

THE RETREAT OF THE STATE IN THE ENGLISH-SPEAKING CARIBBEAN

The Impact on Women and their Responses

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INTRODUCTION

The retreat of the state has characterised developing and industrialised countries alike during the 1980s and into the 1990s. This retreat has had disastrous consequences for poor citizens (and especially poor women) throughout the world – popularly referred to as the Third World – where debt repayment and structural adjustment have been the dominant themes used in justification of the retreat. The English-speaking Caribbean¹, as part of the Third World, has not been spared this development, though some territories have been more affected than others. Indeed, it is precisely in those territories where the state had gone the furthest in terms of playing a dominant role that the retreat has been most stark, namely Jamaica, Guyana and Trinidad and Tobago. In order to contextualise the impact on women and their responses, this chapter traces the development of the state in the English-speaking Caribbean through a discussion of social policy and state expansion in the 1960s and 1970s and the process of retreat in the 1980s and 1990s. It then looks at the relationship between changing social policy and women, the main focus being on this relationship in the period of state retreat and structural adjustment.

SOCIAL POLICY AND THE STATE: THE 1960s AND 1970s

To understand the development of social policy in the English-speaking Caribbean during this period of political independence for most of these states, one has to refer to the dominant socioeconomic paradigm prevailing at that time. Standing (1991) refers to the dominant macroeconomic framework for the period as 'social key-

nesianism', the essence of which, he argues, is that macroeconomic monetary and fiscal policy is geared towards full employment. This framework supported a mixed economy in which public investment and public ownership of certain industries were seen as necessary. Indeed, public expenditure was seen as the facilitating mechanism for long-term growth and industrial development.

Walker (1984) provides a wide and comprehensive definition of social policy. He states that it is concerned not only with the distribution of income and wealth, but with the distribution of social welfare and social resources. 'Social welfare' he defines as consisting of individual health and well-being, and of collective solidarity, and cooperation. 'Social resources' according to him, include not only income, assets and property but also health, education and the environment. For Walker (ibid.: 39–40), then, social policy is 'the rationale underlying the development and reproduction of social institutions that determine the distribution of resources, status and power between different groups in society. [It] determines the creation, distribution and reproduction of social welfare (and distribution of social welfare)'. In short, social policy allows us to assess the underlying rationale of social policy in the English-speaking Caribbean in the 1960s and 1970s.

The 1950s are often identified as the starting point of a home-spun development strategy in this region (Henry, 1988), a strategy popularly referred to as 'Industrialisation by Invitation' based on a model advanced by Arthur Lewis. During this period, according to Brown (1981), the perception of limits to state power was still popular and even the utilities, 'long regarded as proper areas for government ownership, remained for the most part foreign owned' (ibid.: 3). The situation changed dramatically during the next two decades, however. The 1960s saw the expansion of the state bureaucracy through the growth of statutory boards and corporations as well as other regulatory bodies. In the 1970s, the change was even more evident, with clearly stated policies emerging in Guyana in the form of 'cooperative socialism', and in Jamaica with the advent of 'democratic socialism'. While Trinidad and Tobago did not adopt any official 'labels', its 1972 White Paper did outline a new role for the state, stressing, in particular, local ownership and/or control of previously foreign-owned enterprises. The main thrust of this new role of the state was public ownership and public investment in an environment, both national and international, characterised by chan-

ging notions about the appropriate role of governments. As Brown aptly states:

Thus, where up to and even after constitutional independence, the state's activity could reasonably be limited to an administrative and regulatory role, by the 1970s there was evidence of a significant change in perspectives on the state's functions ... responsibility for economic development [was] understood to mean not simply regulation and direction of economic activity by indirect means. Specifically, that responsibility could also be expected to include direct state intervention to ensure adequate growth of the national product as well as its equitable social and economic distribution.

