

Foreign Relations

St. Lucia's foreign policy was firmly rooted in its historical association with Britain and culturally and economically linked to the goals of its Commonwealth Caribbean neighbors. The island's orientation was apparent in St. Lucia's close economic and political ties with Britain, as well as in its goal of a unified Caribbean based on strong support for Caricom.

St. Lucia's historical association with Britain dates back to the early nineteenth century and has significantly influenced the island's political and economic foreign policy. In addition to inheriting a British political system and attendant foreign policy outlook, St. Lucia continued to rely on Britain as its primary export market in the 1980s. These factors combined to instill a strong sense of cooperative spirit and sympathy for the foreign policies of Britain and other Commonwealth countries.

This shared outlook was particularly evident among the Caricom countries. Because they had experienced a fairly similar colonial heritage and also recognized the benefit of a unified position in dealing with larger states, Caricom's foreign policy predominantly represented the united foreign policies of individual members. This consensus was evident as early as 1975 with the presentation of a unified Caricom position at the first Lomé Convention (see Glossary), which established guidelines for improved trade relations between the European Economic Community and Third World countries. When St. Lucia became an active member of Caricom, it also linked its foreign policy goals, at least informally, with those of other Commonwealth Caribbean countries.

In spite of similarities in colonial heritage and external goals among many of the Caribbean islands, there were also elements of disunity in the region's foreign affairs. The lack of unity was most evident in the competitive nature of regional economic relations. The Caribbean economies were alike in that they all relied on exporting agricultural and light manufactured products, as well as attracting large numbers of tourists. Such similarities led to contention in foreign relations, as each country competed for the same foreign markets. The creation of Caricom in 1973 from earlier organizations responsible for regional integration was an attempt to recognize historical and geographical similarities, while also providing a forum for voicing regional disagreements. Caricom's attempts to achieve mutually beneficial foreign economic, political, and security goals have served to unite the area.

In the 1980s, St. Lucia's foreign policy, overall, was considered pragmatic and generally focused on meeting national goals within the framework of supporting regional and international alliances. It maintained formal relations with such politically diverse countries

as Cuba and the United States and was a member of the Nonaligned Movement. St. Lucia had, however, adopted ardent national positions on important international issues. It was strongly opposed to the apartheid policies of South Africa and very supportive of arms control, as well as economic and security cooperation among the Caribbean states. Because of its political and security concerns, St. Lucia promoted regional cooperation and stability. The island, for example, supported the Regional Security System (RSS) and the deployment of United States and Caribbean forces to Grenada in 1983 (see *A Regional Security System*, ch. 7).

In the late 1980s, economic concerns were at the forefront of St. Lucian foreign affairs. Such concerns were evident in the Compton government's desire to promote free trade and to attract foreign investment. St. Lucia was a strong advocate of regional free trade, in part because trade barriers had contributed to its current account deficit. The island also supported a united Caricom position regarding extraregional trade; St. Lucia actively pursued a policy of attracting foreign capital as a way of promoting economic development. The government, for example, provided incentives to foreign private capital and attempted to attract financial assistance from regional and international development organizations.

St. Lucia's bilateral foreign relations were dominated by other Eastern Caribbean countries, the United States, and Britain. St. Lucia also maintained affiliations with the primary regional and international development organizations, including the CDB, World Bank, Organization of American States (OAS), IMF, WHO, and United Nations (UN). St. Lucia's development program welcomed a strong role for all of these groups.

St. Lucia was a signatory to major international and regional treaties. Obligations included mutual provisions regarding defense, extradition, investment guarantees, consular representation, telecommunications licensing, reciprocal protection of trademarks, and waivers of visa requirements with the United States and Britain. St. Lucia also adhered to responsibilities inherent in membership with the UN, OAS, and OECS.

The foreign policy apparatus exhibited a structural flexibility. Responsibility for formulation of foreign policy may be the sole duty of the prime minister or delegated to a subordinate parliamentarian. From 1982 until 1987, foreign policy was directed by Prime Minister Compton. As noted, he turned the portfolio over to Cenac after the second round of elections in April 1987. Compton took the action more to strengthen his parliamentary majority than because of a need to diminish his administrative responsibilities.

Foreign policy was conducted through the Ministry of Foreign Affairs, which had responsibility for operating embassies. Foreign economic affairs were also conducted by the National Development Corporation.

National Security

In the late 1980s, internal security in St. Lucia was directly related to regional security and foreign policy concerns. As a member of the OECS, St. Lucia had established police and paramilitary capabilities within the framework of the regional security plan developed by the newly independent Caribbean states. Like its Eastern Caribbean neighbors, St. Lucia had no means of guaranteeing national defense or internal security when independence was granted. The sovereign state of St. Lucia was literally incapable of ensuring its protection from either hostile external forces or violent internal political dissension. The creation of the OECS provided a forum for discussion of regional security in the Caribbean. The Defence and Security Committee of the OECS made initial suggestions on a collective regional approach to security matters, but no operating force was established. This discussion evolved into the RSS in October 1982. St. Lucia opposed original plans for an integrated regional army to be stationed in Barbados and instead favored a decentralized special forces approach to national and regional security.

The RSS program called for the eventual creation of Special Service Units (SSUs) within the respective national police organizations. Training and some basic matériel for this paramilitary program were provided by the United States and Britain; the former concentrated on military tactics, and the latter provided comprehensive training in police measures. The formation of the SSUs created the possibility for limited military response to hostilities within the framework of a police organization. RSS member states believed that such an organization would substitute for an armed force that it was thought would see little military use and might someday threaten the normal operation of national politics.

The Royal St. Lucia Police Force, the country's only armed force, was primarily responsible for enforcing the laws of the country rather than guaranteeing national defense. The Constitution calls for the commissioner of police to be appointed by the governor general based on the advice of the Public Service Commission. The commission may only make a recommendation subject to the approval of the prime minister. The Public Service Commission may also appoint police officials above the rank of inspector, whereas the commissioner of police makes all appointments below that level.

The police force grew marginally in the 1980s out of concern for regional defense responsibilities. In 1987 total strength stood at approximately 350 personnel; the development of an 80-member SSU program was an outward indication of the force's expanded role. The impetus for this growth came from heightened concern over regional stability, specifically the 1979 rise of a hostile regime in Grenada.

The RSS saw military action shortly after it was created. In October 1983, at the invitation of OECS countries, a combined United States and Caribbean security force landed troops in Grenada to counter the Marxist-Leninist government that came to power following the assassination of Prime Minister Maurice Bishop. The RSS, including a contingent from St. Lucia, constituted approximately 10 percent of the total force deployed to Grenada (see Current Strategic Considerations, ch. 7).

