

**Masking the Experience of Development with
Class and Ethnicity: Hindrance or Enabler of
Development.**

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Introduction

This paper looks at the influence of class and ethnicity in the process of globalization and development in Trinidad and Tobago. It uses the concept of the moral economy and embeddedness to understand some of the dislocations and inherent contradictions experienced in the society when it comes to issues of development. Development as conceived and implemented in the Caribbean has some inherent, uncontested contradictions that are at the root of many of the problems the region faces. The major actor in the developmental process is the state; however the state and the political process in the region were created for exploitation of the local economy for the benefit of the European colonial masters. Despite some reform, the nature of the political process in the Caribbean has not changed fundamentally. This problem becomes compounded when the contestation for political power becomes organized along ethnic lines. During the decolonization process elites sought to find a common ideology around which to rally and create the nation state. In plural societies, where political parties are organized around ethnic lines, the organizing ideology of the nation state in the form of nationalism, generally reflects the dominance of one ethnic group. However, when political parties are organized around lines of ethnicity they forge patron-client relations to control state power. Development then, is not interpreted or experienced in uniform ways as policy planners intend. This paper explores the impact of class and ethnicity on how a plural society experiences the process of development. The major contention is

that how different groups experience the development process is determined by the ethics of the moral economy. Different groups experience the development process differently. Some may support and assimilate into aspects of the dominant culture while others may resist the process. In plural societies that resistance takes on an ethnic dimension, and this ethnic response can be a significant obstacle to human development and systematic transformation in the society. The first part of the paper focuses on the concept of the moral economy and embeddedness. The second part of the paper looks at the concept of development, the role of the state in that process, and the relationship between the state development and the moral economy. The third part of the paper then looks at the development process in Trinidad and Tobago highlighting the fact that though policy makers approach it as a value neutral process it is in fact loaded with assumptions about ethnicity and class and is in fact experienced by, and reacted to, by the citizens using those lenses.

The Moral Economy

There is a tendency by those who wholeheartedly support neo-liberal capitalism to assume that markets are the be all and end all of the development process. The contemporary manifestations of capitalism, what we all refer to as globalization, is really the continued development of the process of capitalist development, which began in Europe and is now dominated by the United States. Berman (2006:2) notes, “modernity and its cultural and institutional expressions in scientific rationality, capitalism, and the nation state have engulfed the world in increasingly intense waves of expansion from its Western European origins”.

With the fall of the Berlin Wall and the triumph of western capitalist ideas, many have argued that underdeveloped free market systems are the cause of underdevelopment. To set in train the process of development then, one had to establish the conditions for free markets. This was indeed the position taken by the major architects of the development process for most of the developing world. They needed to get the state out of economic activities and allow the private sector to set the pace. The World Bank outlined its policy as follows: “the role of the state is to reflect a greater preoccupation with the creation of an enabling environment for development, larger responsibilities for the private sector, a reduction in direct government involvement in production and commercial activity, and the devolution of power from the center to lower levels of government....only governments can provide two sorts of public goods: rules to make markets work efficiently and corrective interventions where there are market failures... With respect to rules, without the institutions and the supportive framework of the state to create and enforce rules, (and) to establish property rights, production and investment will be deterred and development hindered” (World Bank 92:5-6).

The concept of the moral economy takes the opposite view, however. Rather than assuming that some notion of the market is what governs economic transactions instead it argues that these transactions are embedded in a cultural environment. “It is now commonplace to note the influence of rules, habits, norms, conventions and values on economic practices and institutions and to note how these vary across different societies. Economic processes, and even capitalist ones, are seen as socially embedded in various ways. There is no “normal capitalism”, only different varieties, distinguished partly according to their cultural legacies and forms of embedding.... If culture is taken to refer

to signifying practices, then economic practices can be seen in terms of what they signify as well as materially, and as culturally embedded. (Sayer 2004 :1)

The concept of embeddness can be traced back to Karl Polanyi's work *The Great Transformation* (1954). Polanyi disagreed with this notion that markets are autonomous as neo-liberal theorists assume. He looks at the interaction of the state and markets in what he calls the "double movement". The later involves "a deliberate, politically engineered disembedding of the market from other social institutions of state regulation in order to create freely fluctuating factor markets for land, money, and labor; and...a spontaneous reaction to protect nature and humanity from the destructive ravages of a free market. The self-regulating market, he noted, was a utopian dogma of secular salvation pursued with religious zeal by market liberals, the apostles of "laissez-faire", (Polanyi as quoted in Berman 2006:3). This double movement is evident by the fact that on one hand the state implements policies to free up the market while at the same time implementing policies that can counter the ravages of the market on social life.

Polanyi began with the premise that human economies, with the exception of modern time had always been rooted in social relations. Berman summarizes Polanyi's position in the following way "Human economies are as a rule submerged in social relations, and people acted not to safeguard their individual interest in the possession of material goods, but to safeguard their social standing, social claims, and social assets. Material goods were valued only insofar as they served these ends. The economic system was, therefore, a function of social organization in societies that were generally neither egalitarian nor democratic, but in which production and distribution were allocated according to principles of reciprocity and redistribution within the social hierarchy.

Concentration of political power and material wealth among elites was legitimized by redistribution to meet the needs of material and social security within the community. Each human community has a moral economy: that is, the relations of law and custom defining the reciprocal obligations of elites and common people and governing the production, distribution, and redistribution of the material means of existence”, (Berman 2006:3).