(Brown, 1981: 3)

While this process of increased state activity was much more pronounced for the larger territories of Guyana, Jamaica and Trinidad and Tobago, as highlighted above, a similar process was also taking place, albeit to a lesser degree, in some of the smaller territories, notably Antigua and St Kitts. Grenada, under the People's Revolutionary Government between 1979 and 1983, also followed this general trend but with a much more overt ideological justification. A recent study of the operations of public enterprises in the Caribbean, undertaken by the Caribbean Centre for Administration and Development (CARICAD), pointed to three main ideologies as forming the basis for the establishment of state enterprises in the Caribbean. These were given as socialism, nationalism and pragmatism (*Trinidad Express*, 16 May 1990). In Trinidad and Tobago, the government's Draft Medium Term Macro Planning Framework (DMTMPF) 1989–1995 cited, *inter alia*, the following reasons for government's involvement in productive activity:

- 1 the desire to exercise greater control over the so-called commanding heights of the economy;
- 2 the objective of accelerating economic development by launching pioneering investment activity in areas where unfamiliarity with the technological requirements might otherwise serve to inhibit private sector investments, because of the perception of high risk;
- 3 the undertaking of rescue operations to save jobs in privately-owned enterprises which were on the verge of closure.

(DMTMPF, July 1988: 9–10)

One can suggest, then, that governments in the English-speaking Caribbean adopted a rather broad view of social policy, along the lines suggested by Walker (1984), in that they created institutions through which attempts were made to redistribute resources, status and power among different groups within these societies. In social-infrastructure terms, social policy of this nature meant free education (from primary to tertiary level); free health services; provision of subsidised public transportation; provision of low-cost housing, either with low interest rates for mortgages or low rental rates; food subsidies and control of basic food prices. As in the case of other Third World countries, the financing for a significant part of infrastructural development came from overseas borrowing – an action that would haunt these territories in the years ahead as interest rates doubled and trebled in some cases. One estimate indicates that real interest rates rose by 30 per cent in just two years, 1980–1982 (McAfee, 1991).

The fact that in the 1980s and 1990s the state has retreated from this policy is indicative, some would argue, of the contradictions inherent in the capitalist economic system. According to Moon (1988:27), some have described this type of social policy as 'a strategic response to the dislocations of capitalism, temporarily enabling a repressive and irrational form of society to stave off fundamental change by blunting the edge of social conflict'. Standing (1991) notes that recession in several of the world's major economies in the late 1970s and during the 1980s produced an onslaught on Keynesian methods, assumptions and values. Monetarism, which holds that market forces can and do solve all economic problems, became the dominant paradigm and out of it developed 'the supply-side perspective that crystallised in the orthodox stabilisation structural adjustment strategy that has been promoted zealously in both developing and industrialised countries in the 1980s' (ibid.: 12). As we shall see in the next section, this new paradigm impacted upon the English-speaking Caribbean as it did elsewhere.

THE RETREAT OF THE STATE: THE 1980s AND 1990s

Throughout the English-speaking Caribbean the state has been in retreat during the 1980s, particularly since the mid-1980s and into the early 1990s. While this retreat has been propelled largely by the policy dictates of the International Monetary Fund (IMF) and the World Bank, one has to view it within the changed international

political and economic environment as stated above. The debates around the limits to state power have come full circle and this time full force. The real tragedy for the English-speaking Caribbean with the rest of the Third World is that we have had no say in this paradigm shift.

Towards the end of the 1970s and during the 1980s therefore structural adjustment programmes (SAPs) have been imposed on many Third World countries, including those in the English-speaking Caribbean. The main motive for these SAPs is to restructure economies so that enough foreign exchange can be earned to service accumulated debt. While these programmes vary to some degree from country to country, the main aims are to increase exports and earn foreign exchange, and to decrease domestic consumption and hence English-speaking Caribbean, for example, heads of government at a CARICOM summit in the Bahamas in the early 1980s called for measures to contract demand through drastic reductions in public and private consumption expenditure, the compression of imports and more restrictive monetary policies' (Massiah, 1985: 7). In terms of policy measures this has meant, *inter alia*, currency devaluations; reduction or removal of subsidies on basic goods and services; new forms of indirect and regressive taxation; cutbacks on government spending on social services; reduction of the workforce and wage cuts in the public services; and privatisation of state enterprises.

To illustrate the nature and extent of the retreat, the territories of Jamaica and Guyana will be used as examples. Reference will also be made to Trinidad and Tobago.