Training of the RSS by the United States and Britain accelerated after the Grenada intervention. The first postintervention group to graduate in early 1984 included troops from St. Lucia who were sent to Grenada as part of the Caribbean Peace Force. Training involved rudimentary military skills, including the use of automatic weapons, light machine guns, and grenade launchers. Later, combined forces training was conducted under the auspices of the United States and Britain; St. Lucia provided the site for the 1985 joint military exercise.

In 1986 the role of the RSS was once again reevaluated. An October 1986 meeting in St. Lucia of RSS ministers proved inconclusive on the issues of the mission and goals of the Caribbean armed forces. Although some states wanted to see an expanded RSS, St. Lucia supported only a limited military posture and maintained only a minimal paramilitary capability. In the late 1980s, it seemed likely that the development of an armed force in St. Lucia would continue to parallel developments in the RSS as a whole; it appeared unlikely, however, that the Royal St. Lucia Police Force would greatly expand its paramilitary force in either size or capabilities.

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A comprehensive source on St. Lucia was not available as of late 1987. A discussion of St. Lucia's history and cultural background may be found in Philip M. Sherlock's *West Indian Nations: A New History*, John H. Parry and Sherlock's *A Short History of the West Indies*, and Carleen O'Loughlin's *Economic and Political Change in the Leeward and Windward Islands*. Data on population, health,

and education are to be found in publications by the United States Agency for International Development, as well as the Pan American Health Organization's *Health Conditions in the Americas, 1981-1984* and the St. Lucia Ministry of Health's *Progress Report on Health Conditions*. A useful general reference on comparative Caribbean economics is the 1985 edition of the *Caribbean Economic Handbook* by Peter D. Fraser and Paul Hackett. Specific economic data may be drawn from the World Bank's country study *St. Lucia: Economic Performance and Prospects*, as well as from annual reports by the ECCB and the Caribbean Development Bank. St. Lucia's annual *Budget Address* also provides useful insights into the economy. Comprehensive political and foreign affairs analyses specifically dedicated to St. Lucia are sadly lacking. (For further information and complete citations, see Bibliography.)

St. Vincent and the Grenadines

Official Name St. Vincent and the Grenadines

Term for Citizens Vincentian(s)

Capital Kingstown

Political Status Independent, 1979

Form of Government Parliamentary democracy
and constitutional monarchy

Geography

Size 389 sq. km.

Topography Mountainous; windward side
gently sloping, leeward side rugged

Climate Tropical, wet

Population

Total estimated in 1985 110,000

Annual growth rate (in percentage) in 1973-83 1.2

Life expectancy at birth in 1986 65

Adult literacy rate (in percentage) in 1986 82

Language English, some patois

Ethnic groups Black (65.5 percent), mulatto
(19 percent), East Indian (5.5 percent),
white (3.5 percent), Amerindian (2 percent),
other (4.5 percent)

Religion Anglican (47 percent), Methodist
(28 percent), Roman Catholic (13 percent);
remainder other Christian denominations,
Hindu, or Rastafarian

Economy

Currency; exchange rate Eastern Caribbean
dollar (EC\$); EC\$2.70 = US\$1.00

Gross domestic product (GDP) in 1985 . . . US\$102 million

Per capita GDP in 1985 US\$930

Distribution of GDP (in percentage) in 1985

Agriculture 17.7

Industry 15.4

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Manufacturing	10.5
Tourism	2.0
Other	54.4

National Security

Armed forces personnel	0
Paramilitary personnel	80
Police	490

St. Vincent and the Grenadines

St. Vincent and the Grenadines, a West Indian island nation whose most conspicuous feature may well be its diminutive geographic and demographic size, was a stable, democratic state whose cultural, linguistic, and religious traditions had been influenced by constant political turnover in the first 300 years of its existence as a colonial territory.

Evidence suggests that the island of St. Vincent was discovered by Christopher Columbus in 1498, and legend fixes the date of discovery as January 22, St. Vincent's feast day. Columbus claimed the island for the Spanish monarchs; however, the strength of the native Carib presence prevented immediate colonization and retarded settlement by any European nation until the late seventeenth century (see *The Pre-European Population*, ch. 1). The British managed to settle the island by making treaties with the Caribs, but the French vied for control during the Seven Years' War (1756–63). St. Vincent was formally ceded to Britain by the Treaty of Paris in 1763 (see *Political Traditions*, ch. 1). France also lost most of the Grenadine Islands to Britain at the conclusion of the war.

During the next hundred years, the islands continued to change hands. Although the Caribs permitted St. Vincent to be divided between themselves and the British in 1773, the island was recaptured by the French in 1779. It was restored to Britain in 1783 by the Treaty of Versailles. Increasingly resentful of British sovereignty, the Caribs revolted and overran the island in 1795 with French assistance. The British subdued the Caribs by the following year and deported most of them to British Honduras (present-day Belize) in 1797. Some of the Grenadine Islands remained under French hegemony much longer, and they still retain a strong French cultural, architectural, and linguistic influence.

The islands sustained numerous sugar plantations in the nineteenth century. Africans were imported to work in the cane fields until slavery was abolished in 1834 (see *The Post-Emancipation Societies*, ch. 1). East Indians and Portuguese arrived soon afterward to alleviate the shortage of labor in the agricultural sector. When the world price of sugar fell in the mid-1800s, the islands suffered a depression that endured through the turn of the century. A hurricane in 1898 and a volcanic eruption in 1902 also hindered economic recovery for many years.

Although the British established a joint government of several Windward Islands colonies in 1764, St. Vincent withdrew from this union in 1776 and was granted the right to have its own

representative assembly. In 1877, however, the British imposed crown colony government (see Glossary). From the mid-nineteenth through the mid-twentieth century, the islands of St. Vincent and the Grenadines were affiliated with other Windward Islands in numerous associations ordained or encouraged by Britain, the last of which was the West Indies Federation (see *The West Indies Federation*, 1958-62, ch. 1). As a result of political fragmentation among the islands, each of the associations failed, and St. Vincent and the Grenadine Islands reverted to colonial status under the administration of the British crown. Many of the former West Indies Federation states gained associated state (see Glossary) status in 1967; however, internal political differences delayed St. Vincent and the Grenadines from acquiring associated statehood until October 27, 1969. Under the terms of this arrangement, which merged St. Vincent and the northern Grenadine Islands into a single nation, St. Vincent and the Grenadines assumed complete responsibility over its internal affairs, whereas Britain retained control of defense and foreign affairs. Exactly ten years later, after approval by a two-thirds majority both in the islands' House of Assembly and by plebiscite, the independent nation of St. Vincent and the Grenadines was established.