One dimension of this relationship however maybe overemphasized where the cultural determines the economic, or where element of human action to make society work is negated. “It would be naïve to imagine that market forces or the law of value were so embedded in other social relationships that they were entirely subordinate to them- which would make a nonsense of the creative destruction of capitalism; on the other hand we have to remember that (fortunately) they can be counted by intentional action. Such a formulation allows us to acknowledge the power of market forces without implying that they are any less social than other processes, or that they are social in the same way”, (Sawyer 2004:3).

The use of the term moral may raise some concerns in that it may be equated with the notion rightness and correctness. Instead it is tied to ethics and morality. Drawing from the works of Sawyer again “They concern norms (formal and informal), values and dispossessions regarding behavior that affects others, they imply some conceptions of the good. As social beings, we can scarcely engage in social interaction or relations without making moral decisions, through much of the time these are made “on automatic” through having ethical dispositions and an ethical “feel for the game”, which becomes part of our habitus. To be sure, in practice, behavior also tends to be based on various

mixtures of convention and habit (including ethical habits and conventions), discursive constructions, and pursuit of interests and power, but the moral dimension is pervasive, indeed power often depends on actors having moral commitments... We do not treat others in a certain way simply because there are norms dictating that we should and because we fear sanctions if we do not. We also usually behave in a certain way regardless of whether there are penalties for not doing so, because we feel that it is right or conducive to well-being, and because to do otherwise would cause some harm to people”, Sawyer 2004:3-4).

A final word on the concept of embeddedness. This is not an argument for cultural determinism. The fact is that whereas economic practice is embedded in cultural practice, the outcome of economic practice in turn influences the cultura. It is a dialectical relationship. As such it can be a process of embedding and disembedding at the same time. In the final analysis then the moral economy is “the study of how economic activities of all kinds are influenced and structured by moral dispositions and norms, and how those norms may be compromised, overridden or reinforced by economic pressures”, (Sawyer 2004:2).

Class, Ethnicity, The Development Process and the State

There is serious debate surrounding the relationship between ethnicity, class and development. There has also been debate as to whether race and ethnicity is the appropriate term to use. Regardless of what we want to call them, the common denominator is that they can both be used as historical social markers to distribute valued resources in the society. The arrangement of racial categories into a hierarchy is an intensely social task. Race is tied to identity not only by those in society, but also by the

individual; as such it incorporates dimensions of cultural and social constructions. It also involves human belief, which is not always based on objective criteria.

Ethnicity however can be used to subsume race, particularly in the colonial context. “Since ethnicity more than race speaks to the socially constituted nature of identifications, it can stand as an overarching framework within which race relations are situated” (Munasinghe (2001: 13). This is particularly important since certain objective physical criteria can take on different meanings given the social context. Three criteria allow groups to self identify and act: phylogeny, color and ancestral origin. Commenting on Trinidad, Munasinghe notes the following “Here groups are demarked on the basis of phylogeny (the evolution of a genetically related group as distinguished from the development of the individual), color (the continuum between black and white), and ancestral origin (European, Africans and East Indians). The allocation of these terms for the respective groups is uneven (in Trinidad and Tobago) however. Afro Trinidadians are designated by all three terms; phylogenetic term *Negro*, a color term *Black*; and an ancestral term *African*. White Trinidadians are designated by two terms: a color term *White*; and an ancestral term, *European*. East Indians are designated by only an ancestral term, *East Indian*” (Segal 1993 as used by Munasinghe (2001: 13).

Concerns about social class can be dismissed as a throwback to an old paradigm, or as a temporary ill which will disappear as the benefits of globalization spread. There is, however, enough evidence to know that there are winners and losers in the process of globalization, and one of the best ways to look at the winners and losers is in class terms. Every society is involved in the production and distribution of goods and services. This is done within the context of highly stratified social relations across international

boundaries. “In short, globalized production is increasingly socialized, but corporate decisions are narrowly bureaucratic and authoritarian. Moreover, the benefits and profits from such social production are unevenly distributed among social groups and individuals,” (Artz 2003:13).

Viewed in light of the works of Therbon (1993), social class can be viewed as a group of persons who relate to production in similar ways and share a common position in the social relations of production. This however does not mean that all will share the same consciousness. Rather they set the boundaries around which social relations are constructed and played out. Artz (2003) drawing on Bourdieu (1987) suggests that class only sets the stage for possible social interaction, “one cannot group anyone with anyone while ignoring the fundamental differences particularly economic and cultural ones. But this never excludes the possibility of organizing agents in accordance with other principles of divisions. Other conditions, identities, and experiences such as gender, race, ideology, culture and institutional action shape the actual political formation of classes. Class structure only provides the context for other social processes- including hegemony, because material and political resources available for winning allies and building consent depends on the structure and practices organizing each society,” (Artz 2003:14).

