

The Legacy of King Sugar: Jamaica's Sugar Industry and the Poor

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Miss Jones lives with five of her children, three of which are in their late teens and twenties, and two grandchildren. Their house consists of three rooms that, though they have a water tap outside, has no toilet. Miss Jones essentially supports the family. Her two adult sons work intermittently in construction; her daughter works occasionally and receives some support for her children from their father; another daughter works in Canada and sends money when she can. Miss Jones works her own land for food and works seasonally in the cane fields of others. She is very fortunate to have her own two acre cane piece, handed down from her father, which yields the majority of the her family's revenues. She worked in the fields of Long Pond, the local sugar estate, when she was younger but says that she would have to be "ready fi dead" before she would ever do that again.

Miss Jones says that she has worked her whole life to better her position. She would like to expand her cane field but was refused loan and land from Long Pond. She also wants more land to grow more food and vegetables, as the land she has is poor, leaving her with "just the stones to dig in." Though she is largely self-sufficient, her lack of income and limited farm land provide food for only one meal a day; the family rarely eats meat. She supports her "big lazy boys," her sons, as they work to "set themselves up in a trade;" she understands why they do not want to work locally on the sugar estate. Her youngest daughter currently does not attend school because she cannot afford shoes.

Miss Jones is a Christian and attends church each Sunday; she is waiting for her next life to get her reward for her hard labors in this one.¹

For the exceptionally self-sufficient woman that she is, Miss Jones' situation is frustrating and, to many, tragic. Unfortunately, her situation is typical in rural Jamaica, and, worse, there are many much worse off than she. There are 456,000 people who, by the gauges of the World Bank, were classified to be living in poverty in Jamaica in 2001. They are not the poorest in the world, neither living in abject poverty nor starving. Their basic level of subsistence is relatively adequate: the majority of Jamaica's impoverished 16.9% have access to primary education, clean water, basic health care services and shelter.² But though poverty has declined in Jamaica, down from 28.4% in 1990, the cyclical and multifaceted aspects of poverty still persist for many, leaving half a million people faced with lives adversely impacted by malnutrition, unemployment, despair, and want. In the shadows of a nation that holds sufficient natural and human resources, the eradication of poverty should be paramount.

The story of Jamaica entails a long complication of development that has resulted in the poverty that remains today. It echoes the history of much of the former New World. Since its takeover by the British from Spain in 1670, what was once an independent island inhabited by indigenous Arawak Indians has been maintained as the continual commodity exporter, most importantly of sugar, for foreign nations and multinational corporations. Thus their sugar industry persists centuries after its global domination and decades after its production peak, but not without deep physical and economic scars. The economic, and often political, situation of Jamaica is deeply

¹ Harrison, Michelle. *King sugar: Jamaica, the Caribbean, and the world sugar industry*. New York: New York University Press, 2001, p. 45.

² World Bank Economic Indicators, 2002.

intertwined with the history of the sugar industry to the point that many, if not most, of the causes cited for poverty in Jamaica today are a direct result of its dominance. As manifest in the case of the Jones', sugar remains a strong force on the lives of Jamaicans. Only through serious and certainly painful transition can Jamaica shed the scars of its past and move on into a more developed and less impoverished future.

The History: Cultivating the Future

The colonial movement that stripped the New World of indigenous authority allowed the Caribbean to conveniently fulfill and augment the increasing demand for sugar in the Old World, most importantly in Britain. The development of the British “sweet tooth” that accompanied the expedient supply of cheap sugar from plantations in the Caribbean firmly established a sugar monoculture and a bilateral trade route that left the islands of the Caribbean decisively dependent on the British market. The profits of the trade in the eighteenth century brought enormous wealth to the colonies and in particular to Jamaica, which expanded its production enormously to become the largest sugar exporter in the world.

Most important in the establishment of Jamaica, and other Caribbean islands, was the establishment of the plantation economies that both supplied this growing demand for sugar and funded through its incredible revenue the massive slave trade and, some would argue, the Industrial Revolution. Driven by the larger birth of global capitalism, these plantations established the “colonial slave mode of production” that was essentially “pre-capitalist” in that it expanded production many times over through the augmented use of

slaves and land expansion instead of capital investment or increased efficiency.³ As a direct response to the expanding markets in Europe, this mode of production failed to reap its own profits, which accrued almost exclusively to the businesses in Europe and only on the islands to the plantation landowners. Thus began the trend of the next three hundred years.

Of course, this mode of production was characteristically favorable to very few. The “physical hardship of sugar cultivation, combined with the high incidence of malnutrition and debilitating disease associated with the poverty of the rural populations, cannot be overstated as aspects of plantation life.”⁴ It seems unnecessary to explain what kind of treatment the plantation slaves received. It was horrible. Briefly:

On the arduousness of cane cultivation Adamson [a historian] noted that a ‘disturbing reflection on the exhausting conditions of field labour emerges from a report that an attempt was made to use horses for ploughing, but it was found that they had a short life span and could only work a few hours per day.’ . . . in the context of the extreme brutality, physical hardship and bare survival which characterized slave existence on the plantations, the plight of women, particularly slave women, was horrific in the extreme. They suffered from the consequences of the sexual division of labour, from sexual aggression by the masters and their sons on the plantations while also carrying the major burdens of child rearing, that is the reproduction of the estates’ direct producers.⁵

Thus in addition to the production and trade relationships colonization established commenced the cruel working conditions that would be associated with the industry for the next three hundred years.

The first major challenge to the industry came at the dawn of the nineteenth century. Essentially three factors undermined its stability. First, slave rebellions and the

³ Thomas, Clive Y. *The Poor and the Powerless: Economic Policy and Change in the Caribbean*. New York: Monthly Review Press, 1988, p. 27.

⁴ Ibid, 26.

⁵ Ibid.

consequent abolition of the slave trade broke the resilient trade circle that carried slaves to the Americas, sugar to Britain, and money back for slave purchase in Africa. Secondly, trade interruption due to the uprisings led to a loss of revenue as well as loss in the sugar supply, causing a shift towards the new providers that had sprung up in the East Indies. Finally, adding to this was the emergence of the sugar beet industry, a temperate answer to tropical sugar cane cultivation. These new producers created a world market for sugar that left the Caribbean plantations with both new competition and diminishing favored-trade status. After a century of indisputable dominance, the Caribbean sugar industry was faced with falling world prices amidst the low profitability and efficiency previously sustained by the British market; the industry faced near collapse.