Geography

St. Vincent and the Grenadines is located in the southern portion of the Lesser Antilles, islands formed from the peaks of a partially submerged chain of volcanic mountains (see fig. 1). The island of St. Vincent lies 97 kilometers north of Grenada and 160 kilometers west of Barbados. The Grenadines are a chain of some 600 islets that stretch between St. Vincent and Grenada. The northern Grenadines belong to St. Vincent; the southern islands belong to Grenada.

The total area of St. Vincent and its associated islands is 389 square kilometers, of which St. Vincent alone accounts for 345 square kilometers. The main island, which is approximately thirty-two kilometers long and eighteen kilometers wide at its maximum breadth, is roughly oval shaped and has a north-south alignment.

A nearly impenetrable ridge of volcanic mountains forms the spine of St. Vincent and of each of the Grenadines (see fig. 11). The highest peak is Mount Soufrière, which has an elevation of 1,234 meters. It is one of the two most active volcanoes in the Antilles (the other is Mount Pelée in Martinique), and its eruptions, although sporadic, can be violent. In 1902 a major eruption devastated the northern half of the island and killed 2,000 people. The most recent eruptions occurred in 1971, 1974, and 1979.

Although all of these were also major eruptions, they were not as violent as the 1902 event, nor was there as great a loss of life. The summit region of Mount Soufrière includes several craters, one of which contains a fair-sized lake some 300 meters below the crater rim.

The island of St. Vincent is composed almost entirely of volcanic ash, other porous volcanic material, and lava. The windward side of the island slopes gently to the coast. The terrain there is undulating, with broad alluvial plains along the stream valleys. The leeward side has rugged, deeply dissected terrain. A number of fast-flowing streams that dry up before reaching the coast can be found at higher elevations. The soils on St. Vincent are extremely porous, and water seeps through them rapidly, leaving the surface very dry.

St. Vincent and the Grenadines enjoys a tropical climate. The northeast trade winds blow across the islands, releasing some of their moisture as they do so. The islands as a whole receive an average of 150 centimeters of rainfall per year; in the mountains, however, the average is 380 centimeters per year. Seventy percent of this precipitation falls during the rainy season from May to November. Temperatures average 28°C. Although the island group lies in the hurricane belt, it is not often subjected to massive damage. In recent history, hurricanes struck the island in 1956, 1967, and 1980. Tropical Storm Danielle did about US\$9 million in damage to the banana crop in 1986.

Population

The population of St. Vincent and the Grenadines in mid-1985 was estimated to be 110,000; more than 70 percent of the inhabitants had been born since 1960. Statistics for 1985 cited the crude birth and death rates as 31.3 and 7.5 per 1,000, respectively. Although these rates suggested that the population would increase substantially, the high birth rate was mitigated by a sizable level of emigration. As a result of the emigration pattern, the annual rate of population growth for the period 1973–83 averaged only 1.2 percent. This outflow of islanders helped alleviate a serious unemployment problem, but it also deprived the island of its professional and most highly skilled workers.

In 1986 the prime minister stated that the potentially high rate of population growth was one of the greatest problems facing the country. Related to that issue was the large number of Vincentian children born to poor families. Many twentieth-century, lower class households were headed by single mothers, in part because of the migratory patterns of men who were forced to seek employment

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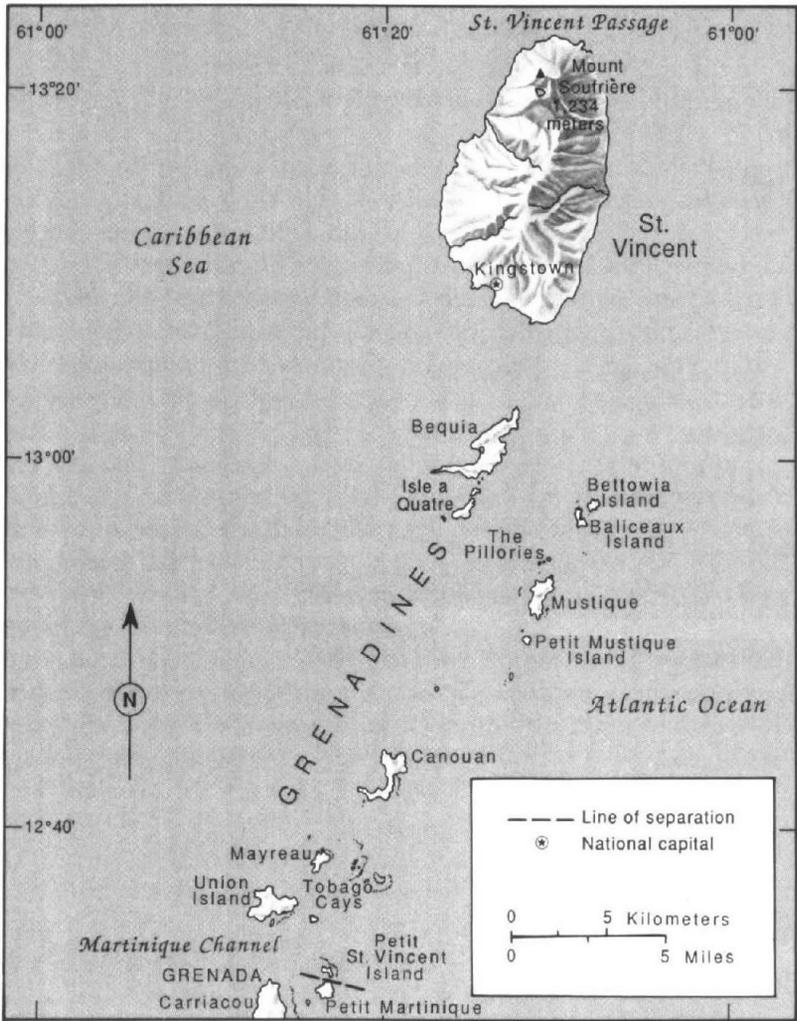


Figure 11. St. Vincent and the Grenadines, 1987

outside their towns of origin. Another contributing factor was the prevalence of consensual unions over more formal marriage arrangements in many lower class families. The unstable nature of these relationships rendered many children fatherless and poverty stricken. Recognition of the personal and national benefits of family planning increased after planned parenthood programs were commenced in the late 1960s, but many prospective parents continued to ignore or remained unaware of governmental attempts to control the size and spacing of their families. To contain the annual

rate of population growth and reduce the many teenage pregnancies, the government inaugurated a controversial national family planning program in 1984 that strove to educate the population through schools, seminars, home visits, billboards, and the mass media. In the late 1980s, it remained to be seen whether the program would succeed in reducing the islands' population pressures.

