For instance, in 1977, the Ministry of Agriculture issued a warning to extension officers concerning complaints about the reluctance of certain extension officers to leave their cars to inspect fields, and about rum-drinking and skittles-playing on the job, etc. (DN-5-14-77).

<sup>15</sup> National Planning Agency, Economic and Social Survey-Jamaica, 1977, p. 115.

<sup>16</sup> Ibid.

<sup>17</sup> Ministry of Agriculture, National Production/Extension Report (1980/81 Annual Report) (Kingston: Ministry of Agriculture, 1981).

<sup>18</sup> For example, see Jamaica Daily News, February 27, 1977.

<sup>19</sup> National Planning Agency, Economic and Social Survey-Jamaica 1978, p. 7.4, and Ministry of Agriculture, National Production/Extension Report (1980/81 Annual Report).

<sup>20</sup> Knowledgeable observers expressed some skepticism about these figures citing examples where the same truck loaded with produce would repeatedly drive through the gate and be counted.

<sup>21</sup> Department of Statistics, Jamaica, National Income and Product 1980 (Kingston: Department of Statistics, 1981), pp. 16-17.

<sup>22</sup> Omar Davies, "Economic Transformation in Jamaica: Some Policy Issues," Journal of International Development Studies 19:3, (1984).

<sup>23</sup> National Planning Agency, Economic and Social Survey-Jamaica 1980, p. 9.4.

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- <sup>24</sup> See Jamaica Daily News, October 7, 1980.
- <sup>25</sup> Omar Davies, "Economic Transformation in Jamaica."
- <sup>26</sup> Ibid.
- <sup>27</sup> Ibid.
- <sup>28</sup> After the takeover, the shares were sold to popular organizations, such as trade unions, churches, credit unions, etc.
- <sup>29</sup> Due to the experience with shortages in 1980, many PNP leftists favor substantially greater ownership in the distributive sector. This would not appear to be a wise move, because (1) the degree of decentralization in the sector makes it very difficult to manage it effectively, (2) it would have generated a reaction not only from large businesses but also smaller ones, (3) it would not have affected the availability of goods to a great enough degree since hoarding was the secondary cause of the shortages, and (4) the move would only have any utility in an economic crisis causing severe shortages. Such a crisis would be sufficient to defeat the government. Eliminating hoarding would not save it.
- <sup>30</sup> Evelynne Huber Stephens, "Producer Cooperatives, Workers' Participation and Democratic Socialist Development: Jamaica in Comparative Perspective." Paper delivered at the IX Annual Meeting of the Caribbean Studies Association, St. Kitts, May 30-June 2, 1984. See also Carl Feuer, "Jamaica and Sugar Worker Cooperatives: The Politics of Reform." Ph.D. dissertation, Cornell University, 1983; and James M. Schecker, "Submission to the Enquiry by the Cooperative Department into the Sugar Workers' Cooperatives on Behalf of the Bernard Lodge Cooperatives." (Kingston, Jamaica: Social Action Center, September 1981).
- <sup>31</sup> Evelynne Huber Stephens, "Producer Cooperatives," p. 25.
- <sup>32</sup> Adlith Brown and Helen McBain, "The Public Sector in Jamaica," in Studies in Caribbean Public Enterprise. (Kingston: Institute of Social and Economic Research, University of the West Indies, 1983).
- <sup>33</sup> Knowledgeable people we talked to were divided on the efficiency of JPS. Two liberal capitalists felt that Manley's appointee was not appropriate and that he was partly responsible for the decline in service. A public sector manager contended he did an effective job.
- <sup>34</sup> See the Daily Gleaner, March 2, 1977.
- <sup>35</sup> Adlith Brown and Helen McBain, "The Public Sector in Jamaica."
- <sup>36</sup> See Evelynne Huber Stephens, "Producer Cooperatives" for a more extended analysis of the demise of workers' participation in Jamaica.
- <sup>37</sup> See the Daily Gleaner, May 25, 1977.

<sup>38</sup> Omar Davies, "Economic Transformation in Jamaica."