Had the industry been allowed to collapse completely, perhaps the current state of Jamaica and the former colonies would be different. Certainly a transition towards a more diverse developing economy would have hurt planters' profits and those dependent on the sugar industry then; but it is doubtful that such a transition could be less painful now, after a full century of reinforcement of the old stagnating patterns. Instead of collapse, the sugar industry in Jamaica was rescued by a variety of foreign interests. First, the British, prompted by "postcolonial guilt," moved away from protection of their sugar beet industry and established an assured market for Jamaican sugar, most concretely with the 1951 Commonwealth Sugar Agreement (CSA).⁶

It is important to note here the effects of these trade agreements. Overall, the first half of the twentieth century maintained the status quo. This extends beyond the existence of preferential trade agreements. More importantly, it meant that the condition

⁶ Watson, Mark R. "Living with the sugar legacy: international policy change and local level impact in rural Jamaica." *Resource Sustainability and Caribbean development*. Kingston, Jamaica: The Press, University of the West Indies, 1998, p. 234.

of the Jamaican people was maintained. After emancipation, land redistribution was attempted but poorly carried out, merely serving to “redistribute” the most marginal land to the former slaves in small plots that required most to return to the hated plantations for employment. Thus their poverty was essentially maintained. While industries around the world expanded, Jamaica’s poor profited little with few rising to the proletariat role that industry created.

Ironically, it was the condition of the Jamaican people that prompted Britain’s “post-colonial guilt” and their subsequent re-intervention in the island. The Moyne Commission, the British response to the labor riots following the economic downturn caused by the US’s Great Depression, found incredible poverty on the island.

. . . These decrepit homes, more often than not, are seriously overcrowded . . . every condition that tends to produce disease is here to be found in serious form. . . Little can be said for the social conditions which exist in the West Indies today. The child, so often reared in an ill-built and overcrowded home, passes from it to what is, all too frequently, an overcrowded school. If he has been fortunate enough to continue his education until school leaving age, which is usually 14 in the towns and 12 in the rural districts, he enters a world where unemployment and under-employment are regarded as the common lot. Should he find work as a manual labourer, his wages often provide only for bare maintenance and are far from sufficient to enable him to attain the standard of living which is set before him by new contacts with the outside world. . . The position of women is more unfortunate . . . Most commonly her work is in the fields; after feeding her family she must start out from her home in the early morning, often leaving little or no food in the house for her children whose main meal may have to wait for her return . . . If she alone is responsible for the support of a family, her position is indeed difficult and there can be little cause for wonder that a combination of economic circumstances and natural irresponsibility so often leads a woman, even if she already has the sole responsibility for several illegitimate children, to seek the uncertain help afforded by association with yet another man.⁷

How can it be that seventy years after this report we see the exact same struggle? The answer lies in the repetition of the influence of outside forces like Britain. As before and

⁷ Thomas, 54-55.

after, the British responded to this report with unfulfilled appropriate measures and the typical unfortunate one: a re-emphasis on a productive economy through sugar production.

At the same time, the United States emerged as a geopolitical force: under the auspices of the US's "sphere of influence," American interests turned towards the Caribbean, prompting an influx of investment, amalgamations, and increased productivity, especially in Cuba.⁸ Both American funds and Britain's trade agreements served to restore the prominence of the sugar industry in the Caribbean islands: by 1960, one third of all land under cultivation was devoted to cane in Jamaica; an equitable spread of cane, funded by the US investments of the 1930s, was seen in the industries of Cuba, Puerto Rico and the Dominican Republic.⁹

Though the expanding power of the United States did serve to provide investment to poorly efficient producers, its deep involvement in the trade severely affected the industry when the US economy fell during the Great Depression. The whole of the Caribbean had benefited from US investment in Cuba, primarily through cane-worker migration: Jamaica's migrants sent home an average of \$600,000 in remittances through the 1930s.¹⁰ The Great Depression caused sugar prices to plummet and lucrative migration to cease. To summarize, neither emancipation nor industrialization significantly changed the situation of the poor in Jamaica because the sugar industry remained so dominant due, of course, to the steady foreign influences that maintained it. Even the riots and rebellions of the 1930s only led to deeper British intervention. In effect, the one historical change in Jamaica in the 20th century, its independence, only

⁸ Harrison, 118.

⁹ Watson, 235; Harrison, 119.

¹⁰ Harrison, 123.

changed the passive control of foreign interests to a more interventionist and controlling voice.

Nonetheless, Jamaica's independence did lead to the formation of Jamaica's modern political parties. The trade union movement, led by Alexander Bustamante, and the populist/socialist movement led by his cousin, Normal Manley, spawned the Jamaica Labour Party (JLP) and the Peoples' National Party (PNP) respectively. The unrest ended with Bustamante as the leading political force. Unfortunately, like many others, Bustamante saw the future of Jamaica as reliant on the capital of foreign investment. Worst, it appears that his push towards opening Jamaican markets to foreign transnational corporations was mostly political: he was allegedly a huge shareholder in Tate and Lyle, a British corporation whose lucrative deals with the Jamaican government left them with control of the majority of the largest and best sugar plantations on the island.¹¹

The second half of the twentieth century presented some hope but new troubles as well. Bustamante's reign saw an influx of foreign capital and growth. But, like an echo of the 18th century, the growth experienced in the 1960s resulted from increased inputs and use of marginal land rather than higher productivity. The inefficiency of the system became untenable: it took three times as many man-hours to produce a pound a sugar in Jamaica as in the US. Though still financially aided by Britain, Jamaica bordered on becoming the highest cost cane producer in the world.¹² Offsetting these losses in productivity was overall growth, averaging 4.5% a year, due to exercises in economic diversification that set up alumina and bauxite mining and expanded the tourism

¹¹ Beckford, 141.