Although Vincentian society in the late 1980s was characteristically multiracial, most islanders traced their ancestry from African slaves who were imported by Europeans to cultivate the sugar plantations. A majority (65.5 percent) was black, and a substantial minority (19 percent) was considered mulatto (of mixed white and black ancestry). East Indians, who had arrived to labor on the plantations after slavery was abolished, were the progenitors of 5.5 percent of the population. Whites, including many from Portugal's Madeira, constituted 3.5 percent. Two percent were Amerindian, and the remaining 4.5 percent had emigrated from North America, Latin America, and Asia.

Class lines roughly followed ethnic and racial delineations. The majority of the upper class was British in origin. The middle and working classes were made up of a sizable number of blacks, as well as East Indians and individuals of European descent. The majority below the poverty line was black.

The population distribution gave the country a decidedly rural slant. As of 1982, approximately 73.7 percent dwelled in the countryside, and 26.3 percent lived in urban areas, preponderantly in Kingstown. A majority of the nation's poor resided in relatively inaccessible areas of the main island or on the Grenadine Islands. Although rural to urban migration occurred, it was not a large problem because of the accompanying pattern of international emigration.

Linguistic and religious traditions stemmed primarily from the legacy left by two centuries of British rule over the country. Although French patois could be heard on some of the Grenadine Islands, the country's official language was English. The majority of people were Christian, and 47 percent of the church-going population attended the Church of England. Additional denominations represented included Methodist (28 percent) and Roman Catholic (13 percent). The remainder of the population were Seventh-Day Adventists, Baptists, or Hindus. A small, unorganized Rastafarian (see Glossary) sect also existed in the country; however, Rastafarianism was not a dominant factor in the society.

Education

The most striking characteristic of the education system was the absence of any compulsory attendance regulations. Faculties and

facilities were inadequate, particularly outside the capital area, and students were generally required to purchase their own books and supplies. Consequently, although primary-school enrollment approached 90 percent, only a minority of children completed a twelve-year program. In 1986 the adult literacy rate (at the sixth grade level) was estimated to be 82 percent. To rectify these deficiencies, the government appropriated US\$7.4 million for current expenditures on education, an increase of 10 percent over the previous year and the second largest portion of the budget for fiscal year (FY—see Glossary) 1986–87, and allocated US\$630,000 for new educational facilities.

In the late 1980s, the government sponsored sixty-two seven-year primary schools. Secondary-school facilities were limited to six junior high schools, one public senior high school for girls, and one public coeducational secondary school. Eleven additional government-assisted secondary schools were directed by various religious organizations. At the university level, one teacher-training college and one technical college were located in St. Vincent. Most citizens who aspired to gain higher education were forced to go elsewhere, most often to the University of the West Indies or to institutions in Britain, Canada, or the United States.

Although the economic situation improved throughout the 1980s, the country's education system failed to prepare most students to fulfill their own or society's economic expectations. Because of the high number of islanders who did not complete high school and the time-consuming and costly nature of training for a professional career, the only employment that many Vincentians were able to secure upon entering the job market involved menial labor in the agricultural sector. As a consequence, a great number of jobs requiring more highly skilled professionals continued to be vacant.

Vincentian women were especially vulnerable to the constraints placed upon them by a poor education. Sex roles in the 1980s continued to be clearly defined along traditional lines; boys generally received a better education than girls because it was assumed that the latter would remain at home. This held true even though women officially constituted 38 percent of the labor force.

Health and Welfare

The infant mortality rate in St. Vincent and the Grenadines was one of the highest in the Caribbean at 46.8 per 1,000 live births. An underlying cause remained the large number of children born to teenage mothers. The child who reached five years of age, however, faced relatively few health-related problems. The health of the adult population was considered to be reasonably good; life

expectancy at birth was about sixty-five years in 1986. Most insect-borne and communicable diseases were well under control, with the exception of yellow fever, which remained a problem in a few isolated areas. Three cases of acquired immune deficiency syndrome had been reported as of June 1986. The chief causes of death were parasitic diseases and diseases of the circulatory system. Gastroenteritis was also a common problem.

Diet and housing conditions were satisfactory for the upper and middle classes but inadequate for the rest of the population. The poorly balanced diet of the lower class was a major cause of the malnutrition of some children. Staples included rice, sweet potatoes, and fruit. Fish was readily available to most of the population, but certain other foodstuffs had to be imported and were thus out of reach of many poor Vincentians. Housing was in short supply for the lower class, especially for the country's large number of agricultural workers. The housing shortage, caused in part by the high birth rate among the increasingly young population, worsened after the 1980 Hurricane Allen, which destroyed many of the flimsier structures on the island and damaged some of the more substantially built homes.

The nation's failure to provide chlorinated water and adequate sanitation facilities for many of its citizens compounded residents' health problems, especially these related to gastroenteritis and parasitic diseases. Approximately three-quarters of the population had no access to potable water. The urban sewage system was operated in an inefficient manner, and pit latrines were still in use in some rural areas. Efforts were launched in the 1960s to provide adequate water supplies and sewage disposal systems, but as of the late 1980s they were only partially successful.

The nation spent more than US\$3 million, approximately 3 percent of the gross domestic product (GDP—see Glossary), on health care in 1982. Medical centers were plentiful, but most only approached the size of a small health dispensary. There were four hospitals, two health centers, three specialist hospitals, and thirty-four medical clinics throughout the islands. The ratio of hospital beds to population was 1 to 1,695 in 1981. There were 368 medical personnel in the country in 1984, consisting of 24 physicians (only 5 of whom were native Vincentians), 1 dentist, 19 medical technicians, 290 nurses, and 34 community health aides. The ratio of physicians to population was 1 to 4,791 in 1981. Health services on the Grenadine Islands were characterized by a lack of well-trained health practitioners.

Following independence, the government played a more prominent role in legislating health and welfare issues. Beginning in 1970,

the government sponsored a limited form of social security through the National Provident Fund, which provided retirement pensions, health insurance, and death benefits. This fund was scheduled to be converted into a full-scale National Insurance Programme in 1987. Some successful cooperative ventures existed at the grass-roots level. Called Friendly Societies, they were formed in the early twentieth century as self-help "insurance" groups to provide for members' medical needs and burial expenses in exchange for the payment of low annual dues. It appeared likely that these groups would continue to flourish until the government's new insurance program proved successful.

