

TWELFTH ADLITH BROWN MEMORIAL LECTURE

**“AFTER FOUR DECADES OF
ECONOMIC MALPRACTICE:
WHAT ARE THE OPTIONS FOR THE
CARIBBEAN?”**

By RICHARD FLETCHER

This is the revised text of a lecture given on 30th October, 1996, at the XXVIII Annual Conference of the Caribbean Centre for Monetary Studies, of the University of the West Indies, St. Augustine.

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Twelfth ADLITH BROWN Memorial Lecture

by

Richard Fletcher

Delivered on October 30, 1996
at the XXVIII Annual Conference of the
Caribbean Centre for Monetary Studies (previously
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at the Central Bank of Trinidad & Tobago
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WELCOMING REMARKS ON THE OCCASION OF THE TWELFTH ADLITH BROWN MEMORIAL LECTURE

Ainsworth Harewood¹

It is a great pleasure for me to welcome you to the Twelfth Adlith Brown Memorial Lecture. This series of open lectures was introduced in 1985 in honour of the late Dr. Adlith Brown, who was the Coordinator of the Regional Programme of Monetary Studies over the period 1980-1984. It has become associated with the Annual Monetary Studies Conference and is now sponsored by the Caribbean Centre for Monetary Studies.

Adlith Brown

Although born in Jamaica, Adlith Brown could truly have been described as a Caribbean woman. Her sense of regionalism was nurtured in the early 1960's on the Mona Campus of The University of the West Indies (UWI) where she did her undergraduate work for the B.Sc. (Economics) offered by the University. Dr. Brown therefore belongs to that first group of West Indians to benefit from the establishment of a Faculty of Social Sciences at UWI and whose mentors included Sir Alister McIntyre and Mr. Lloyd Best, both of whom we were honoured to have among us just two days ago when we met to pay tribute to another shining star in the West Indian firmament, Mr. William Demas. Also included among Dr. Brown's contemporaries were Professor Norman Girvan current Director of the Consortium Graduate School at Mona, who is here with us tonight; Professor H. Orlando Patterson of Harvard University, who delivered the Eric Williams Memorial Lecture two years ago and Mr. Roderick Rainford, former Secretary General of CARICOM.

For the region as a whole this was also an extremely challenging period, one in which the English-speaking Caribbean was forced to endure the trauma of the demise of

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the West Indian Federation. At the same time the wider Caribbean found itself the unwilling and unwelcome focus of Cold War competition among the super-powers for influence within the region. The battle for regional ascendancy was to culminate in that unforgettable episode of nuclear brinkmanship off the coast of Cuba.

Over the next several years, Adlith Brown completed her Master's and later her Doctorate degrees from McGill University, before returning to teach at The University of the West Indies (St. Augustine Campus). In 1971 she was transferred to the Mona campus where she taught Monetary Economics and became one of the main anchors of its Research programmes. She coordinated first the Caribbean Public Enterprise Project and from 1980 the then Regional Programme of Monetary Studies. In this period she was promoted initially to Senior Research Fellow and subsequently in 1982 to the position of Acting Deputy Director, which she held up to her death. Her passing was indeed a great loss to the University and the region as a whole, for it was in these latter years that her capacity for intellectual leadership and for creative management began to achieve full flourish.

Adlith revelled in the realm of ideas. It is therefore understandable that she was fast developing a reputation of being an outstanding economic theorist as her writings attest. Indeed, she was an ideal person to coordinate the then Regional Programme of Monetary Studies, given her passion for regionalism, her intellectual standing and her grasp of the process and problems of policy-making with which her colleagues in the Central Banks had to cope.

Richard Fletcher

Mr. Richard Fletcher, who has been chosen as the Guest Lecturer this year, like Dr. Brown, is Jamaican by birth and was also a member of that early group of social science students at The University of the West Indies at Mona having graduated in 1963 with a First Class Honours degree in Economics. It is not surprising, therefore, that he shares an equally strong sense of commitment to the Caribbean region.

Following his studies at UWI, Mr. Fletcher chose to himself experience the academic climate which had given birth to his mentors and immediately proceeded to Oxford University where he also excelled and from which he graduated in 1968 with Master's degrees both in Law and Economics. He was also called to the Bar in that year.