¹² Watson, 235.

industry.¹³ As the incredible growth of the 1960s tapered, Jamaica was left with increasing unemployment, declining real income, and extensive foreign ownership of its most important sectors that included 100% of mining, 75% of manufacturing, 66% of financial services, 66% of transport, over half of communications, storage and tourism, and 40% of the sugar industry.¹⁴

The political and economic situation of the 1970s saw an important reexamination of foreigners and their role in Jamaica. Most importantly, the rise of Michael Manley and his regime of democratic socialism responded to the rising anti-imperialism and social issues of Jamaica. Aiming to both increase general employment and battle the multinational corporations' grip within the country, Manley in effect kicked out a number of foreign corporations, including Tate and Lyle, a huge British sugar exporter, for its insistence on use of mechanical harvesters, which would effectually decrease the number of workers in the fields.¹⁵ Notably, accompanying Tate and Lyle's expulsion was a transfer of foreign-owned estates into the hands of worker-run co-operatives, represented as the Sugar Workers Cooperative Council (SWCC) and controlled by the Sugar Industry Authority.

Especially in retrospect, Manley's regime was extremely important. He championed policies that sought to counteract three hundred years of foreign control. He levied heavy taxes on foreign corporations in order to direct more of their profits back into Jamaica, which, in the case of the US mining corporations, led to sevenfold increase

¹³ World Bank. World Development Report 2000/01: *Consultations with the Poor: Jamaica*. World Bank: Washington, D.C., 2001, p. 2.

¹⁴ Thomas, 212.

¹⁵ Harrison, 135.

in government revenues.¹⁶ He nationalized many of the nation's sectors that had fallen into foreign hands. Also, a land-reform program was put into effect that leased idle government lands (many of which had been taken up for bauxite) to small farmers. He also legislated minimum wage, maximum work hour, maternity and sick leave laws; he enacted educational reforms, work programs and social services. He attempted to diversify trade away from the US and Britain, then accounting for 90% of the nation's trade, towards other nations in Latin America, Europe, and Asia, reducing the US-UK hold to 60% by 1980.¹⁷ Manley also made strides towards including the populace in Jamaican politics, setting up "community councils" and regional organizations to better connect the rural areas with their government.¹⁸

Alongside Manley's nationalist focus rose the "Great Sugar Debate" which questioned the appropriate role of the sugar industry. Identifying the major flaws and harm of the system, many academics insisted that the loss of preferential trade agreements and the industry as a whole would be good for Jamaica in the long run.¹⁹ This of course was not the first time the worth of the industry had been questioned: the adverse effects of the sugar plantations had been long-known and debated, especially at the turn of the century, but to the same end.²⁰

It could be easy to be cynical about the end of Manley's reign and the sugar debate, for it proved that good measures can be thwarted easily within a capitalist economy, as was proved around 1978, when Manley's momentum caught up to him. Manley's government, it seems, "underestimated the importance of sustained income

¹⁶ Thomas, 112.

¹⁷ Thomas, 216.

¹⁸ Ibid, 217.

¹⁹ Harrison, 136.

²⁰ Ibid, 115.

flows (particularly in the form of foreign exchange) in creating the social space required for social reforms.”²¹ In the sugar industry, the SWCC became more of a political organization than an economic one, incurring huge losses due to wage increases and a general inability to handle its new structure despite its powerful political voice.²² Manley’s taxation of the US mining corporations caused the US to withdraw its business, leaving large parts of the industry abandoned and causing a severe loss of revenue. This, with the financial pressure of numerous social program, the lack of foreign investment in other sectors, and the slow pace of results against the rapid and unorganized implementation of Manley’s policies, led the economy to near collapse.

So, despite the growth and advancements of the 1970s, Manley’s socialist programs could not be maintained and fell in the 1980s with the accompanying decline in production, as with other sectors, of the sugar industry. The lack of revenues in sugar production, now so unprofitable as to be wholly supported by the government, led to deficits in trade balance and increasing debt as well as to the role of the World Bank in Jamaica. Foreign exchange reserves fell from J\$137 million in June 1975 to minus J\$181 million in December 1976.²³ Manley borrowed heavily in order to sustain his programs, but the IMF only put more strains on the programs with its structural readjustment plan that, fearing the transitional pains and loss of industry altogether, re-instituted the status quo of centuries past. The violent election of Edward Seaga in 1980 ended in an overwhelming victory of the JLP’s privatization platform. Privatization began and foreign interests bought up the industries again. Tate and Lyle was invited back in 1985 to run

²¹ Thomas, 217.

²² MacDonald, Scott B. and Georges A. Fauroil, eds. *The Politics of the Caribbean Basin Sugar Trade*. Praeger: New York, 1991, p. 94.

²³ Thomas, 220.

the major sugar plantations. Special trade arrangements were preserved and Jamaica, knocked off its static path briefly, returned to its old stalemate.

The 1980s reflected the ideology of Seaga and saw a shift towards diversification and private, mostly foreign, management and thus the strict economy of private markets that resulted in the closing of three major sugar factories and a six-year privatization program officially enacted in 1986. Production and yields did increase in the late 1980s, though agricultural diversification did not fare as well.²⁴ Importantly, ethanol production from sugar has been relatively successful, even though it has been held back by US-Jamaican trade battles. Seaga's reforms were accompanied by heavy borrowing, mostly directly from the US under the Reagan administration in "Concessionary Support" more than US\$670 million from 1980 to 1985. But Seaga's actions did little to improve the economic and social state of Jamaica: debt increased tremendously, as did inflation and real costs; child malnutrition reached 41%; violent crimes increased; unemployment reached 30%.²⁵ The improvement of the social situation through the 1990s was essentially linked to the economic prosperity of the world economy, especially that of the US. As world economic growth slows, Jamaica is once again faced with the malaise caused by its structural and political problems, which continue to be manifest in the sugar industry.

Now: Reaping the Benefits

Thus the sugar legacy has been maintained as a powerful mainstay of Jamaica's social and economic situation. Though the sugar industry as a whole has seen an

²⁴ MacDonald, 96.