Economy

The economy of St. Vincent and the Grenadines, highly dependent upon agricultural exports, performed fairly well in the years following independence; the viability of some sectors of the economy remained questionable, however, and a large negative balance of payments was the young nation's greatest economic obstacle. Although these problems continued to exist in 1987, some economic difficulties were resolved after the emergence of a reform government following the 1984 national elections.

Macroeconomic Overview

The GDP totaled an estimated US\$102 million in 1985, and per capita GDP approximated US\$930, the lowest in the Eastern Caribbean. GDP grew at a high rate for the first six years of the 1980s, an average of 4.6 percent, but slowed to 2.5 percent in 1986 as a result of weather conditions affecting the agricultural sector. The inflation rate decreased from 12.7 percent in 1981 to 2.2 percent in 1986.

The labor force had averaged 40,000 since independence. Women comprised 38 percent of the official labor force; they probably comprised more than 50 percent if the informal sector of the economy was included in government figures. Unemployment was a pervasive problem, especially among workers between the ages of fifteen and twenty-five. According to 1986 estimates, more than one-third of the labor force was unemployed, a very high figure even for the Caribbean. The nation's employment capacity was severely strained because of the young labor force and the many students emerging from the education system before completing high school. Another serious problem was the rate of underemployment, which remained exceptionally high as a consequence of the country's dependence on seasonal agriculture.

Legislation guaranteeing a maximum work schedule and minimum daily wages for the labor force was in effect before independence. Young people were eligible for employment at fifteen years of age, and a five-day work schedule of forty hours per week, as well as a minimum of two weeks' annual vacation, was guaranteed by law. In 1987 daily minimum wage rates for men and women continued to differ by more than 23 percent. Although men in the industrial sector earned a minimum of US\$5 per day, women employed in industry could be paid as little as US\$3.85 for the same period. Male agricultural workers received at least US\$3.85 for a day's work, whereas their female counterparts were entitled to a daily minimum of only US\$3. Lobbying efforts by a number of women's groups and workers' unions sought to end the disparities; nevertheless, as of late 1987 the minimum wage regulations remained unchanged.

Organized labor, which constituted approximately 10 percent of the labor force, was not as vigorous in the Vincentian society and economy as in other Eastern Caribbean nations. In 1987 five labor unions existed in St. Vincent and the Grenadines for commercial and technical workers, public service employees, teachers, national workers, and farmers. The Ministry of Housing, Labour, and Community Development oversaw the reconciliation of disputes between workers and employers.

The poor infrastructure of the islands, especially outside Kingstown's immediate area, hindered economic possibilities for the nation's farmers and entrepreneurs. The more than 1,000 kilometers of roadways varied greatly in terms of surface quality. Twenty-seven percent were well-paved highways; 36 percent, rough-paved or gravel roads; and 37 percent, barely passable tracks. The northern and interior mountainous parts of the island of St. Vincent were inaccessible by highway. No railroad system or navigable inland waterways existed on any of the islands. A deep-water harbor, completed in 1964 at Kingstown, was the country's only port capable of accommodating ocean-going vessels. As of 1984, an expansion project was underway to improve constraints at Kingstown Harbour, such as congestion and inadequate handling facilities that were limiting access to trade and cruise ships. St. Vincent and the Grenadines was also the only Organisation of Eastern Caribbean States (OECS—see Glossary) country to lack an airport capable of accommodating international flights. Its principal airport, located three kilometers southeast of the capital at Arnos Vale, contained runways that ranged from 1,220 to 2,439 meters in length. In addition, three landing strips for small aircraft existed in the Grenadine Islands.

An improved digital telephone system costing more than US\$7 million was installed in 1986, comprising 6,700 lines and capable of expanding to 20,000 lines. Although the system was linked to the Grenadine Islands, most telephones were located in Kingstown, which contributed toward the delay in developing the remainder of the country.

Because it lacked fossil fuel resources of its own, the nation had to import most fuels for energy consumption. The government-run St. Vincent Electricity Services, which in 1985 had the capacity to supply 6.7 megawatts of electricity to the country's two largest islands, operated on diesel fuel for 60 percent of its power. Most of the government's revenues from the sale of electricity were thus applied toward the purchase of more fuel. The remaining 40 percent of the electricity was generated through domestic hydroelectric power sources. To lessen the utility's dependence on highly priced imported fuel, the government in FY 1983-84 invested more than US\$33 million in the Cumberland Hydroelectric Project, which featured the construction of three new hydroelectric power plants. The project promised to save the country approximately 34,500 barrels of fuel per year and more than US\$1 million annually in foreign exchange.

Banking and Finance

The nation's largest financial institution was the state-run National Commercial Bank, and various branches of Canadian banks were prominent in Kingstown. The Eastern Caribbean dollar, the national currency shared with other OECS members since July 1976, was pegged to the United States dollar, and the exchange rate continued to be EC\$2.70 to US\$1.00 in 1987.

After Prime Minister James F. "Son" Mitchell took office in 1984, the country's budgetary figures went from a deficit of US\$2.15 million in FY 1983-84 to a surplus of US\$2.85 million in FY 1985-86. The turnaround was the result of more effective control over the central government's current expenditures and improved efficiency in tax collection. In 1984, once the country's accounts were balanced, the Mitchell government cut the unpopular personal income and business taxes introduced in 1983 to offset the budget deficit. The traditionally low percentage of the budget dedicated to the Grenadines was also a recurrent issue. It was estimated that before 1984 the Grenadines had received only about 1 percent per year of the country's total budget. During his election campaign that year, Mitchell promised to address the concerns of his Grenadines constituents regarding perceptions of continued economic neglect of those islands. As of late 1987, he

had been somewhat successful with the limited resources at his disposal but had not been able to raise the money to do everything that was needed.

A budget of US\$64.4 million for FY 1986-87 was presented by the prime minister in early 1986. Fifty-nine percent of the budget was allocated for current expenditures. The remainder funded the government's capital program, which included an unusually large percentage dedicated to the government's hydroelectric project and other capital improvements to the nation's physical infrastructure. The Ministry of Finance, Planning, and Development received the largest portion of spending, almost 14 percent. In early 1987, a reorganization of the nation's civil service was proposed by the prime minister, who recommended streamlining the large and cumbersome bureaucracy to eliminate waste and inefficiency.