<sup>39</sup> The cost of the National Youth Service could have easily been calculated as the approximate number of school leavers and the level of wages to be paid must have been known. It is quite amazing that it was not immediately recognized that this program would be excessively expensive.

<sup>40</sup> In all fairness to the PNP government, these steps were taken in some cases. Food Farms were eventually terminated, if a little late. Problems in the literacy campaign were recognized and it was successfully transformed into an ongoing adult literacy program.

<sup>41</sup> As part of our research, we carried out an elite interview study replicating the method used by Bell and his associates in 1974. For Bell's method and findings, see e.g. Wendell Bell and T. William Gibson, Jr., "Jamaica Faces the Outside World at Home and Abroad," International Studies Quarterly, Vol. 22, March 1978.

<sup>42</sup> For a more extensive analysis of the problems of the ministry, see Edwin Torres, "Bureaucratic Obstacles to Change in Jamaica: A Preliminary View on the Decade of the 70s," Department of Government, University of the West Indies, Mona, 1981; and "Issues of Public Management in the Jamaican Election of 1980: An Unorthodox View," Department of Government, University of the West Indies, Monda, 1981. The following discussion relies heavily on these two articles as well as interviews with experts in the area.

<sup>43</sup> Edwin Torres, "Bureaucratic Obstacles to Change in Jamaica."

<sup>44</sup> Income distribution data for Jamaica are only available for a few random years in the whole post-World War II period. The type of redistribution effected by governmental programs is very imperfectly reflected in the income distribution statistics usually available for industrial countries anyway (see John Stephens, The Transition from Capitalism to Socialism (MacMillan, Ltd., 1970), pp. 96-97.

<sup>45</sup> National Planning Agency, Economic and Social Survey-Jamaica 1980, p. 17.2. Much of this decline is due to demographic and economic factors not affected by the government in power. But there does seem to be some effect; the infant mortality rate declined by 37 percent in 10 years of JLP rule (62-72) compared to 60 percent in 7 years of PNP rule.

<sup>46</sup> Carl Stone, The Political Opinions of the Jamaican People (Kingston: Jamaica Publishing House, 1982), p. 72.

<sup>47</sup> See e.g. Randall Collins, "Functional and Conflict Theories of Educational Stratification," American Sociological Review, Vol. 36, No. 6, 1971; and Pamela Barnhouse Walters, "Educational Change and National Economic Development," Harvard Educational Review, 51(1), 1981, pp. 94-106.

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<sup>48</sup> This is not to say there were not cases of corrupt electoral practices under the PNP government.

<sup>49</sup> In the debate in Jamaica, "petty bourgeois" is not used in the strict Marxist sense but rather is a catch-all term used to denote anyone who is not a worker, peasant, lumpen proletarian, or capitalist. In this sense, the PNP leadership is definitely petty bourgeois both in terms of present position and social background, but this is as true of the left as the center of the party. This is not to say that the lack of representation of cadre from working class and peasant backgrounds in the leadership of the PNP and NWU was not a weakness.

<sup>50</sup> Stanley Reid, "An Introductory Approach to the Concentration of Power in the Jamaican Corporate Economy and Notes on Its Origin," in Carl Stone and Aggrey Brown (eds.), Essays in Power and Change in Jamaica (Kingston: Jamaica Publishing House, 1977).

<sup>51</sup> Carol Holzberg, "Race, Ethnicity and the Political Economy of National Entrepreneurial Elites in Jamaica," unpublished Ph.D. dissertation, Boston University, 1977.

<sup>52</sup> Anthony Maingot, "Cuba and the Commonwealth Caribbean: Playing the Cuban Card," in Baryr B. Levine (ed.), The New Cuban Presence in the Caribbean (Boulder, Colorado: Westview Press, 1983), p. 26.

<sup>53</sup> Omar Davies, "Economic Transformation in Jamaica."

<sup>54</sup> Ibid.

<sup>55</sup> Richard Bernal, "The IMF and Class Struggle in Jamaica." Paper presented at the World Congress of Sociology, Mexico City, August 16-21, 1982.