Jamaica

Jamaica's retreat started with its encounter with the IMF in 1977. As Levitt (1991) remarked, it signalled a turning point in the government's economic management of the country. She asserts that from that period, adjustment took priority over development, and the government was 'increasingly transformed into the local executing authority of programmes designed by the Washington-based agencies' (ibid.: 24). The full impact of SAPs was felt by the mid-1980s when massive devaluations, price and tax increases, discontinuation of food subsidies and extensive cuts in government expenditure resulted in a fundamental restructuring of the Jamaican economy. On the one hand, the IMF set the macroeconomic limits within which the

government could function with respect to fiscal, credit and exchange rate policy, as well as wage guidelines. On the other hand, the World Bank directed and monitored the thrust towards economic liberalisation through the discontinuation of subsidies, full cost pricing of services and divestment of state enterprises, to highlight just some of the utilities and divestment of state enterprises of Jamaica (Levitt, 1991).

The actions undertaken (Levitt, 1991). The effect of these measures on the social infrastructure of Jamaica has been phenomenal. The health services, education, public transportation and low-cost housing have all become 'casualties' in the wake of structural adjustment 'assaults'. In the area of health, real per capita outlays declined from US\$44 per capita in 1982-1983, to US\$25.6 in 1986-1987, a reduction of 42 per cent. In terms of the percentage of public expenditures allocated to health, there was a steady decline from 10 per cent in 1969-1970 to 6 per cent in 1987-1988, as capital expenditure on health centres and hospitals virtually ceased (Levitt, 1991). The situation with respect to education is very similar, with per capita public expenditure declining from US\$84 in 1981-1982 to US\$58 in 1986-1987, a reduction of 32 per cent. The percentage of public expenditure allocations declined from 16 per cent in 1969-1970 to 11 per cent in 1987-1988, with schools suffering the same fate as health centres and hospitals with regard to capital expenditure (ibid.). This trend has of course impacted negatively on the quality of education provided and the outcome has been falling performance levels of Jamaican students. Further, as of 1986, a tax has been levied on all students acquiring tertiary education. Low-cost housing and public transportation have simply ceased to be considered the responsibility of government. Levitt (1991) has correctly described the situation as that of 'privatised' social services, given that the state-run services have deteriorated to such an extent that only the very poor and destitute continue to use them. Quality service is available, but at significant cost. Studies have revealed that 40 per cent of the very poorest quintile of the population now visit private doctors, at prices they realistically cannot afford, in order to receive better-quality medical care.

Another by-product of the diminished role of the state in Jamaica is a widening of the gap between rich and poor citizens. In the late 1980s, according to Levitt (1991), a chief executive officer in a large private sector company in Jamaica could have earned as much as J\$1,000,000 per annum, while the minimum wage (for domestic workers) was J\$4,368 per annum, a difference of 229 per cent. Similarly, increases in the salaries of top civil servants and members

of parliament put their annual salaries in the vicinity of J\$280,000 to J\$370,000. While these salaries remained way below those paid for similar positions in the private sector, they were 64–85 per cent higher than the annual minimum wage and 15–20 per cent higher than the annual salary of a nurse or primary school teacher.² A system of higher stamps has been introduced to assist the poor, the argument being that this is more effective in reaching only the poor, whereas the previous food subsidies benefited poor and rich alike, but such a system fails to take account of the issue of human dignity. Moon (1988: 32), in reference to pronouncements made by Raymond Plant, noted that for welfare not to be stigmatising it must be granted as a right rather than as a matter of charity. But, as noted by Levitt (1991: 41), within the changed value system of Jamaica in the 1980s, the 'poor' are 'really not considered to be people'.