²⁵ Thomas, 235-6.

enormous decline in importance both in Jamaica and rest of the world, it maintains a strong influence, especially on the rural population. Through its history we better understand the current problems that affect the poor in Jamaica: unemployment, food shortages, migration and violence. We better understand what frustrates solving these problems: unequal land distribution, poor infrastructure, trade deficits, debt. Though certainly affected by the industry, the urban population is better shielded from its effects than the rural areas of the country, whose population relies almost exclusively on farming and agriculture-centered employment for income. It is thus this group that feels the consequences of the sugar legacy most acutely and that will be most affected by changes in the future.

The sugar industry today is controlled mostly by the Jamaican government (re-acquired in 1998) and divided into eight large, government-run factories and the large, government-run estates and small, independent farmers who provide the factories with cane. Approximately 15,000 small independent farmers account for approximately 42.5% of total sugar production. The industry currently employs approximately 40,000 people²⁶, with an estimated 150,000 relying on income directly earned from sugar.²⁷ By some measures, the industry is the single largest employer in Jamaica.²⁸ Though agriculture accounts for only 6.5% of GDP, sugar earns Jamaica about \$100 million annually, accounting for approximately a fifth of all agriculture earnings.²⁹ This revenue and the subsistence of sugar-based employees account for the maintenance of the industry by the government. As it has been for centuries, few politicians have been willing to

²⁶ Jamaica & Dep Sugar Annual (JDSA) 2002 (numbers are cited from 2000/2001 sugar crop).

²⁷ "Labor-Jamaica: Mounting Debts Mean a Bleak Outlook." Inter Press Service, January 6, 2003.

²⁸ Harrison, 5.

²⁹ World Bank Economic Indicators, 2002.

promote the painful transition away from sugar dependence. Yet as the world market tends away from protectionist policies, the economic necessity of reform will force a change in the politics that preserve the industry today.

Sugar production has occupied approximately 25% of total arable land for the past ten years, despite the high cost and low productivity of the industry.³⁰ The 2000/2001 crop season saw a harvest of 2,231,000 tons of cane from 88,680 acres (91% of total acreage planted). Of the area harvested, estates accounted for 41,590 acres and farmers for 47,100 acres. From the harvest 205,000 metric tons (MT) were produced, down from 212,000 MT produced in the 1994/1995 season and 32% below the 300,000 MT “viability target” set by the industry. Industry productivity is relatively stable, though dependent on weather and factory down time. Sugar quality has been in decline, currently holding at 10.91 tons cane per ton sugar (TC/TS) down from 9.36 in 1999/2000. Decreases in production quality are due to “limited loan and replanting programs, poor agronomic practices, heavy debt burdens, poor infrastructure, high levels of illicit cane fires and cattle damage.”³¹ A government task force set up in 2001 targets an annual output of 220,000 MT at a cost of US\$0.19 per pound in order to “restore viability to the industry.” Jamaica produced 205,000 MT at US\$0.29 per pound during the 2000/2001 season, incurring a production loss of US\$30 million.³²

The 2000/2001 season marks the third year of production under the Government of Jamaica, which nationalized the majority of the industry in 1998 after unsuccessful privatization in 1994. The cycle of privatization and nationalization, begun under the Manley administration of the 1970s, reflects the difficulties of reform. The potential of

³⁰ Ibid; Watson 230.

³¹ JDSA.

³² Ibid.

revenue, lucrative trade agreements, and the large number of citizens (i.e., workers' unions) dependent on the industry prompted the GOJ to nationalize and invest capital into the industry. It is important to note that reaching efficiency in sugar production is notoriously difficult, requiring large tracts of flat land (rare in Jamaica) for efficient mechanical harvest and highly advanced land and structural management, meaning that change will certainly require more than the huge amounts of capital poured into the industry by the government. So, as trade agreements disappear and trade deficits and external debt mount, the government is forced to sell out the industry (to the tune of US\$1.2 billion in 1994).³³ But privatization and increased productivity mean large losses of employment. This and the failure to turn around the industry in four years led to the re-acquirement of the industry in 1998. The development plan instituted in 2001 aims towards re-privatization within five years following a J\$5 billion (US\$63 million) investment in the industry.

Jamaica's sugar industry, despite government efforts to sustain it, looks poised for a fall. The current economic state of Jamaica shows its escalating problems. While inflation has decreased and growth is no longer negative, Jamaica's balance of payments has been continually negative (a negative \$587 million in 2001 or 7.3% of GDP) due to the high level of imports over exports. The government's budget runs a solid 5.7% of GDP deficit, accruing more debt while paying annual interest payments that encompassed 3.2% of GDP in 2001. Jamaica's total debt stood at \$4.9 billion in 2001 (61.3% of GDP), with \$875 million of that standing in as short-term external debt.³⁴ As of September

³³ "The dangers of divestment." *Jamaica Observer*. February 3, 2003

³⁴ Short-term external debt is defined as debt that has an original maturity of one year or less.

2002, public debt reached \$10.7 billion (over 130% of GDP).³⁵ Jamaica's total debt service will encompass 45% of the 2002/2003 budget. In simpler terms, the Jamaican government spent just over 8% of its annual GDP, some \$645 million, in debt repayment to the IMF last year and faces an incredible amount of domestic debt whose annual servicing eats up half of total revenues. In other words, the Jamaican government simply cannot afford to maintain public expenditures on social programs, and much less on unprofitable industry such as sugar.

The effects of Jamaica's weak economy have already hit the industry. The Hampden sugar factory, facing debts incurred from losses that reached J\$450 million last year, was closed in December for its lack of productivity, resulting in the immediate loss of 200 jobs and adding pressure to the Hampden cane farmers, who will now have to transport their cane to another factory. The factory, one of eight, needs at least J\$400 million worth of investment in order to attain a "minimum level of efficiency," said Jamaica's Minister of Agriculture. Hampden's closing has become an important case for the sugar industry as Hampden cane farmers have petitioned the government to sell the factory to them. Prime Minister P. J. Patterson has recently pioneered a shift back into the private sector for the industry but maintains, "We do not see a future for Jamaica where provision is not made for sugar. . . . [bear] in mind the need for us to be able to feed ourselves, the possibilities which will flow as a result of expansion in the tourist industry and the whole question of how do we stem rural migration. We therefore have to put agriculture, very much, in a sounder position."³⁶

³⁵ Miller, Dionne. "Labor – Jamaica: Mounting Debts Mean a Bleak Outlook." *Inter Press Service*. January 6, 2003.

