An Orthodox Economics Criticism from the Caribbean.


An Outline

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Subjects

I. Theoretical and Methodological Assumptions

II. Foundation of the Caribbean Intellectual Tradition. Caribbean Economic Thought

III. Caribbean Political Economy. From the End of World War II to Decolonization.

IV. How to express the Caribbean Political Economic theorization
I. Theoretical and Methodological Assumptions
...to interpret the History [of capitalism] from its borders in instead of its centre.

“Naturaleza del pos colonialismo: del eurocentrismo al global centrismo”

Fernando Coronill, 2003: 92
Caribbean
Cuba and BWI Commonalities
Central Basic ideas

• Outcomes of capitalism

• Cardinal Pieces in Atlantic World formation

• Societies Created by External Forces, “externally propelled”

• Exploitation Colonies

• Plantations Economies as Metropolitan Appendixes

• The Struggle to Become a Welfare Society for Their Population
Theoretical and Methodological Foundations

• Capitalism: A Global System
  Immanuel Wallerstein
  Samir Amin

• Capitalism: An Inequality System
  Dependency theory

• Colonial Typology: An Economy Which Created a Society
  Celso Furtado
  Lloyd Best

• Particularities of Social Structure
  Caribbean Sociology
  George Beckford
  Raymond Smith
  Edward Kamau Brathwaite
  Michael Smith

• Historical Epoch and Compulsory Up-dating
  Darcy Ribeiro

• Economic Thought Systematization
  Graciela Chailloux

• Economic Relations of Production PLUS Dependency
  Graciela Chailloux
Theoretical and Methodological Foundation (cont.)

- **Object of Study**
  reflections on economic production relations PLUS dependency relations in the subordinate capitalism

- **Imperative to create a specific method**

- **Historical context: periodization (global and local connections)**

- **Theoretical and methodological tools from north Atlantic thought:**
  Reception, recreation and creation in order to explain an anomalous situation.
  Knowledge on Economics: Universal economic doctrines: reception

- **Social sectors interests, *class***?

- **Caribbean Economic Thought: A theoretical contribution to capitalism comprehension from the dependency world**

  Universal Economic Thought (doctrine)
  Political Economic
Caribbean Economic Thought Main Components

• A perspective on capitalism created by the Caribbean itself

• The plantation economy: a capitalist economic structure

• Caribbean society: origin, diagnosis and socioeconomic development projects

• Inside and outside components

• Foundations of the Caribbean sociopolitical characteristics

• Focus on economic policy
From Caribbean Economic Thought to Caribbean Political Economy

• The thesis

The Cuban and BWI Economic Thought after World War II is an indigenous economic science [Political Economy] that reflects a dependency capitalist form in territories which were formerly exploited colonies by the plantation economic structure.

the decolonization process demands solution projects to overcome the plantation legacy so as to transform the whole Caribbean society in the economic, political and social scope.

• Cuba-BWI Economic Thought comparison guidelines that interconnect them

historical epoch – economic and social problems – social sectors interests
Caribbean Political Economy Object of Study

• How to reach socioeconomic development

• How to insert itself in the economic world system

• How to improve population welfare

• Which theoretical orientation to apply

• Elaboration of socioeconomic and development strategies
Caribbean Political Economy Main Contents

• The plantation economy legacy
• Peasantry and agriculture relevance in society
• Agriculture and/or Industrialization
• Impact of territory size on economic production units
• Factors that either improve or hinder the regional economic integration
• Transnational corporation impact on society
• Social structure
• Economy as social function
II. Foundation of the Caribbean Intellectual Tradition

Caribbean Economic Thought
The Caribbean people in the 1930’s were poor in general, in material things. They were not poor in spirit and self-confidence. Of that there can be absolutely no doubt.

Franklin W. Knight, 2005
“The Caribbean in the 1930s” in General History of the Caribbean, UNESCO
The Caribbean societies became increasingly linked economically, politically, intellectually and culturally in the 1930’s.

The 1930’s represented a crucial transition point from the old society to the modern Caribbean society.

During this decade workers and all lower social sectors broke into political scene.

In that period a leadership that represent the most wide popular interests emerged.

Agriculture alone could not provide solution for the economic harms.

The First intellectual Caribbean generation was born.

The intellectual regional tradition roots were settled.

They expressed the Caribbean soul with Caribbean voices.
The 1929-1933 crisis: *revolution* in the Caribbean

The USA neocolonial policy on Cuba

The British policy on its Caribbean colonies


Popular masses challenged the imperial power.

Nationalism: constitutions, political parties, tradeunionism

Marxism, Reformism

**Popular revolts a real revolutionary movements**
Metropolitan anti crisis plans

The U. S. A

A Three-year Economic Plan under the first Fulgencio Batista government, 1937

England

British Colonial Development and Welfare Funds, 1942
What can be done?
The general aims of the movement are to raise the economic and cultural standards of the masses, and to secure for them conditions of freedom and equality.