Guyana

The retreat of the state in Guyana has been due, largely, to a virtual collapse of the Guyanese economy, but according to members of a fact-finding mission to Guyana in 1990, the structural adjustment programme (referred to as an Economic Recovery Programme by the Guyanese government of the period) is likely to exacerbate rather than solve the problem.³ The report of the mission pointed to exogenous and endogenous factors leading to the collapse of the economy. The former are related to falling commodity prices and the rising price of imports, which served to increase Guyana's debt burden. The latter are linked to politicisation of almost every aspect of Guyanese existence and the mass exodus of most of the country's skilled personnel, leading to over-extended management and mismanagement. Repercussions in the economy resulted in significant declines in the production of Guyana's main exports – sugar, rice and bauxite – during the late 1980s, resulting in diminished earnings. These factors have combined to produce, in the words of Levitt (1990), 'societal disintegration'.

The mission noted that the majority of Guyanese are no longer provided with the societal infrastructure necessary to meet their basic needs. Services such as education, healthcare, solid waste management, the supply of water, electricity and telephone services, have all suffered drastic deterioration. In the capital city of Georgetown, such basic services as garbage collection, the clearance of drains, and the

provision of safe drinking water are no longer available' (Caribbean Conference of Churches (CCC), 1990: 24).

To compound the situation massive devaluations have rendered work in the formal sector useless, and so persons either combine work in the formal sector with work in the informal sector as traders or taxi drivers, or they abandon salaried work altogether. In 1985, the official exchange rate was G\$4.15 to US\$1.00. By early October 1990 it had jumped to G\$45.00 to US\$1.00, with the street rate at G\$89.00 to US\$1.00. Given this scenario,

The absurdity of current wage levels is reflected by the fact that the remittance of US\$20.00 from a relative abroad will provide a greater quantum of Guyanese dollars on the street than from a month of employment in many jobs in the formal sector, including many teaching positions. (ibid.: 11)⁴

The Guyanese therefore rely heavily on such remittances, as well as on the 'barrel' of foodstuffs and other basic items from abroad, which provides goods not only for individual and household consumption but also for sale on the streets.

Members of the same fact-finding mission were extremely critical of the structural adjustment programme which offered the standard recipe: privatisation, devaluation, the free reign of market forces. They argued that even if one ignored the flaws in the recipe, Guyana simply did not represent a typical case:

Even within the 'laissez faire' economic philosophy, there is the concession that there are periods [sic] when abnormal economic conditions preclude the possibility of reliance merely on free market forces... Under such conditions, even the most hardened free marketer will concede the need for some prior stage of reconstruction of physical infrastructure and productive capacity, before market forces can be of effect. (ibid.)

The mission pointed to the examples of Europe after the Second World War and the more recent case of Eastern Europe. Therefore, according to the mission, what Guyana needs is a reconstruction programme along the lines of a mini-Marshall Plan.

inevitably means increased charges), it is women who suffer the most. Subsequently, such changes in the health services also affect women with respect to their social reproductive role. Sick children and adults may have to be hospitalised for shorter periods and thus women have to 'fill the gap' in terms of the extended periods of illness and recuperation (Tang Nain, 1992a). The other side of this coin is that since women predominate in terms of personnel employed within this sector, deterioration of buildings, facilities and other conditions of work also affects women disproportionately. We can recall here the case of Jamaica with respect to its health services and how recently, in Trinidad and Tobago, nurses were protesting against poor working conditions at the nation's main hospital.

Education

Here again women are more affected, both from the demand side and the supply side. From the demand side, increased pauperisation means that more students, generally, drop out from school or, due to decreased nutritional intakes, their performance levels suffer, as has already happened in Jamaica and Guyana. At the tertiary level, the introduction of taxes and increased fees will result in fewer persons receiving such education. The reason why women will suffer more is because data have shown that women need much higher qualifications than men to enter the labour market. With respect to Trinidad and Tobago, Reddock (1988: 499) notes,

whereas in 1980, 67.2 per cent of males in the labour force had primary or no education only 48.1 per cent of females... were in this category. Similarly in 1980 whereas 28.6 per cent of males in the labour force had secondary education, it was 47.6 per cent of the females.

As far as the supply side goes, women's predominance in teaching means that they, like their colleagues in the healthcare sector, are more affected by deteriorating conditions.

Other sectors

While both women and men are affected by lack of housing and public transportation it is women, because of their responsibility (voluntary or otherwise) for children and the elderly, who are placed under greater stress. In the case of Guyana, the state's failure to provide potable water

affects women far more significantly as here again, responsibility tends to fall on them to ensure that safe water is available in their households. This they achieve by seeking out safe water from springs, or by boiling or adding household bleach to the water received through their taps.