Mr. Fletcher began his working life 1968 at the World Bank, one of the well known, some say infamous, Washington-based international financial institutions. He next moved to Jamaica in 1972 where he served variously as Economic Adviser to the Prime Minister, Mr. Michael Manley, Chairman of the Sugar Industry Authority and Minister of State for Finance and Planning. During this period, in conjunction with Mr. Ewart Williams, a product of UWI who holds a senior position on the staff of the International Monetary Fund (IMF) he was responsible for the design and management of the IMF programmes for Jamaica. However, as has been the experience of several countries undergoing such adjustment programmes, the then administration eventually lost the support of the electorate and as for Mr. Fletcher what appeared to be a very promising political career was brought to a premature end.

Mr. Fletcher retreated to the Inter-American Development Bank in 1980 where he served in senior positions in the Economic Integration Department and the Planning and Programming Department before being appointed to his current position of Deputy Director in the Bank's Evaluation Office. This latter department has been charged with the responsibility of reviewing the policies of the Bank on the basis of its various experiences including its experiences in the Caribbean.

Given his diverse background, it is clear that Mr. Fletcher is abundantly qualified to address the topic: **"After Four Decades of Economic Malpractice: What are the Options for the Caribbean?"** Having known Mr. Fletcher from his early days at Mona, I can assure you of a lecture that will be as stimulating as it is likely to be provocative.

I now invite Mr. Fletcher to deliver the Twelfth in the series of Adlith Brown Memorial Lectures. **Thank You.**

After Four Decades of Economic Malpractice: What are The Options For The Caribbean?

The 1996 Adlith Brown Memorial Lecture

Richard Fletcher

Mr. Chairman (Governor Ainsworth Harewood),
Professor Compton Bourne, Dr. Laurence Clarke, Ladies and
Gentlemen:

I wish to thank the Governor of the Central Bank for his kind introduction. We first met more than 36 years ago as students on the Mona Campus of The University of the West Indies. We were not only in the same class (B.Sc. Economics); we also resided in the same Hall of Residence (Chancellor), and were teammates on various soccer teams. In those days, Ainsworth was well renowned for a hard and accurate left foot shot. I always marveled that his skinny legs could generate so much power. It was a special pleasure for me to be present at Monday's tribute to William Demas. Like many of those who spoke, I owe a lot to William. Not only did I benefit greatly from his ideas about Caribbean development, I also benefitted from his willingness to listen to and improve my ideas, even when they were naive and ill-conceived. His patient encouragement of others is the mark of a truly great mentor.

It is an honor to have been invited to give the Twelfth Adlith Brown Memorial Lecture. Courtney Blackman who gave the first lecture in the series describes Adlith as having

“a happy combination of intellect, persuasiveness and feminine charm.” This is true, although I must confess that when Governor Harewood and myself met her 36 years ago on the Mona Campus, it was the third of those qualities which made the greatest impact on us. Of course, at that time, we were impressionable young men; as we matured, we appreciated the other qualities as well.

I confess that I was surprised as well as delighted to be asked to lecture. As I reviewed the list of previous lecturers, my puzzlement grew. They were all distinguished scholars and/or eminent Caribbean public servants. What did I, an international bureaucrat, who has spent 20 of the last 36 years in the employ of two of the three infamous international financial institutions (IFIs) of Washington, have in common with my predecessors? Then it struck me! I had been selected because I was different. I would be the first IFI bureaucrat to give this lecture. I, therefore, celebrated what I took to be long overdue recognition of a group that often enjoys more opprobrium than acclaim.

My celebration was short lived. Courtney Blackman had kindly given me a copy of his Adlith Brown lecture, with the injunction (typical of Courtney), that I would find it to be the source of most, if not all, wisdom. In this lecture, I found the following passage:-

“As itinerant practitioners, the economists of international financial institutions must travel light. They carry a few patent medicines which must fit all the diseases encountered.” [1]

Courtney goes on to list four economic remedies which comprise the medicine bag of the IFIs. I was relieved when Ewart Williams of the IMF in his presentation on Monday increased the list to seven. This is a 75% increase in only 10 years, a sign of progress.