³⁶ "Sugar needs private sector help – Patterson." *Jamaica Observer*. March 11, 2003.

Prime Minister Patterson touches on the issues outside of the factories themselves that relate back to the sugar industry: migration, both into the cities and out of the country, and food production are both important side effects of the domination of the sugar industry. The secondary dynamics of the industry are exceedingly broad and compounded by the history of land inequality and trade policies. It is clear that, as a result of its history, the industry has come to a point of stagnation that frustrates true economic progress for Jamaica and sustainable development for its impoverished, leaving them stuck with the effects of sugar and its history.

Sugar and the Poor

While the official poverty rate of Jamaica is decreasing, indicators show that economic conditions are worsening. Unemployment stands at 14.8% and economists predict that social conditions will worsen before they improve.³⁷ Though impoverishment certainly exists in urban areas, the lingering effects of the sugar legacy disproportionately affect those confined to the rural parts of Jamaica, where agriculture habitually provides the main source of income for households and where the dominance of plantation economies governs the labor market to an unfortunate extent. While other crops have shifted its position in the agricultural sector (notably, bananas and yams), sugar production continues to dominate the landscape of many rural areas.

The weakness of the agricultural industry is seen in Jamaica's poverty rates: 24.1% of the population in 2001 in rural areas lived below the poverty line, as compared to only 7.6% in Kingston and 13.3% in other towns.³⁸ It is here, in the "hinterland of the

³⁷ Miller.

³⁸ Statistical Institute of Jamaica.

remaining sugar estates, where land use conflict and a lack of economic diversification perpetuate the local grip of plantation sugar cane production.”³⁹

Land inequality is the obvious first issue. As the profitability of sugar led to an expansion over the best arable land, whatever marginal land remained fell to small farmers and families. According to the latest agricultural census, of the approximately 437,000 acres under cultivation, less than 1% of farmers have more than a hundred acres each and control 57% of the land. Most farmers (82%) have less than five acres each, and hold in total only about 16% of the island’s farmland.⁴⁰ As one canefarmer explains, “The estate, them just rob you and thief you. You can’t get no land. Mi grow mi canes and me raise two cows, but mi can’t get a start. Them have all the lands and me have to work on a little stony piece”⁴¹ His sentiments strongly echo those of Miss Jones, who wishes for more and better land to improve her situation but is constantly refused. These inequalities are the basis for two of Jamaica’s most problematic conditions. First, the domination of sugar plantations left little land for food production and successful independent farming. By limiting the success of small farmers, it also established the rural areas’ dependence on plantation employment.

Jamaica’s inability to achieve self-sufficiency in domestic food production is still apparent today, especially in the rural regions. The profitability of sugar led also to cane cultivation on these smaller farms, resulting in even more limited food production, thus requiring large imports of food and often causing food shortages and malnutrition.

Jamaica spent almost US\$500 million on food imports in 2001, more than twice as much as it exported. Jamaica has made recent strides away from malnourishment through

³⁹ Harrison, 232.

⁴⁰ Ibid, 10.

⁴¹ Ibid, 32.

school food programs and a food stamp program, cutting the estimated number of undernourished people by a third from 1996 to 1998, from 30% of the population (783,000) to 10% of the population (250,000).⁴² It was estimated in 1997 that only 4.2% of children under five were experiencing malnourishment.⁴³

But even if malnourishment is low, that does not mean that no one goes to bed hungry. Nutrition is maintained for many by the high importation of food, but food availability does not equal to an absence of food issues. Patterns of food consumption tell the larger story: in 1998 the poorest 10% of Jamaicans accounted for 2.60% of total consumption while the richest 10% enjoyed 29.9%.⁴⁴ A more telling survey would indicate how many meals one enjoys a day or how often a person can afford to eat meat. As in the case of the Jones', just because a household has food does not mean it does not want for more. Poverty does not manifest itself only to the point of sustenance: it is also the prevalence of paucity in a world of plenty. Jamaica is fortunate to be exempt from the kind of impoverishment that leads to starvation; the second problem of employment is a much larger issue.

According to Jamaicans, the number one cause of poverty is unemployment. Generally, unemployment is seen as a function of a lack of skills, discrimination, and low wages for urban populations “while rural groups focus on the lack of access to markets, poor road conditions, and uncompetitive prices for agricultural inputs and produce.”⁴⁵ Jamaicans blame the government for the lack of economic growth and cite globalization as well. But the local effects of the sugar industry still underlie the problem: “In urban

⁴² Strachan, O.M. “Update on the State of Food Security in Jamaica.” United Nations Food and Agricultural Organization, 2001.

⁴³ World Bank Economic Indicators, 1998.

⁴⁴ Ibid.

⁴⁵ World Bank, 5.

areas, people speak repeatedly of factory closings and layoffs, and in rural areas the indicate that large plantations and processing plants used to offer many more jobs. For small farmers, increased competition and fluctuating farm prices, lack of credit, and difficulties accessing markets greatly constrain rural livelihoods.”⁴⁶ All these issues have their roots in the sugar legacy: poor infrastructure, lack of investment, and poor productivity can all be blamed on the foreign ownership of the plantations that established the trend.