<sup>56</sup> We believe that this event supports our contention that power relations in civil society were and are a larger obstacle than the class composition of PNP leadership to deepening social transformation in Jamaica. Duncan's resignation was forced by the character of the Jamaican labor movement and the consequent dependence of the party on financing from liberal capitalists, not by pressure from capitalists in leading roles within the party.

<sup>57</sup> Herbert Tingsten, The Swedish Social Democrats: Their Ideological Development, trans. Greta Frankel and Patricia Howard-Rosen (Totowa: Bedminster Press, 1973).

<sup>58</sup> See e.g., People's National Party, "Political Report to the 42nd Annual Delegates' Conference of the PNP," Montego Bay, October 4-5, 1980.

<sup>59</sup> See Evelyn Huber Stephens and John D. Stephens, Democratic Socialism in Jamaica: The Political Movement and Social Transformation in Dependent Capitalism, forthcoming.



<sup>60</sup> See Workers' Party of Jamaica, "Report of the Central Committee to the Second Congress," Kingston, December 17, 1981.

<sup>61</sup> The analysis presented in the Central Committee report (WPJ 1981: 42-43) is not systematic; it mentions various districts which the WPJ worked in, observing then that either the PNP won the district or that the swing against the PNP was smaller than the national average (i.e., 15 percent). (In one case, the swing was not in fact smaller than average.) Even assuming that the list given was a comprehensive list of where the WPJ worked, it still remains to be shown that there were not other explanations for the difference. For instance, one district was Portia Simpson's South West St. Andrew district (i.e., part of the Wet Kingston ghetto) where the PNP actually improved on their 1976 results. Surely, patronage is largely responsible for this outcome. Nevertheless, it seems probable that in districts like this which are dominated by marginals (among whom the communism issue was not very salient) the WPJ's targeted support may have helped.

<sup>62</sup> The following discussion owes much to conversations we had with Professors G. E. Mills and Edwin Jones. We are grateful to them for sharing their knowledge and experience with us, and we hasten to add that the responsibility for the opinions expressed here is ours.

<sup>63</sup> Edwin Jones and G. E. Mills discuss the practice of creating non-departmental (i.e., noncivil service) agencies such as public corporations and other statutory boards and advisory committees in "Institutional Innovation and Change in the Commonwealth Caribbean," Social and Economic Studies, Vol. 25, No. 4, 1976, pp. 323-346.

<sup>64</sup> See Evelynne Huber Stephens, "Produce Cooperatives."

<sup>65</sup> See articles in the Daily Gleaner, March 21, 1972, and May 11, 1972.

<sup>66</sup> See the article by G. E. Mills, the head of the former Public Service Commission, in the Daily Gleaner, March 6, 1977, for some of the issues involved.

<sup>67</sup> G. E. Mills and Paul D. Robertson, "The Attitudes and Behavior of the Senior Civil Service in Jamaica," Social and Economic Studies, Vol. 23, No. 2, 1974, pp. 311-343.

<sup>68</sup> Edwin Torres offers an excellent discussion of these and other factors accounting for bureaucratic incapacity in "Issues of Public Management in the Jamaican Election of 1980."

<sup>69</sup> Omar Davies, "Economic Transformation in Jamaica."

<sup>70</sup> Cole Blasier, The Giant's Rival (Pittsburgh: University of Pittsburgh Press, 1983).

<sup>71</sup> Ibid., p. 51.

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<sup>72</sup>Ibid., p. 66.

<sup>73</sup>The four Soviet diplomats and a Cuban journalist were expelled because they allegedly took part in a plot to kill a senior member of the staff of the Jamaican Ministry of Foreign Affairs. See Jamaica Weekly Gleaner, November 7 and 14, 1983. Just on the surface these allegations were extremely hard to believe to say the least, and in Jamaica they were widely believed to have been trumped up.

<sup>74</sup>In this sense, it can be charged that even the Carter administration put indirect pressure on debtor countries to adopt a certain set of internal policies since it did encourage them to come to an agreement with the IMF. This and other aspects of United States policy will be explored in a forthcoming paper by the authors.