But, worse was to come. I had been told that Derek Walcott, the St. Lucian Nobel Laureate in Poetry had written a poem about international bureaucrats titled “*The Fortunate Traveller*.” I sought it eagerly, expecting to find a Homeric

saga in which the hero/heroine struggles like Ulysses against formidable obstacles to bring appropriate conditionality to an appreciative Minister of Finance and grateful public.

Image my distress when I encountered this self-description of the international bureaucrat:-

*"We are roaches,
riddling the State cabinets, entering the dark holes
of power, carapaced in topcoats, scuttling around columns,*

*signaling for taxis,
with frantic antennae, to other huddles with roaches;
we infect with optimism, and when
the cabinets crack, we are the first
to scuttle, radiating separately
back to Geneva, Bonn, Washington, London"*

(Derek Walcott, The Fortunate Traveller, 1981)

So, there it is. I have been labeled. An "itinerant cockroach" the first of the species to deliver the Adlith Brown memorial lecture.

I take consolation in the fact that the cockroach is a hardy species adept at survival. I also note that it tends to show up when people have made a mess of things. In this regard, it is distressing to see the frequency with which Caribbean countries have had to resort to high conditionality arrangements with the IFI's. Jamaica has the record of almost 20 continuous years under IMF programs which have finally ended this year. But, others have also been in and out of trouble:- Guyana, Trinidad and Tobago and even Barbados.

When Governor Harewood and I were students at Mona almost four decades ago, this was not how we envisaged the economic future of the Caribbean. In our arrogance, we were confident that on leaving the University, we would save the Caribbean, if not the world. Our youthful exuberance was nurtured by our mentors --- Alister McIntyre, Roy Augier, Lloyd Best, Archie Singham, to mention a few. We were also intoxicated by the prospect of nationhood which came to the Caribbean in the early 1960s.

The mood of those times was well expressed by Norman Manley, considered to be the father of Jamaica's independence, in his farewell address to the People's National Party Conference in 1969:-

"The mission of my generation was to win self government for Jamaica, to win political power -- for the black masses of my country from which I spring. I am proud to stand here today and say ---- mission accomplished for my generation. And, what is the mission of this generation, the generation which succeeds us? It is ----- tackling the job of reconstructing the social and economic society and life of Jamaica. " [2]

Leaders in other parts of the Caribbean such as Eric Williams (Trinidad) and Grantly Adams (Barbados), were, I am sure, equally proud of the accomplishment of political independence and as optimistic as Norman Manley regarding the prospect of social and economic restructuring. Regretfully, the record of the last four decades shows that this mission has not been accomplished.

What is the record? At the time of Independence (the early 1960's) Caribbean countries were among the most privileged of the Third World. Trinidad and Tobago was the most prosperous country with per capita incomes of close to \$1200 (West Indian). Jamaica was next at about 60% of Trinidad, then Barbados, Guyana and finally the Leewards and Windwards (as the OECS were then called), at about one-third of Trinidad and Tobago (see Table 1).

In the early 1960's, economic prospects seemed relatively bright for the "resource rich" Caribbean countries - Trinidad & Tobago (oil); Jamaica (bauxite and alumina) and Guyana (bauxite and vast land area). The prospects of the smaller resource poor islands in the Eastern Caribbean appeared much less favorable.

Three decades later, however, we find that there has been a total reversal of economic fortunes (see **Table 1**). Barbados and Antigua now have the highest per capita incomes. Trinidad & Tobago is now 40% below Barbados. The OECS countries range from Antigua, with per capita incomes comparable to Barbados, to St. Vincent with incomes of one-third that level. Jamaica and Guyana lag behind all others; Jamaica's incomes being one-fifth and Guyana one-twelfth of Barbados.

These are very surprising results. Why have the Caribbean countries with less resources done so much better than those with abundant resources? This question deserves really thorough research and analysis for which I have neither sufficient time nor competence. I will, however, attempt some very superficial answers.

The case of Trinidad & Tobago is perhaps the easiest. The problem was oil! Albert Hirschman has pointed out that:-

“To lack petroleum is a blessing in disguise while to be abundantly supplied with it is an even more cunningly camouflaged curse.” [3]

Jamaica, like Trinidad & Tobago, also suffered from Dutch Disease. In Jamaica's case, the infection was due to bauxite and alumina and was complicated by fiscal mismanagement and political turbulence in the 1970s. Guyana suffered from political tensions so severe that there was out migration of skills and a loss of human capital. The “good performers”: Barbados and the OECS, being resource poor, never suffered from Dutch Disease and avoided the excesses of fiscal indiscipline and (with the tragic exception of Grenada) violent political strife.