Development can be viewed as the process of modernity that began with the expansion of Europe into the “Other World”. Development was the project to incorporate the “Other World” into the sphere of influence of Europe. Modernity was brought to the “Other World” through the project of colonialism. Development as conceived and implemented during the period of colonialism had as its major goals the conquering of other societies physically and culturally and appropriating resources for the development

not of the conquered but for the conquering society. Over time through the process of depoliticization some dimensions of the development process have assumed normalcy which tend to mask the inbuilt exploitative tendencies. Development then, is presented not as a disrupting exploitative process but rather one that was oriented to make those experiencing the process “better”. Even under slavery, it was argued enslavement was performing a good for the dark heathens and savages. “While it likes to present itself as philanthropy, the implication of development in global power relations is beyond question. Its present form was forged in the era of the Cold War and it has continued to serve as an occasionally recalcitrant handmaiden of global capitalism thereafter. If diplomacy can be seen as the continuation of war by other means, so can development. The subordination of ‘developing nations’ implicit in the imposition, for example, of externally designed structural adjustment policies is difficult to deny. But to see the power of development only in the brute force of domination is seriously to underestimate its effectiveness. On the contrary the effectiveness of development’s power lies in its capacity to enlist others to its own agenda so that they want what it claims to offer. While modernization theory guaranteed the continued intervention of the North in the South therefore, it also provided a symbolism of nationhood....having a development planning commission constituted a kind of signature for newly independent ex-colonial states”, (White 2002: 410).

On the other hand this does not mean that many of the dimensions of development, particularly in the form of contemporary capitalism or globalization, are not contested. In fact in many instances development does attempt to address issues of poverty and to improve the human condition but over time the development process itself

begins to influence those that seek to use it to do good. As such, those that are agents of this process can also be staunch critics of the very same process they are working within. Since many hardly question some of the historical and underlying assumptions the process itself becomes a contradiction.

White(2002) drawing on Mudinbe (1988) draws the parallel between colonialism and development. Firstly, both involve the territorial expansion and domination of physical space. It involves material transformation. “First and foremost, development is a transformative practice. It is about the construction of roads, or hydroelectric and irrigation projects, of mines and oilfields, of schools, hospitals and factories. It is also about the construction of means to achieve these: bureaucracies, corporations, businesses and non-governmental organizations. It is about, in and through these means, the extension and greater integration of markets and state structures, the extraction of raw materials, the expansion of science and technology, environmental degradation, the movement of populations and the transformation of the means of production”, (White 2002:412).

The second similarity between colonialism and development is the “techniques of transformation, the institutions, techniques and processes by which change is to be brought about, of which the central symbol and tool is the development plan. The conceit that this apparatus is ‘merely technical’ is a powerful constitution myth of development”, (White 2002:412). The final similarity is the removal of the developing society from its original narrative and its incorporation into the master narrative of the dominant society. As such we “do not simply describe the world, but selectively highlight some aspects and exclude others, as they reorder and represent the world in the form of individual items of

data which can be collated and compared.Far from being neutral, these processes both embody a particular understanding of the way the world is, and actively constitute the world in their own image”, (White 2002:412).

Berman (2006) suggests that the process of development or modernity contains four essential elements: first the use of rationality to control and change the world “a world understood as the contingent outcome of scientific laws in which instrumental rationality permitted purposive intervention to control nature and society”, (Berman 2006:3), today we call it efficiency; Secondly “the transformation of conceptions of time and space, of human behavior and society itself, from the concrete to the ever more abstract and beyond the range of direct human experience, but open to deliberate manipulation” (Berman 2006:3); Thirdly “the understanding of probability and risk in a contingent world” (Berman 2006:3); and finally “the transformation of social trust from personal and concrete to abstract and universal” (Berman 2006:4).

The major player that organizes, promotes and enforces these changes is one of the instruments that modernity produces itself- the modern state, and trust is the major element in its functioning. In this context it has at its disposal coercion, or moral persuasion. The state is also the mechanism through which societal power is wielded and also the mechanism used to distribute valued resources in the society. The nation state and the process of modernity however were brought into the “Other World” and the Caribbean through force imposition. The colonial state brought with it clientalist tendencies. Post-colonialist development did not fundamentally change the role and nature of the state and the political process in the Caribbean. Given the development of the region, local cleavages were used as the boundaries for the development and

organization of political parties. In Caribbean societies ethnicity and class were important fissures in the society that were used as organizing principles to contest for state power and to distribute resources in the society. Colonialist states were in many instances weak and they maintained power by recruiting local sympathizers, who were rewarded with clientelistic access to state resources. In the context of democracy, political parties therefore developed patron/client relationships with their supporters to gain access to the resources of modernity or development. Indeed, though writing in the context of Africa (but can be applied across the post colonial) world Berman notes “the networks of clientelism remained the principal mode of linkage to the postcolonial state, providing access to its diverse resources and protection from its erratic and unpredictable power to harm. The state remained an alien entity, both a threat and an opportunity, the focus of an amoral contest for its resources among competing ethnic networks...The state is a conglomeration of agencies and offices to be captured and manipulated, beneath the façade of the official ‘development’ ideology for individual and communal benefit”, (Berman 2006:10).

In the final analysis the nature of the development process has some uncontested contradictions that result in the perpetuation of some of the very underlying problems that it is attempting to address. Ethnicity and development are of particular concern in this respect, since the political process is imperative when it comes to development. Ethnicity in the final analysis is political since it is used to distribute valued resources in the society. Indeed the notion of the racial project becomes important. “Racial formation arises through a vast web of diverse, historically situated “racial projects” which link the imaginary of race to the institutional and organizational forms through which it is

embedded in social structure....The notions of racial projects brings together systems of meaning with the allocation of entitlement, as does development. What that meaning is, and who benefits from the entitlement it confers, is an open question” (White 2002: 416). Racial or ethnic projects are not inherently racist however if when they reproduce the structures of domination then they becomes racist.