Role of Government

The government was actively involved in the management of the economy through its ownership of many state-run enterprises and utilities and the influence it exerted over the various economic sectors and privately owned enterprises. When they elected him in 1984, voters expected that Mitchell, an agronomist by profession, would be able to resolve some of the economic problems faced by St. Vincent and the Grenadines in the early 1980s. Among the economic priorities that Mitchell enumerated during the campaign were the reduction of the national budget and trade deficits, a revision of the income tax code to promote private savings and investment, and the promotion of private sector export industries such as agricultural processing and manufacturing. The platform of Mitchell's New Democratic Party (NDP) also included government oversight of the management of the economy, the government's withdrawal from production, the construction and repair of tourist facilities, and the improvement of physical and social infrastructure on the islands. Upon becoming prime minister, Mitchell also assumed the office of minister of finance, planning, and development so that he could be more directly responsible for making and implementing economic policy. During his first three years in office, Mitchell reversed the central government's poor financial situation by increasing agricultural exports, streamlining state-owned enterprises, and improving control over the government's current expenditures; the performance of the industrial and tourist sectors of the economy was mixed, however, because of strong competition from neighboring islands and the country's poor infrastructure.

A year after he took office, Mitchell considered his major developmental achievement to be the government's nationalization of the 1,400-hectare Orange Hill Estates. The estates project was the centerpiece of the government's early proposals for land reform. Danish investors had purchased the land in 1985 from private owners for US\$2 million and offered the land for resale to the Vincentian government for more than US\$8.3 million. St. Vincent and the Grenadines subsequently nationalized the property and offered the Danish consortium a settlement of US\$1.7 million as compensation for its loss. The government planned to make a cooperative from the old estate and distribute small plots for rent and subsequent purchase to the tenants already living and working there. Additional plans called for the establishment of a tourist complex with funds from international donors such as the European Economic Community and the Caribbean Development Bank. Despite this highly visible land reform effort, Mitchell repeatedly assured Vincentian large landowners that confiscation would not occur; rather, his government would purchase land only as it was offered for sale.

Sectoral Performance

Although agriculture's contribution to GDP dwindled considerably between 1961 and 1985 (from 40.3 percent to 17.7 percent), in the late 1980s agriculture remained the mainstay of the economy, as it had been from the late eighteenth century. The sector employed approximately 67 percent of all workers and earned 65 percent of the country's export revenue in 1985. Most of the country's land was not considered arable; only about 40 percent of its 389 square kilometers could be cultivated. Principal crops included bananas and arrowroot. Increasing emphasis was placed upon agricultural production for the export market.

After assuming leadership in 1984, Mitchell was successful in reversing some of the setbacks that agriculture traditionally had endured, such as a reliance upon a small number of crops and poor marketing strategies. Product diversification, improved advertising techniques, and a limited land reform program helped to strengthen the performance of the economy.

Although banana production was disrupted by a series of hurricanes and volcanic eruptions in the 1970s, in the late 1980s bananas continued to be the nation's primary cash crop and an especially lucrative export commodity for the nation's many small farmers. An exceptional yield of more than 40,640 tons was exported in 1985, contributing US\$16 million to the nation's coffers; however, unfavorable weather conditions undercut the banana industry during

the following two years. Tropical Storm Danielle in 1986 and a severe drought in 1987 reduced each year's crop by about one-half; the damage to banana production in 1986 contributed to a loss of export earnings in the amount of more than US\$3 million. It also created widespread unemployment within the sector and also for boxing plant employees, truckers, and stevedores.

Through the late 1980s, St. Vincent and the Grenadines was the world's largest producer of arrowroot, a tuberous root whose starch is used in the production of baby food and computer paper. A consistent cash crop for the nation during the twentieth century, arrowroot trailed only bananas in importance from the 1970s through the following decade. Even the phenomenal growth of the computer industry, however, could not keep the demand for Vincentian arrowroot at a steadily high level. Competition from China and Brazil and marketing and finance problems besetting the agricultural sector as a whole led to a decline in the annual yield from about 813 tons in 1984 to an estimated 160 tons in 1987. The arrowroot industry had contracted a debt of almost US\$3 million by 1987; the government planned to improve the economic viability of the sector by rescheduling the debt.

For a century and a half, sugar had been St. Vincent and the Grenadines' most important cash crop; in the mid-twentieth century, however, sugar production became a liability because of the fall of world commodity prices. Production declined in the 1960s and was terminated in the early 1970s. At the beginning of the 1980s, the government encouraged the return of the sugar industry to reduce unemployment and limit the amount of foreign exchange being spent for a crop that could be grown by the nation's own farmers. Nevertheless, cutbacks in United States sugar import quotas, continually depressed prices, and the growing use of high-fructose corn syrups made sugar a financially unsound investment for private growers and the government, and the last crop was harvested in 1986.

The livestock and fisheries industries were geared toward the domestic market. Local fish consumption was high because of the proximity to abundant fishing waters. The principal limitation hindering the export of livestock and fish was the lack of adequate refrigeration facilities.

Although light manufacturing was designed to be the key to industrial development, the country was a latecomer to this field. Consequently, industry constituted only a small fraction of the national economy in the late 1980s. Expanding by only 1 percent annually following independence, manufacturing employed 8 percent of the labor force and constituted 10.5 percent of GDP in 1985.

Because the economy was exceptionally small and yet linked to the OECS regional economic system, the country was inordinately dependent upon trade. For the most part, production was geared toward export, and agricultural processing had long been the primary national export industry. Other activities included clothing and textiles manufacturing, rum distillation, flour milling, cigarette and tobacco production, and yacht building. Among the most promising of domestic industries was the manufacture of concrete, flour, and furniture.

Following independence, the government strove to widen avenues for trade by providing incentives for foreign investment with liberal tax and currency exchange regulations. The government also financed the wide-ranging Development Corporation, which was designed to locate potential foreign investors for joint ventures in manufacturing and agriculture. Despite these efforts, manufacturing output remained rather sluggish in 1987. The economy continued to suffer from the absence of known natural resources, the small size of the domestic market, a poor local infrastructure, a shortage of factory space, high export transportation costs, intense regional competition, and the lack of a well-trained managerial and entrepreneurial cadre. In addition, the Development Corporation was considered to be overextended.

One industry that grew tremendously after the country's independence was the construction industry, which was oriented toward the domestic market. Private construction companies were few; employment opportunities in this field were excellent in 1987, however, because of the government's high capital expenditures for the development of the country's physical infrastructure.