Unfortunately, even in the case of the “good performers” the record is not entirely encouraging. The “heyday” of Barbados' growth was 1960-80. Since 1980 there has been stagnation with virtually no increase in per capita income and an unemployment rate which has risen to 17%, (see **Table 1**). The OECS countries grew by 6% per

year (per capita) during the 1980s, a period when Latin America as a whole experienced no growth - the so called "Lost Decade." But, the OECS seems to be running out of steam; growth of per capita income in the first half of the 1990s is averaging less than 3%, (see Table 1).

A comparison of Caribbean economic performance with that of other Third World countries reveals that the Caribbean's "good performers" did better than the average, certainly better than most African and Latin American countries during the last 35 years. But, the Caribbean performance has been vastly inferior to the East Asian economies (Singapore, Hong Kong, South Korea, Taiwan, Malaysia etc.). These groups of countries have managed to achieve sustained growth averaging almost 6% per year for 3 decades. (See Table 2). It is also noteworthy that the rate of growth has not ceased in the 1990s but in fact appears to be accelerating. [4]

Not only has East Asian growth been rapid and sustained, it also has been socially progressive in that poverty has been considerably reduced. For example, between 1980 and 1990, the poverty line fell in China from 28% to 10%; in Korea from 10% to 5% and in Malaysia from 9% to 2% [5]. The indices of poverty in the Caribbean are much higher even in the case of the "best performer," Barbados (8%), (see Table 1).

William Demas in his seminal work "*The Economics of Development in Small Countries*" argues that:

"The fundamental criterion of (under) development is the extent to which an economy has undergone structural transformation and has acquired the continuing capacity to adapt and to apply innovations." [6]

Given the record of rapid, sustained and poverty reducing growth of the East Asian economies over the last 3 ½ decades, it is clear that they have achieved "structural

transformation” as defined by Demas. In contrast, Caribbean economies have not been “structurally transformed”, as even the “good performers” have been unable to sustain rapid growth and/or get poverty down to tolerable levels.

Why has East Asian performance in the last 35 years been so much better than the Caribbean’s? A lot of research has been done on the factors leading to East Asian success. Sarath Rajapatirana, in a recent article “*The East Asian Experience and its Relevance to the Caribbean*” [7] identifies a number of factors which may explain the relative performances:- macroeconomic stability; investment/savings ratios; educational levels; labor market rigidity, for example. In my opinion, the factor which stands out is export performance.

The East Asian economies have sustained high (i.e. in excess of 10% p.a.) growth rates of exports for 3 decades. In the Caribbean, however, export performance which was comparable to East Asia for two decades (1960-80), has not been sustained in the years after 1980 (see **Table 2**).

The case of Barbados is striking. Barbados underwent considerable structural transformation in 1960-80 - incomes grew rapidly, unemployment decreased and poverty declined - because exports grew rapidly at rates similar to the East Asian economies. After 1980, Barbados’ exports ceased growing (see **Table 2**). Consequently, GDP stagnated and unemployment rose (see **Table 1**).

Another feature of the East Asian export performance is that their exports are not concentrated in a few capital-intensive or mineral-based commodities but are highly diversified, and becoming more so, (see **Table 3**). It is the labor intensive nature of East Asia exports that explains the socially progressive nature of their growth. By comparison, Jamaica and Trinidad and Tobago have very high concentration of exports in capital-intensive activities (oil and alumina), with the consequence that the export sector does not generate many jobs leading to high unemployment and poverty levels, (see **Tables 3 and 1**). The “good

performers” of the Caribbean - Barbados and the OECS countries - have labor-intensive export sectors and a much greater degree of diversification (especially when tourism is included) than do the “poor performers” - Guyana, Jamaica and Trinidad and Tobago (see Table 4).