The 1929-1933 Crisis: *Intellectual Revolution in the Caribbean*

<table>
<thead>
<tr>
<th>Cuba Economic Thought</th>
<th>BWI Economic Thought</th>
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<tbody>
<tr>
<td>Ramiro Guerra</td>
<td>C. R. L. James</td>
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<tr>
<td>Rubén Martínez Villena,</td>
<td>Arthur Lewis</td>
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<td>Gustavo Gutiérrez</td>
<td>Eric Williams</td>
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Cuba – BWI Economic Thought Contents

- The awful effects of imperial dependence
- Mon exportation and poliimportation
- Low prices for export products and high tariffs in the international market
- Large landed state / latifundium
- Under industrialization
- Unemployment and underemployment
- Absent of internal market
- Monetary dependency (Henry Wallace, Felipe Pazos)

In short, the Caribbean situation is the result of external domination and the solution must be a deep economic transformation to do away with the masses poverty.
III. Towards the creation of a Caribbean Political Economy

From the End of World War II to Decolonization
International Context

• Cold War Confrontation

• How to plan and program development?

• Keynesianism / Neoliberalism / Marxism / Dependency theories

• Economic Transnationalization

• State Monopolist Capitalism
## Local Context

### Cuba

**Economic contraction**  
**structural permanent crisis**

- 1934: Reciprocity commercial treaty and sugar market quota.  
  In 1933 economic level, less than in 1925
  
- 1939-1945: Cuban contribution to USA participation in World War II: entire sugar crop’s sale at preferential prices  
  Cuba lost five hundred /500/ million dollars

- Cuban population vs sugar production  
  1925  3 million  5 million tons  
  1953  6 million  3.5 million tons

### BWI

**Economic contraction**  
**structural permanent crisis**

- Sugar production and exportation collapse
- Persistent poverty
- Labor emigration to cities and to developed countries
- Seasonal labor on sugar plantations
- Endemic unemployment and underemployment
- Appalling living conditions
- Per capita income declined dramatically
The Caribbean Political Economy in the 1950s

Political Economy for an Economic Policy

Theoretical foundations
   Keynesianism
   Neoclassicism
   Marxism
   Dependentism

INDUSTRIALIZATION
Institutionalization for the management of economy
The Caribbean Political Economy in the 1950s (Cont.)

Julián Alienes

Fundamental Characteristics of Cuban Economy, 1950
The first study of Cuban global economy
- Diversification: national production and exportation
- Public expenditure to compensate the sugar production stagnation
- Improvement of foreign investment by
  - Fiscal allowance
  - Restriction on trade union's conquests
- The investment multiplier would function IF the Cuban sugar quota is increased by the USA

Arthur Lewis

The Industrialization of the British West Indies, 1950
- Agricultural modernization: to improve productivity
- Strategy for specific industrialization vs industrialization by invitation
- To improve the foreign investment by “invitation”
  - Fiscal allowance
  - Restriction of trade union's conquests
- Integration
- Latin America as a new exportation destination
Other prospective solutions

Cuba

• Public expenditure plan, 1954-1957
• Moncada Program, 1953 and Economic Thesis for Development, 1957 (CEPAL)

BWI

• BIRF: *The Economic Development of Jamaica*, 1952
• *British West Indies Federation: integration*, 1958-1962
Stages for the Educational training program for economic science professionals

Cuba

1728
Havana University foundation

1818-1824
Economics course in SEAP

1842
Teaching of Political Economy at the Faculty of Law

1948
Villanueva University Faculty of Economics

1962
University System Reform Institute of Political Economy

BWI

1943
Eric Williams: The idea of a BWI University

1947
University College of the West Indies

1960
ISER

1962
The UBWI Faculty of Social Sciences, Economics course
Caribbean Political Economy

Forging an Political Economy for the socioeconomic development in the Caribbean in the 1960s

Independence and decolonization
International Context

Increase of economic transnationalization

East-West confrontation

Global institutionalization
Capitalism: BIRF, FMI, NATO
Socialism: COMECOM, Warsaw Pact

A new historical epoch
Africa, Asia and Latin America decolonization and national liberation movements
## Regional Context

### Cuba

**Background**
- Anticolonial wars, XIX Century
- Antimperialism, 1930-1934
- Economic policy disaster in the 1950s: Anti dictatorial struggle 1953-1958
- The U. S. A. confrontation with the Cuban Revolution
- From national capitalism to socialism

### BWI

**Background**
- Slavery abolition by metropolitan policy
- Social revolution demands metropolitan policy reforms
- Economic policy disaster in the 1950s
- Federation collapse, 1962
- Independence process in the Commonwealth nations
What and how can and must be done to create an independent nation?

Socioeconomic Development a governmental responsibility
# Economic strategies

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<td>Political independence: social justice</td>
<td>Political decolonization</td>
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<td>Economic policy practice preeminence over economic theorization</td>
<td>Theoretical economic reflection over economic policy and social change</td>
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<td>Economic institutionalization</td>
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<td>Leftist nationalism</td>
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  *Che Guevara* |
| CEPAL influence: ISI |  |
### Economic strategies (cont.)