In the late 1980s, the most promising long-term revenue enhancer for the economy, especially in the Grenadines, was a dynamic tourist industry. Tourists arrived principally from other Caribbean countries, North America, and Britain, and tourism's contribution to GDP remained a steady 2 percent in the 1980s. The beauty of the Grenadine Islands attracted many yachting enthusiasts, and some of the smaller islands functioned almost exclusively as resorts. The tourism industry profited from the 1983 crisis in neighboring Grenada; many cruise ships were diverted to St. Vincent and the Grenadines until the political turmoil was resolved. Despite a growing number of tourist arrivals each year, however, the potential for tourism was not as fully realized as in other Caribbean nations, primarily because of the lack of an international airport. A high incidence of foreign control over tourist facilities also contributed to a Vincentian loss of revenue. Mitchell encouraged citizens to

invest in the tourist industry so that more earnings would remain in the country.

Foreign Trade and Balance of Payments

The nation's balance of payments improved during the 1980s as a result of the strong performance of agricultural exports, which stimulated a decline in the current account deficit from 23 percent of GDP in 1979 to under 10 percent in 1986. Nevertheless, a large negative trade balance continued to affect the nation. In 1985 the trade deficit was US\$23.6 million. The country received US\$61.5 million for its exports, composed primarily of agricultural products, and paid US\$85.1 million for imports, such as food and beverages, machinery and equipment, and manufactured goods. In the late 1980s, principal trading partners remained other Caribbean Community and Common Market (Caricom—see Appendix C) member states, which were the recipients in 1983 of 57 percent of Vincentian exports and the sources of an estimated 32 percent of all imports. Of those states, Trinidad and Tobago dominated; 34 percent of Vincentian exports were shipped to that nation, and approximately 24 percent of Vincentian imports arrived from there. Britain received 32 percent of Vincentian exports and provided about 11 percent of its imports. The United States accounted for an estimated one-third of all imports into the country, and Canada provided about 6 percent of the same. The remaining percentages were exported to and imported from countries in Western Europe, Latin America, and Asia.

St. Vincent and the Grenadines received moderate amounts of aid in the years following independence. Canada granted aid and loans for many projects, and traditional donors, such as Britain, the United States, and some international organizations, also contributed funds toward the economic growth of the island.

Government and Politics

The Governmental System

The promulgation of the postindependence Constitution gave St. Vincent and the Grenadines a constitutional monarchy with an independent British-style parliamentary system of government. The Constitution in force in the late 1980s provides for the Parliament, which is composed of a thirteen-member elected House of Assembly, a six-member appointed Senate, and an elected attorney general. In 1986 a constitutional amendment was approved by the House to increase the number of seats in the House of

Assembly to fifteen. The country's head of state is the British monarch, who is represented in St. Vincent and the Grenadines by a governor general appointed for a five-year term. The governor general's duties include the appointment as prime minister of the member of the House who commands the support of the majority of the representatives. The governor general also appoints the senators, four on the advice of the prime minister and two on the advice of the leader of the opposition. In practice, the authority of the governor general is quite limited; he or she generally acts only with the approval of the government.

The nation's judicial system is built on the foundations of English common law. There are eleven courts in the country within three magisterial districts. Although the Constitution is the supreme law of the islands, it allows for continued association with the Eastern Caribbean States Supreme Court, which is known in St. Vincent and the Grenadines as the St. Vincent and Eastern Caribbean States Supreme Court. It consists of the Court of Appeal and the High Court. The court of last resort is the Judicial Committee of the Privy Council in London.

Prior to independence, natives of the British territories of St. Vincent and the Grenadine Islands held British citizenship. Following independence, all citizens continued to be considered British subjects under British law because of St. Vincent and the Grenadines' membership in the Commonwealth of Nations (see Appendix B). The Vincentian Constitution does not recognize dual citizenship, however. Every person born in St. Vincent and the Grenadines who was a British citizen prior to independence automatically became a Vincentian citizen on October 27, 1979. All persons born anywhere in the world to a Vincentian parent after that date were also granted citizenship.

Universal adult suffrage was first granted in 1951 for citizens twenty-one years of age. The new Constitution enfranchises citizens of eighteen years of age, and the minimum age for eligibility to hold office by election or appointment is twenty-one years.

The Constitution guarantees freedom of speech and of the press. The government-owned Radio St. Vincent and the Grenadines and the independent St. Vincent and the Grenadines Television remained relatively free from censorship and interference in the 1980s. Editorials in the *Vincentian*, the nation's independent weekly newspaper, routinely and openly criticized the nation's leaders. Because the major political parties published their own newspapers, the government refrained from pressuring the editorial staffs of the independent news organizations to print only the official government position.

Political Dynamics

Although the political system was among the most stable of Britain's former colonies, the country has perhaps the most colorful history of political parties in the Eastern Caribbean region. These parties, many of which had not yet been established prior to the nation's independence in 1979, enhanced the dynamic democratic traditions that, with very few exceptions, remained vibrant in St. Vincent and the Grenadines through the late 1980s.

The leadership of the various parties was extremely erratic; founders of one party frequently emerged as leaders of another party only a few years later. As of 1987, the most successful player of this game of political musical chairs was the man who became prime minister in 1984, James Mitchell. Mitchell initially won the Grenadines' parliamentary seat in 1966 as a member of the St. Vincent Labour Party (SVLP), which then became his principal opposition from 1984 through late 1987. He was reelected to Parliament in the 1972 elections despite personality differences that had led him to resign from the SVLP and run as an independent. Because Mitchell was able to form a coalition government with the People's Political Party (PPP), he served as premier, the preindependence equivalent of prime minister, until his government fell two years later. In the subsequent elections, Mitchell managed to retain his seat in the House of Assembly as an independent and continued as a member of Parliament through 1979. In a 1980 by-election, Mitchell was returned to the Grenadines seat in the House of Assembly as the leader of the five-year-old NDP, with which he continued to be affiliated through late 1987.

The first political party to gather mass support was the PPP. Founded in 1952 by Ebenezer Joshua, the party drew much of its large following from among trade union members. At the forefront of national policy making prior to independence, the pro-Western PPP won a majority of parliamentary seats in 1957, 1961, and 1966. The party began to lose its following soon afterward with the emergence of a more conservative middle class. The party suffered a total defeat in the 1979 elections, and Joshua relinquished leadership of the PPP in 1980. Although the party disbanded in late 1984, it regrouped in 1987 under a new name, the People's National Movement.

The SVLP, under the leadership of R. Milton Cato, dominated the country's political scene for almost two decades prior to 1984. Founded in 1955, the party owed much of its support to the black middle class. Cato's conservative platform advocated law and order,

a pro-Western foreign policy, and a mixed economy. Following victories in 1967 and 1974, the party won the country's first postindependence election in 1979. That triumph was attributed to an economy that had been strengthened under Cato's previous governments and his success in guiding the country to independence.