The importance of exports to structural transformation was not always widely accepted. Hans Singer in a recent retrospective, commented:

“The early development economists - did not foresee the scope for manufactured exports - but then who did, or could have in 1945?” [8]

The answer to Singer’s question is that at least one did - namely, Sir Arthur Lewis, who in an article published in 1949, *“The Industrialization of the British West Indies,”* powerfully made the case for labor-intensive manufactured exports. [9]

Arthur Lewis was also bold enough to predict that “if there is any island in the West Indies where industrialization may succeed, that island was Barbados - [because] its people have qualities of thriftiness, hard work, enterprise, social cohesion and stability, which have been forced upon them by the extra harshness of their circumstances, and which are unmatched anywhere else” [10]. This prediction about Barbados has proven to be remarkably accurate; at least up to 1980.

It is ironic that this development strategy, conceived by a Caribbean economist, has proven to be extremely effective in East Asia while largely being ignored in the Caribbean.

This is the MALPRACTICE which I referred to in the title of my lecture. For four decades, Caribbean leaders in both public and private sectors have ignored or rejected the policy prescription of our own Nobel Laureate in Economics despite the overwhelming logic of his analysis and the evidence of its successful application

in East Asia and even, for a while, in Barbados.

Why did this happen? Why have our leaders been so unreceptive to Lewis' ideas, a resistance that persists even today? I do not have the answer. It lies outside the realm of economics and is probably rooted in our culture --- the "Plantation society neurosis" as expounded by Lloyd Best, and/or in the inadequacy of our institutions for developing leadership abilities as suggested by Trevor Farrell.

The solution is equally unclear. From time to time, suggestions are made that the Caribbean has "too much democracy" and that we would do better if there were less political activity. I am not comfortable with this idea. However well authoritarianism has worked elsewhere in the World, the evidence in the Caribbean is that it does not work well here. In fact, it is arguable that the "best performer" in the Caribbean, Barbados, is also the nation with the strongest democratic institutions.

The Future

So much for the past, what does the future hold for the Caribbean? What are our options?

It has become a cliché to assert that the process of globalization has become and will be the defining economic forces in the next decades. I will add my support to this assertion. The globalization process gains its power from two key elements:-

one: the rapid decrease in the relative costs of transport and communications; and

two: the rapid increase in the "knowledge content" of tradeable goods relative to the material content.

These developments imply that there are now virtually "no barriers to flows of capital, technology, enterprise, skills, goods and services" [11]. The only factors of production

which remains immobile are land (and the mineral deposits contained there) and unskilled labor. As a result, the location of industrial activity becomes extremely fluid.

We already see clear evidence of this tendency. The United States' automobile industry, for example, which used to be located in Michigan and the Great Lakes region lost jobs, first to Japan and then when Japanese automakers established plants in Tennessee, job creation took place in the US South. Comparative advantage, therefore, is no longer a static concept but a dynamic one. Competitiveness no longer depends on natural endowment but on the ability to attract industry to a particular location.

This point has been driven home by Prof. Michael Porter in his book "*The Competitive Advantage of Nations*" [12]. He argues convincingly that comparative advantage no longer resides with nations but rather with productive enterprises (firms or individuals). A successful nation is therefore one which becomes host to (i.e. attracts and retains the presence of) competitive producers.

In this context, "development policy becomes synonymous with enhancement if the attractiveness of the country for financiers, investors and enterprise. This maintenance of political stability and social harmony and of a sound macroeconomic framework assumes cardinal importance. The key factors in determining competitiveness include a well-developed physical infrastructure, an educated labor force together with an abundance of managerial, technical and entrepreneurial skills ... A country which succeeds in developing these conditions can expect miraculous rates of growth for the global market and the world's pool of savings, investment, technology, skills and enterprise can break all supply and demand constraints to growth." [13]

Faced with this scenario, what should the Caribbean do? In the past, industrial policy in the Caribbean focussed on protecting inefficient producers through local market monopolies and on negotiating special deals for exporters in protected external markets (the Lome arrangements). In other words, the Caribbean has sought to avoid the challenge of

global competitiveness, not to accept it and win at it. The economic history of East Asia has shown that relatively small nations (e.g. Singapore, Hong Kong, Mauritius) can become winners in the context of a globalized world economy. In other words, small countries can make themselves attractive as locations for competitive firms.

The Caribbean could do likewise. We have already shown our capabilities as world beaters in the fields of sports, music, the arts and entertainment (especially carnival). The last two decades have also shown that Caribbean entrepreneurs can be globally competitive in the hotel industry, airline services, confectionary, garment manufacturing and food processing. We need to replicate these successes in other areas.