**Cuba**
- Economic policy to rescue the national economy and improve popular living conditions
  - Agrarian Reform
  - Industrial Nationalization
  - Free universal education and health services
  - Tariffs free reduction on electricity and house rentals
  - Foreign trade control

- Agricultural diversification and industrialization: 1960-63

- Import-substituting industrialization (ISI)
  - USA blockade
  - URSS relationship

**BWI**
- Economic policy: public expenditure
  - *Industrialization by invitation*

- Trends exportation change
  - Bauxite Oil

- New economic sector
  - Tourism
  - Migration and remittance

- Foreign loans
  - To get into debt
This Cuban experiment name is not fundamental.... We would outline calling it left nationalism... the essential is the will-power to resolve the problems having as the only unique goal the popular masses needs satisfaction.

Ernesto Che Guevara
Press interview
Bohemia, Year 51, Number 5, 31th January, 1960
Socialist Cuban Option, 1961

• On Political Economy debate:
  – How to conduct the economy?
  – How to construct socialism in a small underdeveloped country?

• Economic Calculus System
  – Reception of the European socialist practice experience

• Budget Self-Financing System
  – Creation a model indigenous to economic management
Cuban Theoretical Debate, 1963-1965

Self-financing Budget System  Economic Calculus System

Differences on

Enterprise
Money
Bank
Incentives
Labor Theory of Value
Prices
...making a historic specific interpretation of the society. Its focus on the plantation system and its historical legacy for subsequent formalization of a theory of Caribbean society.

George Beckford
“The Struggle for a Relevant Political Economy”
Social and Economic Studies, no. 33, no. 1, 1984
Policy economic strategy

• Jamaica

The 1963-1973, “independence” Plan
External due
BWI Independence / decolonization

• Creating an Political Economy for Creating a Nation
  – What is our society?
    – The diagnosis: Economic Plantation Theory
  – What can and must be done to create an independent nation?
    – From political decolonization to economic decolonization
    – Elimination of the plantation legacy
    – Recovered of the Caribbean integration: CARISFTA, CARICOM
The Economic Thought Prominence: Faculty of Social Science / New World Group 1960-1970

Improving the educational sector
Structuring a new university for the new society: ISER

Claiming for an knowledge *indianization* Beginning the *West Indianization* UWI’s senate
Characterizing the regional economy as a colonial outcome

- Foreign investment domination
- Political alignment with north Atlantic power
- Private sector over public sector
- Land property monopolization
- Ethnics minorities economic control
Establishment of a base-line to tailor the discipline to Caribbean specifications.

The stage for unending struggles for a relevant Social Sciences: Political Economy, History, Demography, Arts.
Plantation Economy Theory

THE PLANTATION ECONOMIC THEORY
Scientific Reception, recreation and creation
- Latin-American Structuralism
- Le Historie raisonné
- Firm theory, Marshall
- National income, Keynes

Main directions
- Intellectual Independence
- The economy creates the society
- Territory Size and Development Options
- Study of Plantations and Corporations (main structures)
- Study of Former BWI Countries

Criticism on some Social Sciences categories
- Economic Development
- Western civilization
- Political Economy NO, Political Economy
- Marxism
- Poverty as a social scientific category
Plantation Economy Theory main contributions

- Identification of the main features in the Caribbean economy dynamics
- The plantation impact on the regional socioeconomic structure
- The political independence as a prerequisite to overcome chronic regional socioeconomic underdevelopment.

Dennis Pantin, 2005
The Caribbean Economy. A Reader
p. xiv
IV. Caribbean Political Economy

- A conceptual outline
- A proposal for a logical expression of the Caribbean Political Economy
  - How to express the Caribbean Economic Policy
Creation must stop to be considered a scandal; it must organize itself as a risky and fertile necessity.

Edouard Glissant, 2005 El discurso antillano, p. 69
The Political Economy for the socioeconomic Caribbean transformation

• Theory and methodology to create a category and conceptual system specifically for the Caribbean
  – Karl Marx on capital accumulation and colonization theory (The Capital chapters XXIV y XXV) and social change theory.
  – Contributions on capitalism comprehension from the periphery (Celso Furtado, Amir Samin, Immanuel Wallerstein, Darcy Ribeiro, Latin America economic thought)
  – Cuba and BWI economic thought
  – Cuban and BWI economic practice after World War II
  – Cuban and New World Group theorizations
Points to be taken into account to systematized Caribbean Political Economy

The Caribbean Economic Thought is the result of
Selective approach to North Atlantic Political Economy
To explain the regional reality from a new perspective

The focus on socioeconomic solutions
Relevant attention on sociopolitical analysis

Multidimensional analysis on relations of production
National and international dimensions
Participation in international economic relations analysis
The open character of the Caribbean economy

Caribbean Political Economy: an intellectual and practical process in evolution

In the globalization historical epoch, capitalism theory should take into account what happens in capitalist periphery.

For Caribbean Political Economy the is compulsory to carry out an inter and multidisciplinary regional enquiry.
Logical and Methodological Expository Suggestion

• Capital cycle
• Accumulation and reproduction capital process
• Caribbean specifications of the economic reproduction process
• Caribbean theory of earning: decreasing tendency and distribution
• Land rent
• Economic crisis
• Fundamental economic characteristics of international relations system and social change regionalism and globalization