Poor pay is not the only characteristic of the industry reflective of its history of foreign ownership, under which profits were rarely reinvested in the industry or community. This lack of reinvestment led to a startling lack of development of infrastructure, including roads and schools. More noticeably, the lack of investment by these foreign owners resulted in a severe shortage in capital. Moreover, not only did lack of reinvestment apply to new technology for heightened efficiency and productivity, lack of tangible revenue also led to a lack of skills-training for employees both in the field and in the factory (also compounding the plague of low productivity). There was also no money towards pensions or employee benefits. Thus upward mobility was frustrated within the industry, leading to absenteeism and a general loathing of an industry that was never popular in the first place. A factory manager laments the complications of the industry: “In my view, the biggest problem in the mentality of the industry – that it’s not really a business but a way of life. . . . The social fabric of cane growing and production is something that is 200 years old. To change it is the only long-term solution. But the pain

⁴⁶ Grant, 433.

of changing it, on top of everything else that is going on, is something that in the short term is disastrous.”⁴⁷

One of the many dichotomies of the sugar legacy is the consistent shortage of labor in regions that suffer from chronic under- or unemployment. Though there might be labor on sugar plantations, most, like Miss Jones’ sons, would rather wait for better options. The desperation, pride and frustration that accompany the abject work conditions that usually exist with the industry are equally important aspects of the condition of the industry, and not only because they have led to riots and strikes. The stigma of the industry has led to the rising of a generation of “frontliners” who refuse to involve themselves in any aspect of the industry that disadvantaged their parents and grandparents, usually supporting themselves through criminal activities.⁴⁸ The stigma also has a reverse effect: it has become difficult to track employment because the stigma of cane-cutting is such that “young men will often go to enormous lengths to hide the nature of their employment. . . . Young men living locally are known to hide in the bushes on the way to the fields to change in to their work clothes: ‘they na want anyone to know, so they put dem pretty shoes back on before reaching their yard.’”⁴⁹

However, the most frustrating problem for many rural communities is the lack of infrastructure. One young woman in Little Bay says that even just a road will change everything: “If we get the road, we get everything else, community center, employment, post office, water, telephone.”⁵⁰ Though it is very difficult to measure the percentage of road that is unpaved, the World Bank estimates that 70.1% of Jamaica’s roads are paved.

⁴⁷ Harrison 19,21.

⁴⁸ Ibid, 35.

⁴⁹ Ibid, 24.

⁵⁰ Grant, 456.

Undoubtedly, that remaining 30% lies mostly in rural areas. Importantly, like many of the problems that affect the impoverished, the lack of infrastructure has multiple facets: “The problem of inaccessibility is commonly perceived as double-sided in that this issue affects the economic well-being of the community by constraining the marketability of agricultural produce while simultaneously affecting the capacity for infrastructural development to enter rural areas.”⁵¹ The lack of infrastructure has had an interesting affect on rural Jamaicans, who have become known to set up road blocks to grab the government’s attention. It is especially frustrating when other rural areas (mostly along the coast) have been given grants and credit for start-up businesses for development of the tourism industry. One Little Bay resident explains that blocking roads is “all we can do.”⁵²

Infrastructure for the education system seems well-established from the high literacy (91% for females and 83.3% for males) and enrollment rates (99.1% for primary education and 79% for secondary). Given that 10% of Jamaica’s social spending (28% of the non-debt budget) was spent on education last year, the system looks successful. But only 14% of public spending for secondary education is directed towards the poorest 20% of the population.⁵³ Worse may be the structure of education financing. Funds provided by the government make up only a quarter of the total, leaving the other 75% to the parents and guardians of the children. This disproportionately affects the poor, often requiring parents in rural areas to choose between food and their child’s education. Also, as in the case with Miss Jones’ daughter, money might not be the only thing that hinders attendance. Education is highly valued across all socio-economic groups, but as the

⁵¹ World Bank, 7.

⁵² Grant, 435.

⁵³ Grant, 460.

industry contracts, job opportunities diminish, making education less of the guarantee it was before. “Education doesn’t make you rich,” one man says, “I know a guy who passed eight [high school] subjects and is unemployed like the rest of us.”⁵⁴ Still, education does make a difference: 86% per cent of the poorest fifth have no academic credentials at all, compared with 52.3% of those in the wealthiest quintile.⁵⁵ The weak economy has diminished also the profitability of the most common road to mobility: migration.

As Prime Minister Patterson points out, rural migration is an increasing problem in the rural areas of Jamaica. Migration rates currently are estimated at -6.5 people per 1,000.⁵⁶ Though their remittances, like Miss Jones’ daughter’s from Canada, sustain the families left behind, the flow of migrant workers into the cities and across the ocean has drastic effects on both the Jamaican economy and its social state. The movement not only leaves rural areas depleted of younger laborers and caretakers for the grandparents and children that are left behind, it also leads to the urban ghettos of overcrowded cities. But it is the easiest known way to break out of the poverty trap of the rural areas. One 23 year old man echoes this view: “The only chance for a little poor boy like me is to dress up nice and hope someone will give me chance. Mi need to get foreign, so I can come back to Jamaica and get a proper start.”⁵⁷ The “proper start” he alludes to refers to the imposing homes of those migrants who have returned from abroad with savings that could easily change the socio-economic status of a family. Returning migrants make up a new class of wealthy in the Jamaican communities who can afford to buy up land or

⁵⁴ Ibid, 443.

⁵⁵ Statistical Institute of Jamaica, 2001.

⁵⁶ CIA Factbook, 2002.

⁵⁷ Harrison, 35.

invest in small businesses, purchases that can totally alter the shape of their communities. Additional socio-economic issues exist.

The sociological and psychological aspects correlated to sugar production cannot be ignored. Just as important to note as the lack of infrastructure is the lack of cohesiveness in a community because of stratified wealth or the rise of teen pregnancy due to female dependence or male boredom. On one hand, there are the characteristic sociological problems often associated with poverty: violence, crime, apathy, drug use, etc. On the other, it seems that the sugar industry has affected Jamaican communities in unique ways, giving rise to “frontliners” and an entire generation of migrants. These elements characterize the additional impacts of poverty on a community: Jamaicans repeatedly cite teen pregnancy and migration as the principle causes for poverty after unemployment.⁵⁸ It is very important to take into account the secondary effects of the state of poverty on a community in order to understand the full extent of the problem.

The most prevalent social issue in Jamaica today is the problem of violence, which has escalated to an unforeseen amount with a 30% rise in the murder rate in 2001. A combination of civil unrest, frustration, and politics, violence in Jamaica claimed 1,138 lives in 2001.⁵⁹ Unsurprisingly, the violence in Jamaica stems from the growing drug trade on the island. The lack of employment opportunities elsewhere has led to increases in cultivation and trafficking, now of cocaine as well as cannabis. Communities often accept the illicit cultivation and use of cannabis, though the consequences can be severe. Drugs and violence also damage Jamaica’s precious tourism industry, which accounted for one in four jobs and 17% of GDP in 2000. The police force, though generally viewed

⁵⁸ World Bank, 5.