Class and gender concerns are also embedded in the development project in the same way and the outcome of the entitlements is open. The development project is neither color blind, nor gender neutral nor devoid of class considerations. Moreover there is a tendency to look at these dimensions as analytically distinct. In reality they operate as a composite whole. “Race class and gender are not inhabited as distinct but as composite identities, in which different aspects are experienced simultaneously and the tensions within and between them feel internal” (White 2002:417)

Development in Trinidad and Tobago

The process of modernity was imposed on the Caribbean geopolitical space. The arrival of the Spaniard meant a radical transformation for the indigenous people. Development was experienced first through indigenous enslavement, then the enslavement of Africans. In the case of Trinidad and Tobago, after emancipation in 1834 it meant importing labor through Indian indentureship to fulfill the needs of labor. The modernity as practiced through colonialism was aimed at harnessing the resources of the colony for the benefit of the mother country. Labor was harnessed to suit the needs of capital, and ethnicity was an important dimension of this process. Racist ideologies were used to justify the enslavement of Africans brought to the colony to produce for European

needs. Development was never to benefit anyone within Trinidad and Tobago but to benefit Europe.

Trinidad and Tobago, since it was one of the later islands to be fully colonized, had imposed on it a crown colony system. This was a system of more direct English rule that cut out even the white planter elites. The Legislative Council consisted of appointed officials and a Governor; the former had no say in financial matters, and the latter had on the spot authority. Call for reform to reflect more local autonomy was made for by the colored professionals (the majority who were of French descent) and English merchants. “They objected strongly to the stranglehold which British officialdom had over the colony’s revenues and economic programming, and to the fact that the entire political and legal structure of the colony seemed to be geared to the service of the needs of absentee sugar interest rather than to the interest of the colony on the whole” (Ryan 72:26).

Development up to the 1940s was developed and implemented from the colonial office in England and its primary focus was the production of primary goods for the English economy.

The economic crisis of the 1920s and 30s resulted in widespread social upheavals in the late 1930s. Following the 1937 labor riots and the Moyne Commission Report, universal suffrage was granted in 1946. The elections of 1950 exposed the weakness of the process in that the Butler Party won the most elected seats in the local legislature. Their aim was to “revolutionize the distribution of political and economic power in Trinidad and Tobago”, (Ryan 72:89). Butler’s party won the single largest block of seats—six. Two other political parties won two seats each and the other six seats went to independents. Butler’s position was further enhanced when two elected members joined

his party. The governor and the colonial authorities however were very concerned about the radical orientation of the Butler Party, and it was no surprise when none of the elected members of the Butler party was asked to be on the Executive Council.

Organized party politics came in earnest with Eric Williams and the Peoples National Movement. This resulted in the establishment of political parties along ethnic lines, and therefore the contestation for state power also took on ethnic dimensions

The academic training of Eric Williams gave him a very keen sense of racial injustice and imperialism. However Williams did not contest all of the assumptions of development as proposed by the West. As such some of the policies resulted in the further entrenchment of some of the very forces at the root of underdevelopment. “The root cause of our difficulties today is as much economic as the difficulties of previous centuries. One group is trying to dominate, everyone is struggling for a greater share of a small cake. The solution is very simple unless our community is to tear itself apart-increase the size of the cake and respect the rights of others” (Williams 1955:34). How did the government go about doing this? It implemented a program of Industrialization by Invitation. Using the directives of Arthur Lewis the government argued that the capitalist sector was underdeveloped and that the major asset of the region is its unlimited supply of labor. To develop then, one had to move people away from the agricultural sector and develop the capitalist sector. There were 3 obstacles: limited capital, knowledge of markets and entrepreneurship. It was proposed that the state give generous incentives to foreign capital in order to fill these gaps. The 1958 Development Plan sought to create the conditions necessary to allow the private sector in collaboration with foreign capital to take the lead in creating the larger cake which it was hoped would reach the broad masses

of the people. “What the Government has to do is to create a framework which is favorable for investment, and to try to persuade as many persons as possible, home and overseas to create new opportunities (Trinidad and Tobago Government 1958:4).

It is ironic that the development plan that was implemented worked to the benefit of the same class that Williams was attacking. “Williams accused the French Creoles [whites] of seeking to mount an economic counter-revolution. They are trying to get their blasted hands back on our throats and we, the PNM, have moved them”, (Ryan 1991:61). Those with capital were encouraged to get into partnerships with foreign capital to grow the pie. Given the colonial legacy of capital being in the hands of a white colonial elite, it is no surprise that this process, instead of reducing the inequality that it was intended to address, allowed the local elites to consolidate and further entrench their position of power and privilege in the society. Susan Craig comments “the strategy implied that the state became an active collaborator with foreign and local firms- active in providing infrastructure for industrialization and ensuring generous incentives and political stability, while sacrificing economic and political independence” (Craig 1982:398).

The failure of the development process to factor in class, ethnic and gender considerations is evident in the outcomes. White economic elites further entrenched their positions, few new jobs were created and the few jobs that were created were intended for men and not women. The failure of the development plan resulted in the Black Power uprising of 1970.

Given the societal upheavals in the early 1970s, the state shifted its approach from a facilitator of economic growth to an active participant. The state became a direct actor through ownership of state enterprises. The Government’s White Paper on Public

Participation outlined the three major thrusts of this approach: a. accelerate the transfer of control from foreign to local centers of decision making; b. encourage or support new local industry and c. save jobs in industry which with the nationalization of their operations would be made viable (Trinidad and Tobago Government 1976:4). The government became an active economic actor and the largest single employer in the society.