Public policy has a crucial role to play in creating a hospitable and enabling environment for competitive entrepreneurs. At the risk of being repetitious, I will emphasize the importance of stable and predictable macro-economic policies, adequate physical and social infrastructure that is oriented towards external markets, personal safety and administrative arrangements that facilitate rather than obstruct entrepreneurial activity. Anecdotal evidence attests that in Singapore, an entrepreneur will get a response to his proposal within 48 hours. In most Caribbean nations, the time period would be measured in months not hours!

But, the most challenging issue for the Caribbean is the local costs of production. Given the reality of global competition, we must "bring our money costs of production in line with international prices." [14]

This is not a new problem. Arthur Lewis made this issue the central point of his address to the second Annual Meeting of the Board of Governors of the CDB in 1972. Nor is there a simple solution. If there was, the problem would not exist today. This issue is politically explosive since the major component of Caribbean money, costs of production, which lies within our control is the wage cost per unit of output. It is this which has to be brought in line with

international prices if we are to be globally competitive.

Lewis pointed out that the solution of the problem required positive action on four variables:- the rate of exchange, trade policy, productivity and incomes policy.” [15] Ideally, public policy should use all four variables to achieve the competitiveness objective. In the Caribbean, unfortunately, we see cases where the exchange rate has been ruled out as a policy variable and has become a policy objective - a “sacred cow.” In these cases, there is no option but to work even harder on the other variables, in particular, on increasing productivity.

In closing, I would like to reiterate my disappointment that for four decades we in the Caribbean have failed to pay sufficient attention to the ideas of Arthur Lewis, especially, his advocacy of industrialization for export. Time has not diminished the relevance of his policy prescription; on the contrary, the process of economic globalization makes his prescription even more compelling.

I wish again to express appreciation to the Caribbean Centre for Monetary Studies and to Laurence Clarke in particular, for their kindness in honoring me by inviting me to give the Adlith Brown Memorial Lecture. I am also grateful that I had the opportunity to participate in the tribute to William Demas, an outstanding Caribbean leader and one of my heroes.

Finally, I was delighted to participate in some of the sessions of the Conference on Monetary Studies and to see young bright Caribbean scholars grappling with the issues and the problems that face us in the financial sectors. I hope that in the near future, there will be similar efforts and resources directed at the issues in export sectors. The sight of these bright young economists reminds me of the early 1960’s, when Norman Manley and others challenged us to secure the economic independence of the Caribbean. My generation, the generation of Ainsworth, Laurence, Compton Bourne and others did not fully complete our task. I hope

that your generation will learn from our mistakes, build on what we achieved, and complete the mission that we have so far failed to accomplish. **Thank you.**

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TABLE 1
CARIBBEAN ECONOMIES : PER CAPITA INCOME AND GDP GROWTH
POVERTY AND UNEMPLOYMENT

	GDP PER CAPITA		GNP PER	GDP	CUMULATIVE	POVERTY	UNEMPLOYMENT
	(YEAR)	WI\$	CAPITA 1994 US\$	GROWTH 1981-90	% 1991-95	%	%
BARBADOS	(1961)	502	6240	+9	-3	8	17
GUYANA	(1960)	469	530	-24	+37	43	11
JAMAICA	(1962)	734	1463	+32	+8	34	15
TRINIDAD & TOBAGO	(1962)	1180	3740	-20	+5	21	19
LEEWARDS & WINDWARDS (Now OECS)	(1961)	337	--	+79	+16	--	--
ANTIGUA & BARBUDA		----	6970	+87	+15	12	7
DOMINICA		---	2830	+54	+8	33	10
GRENADA		----	2620	+62	+6	20	26
ST KITTS & NEVIS		----	4760	+75	+16	15	12
ST LUCIA		----	3450	+94	+20	25	16
ST VINCENT/GRENADINES		---	2120	+87	+16	17	20

SOURCES:

GDP per capita 1960s - Demas 1965, Chapter III, Table 2

GNP per capita 1994 - World Bank Report 15342-LAC, May 14, 1996. Statistical Appendix, Table 1