⁵⁹ “Crime without punishment.” *The Economist*. January 10, 2002.

positively among Jamaicans, suffers from the same lack of infrastructure as the rest of the economy, making it generally inept: the department solved only 49% of its murder cases from 1997 to 2000.⁶⁰

Many communities see that policy reforms are essential to moving out of poverty. These reforms usually involve a change in the policies that limit land and inheritance rights or access to credit. But most Jamaicans believe their government to be incapable in changing their situations. “It’s the government that causes jobs to be lost, schools to be inadequate, and factories to be closed and downsized,” a young Jamaican says.⁶¹ The government’s social programs are also seen as inadequate to provide a social safety net. One woman explains her food stamp program: “When I go to get food stamps, it costs me J\$200 [US\$5] in carfare to go and collect it; so, for J\$240 in stamps, it doesn’t make much sense.”⁶² Instead of relying on the government, the Jamaican people share a large sense of community that leads them to support their neighbor and collectively watch out for the community. This kind of community support nurtures the Jamaican people that remain in rural communities no matter what their economic status. But globalization has brought the world to their front door, forcing them to face changes in their incomes and in their communities. The future of the impoverished in Jamaica surely should fall into the hands of their close families, their strong communities, and their government. But, most likely, it will be mostly guided by the future trade policies and subsidy rulings of organizations much removed from their poor villages.

⁶⁰ Ibid.

⁶¹ Grant, 443.

⁶² Ibid, 444.

The International Scene

As the Doha round of the world trade talks sputters to a halt, one wonders exactly how long it will take for the ax to fall on the Jamaican sugar industry. The situation is at best bleak: faced with increasing debt and decreasing revenues, the Jamaican government is losing its voice even more in the Jamaican economy. Jamaican politicians must choose between supporting an ailing industry and the thousands that depend on it and opening up the industry to painful global markets.

Bilateral trading has certainly carried the industry into the 21st century by propping up industry revenue, but however lucrative the agreements have been, they have failed to provide the essential revenues needed to update the industry and spur further development and diversification. Regardless, two treaties provide the market for Jamaican sugar exports. The Sugar Protocol of the 1973 Lomé Convention, enacted to maintain the UK's refining industry and sugar supply, provides some members of the African, Caribbean, and Pacific Rim countries (ACP), like Jamaica, with a guaranteed prices for a certain amount of sugar. Prices equal that of European beet farmers' sugar, around three times the world price for sugar. The other important trade agreement Jamaica enjoys is with the US, which maintains its quota price at about twice the world price. The Common Agricultural Policy (CAP) of the European Union is another important player on the world front for the massive subsidies it provides for EU farmers. It is this policy that stands in front of the free-trade promoters of today: a German-Franco lock against CAP reform has stalled Doha talks. Though the World Trade Organization is strongly opposed to both the CAP and the Sugar Protocol, reforms have been delayed

by the EU countries that benefit most from CAP, thus maintaining the equal trade prices that the EU gives Jamaican sugar.

While reforms are certainly inevitable, perhaps the Doha talks will provide Jamaica with a little more space to reform its industry. As these agreements are sorted out, other international forces are at work in Jamaica. The most important international organizations in the future of Jamaica today are the World Bank and International Monetary Fund (IMF). In 1978 the World Bank established its presence in Jamaica to aid the island's faltering state through development loans that sought to control the economic downturn of the time. But the structural adjustment promoted by the IMF often served merely to compound the problem through what is commonly understood as "debt trap." The loans of the IMF seek to promote economic growth by aiding a push towards diversification of the economy and away from the cycle of underdevelopment and commodity dependence that leads to debt. But in reality the problem is only exacerbated: countries who borrow suffer easily from economic downturns and, forced to borrow more, find themselves turning to their original commodity dependence to meet interest payments, leaving with renewed dependence in addition to their incredible debt.⁶³

Similarly, the program of structural readjustment stresses loan repayment through an emphasis on policies that "strengthen exports and attract foreign investment in order to generate foreign exchange."⁶⁴ In Jamaica, this emphasis on exports and revenues resulted in a renewed entrenchment in the sugar industry: as the land was already conditioned for production, sugar output once again became the answer for the export market. The immediacy of sugar export makes its production an unfortunate mainstay of the economy:

⁶³ Harrison, 49.

⁶⁴ Ibid, 75.

instead of allowing time for transitional development, sugar plantations are forced to produce as much as they can in order to meet loan repayments.

The second aim of structural adjustment will probably prove more damaging. It seeks to integrate domestic economies into the global economy by reducing or removing import barriers in order to “improve access to materials used by export-oriented industries and to create competitive pressure to increase the efficiency of domestic firms so that they might, in turn, compete successfully in global markets.”⁶⁵ Though global competitiveness might prove to be a rational goal, the weak economic structure of Jamaica and its lack of advanced industries, such as sugar, should require at least a minimum level of protection. Without some barriers, it becomes extremely difficult for national industries to grow enough to be able to compete on the global level. Therefore, this policy in effect forces Jamaica to open its industry ownership to foreign corporations in order to compete on this global scale. The indebted government simply cannot profit from the industry and is forced to sell it to foreign corporations who either increase productivity or not, but who most certainly do not prioritize the local economy or diversification. This proved to be the case for Jamaica in the 1980s: the government was forced to privatize many state-owned sugar estates in order to augment total output.⁶⁶

Thus we understand the third important element in the international spectrum: transnational corporations (TNCs). Under pretext of development, multinational corporations are invited into Jamaica to aid a shift towards productivity. Many worry that these corporations have become the modern equivalent of Britain under

⁶⁵ Ibid.