There was also another shift in Government's policy in that it began to articulate a policy to encourage and facilitate direct participation in business by the two major ethnic groups. The Peoples Charter Revisited states: "In light of the historical and sociological factors influencing the attitude of people of African descent, and in light of the many economic and social liabilities affecting numerous underprivileged people of Indian descent (particularly in rural areas) it seems necessary for us in Trinidad and Tobago to evolve and implement a new concept in our organization of the 'Peoples Sector' consisting of small scale agriculture, small scale industry, handicraft, small service activities, as well as distribution and transport, small hotels and guest houses, credit unions and trade union enterprises. The Cooperative would be promoted as a basis for organizing their activities, but the People's Sector will include activities organized on an individual family or small partnership basis" (People's National Movement 1970:24).

The government was blessed with a significant influx of revenue due to an increase in oil prices in the early 1970s and it used this increased revenue to implement its projects. To achieve the above stated outcome the state nationalized the two major industries in the society: petroleum and sugar. It also developed an industrial site at Point Lisas using petroleum that was supposed turn the tables to allow an ex-colony to

manufacture goods that were once reserved for the industrialized countries. It was to be a radical reordering of the colonial relationship. By 1988 the state was the sole shareholder of some 34 companies and had a stake in some 52 others. Avenues were opened up outside of areas where the traditional elites controlled the process. The state set up financial institutions that intended to provide start up capital for small business from the Small Business Development Corporation and capital for the larger businesses from the Industrial Development Corporation. The state also invested heavily in education expansion at all levels and expanded the central government employment activities in the government civil service.

Again this development plan did not question some of the underlying assumptions of such a development plan nor take into account some of the historical realities of the society. In the first place, since the party in power was seen as an African party and given the historical legacy where work in the public sector was seen as the purview of persons of African descent while the private and agricultural sector was the purview of persons of Indian descent, it is no accident that the expansion of jobs in the public sector was seen by Indo Trinidadians as an Afro Trinidadian government creating jobs for persons of African descent. Indeed a parliamentarian by the name Trevor Sudama argued that the expansion of the state sector and state ownership had been to the benefit of persons of non Indian descent. For him “what was beyond dispute is [that] from time immemorial Indian[s] had little or no influence in areas of the economy dominated by state enterprises and statutory bodies” (Trinidad Express 9th April 1991). In another article he argued that this myth of Indian domination in the business sector was “deliberately nurtured and consciously purveyed by the ruling class of this country to cloud and obfuscate the

fundamental economic and political issues which confront the vast majority of our citizens who comprise the two major races in this country (Trinidad Express April 30th 1991).

On the other hand research conducted by Ryan (1991) on employment practices in the public sector argued the opposite. Looking at the numbers of persons employed across various sections of the public service he concluded the figures “suggest that quite apart from what might be the case in the Central Civil Service, the Protective Service and some utilities, Indians were not, and are not now discriminated against in terms of employment in the public sector as a whole. The figures in part suggest that Indians and non Indians are distributed numerically in similar proportions to that which they occupy in the society as a whole”, (Ryan 1991:70). It is ironic that while both persons are investigating the same phenomenon and ethnicity was the major lens through which they were viewing the process yet they derived different conclusions. That logic is understandable; since the political process was organized around ethnicity then it must be that those who benefit most from the development policies are the supporters of those who control the state, but is this correct?

Despite the explosion of funds made available to the state and the policy of expanding the opportunity structure to enter business for both ethnic groups, only one ethnic group Indo Trinidadians, seemed to benefit most from the expansion of opportunity. Again this was an inevitable outcome, since the development policy did not factor in some uncontested assumptions in expanding the opportunity structure. However, expanding the opportunity structure without factoring in a host of other variables that would facilitate ones ability to take advantage of the opportunities, and without

recognizing that those opportunities were rooted in the historical realities of the society, also led to the failure of uplifting both ethnic groups into the ranks of the entrepreneurial class large or small. Because of a number of factors: including opportunities to own land during the colonial period, the establishment of small family owned private business, and the family structure which was conducive to accumulating capital and provide unpaid labor, the Indo Trinidadian population was in a much better position to take advantage of the economic opportunities that became available in the 1970s and 80s. In fact in a survey conducted by the Institute of Economic and Social Studies in 1990 on businesses that employed 5 persons or more found that some 43% of the businesses were owned/operated by persons of Indian descent (Ramsaran 1993:19). The experience on the part of Afro Trinidadians was not the same. “The petroleum driven boom years 1974-82 saw many of them (referring to Afro Trinidadian business persons) prospering, and it appeared that some might make significant breakthroughs and become established in the world of trade and commerce and give economic meaning to the concept of black power. The windfall gains were not sustained, however, blacks remain on the periphery of the business world. The downturn in the economy in the 1986-1992 period resulted in a dramatic collapse of many of these firms. Several have been put into receivership. Most of which remain in business are struggling to survive and show little sign of real growth. The downward spiral might prove difficult to reverse”, (Ryan et al 92:201)