GDP growth 1981- 95 - CEPAL News, Vol XVI No 1, January 1996

Poverty and Unemployment - World Bank Report 15342-LAC, May 14, 1996, Statistical Appendix Tables 2 and 13

The data are from various years in the early 1990s for each country

TABLE 2
CARIBBEAN ECONOMIES: EXPORT PERFORMANCE

	LOCAL \$MILLIONS		US\$ MILLIONS			GROWTH RATES % p.a	
	1960	1970	1970	1980	1995	1960-80	1980-95
BARBADOS (EC\$)	41	79	36	181	176	12.0	0
GUYANA (G\$)	127	267	129	389	496	9.5	1.5
JAMAICA (£)	57	142	341	963	1463	10.5	3.0
TRINIDAD & TOBAGO (TT\$)	491	961	225	2542	2428	16.5	0
OECS (EC\$)	41	55	EC \$487 (1985)			10.4 % (1960-85)	
						1966-80	1980-91
EAST ASIA EXPORTS	--	--	-	-	-	12.3	9.4
EAST ASIA GDP per capita	--	--	-	-	--	6.1	5.3

SOURCES:

OECS - World Bank Report 8058-CRG, Feb. 15, 1990, Statistical Appendix, Table 2.8

East Asia - Sarath Rajapatirana in Dookeran 1996, Tables 7A1, A4

Other Caribbean - 1960-70 - Gafar and Joefield - Napier "Trends and Patterns of Commonwealth Caribbean Trade 1954-1970", ISER, 1978. Table 1A.

1970-95 Inter-American Development Bank

TABLE 3
EXPORT DIVERSIFICATION: EAST ASIA AND CARIBBEAN

	MANUFACTURE AS % EXPORTS		EXPORT CONCENTRATION INDEX	
	1980	1993	1984	1992
EAST ASIAN ECONOMIES				
HONG KONG	92	95	.310	.152
INDONESIA	2	53	.499	.194
SOUTH KOREA	90	93	.193	.109
MALAYSIA	19	70	.276	.156
SINGAPORE	50	80	.238	.183
TAIWAN	28	73	.182	.090
CARIBBEAN ECONOMIES				
JAMAICA	63	65	.462	.406
TRINIDAD & TOBAGO	4	34	.546	.422

SOURCE: World Development Report 1996, Statistical Appendix Table 3, 15

TABLE 4
CARIBBEAN ECONOMIES: EXPORT PERFORMANCE/DIVERSIFICATION

BARBADOS	1960 - BDS\$	1970 -BDS\$	1980 - US\$	1991 - US\$
Sugar	32	41	121	61
Other Exports	3	20	226	180
Tourism	n.a.	80	252	461
GUYANA	1960 - GY\$	1970 - GY\$	1980 - US\$	1989 - US\$
Sugar & Rice	86	113	155	95
Bauxite	32	139	188	73
Other	7	8	46	37
Tourism	n.a.	n.a.	3	11
JAMAICA	1960 - JA\$	1970 - JA\$	1982 - US\$	1991 - US\$
Bauxite/Alumina	28	95	515	656
Other Traditional	25	33	88	174
Non-Traditional	4	14	143	226
Tourism (US\$)	16	40	336	764
TRINIDAD & TOBAGO	1960 - T&T\$	1970 - US\$	1980 - US\$	1991 - US\$
Oil & Derivatives	389	121	2230	1068
Chemicals & Steel	7	16	60	442
Agriculture and Light Manu.	96	88	252	229
Tourism	n.a.	24	153	104
OECS (EC \$million)	1960/4	1965/9	1970/4	1995
SITCO	41	49	60	487
Other	3	4	14	138
Tourism	n.a.	n.a.	n.a.	1000

SOURCES: GAFAR and JOEFIELD-NAPIER 1978

OECS - World Bank Report 8058 CRG, February 15, 1990. Tables 2.8, 6.1

Guyana - Inter-American Development Bank, GN 1699, November 1990. Table 15

Jamaica - Jamaica Economic Survey 1970 and Norman Girvan, Foreign Capital and Economic Underdevelopment in Jamaica, 1971

Barbados, Jamaica and Trinidad & Tobago - Don Harris 1993

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5. Ajit Singh, op. cit.
6. William Demas, "The Economics of Development in Small Countries," 1995. Page 6
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