⁶⁶ Ibid, 50.

mercantilism, habitually minding revenue over positive economic development. The trap is a difficult one:

As a result of the lessons learned during the 1970s, the central tenets of structural adjustment programmes, and the basic lack of apparent alternative choices, developing economies generally welcome investment from TNCs [transnational corporations]. They are seen to be able to play a positive role in the industrialization process in developing countries, because of their command over finance, technology and access to markets, and their capacity to plan, establish and manage complex organizations. They create jobs and therefore inject cash into the domestic economy, and they are seen to be engaged in a process of skill transference from developed to the developing world. But . . . there remain serious doubts over whether TNCs can really play a positive role in the trade and development efforts of poorer countries, unless they can be subject to more effective control – requiring global regulation at present simply not effected through the global institutions of governance. . . ⁶⁷

Though transnational corporations can bring undeniably positive effects, they are not governments. They are not accountable to the people of the nation they operate in, nor are they expected by the world community to overlook their own agendas when it comes to revenues, especially when these agendas are established an ocean away. Moreover, these agendas often reach beyond the economic realm into the political. As David Korten points out: “In the United States, for example, corporations have been engaged for more than 150 years in a process of restructuring the rules and institutions of governance to suit their interests.”⁶⁸ Though the world might have little to learn from this particular example, regulation of TNCs is extremely difficult, especially by the governments of the poorer nations that could be the most adversely affected by powerful corporations.

Regardless, as a result of foreign ownership, revenues from Jamaican industries accrue largely to the TNCs that run them, resulting in a lack of reinvestment and

⁶⁷ Ibid, 72.

⁶⁸ Ibid, 73.

development within the community.⁶⁹ A poignant example of this forced shift in policy under structural readjustment occurred in the 1980s when the Jamaican government invited back Tate and Lyle, the British corporation tossed out in the waves of anti-imperialism in the 1970s, to turn profits on some of the largest sugar estates. We also see these issues coming to the forefront when the government re-privatizes the industry, as it plans to do within the next four years.

Jamaica's history has shown that, while some corporations do bring positive results, the lock that TNCs effect on development is often negative and detrimental to the community. The World Bank's alleged debt trap exemplifies the assumptions of many: it is estimated that "every one dollar the US contributes to the World Bank, more than two come back to US exporters in procurement contracts."⁷⁰ Though today the feeling that persists is more of wear than of reform, Jamaica's ageing industry still fears the familiar effects of the trade trap. Aid is acceptable, and investment is sorely needed; but business without local vision will only serve to entrench the industry more into the plaguing issues it faces now. Responsible government and management, even if foreign-based, will be essential to deal with the future of the sugar industry, not least because the largest hurdles will stem, as they have traditionally, from the international scene rather than from within Jamaica.

Jamaica's Future: Shaking off the Past

The history of Jamaica's sugar industry proves that addressing its problems will be no small feat. For an industry that has been determined more by international trade

⁶⁹ Ibid 69,74; World Bank, 2.

⁷⁰ Harrison, 77.

agreements and local politics than supply and demand for three hundred years, breaking its cycle of inefficiency and ensuing poverty will certainly require change on all levels. Given the strong influence of foreign voices that have characterized and determined Jamaica's past, it seems imperative that reform for the future begin there, at the international level. Though reform and aid to Jamaica has been characterized by emphasis on output and revenues, foreign ownership of these industries, like sugar, has preempted the trickle-down economics that would allow real growth. Jamaica thus begs for a period of respite in order to invest in development and to develop a system to maintain it. Therefore, debt relief seems essential.

As seen in the cases of some heavily indebted countries, like Bolivia and Peru, debt relief simply allows a way to break the debt trap that has entrenched so many industries and governments. In Bolivia, debt relief came in the same form as the original loans: a US\$1.2 billion debt reduction (45% of net value in 2000) was accompanied by a poverty reduction blueprint that has seen positive effects.⁷¹ On the domestic level, Peru's privatization process relieved the industrial sugar debt taken on by the government by allowing 30% capitalization of the debt, converted to shares, and forgiveness of the remaining debt, among other like options, for private buyers.⁷² Such policies encourage investment and efficiency within the industry. Both acts allow the government to focus on domestic development and to actually have the funds to develop infrastructure, social services, and similar programs to aid the shift towards sustainable growth.

What Jamaica aims for should be a way to be able to compete, or at least sustain itself, in the global market. Globalization seems to be an unfortunate but inevitable trend;

⁷¹ "Can Debt Relief Make a Difference?" *The Economist*. November 16, 2000.

⁷² Akiyama, Takamasa et. al. *Commodity Market Reforms: Lessons of Two Decades*. World Bank: Washington, D.C., 2001, p. 151.

thus Jamaica must learn how to face such a tilted market habitually dominated by rich countries. Without trade protection and with growing debt, Jamaica's sugar industry cannot compete in a global market. Therefore, its land and yield must look towards more likely revenues. Land reform would allow both more food production (and thus a lesser import dependency) and put land in the hands of those who could benefit greatly from it. Though modern trade practices fight against it, the industry warrants protection from global markets while it mechanizes and matures, allowing sugar and other agriculture to finally become productive. A hopeful market for sugar appears to be ethanol, whose fermentation from sugar cane produces a much more lucrative product than raw sugar. Debt relief would allow, through government support, that these kind of transitions pass without too much of the pain that such changes usually incur.

Further, the money that debt relief avails to governments also allows them more control and power within the industries of their own nation. In Jamaica, this power is essential for sustainable growth. In a country whose main industries have been controlled by TNCs, a stronger government will be less reliant on their political favoritism and more focused on their local effects. In other words, if the Jamaican government were less dependent on the limited revenues that it receives from the foreign companies that operate in Jamaica, it could require more of these companies, enforce regulation, and oblige responsibility. Though the sugar industry is not currently in the hands of foreign corporations, the unprofitability of the industry and debt of the government requires that it soon will be facing the habitual effects of foreign ownership. A stronger, more capable Jamaican government can certainly challenge the negative effects of these companies and be able to buffer the social effects of their shifts to efficiency.

Jamaica's growth thus is largely dependent on international forces. It seems that if Jamaica were given a chance, it could develop, reform its land, and even become a rich and prosperous nation through the likes of biotechnology or ethanol. More responsibility within the TNCs that dominate its tourism industry could even change the livelihoods of thousands of Jamaicans. With time, it could move beyond trade protectionism in ways that even the US has not done. With money, Jamaica could finally move beyond the domination of foreign interests in its land and economy that have trapped its people for centuries and towards, finally, interests of its own.

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