The collapse of oil prices in the early 1980s again caused a shift in developmental focus. The reduction in revenues and serious balance of payments problems resulted in currency devaluation. The PNM was removed from power for the first time in 1986, and the new NAR government embraced a new developmental policy. The government

implemented a full scale structural adjustment policy and embraced the development model promoted by those in the Washington Consensus. This involved putting the private sector in charge of the development process and letting neo-liberal economic policies. i.e. market forces, determine factor allocation. The state had to remove itself from the economic activities. The changing role of the government in the society included reducing government spending on wages and reforming public enterprise as well as the regime that governed direct foreign investment and a shift away from protectionism towards liberalization (Ramsaran 2004: 119). To cut its wage bill it reduced the salaries of state employees by 15% and suspended all cost of living allowances. It also sought to eliminate import tariffs and foreign exchange controls as well as to remove a number of indirect taxes replacing with a 15% value added tax at the point of sale. This remains the general philosophy that the state has used to inform its development policies, regardless of which political party has been in power, throughout the 80s, 90s and beyond.

The political coalition that was the NAR fractured in 1988; the Indo Trinidadian leaders lead by Basdeo Panday left and reconstituted and Indo Trinidadian party once more. The implementation of the neo-liberal paradigm, based on private sector growth, involved a lot of pain and suffering. The political system operates on the premise of organized ethnicity with class considerations embedding itself within the process. The NAR was a collation of Indian and African, leaders however with their resounding victory the Indian elements in the government felt that despite the fact that they were instrumental in the removal of the PNM from power they were not allowed to make decisions.

The PNM returned to power in 1991 and continued the policies that were implemented under the NAR. The traditional inhabitants of state power, with the support of its traditional base, had returned to power. Demographic changes, along with the perception of mismanagement under the PNM, allowed the UNC, in collaboration with a party that represented Tobago to form the government in 1995. The development policy trust remained the same under the UNC deepening the process of private sector development. Out of the process of diversification, by 1993 the government had raised approximately \$1.36b (TT). By 2005 foreigners owned approximately \$8.6 b US in assets more than was owned by locals (Trinidad Guardian “More T&T Assets Owned by Foreigners” www.trinidadguardian.co.tt/busstory2.html accessed December 5 2002).

Again the underlying contradictions of ethnicity and class embedded in the development process emerged. Lay normativity held that Indians dominated the private sector, and Afro Trinidadians controlled the state sector, maintaining some sort of equilibrium. With an Indo Trinidadian political party controlling the state it was perceived that it would lead to complete domination of both the economic and political sectors. One calypsonian suggested that “Black man yuh look for that”. Further since the policy of the state was to further deepen the process of private sector led development, and lay normativity suggested that Indo Trinidadians controlled the private sector, it was felt then that with the state would the Indo Trinidadian business sector to “suck the country dry”. Corruption was cited by popular culture as a major problem for the government and ethnicity inevitably became the lens through which the discontent was articulate. Corruption was said to be the cause of the cost overruns in constructing the new international airport. The public symbol around which disdain was expressed was

Ishwar Galbaransingh (a businessman of Indian descent). A popular calypsonian using the “Indian” imagery used Ishwar as the poster child to castigate corruption in society. However there was little discussion as to whether this was an issue where the business elite as a whole was involved in corrupt practices. When charges were laid against a group of businessmen who were involved in the airport project, not only Indo Trinidadian business persons were arrested but also persons of Chinese, Mixed and African descent. Along with those business persons, the former Prime Minister and his wife were charged and convicted for not complying with the Integrity Act when they did not declare some millions of dollars in a UK bank account.

When the PNM returned to power in 2000/2001, though they continued with the process of deepening the involvement of the local economy with international capital, they also began to “deepen the double movement”. They began to use some of the revenues from natural gas to implement some populist policies. This was necessary since one of the inherent contradictions of neo-liberal development is the increasing growth in the economy yet increasing poverty and inequality within the society. Most recently, the government of Trinidad and Tobago has resorted to some populist policies to address some of these issues of inequality. They include increased old age pensions, increased minimum wage, increase in salary for public workers, increased spending on public housing and an increase in spending on make work schemes to absorb those worse off in the society. Many of these policies, however, are seen as an attempt to continue the failed policies of the 1970s and to use state funds for political largesse. I would deal with three developmental issues and demonstrate how some of the inherent contradictions emerge.

The PNM is perceived to be a party that represents the interest of the Afro Trinidadian segment of the population. Yet Afro Trinidadians experiences some of the highest rates of inequality in the society. Indeed one of those intense contradictions is that despite growth there is increasing inequality. With increased inflation and the demand for higher wages by all sectors of workers the government is faced with serious problems in keeping the situation in hand. One critique which was articulated using ethnicity however the intent was to focus on economic and class issues came to the public forefront recently. Jennifer Primus Baptiste, President General of the Public Servants Union, in a Labor Day Rally speech, unleashed an attack on the Syrian Trinidadian community, members of which are some of the key players among the economic elite. She also led a direct attack against the Minister of Health John Raheal who happens to be of Syrian descent. “Are you aware that the pharmaceutical services in San Fernando Hospital close down? Why? Because the Minister of Health is a Syrian and a saying this without fear or favor, ah doh care about none ah dem, the Syrian and dem feel they rule this town. This is our town, let take back our town” (Trinidad Express August 8th 2005). At an Emancipation Day message, Ms Baptiste Primus continued the argument

Some describe them as entrepreneurs, as businessmen and/or as capitalist. Others recognize them as unconscionable plunderers of the national patrimony avariciously consuming the societal economic pie giving no quarter to those who legitimately strive to seek out an existence on the discarded crumbs.....And what is worse is that the face that they have, by deliberate design, exercised so much control over the subliminal messages fed through the mass media, that many of us are unwittingly corralled to their defense, whenever they are disrobed and revealed of the vampires that they are sucking dry, the very life-blood of the society.....If emancipation means anything, it must mean liberating ourselves mentally, economically and socially. We must, without reservation defrock those who sanctimoniously shroud themselves in the apparel of upstanding nationals, honorable patriots and national builders. We must be real for all to see, the hypocrites, bloodsuckers, drug dealers and gun runners who

have built and continue to build their evil empires, amassing phenomenal wealth at the expense of the lives and blood of the little black boys from Morvant, Laventille, and the Beetham.¹ (Trinidad Express August 2nd 2005).