Income-reducing strategies

Income-reducing strategies for women. Here a range of measures has had severe repercussions for women more Wage cuts and retrenchment in the public sector affect women than adversely as, proportionately speaking, more employed women in the sector, especially in the teaching and nursing professions. Figures for Trinidad and Tobago reveal that in 1981, 35 per cent of employed women worked in the public/state sector (it was 18 per cent in 1970). By 1991 the figure had dropped to 30.2 per cent. The introduction of value added tax (VAT), payable on all goods and services except food in unprocessed form, translates into poor women having to spend more time in the kitchen. Finally, other measures such as the reduction or discontinuation of subsidies on food and services, and the removal of price controls, serve to reduce real income in a situation where women earn less than men, and suffer higher rates of unemployment, and where many (up to 48 per cent in some territories in the Caribbean) are the sole breadwinners in their households. In practical terms this means going from shop to shop in search of 'cheaper' goods and it is invariably women who do the bulk of the shopping for their households. It could also mean reduced consumption of food, both quantitatively and qualitatively, and here again women are likely to be the ones worse affected as they strive to ensure that their children (and their men where applicable) continue to eat as well as is possible under the circumstances.

Writers such as Elson (1992) and others have pointed to the assumptions behind SAPs with respect to the infinite elasticity of women's labour. The *Financial Crimes* newspaper (August 1992) notes that women will get no sleep if IMF SAPs are to work, while others have suggested that the burden of the double day for women is now being increased to the triple day. Antrobus (1988), referring specifically to the impact of SAPs on women in Jamaica, points to increases in demands on their time as they are required not only to fill the gaps created by the diminished social services but also to find ways of increasing income to their households. It is within this context that poor women may seek employment in Export Processing Zones

citizens; that attempts be made to renegotiate and not simply reschedule the debt; and that consultation take place with citizens before incurring further debt.

The following quotation, taken from Joan French's presentation at the Regional Economic Conference, serves as an appropriate end to this chapter.⁷

While the state needs to insist on the contribution of the private sector to the cost and delivery of social services, it is the primary responsibility of the state to ensure that the educational, health, social, recreational and reproductive needs of the population are met from birth to death at the level of the household. The state should set policy to ensure that the tradition of meeting these needs through the unpaid labour of women and the overextension of women's work time is broken. In this regard it is the duty of the state, by its policy, to break with the socialisation of females into roles which perpetuate their exploitation as the unpaid and over-worked reserve labour force onto which the responsibilities of the private sector and the state for the reproduction of the labour force are shifted, particularly in times of crisis.

(French, 1992: 84)

NOTES

- 1 The English-speaking Caribbean, also referred to as the Anglophone or Commonwealth Caribbean, comprises the territories of Anguilla, Antigua and Barbuda, Barbados, The Bahamas, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St Christopher/Nevis, St Lucia, St Vincent and the Grenadines and Trinidad and Tobago, the majority of which are now independent states.
- 2 In the late 1980s the exchange rate was approximately J\$5.00 to US\$1.00. By 1992 it had reached J\$26.00 to US\$1.00.
- 3 A Goodwill and Fact-Finding Mission visited Guyana between 30 September and 5 October 1990. It was sponsored by the Caribbean Conference of Churches (CCC) and comprised economists, political scientists, international relations experts and theologians from the region.
- 4 By 1991 the official and street exchange rates had more or less equalized at G\$125.00 to US\$1.00. CARICOM, or the Caribbean Community, was formed in 1973 to foster trade and greater cooperation between the states in the English-speaking Caribbean.

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- 6 The West Indian Commission was set up by Caribbean governments to review and make recommendations regarding Caribbean development. It completed its task with the production of a report in 1992. The NGO movement commissioned a paper and held a consultation to critique the report.
- 7 Joan French is the current Coordinator of CPDC and a longstanding member of the women's movement in the region, having worked with both SISTREN (Jamaica) and CAFRA.

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