The sugar industry historically has been a major drain on the finances of the society. Since the state nationalized Caroni (1975) Ltd has never made a profit. Despite its unprofitability however the state continued to pump significant amounts of cash into the industry, and in the 1970s and 80s sugar workers gained significant wage increases despite the lack of profits. In 1989 there was an attempt to restructure the sugar industry and reduce its dependence on the state. “Many Indo Trinidadians, especially politicians, saw the government’s plan to restructure the industry as an attempt to destroy the political base of the opposition” (Munasinghe 2001:238). With the PNM’s return to power in 2001 the government continued along the road of divestment, to allow market forces to determine factor allocation. The government sought to close down the company and restructure it to become more profitable. It meant that some 9,000 workers would lose their jobs. The sugar sector employed predominately persons of Indian descent. The actions taken by the PNM government, perceived as an Afro Trinidadian government, invariably were interpreted in ethnic terms. At the same time it was closing down Caroni, one of the PNM’s populist policies was the implementation of CEPEP² which is a make work scheme to deal with some of the problems of unemployment. It was therefore inevitable that an economic decision made on the basis of neo liberal economic developmental policy would be interpreted in terms of ethnicity. The Leader of the Opposition, Mr. Panday, charged that “the restructuring of Caroni (1975) Ltd had nothing

¹ These areas are inhabited predominantly by poor Afro Trinidadians

² This is a special make work scheme the government uses to address the unemployment problem.

to do with viability of the company but was part of a vicious campaign of racism and discrimination” (Trinidad Express “Panday Charges PNM Racism Against Caroni” [www.trinidadexpress.com /index.pl/print?id=29554552](http://www.trinidadexpress.com/index.pl/print?id=29554552) accessed August 20th 2005). He suggested that the PNM closed down Caroni because it wanted to destroy the UNC (the United National Congress). Addressing a crowd of supporters, he argued “The regime has been able to treat you like dirt and with contempt and disrespect because they believe that you will not fight back, they think you are cowards, they regard you docile cowards who will sell out your fellow victims for a CEPEP contract and an invitation to a cocktail party” (Trinidad Express “Panday Charges PNM Racism Against Caroni” [www.trinidadexpress.com/ index.pl /print? id=29554552](http://www.trinidadexpress.com/index.pl/print?id=29554552) accessed August 20th 2005).

There was the perception that although the Government claimed to have closed down Caroni for economic reasons, it was still developing public works schemes that were not economically profitable for its Afro Trinidadian supporters. A letter to editor from one Ranjit Singh put it in this way “While the PNM closes down Caroni with a brutal neglect for the livelihood of over 300,000 citizens affected, we read of the massive corruption in the CEPEP program where they literally give away money to party hacks and their relatives to cut grass on the roadways (Trinidad Express “Letters: Sugar Workers, Open Your Eyes” www.trinidadexpress.com/index.pl/print?id=29556553 accessed August 20th 2005). In another letter published by the Express Newspaper on November 27th 2004 Stephen Kangal writes:

“Caroni Ltd was never a drain on the public purse like CEPEP, URP (over \$500m per annum) and the several feeding frenzy social handouts that exceed \$2b for non productive largesse. Lands alone appropriated by Gov’t from Caroni exceed the value of all its subventions to say nothing about foreign exchange earnings etc. You cannot honestly compare and

equalize the starvation wages paid for Indo-back-breaking servitude that propped up and was beneficial to Caroni Ltd with the relatively exorbitant and astronomical wages being decanted by TSTT, Port Authority, Petrotrin, T&TEC etc to the predominantly Afro-workforce.” (Trinidad Express “Letters: Don’t Compare Dock, Sugar Workers” www.trinidadexpress.com/index.pl/print?id=48002730 accessed August 20th 2005).

Again in 2007 Mr Kangal, writing a letter to the editor of the Trinidad Guardian, makes the following argument “After disbursing a feeding frenzy/political patronage to the tune of \$1.6 billion in Cepep, the PNM administration has nothing to show excepted some painted stone from which the cheap paint has been washed away. The UNC administration, after spending an identical \$2.6 billion, has an airport to show and supporters facing court. The princely sum of \$1.6 billion was spent to keep 4,000 CEPEP people wastefully engaged in non-productive employment. When the URP criminality funded-war chest is added to CEPEP it turned out to be a \$2.5 billion bonanza. The windfall was neither subject to accountability nor transparency. It certainly transformed Laventille and Morvant into a killing field. But the PNM found it a drain on the Treasury to dispense an annual subvention of \$200 million to state-owned Caroni Ltd to keep 10,000 people, albeit a natural UNC constituency, to quote Danny Montano, in productive employment. (Trinidad Guardian Letters “T&T Future Being Mortgaged Away” www.trinidadguardian.co.tt/letters.html. access January 26th 2007).

One of the final elements that was introduced into the mix was a further deepening of liberalization through the establishment of the CSME. The intent is to remove all cross border restrictions with respect to the factors of production: goods, labor, capital and services. Trinidad and Tobago is in the best position of all the CARICOM countries to benefit from such a single economy arrangement. The free

movement of goods and services has been at the center of public debate in Trinidad and Tobago. The Prime Minister, in September 2004 in the nation's parliament noted that "T&T was the most buoyant and industrialized economy in Caricom, accounting for about 80 percent of exports with the community and was a major contributor to employment levels," (Trinidad Guardian 20 September 2004). There has been some concern about immigration, and again in Trinidad and Tobago, it is interpreted in terms of ethnicity. Many person of Indian descent saw the movement of persons from other CARICOM countries, who are predominantly of African descent, as an attempt by the PNM government to bring in immigrants and locate them in marginal constituencies so as to "pad the voting list" and thus ensure PNM victories in elections. A letter to the editor of the Trinidad Express from L Rampersad argued, "By the importation of Caricom people into our country we may be importing thousands of criminals with the obvious expertise to get certain jobs done. This means that the lives of our citizens may be at stake as statistics relating to crime continue to reflect horror and concern. But what would be worse is having to accommodate such individuals in the most peaceful areas in lovely Trinbago such as Caroni and Penal (predominantly Indo Trinidadian occupied areas). An oil windfall that may result from America's war with Iraq will certainly be short lived. If we do embark on an importation of Caricom skilled individuals, our citizens will surely suffer from this action in the not too distant future," (Trinidad Express "Letters: Think Carefully Before Bringing Caricom Workers" www.trinidadexpress.com/index.pl/print?id=29556730 accessed 20 August 2005)

Conclusion

Throughout this paper I have sought to argue that to understand the process of development as a neutral phenomenon is particularly dangerous because the development process has embedded in it fundamental assumptions that can mask class and ethnic variables which can make the development process more difficult. I have further sought to use the concept of the moral economy and to show that the processes of development and modernity, from colonialism to globalization, are embedded in certain cultural and normative practices. In the case of Trinidad and Tobago, I have sought to demonstrate that, when the problem was conceived as white ownership and foreign domination the policies of industrialization by invitation, instead of enlarging the cake for more distribution actually grew the cake but still restricted distribution and entrenching the elites that dominated the economy.

The change in strategy of the 1970s and early 80s to economic nationalism and trying to increase the participation of the two ethnic groups in the process had limited success, since it did not factor in the additional variables necessary for an increase in the opportunity structure. The policies of the late 1980s to the present can be characterized as the instilling of the neo liberal paradigm and a renewed partnership between the state local and foreign capital, with a hint of populism in the post 2001 period. I have sought to demonstrate that one of the major actors in this process is the state and since the state is a site of class and ethnic contestation, then the outcome of development policies can actually reinforce the same class and ethnic divisions which it was intended to remedy.

There has been major refocusing of policies between market led and state led initiatives, and the outcomes seem to be the same. The state as presently configured is a creation of western liberal democracy, and trust is a major element for the operation of

the state. “This trust involves an essential public belief that the political process can be used to pursue the visions of differing social interests and that institutional rules provide for transparency and accountability in the formulation of public policy..... Trust makes possible and encourages the pursuit of collective political objectives of principle and policy, rather than a politics of narrow materialism and self interest” (Berman 2006:6). When however in the moral economy there are no norms and values that promote this trust they become undermined by “the particularistic ties of individuals and fractions, clientelism and cronyism, and institutionalized bias, opaque decision making, and special deals and preferential access to public goods” (Berman 2006:7).

In Trinidad the contestation for state power is conducted along lines of ethnicity and the quest to “get votes” results in a certain amount of clientelism. Within the moral economy, the norms and mores have not been so cultivated to produce a political system that cultivates the public trust across ethnic lines. It seems that the major problem lies with the nature of the Westminster System itself. On the whole it is unsuited for a multi ethnic society (its origin in England was in a class stratified society that was fairly homogenous with respect to ethnicity). In this system the winner takes all. Groups that do not win are not entitled to any of the spoils, “there are no effective mechanisms to incorporate the interest of those groups that backed the less successful parties” (Munasinghe 2001: 241). If the PNM wins then there is no room for the participation of Indo Trinidadians and if the UNC wins there is no room for the participation of Afro Trinidadians since the parties are organized along lines of ethnicity.

Further under the Westminster System the Prime Minister has the most power with respect to naming his/her cabinet and retaining those cabinet members. It develops a

kind of loyalty to the individual. Further it functions “against the effective sharing of power through consensus and negotiation” (Munasinghe 2001:242). The latter of critical importance if governance is to include all the constituent elements in the society.

Finally the civil service, which is the arm through which the government implements its development policy, may not really be neutral. As in the case of Trinidad and Tobago the long period of one party rule led to the entrenchment of strategic persons, many of one particular ethnic background who can act as an obstacle to the implementation of development plans that may be seen as not in the interest of the party that represents them. In the final analysis then what may be necessary is major overhaul of the political process that can better take into account the fissures of class and ethnicity before any developmental plans can be truly experienced and claimed by all who inhabit the society.

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