Expecting an easy sweep at the polls because of the splintered opposition, Cato called general elections in 1984 months before they were constitutionally required. The elections produced two surprising results: the largest voter turnout in Caribbean history (88.8 percent) and an NDP victory in nine of the thirteen seats. The SVLP was hindered by a number of issues in the 1984 election campaign. First, there was concern that Cato's advanced age and ill health would detract from his ability to govern effectively. The Cato government was also accused of gross mismanagement of government funds, resulting in a national deficit that could only be offset by a tax increase. Cato's attorney general had also lost popularity because he had refused to resign after involvement in a disputed land deal. Other problems included controversy surrounding 1981 legislation dealing with the prevention of subversion and strikes and resistance against the paramilitary Special Service Unit (SSU) set up by Cato in response to the 1983 events in Grenada (see National Security, this section). Cato retired from the party leadership soon after his election defeat.

The pro-Western NDP, founded by Mitchell in 1975, prevailed over the SVLP in the 1984 elections by a margin of 51 percent to 41 percent. As of 1987, the NDP's popularity rating remained high because of the belief that the prime minister was governing well with the limited resources at his disposal. Priorities on the NDP's agenda included the continued search for financial and technical assistance for the construction of an international airport and support for efforts to implement a nationwide family planning program. Mitchell, who was born on Bequia, the largest of the Grenadine Islands, also tried to upgrade services in the Grenadines to correct allegations that those islands traditionally were ignored by politicians once an election victory was assured.

Soon after the election, Mitchell's government succeeded in reducing the country's deficit and enforcing land reform without antagonizing landed Vincentians. Although many of his goals had not yet been met, Mitchell was given a vote of confidence during a 1987 by-election that followed the death of an NDP parliamentarian.

Another contender in the postindependence elections was a socialist coalition, the United People's Movement (UPM), formed in 1979 by Ralph Gonsalves. The UPM was an alliance of the

left-wing Youlou United Liberation Movement, founded by Gonsalves in 1974; the leftist People's Democratic Movement (PDM), founded by Parnel Campbell; and Arwee, a rural party. By the time of the 1984 elections, the UPM's political prestige had been marred by numerous defections, including the PDM's departure in 1980 and Gonsalves's exit in 1982 to found a more moderate socialist political party, the Movement for National Unity. The UPM's aspirations to national leadership were also damaged by Vincentian revulsion to the violence that had consumed leftist forces in neighboring Grenada in 1983 (see Grenada, Government and Politics, this ch.).

Other active political parties in the late 1980s included the centrist Progressive Democratic Party, founded in 1981; the moderate Working People's Party, founded prior to the 1980 by-election; and the St. Vincent and the Grenadines National Movement, founded as a left-of-center response to the 1983 Grenada crisis.

Foreign Relations

As a result of its small physical and demographic size, historical ties to Britain, and geographic location, St. Vincent and the Grenadines traditionally conducted its foreign relations based upon alliances with other Eastern Caribbean states, Britain, and the United States. The country's foreign policy was administered by Britain until full independence was achieved in 1979. After independence, foreign policy was implemented by the prime minister through the Ministry of Foreign Affairs.

Mitchell made no fundamental changes in the overall foreign policy after taking office from Cato in 1984. His only modification of Cato's foreign policy, which reflected the pro-Western, conservative stance of his government, was a more outspoken articulation of Vincentian concerns regarding United States military assistance in the region.

Although Vincentians had not been especially alarmed by the coming to power of Maurice Bishop's Grenadian New Jewel Movement in 1979, domestic public opinion supported former Prime Minister Cato's decision to participate in the intervention. Mitchell, then the opposition leader, was actually one of the first Caribbean political leaders to call for a United States intervention in Grenada after the coup and Bishop's assassination in 1983. Mitchell pushed for the intervention in order to warn Cuba not to interfere in the politics of any other Eastern Caribbean nation. Mitchell was also a guiding force behind the three-party merger of moderates in Grenada under the banner of the New National Party prior to that country's elections in 1984. Mitchell was determined to promote

moderate forces in Grenada because he believed that instability in Grenada could ultimately affect the durability of the Vincentian political establishment.

St. Vincent and the Grenadines' historical alliances with Britain, the United States, and Canada grew from common political and linguistic heritages and were strengthened further by the bilateral and multilateral economic aid granted by those countries. Although St. Vincent and the Grenadines maintained diplomatic relations with the Soviet Union and Cuba, the politically conservative Vincentian populace discouraged close relations with those communist states.

Foreign policy also focused strongly on mutual cooperation with island neighbors. As a result of its association with the West Indies Federation and its administration by Britain in conjunction with other English-speaking islands prior to the federation, St. Vincent and the Grenadines frequently manifested interests that overlapped with those of its neighbors. As in the case of the Grenada crisis, an occurrence on one island could have repercussions for the others; thus, any compromising of the physical security or economic well-being of one or more of the Commonwealth Caribbean nations was a catalyst for at least a limited Vincentian involvement in regional affairs.

No foreign envoys resided in St. Vincent and the Grenadines in late 1987. Diplomatic channels were maintained through missions in other Caribbean countries such as Barbados. St. Vincent and the Grenadines lacked the resources to maintain high-level diplomatic missions abroad. As of early 1987, the state maintained permanent diplomatic representation only in London, and both the United States and the United Nations (UN) ambassadorships were vacant.

A decade after independence, St. Vincent and the Grenadines was a member of Caricom and the OECS. The nation was formally admitted to the UN in 1980 and the Organization of American States in 1981 and gained full membership in the Commonwealth of Nations in 1985.

National Security

Although extremists and Black Power movement (see Glossary) partisans were active in St. Vincent and the Grenadines in the 1970s, and although terrorists assassinated the attorney general in 1973, there was comparatively little preoccupation with security-related issues until 1979. In that year, the prime minister of neighboring Grenada was overthrown and the Grenadines' Union Island temporarily fell to local insurgents. Following these incidents,

the nation's vulnerability became increasingly apparent, and more emphasis was placed on security-related matters. Nevertheless, the civil defense capabilities of the Vincentian security forces remained very limited in the late 1980s. Like many of the other small island nations in the Caribbean, the country did not maintain a standing army. In case of external threat or insurgency from within, it relied upon the Regional Security System (RSS), of which it was a member (see *A Regional Security System*, ch. 7). Disturbances of a more limited nature were handled by a weaponless police force, under whose jurisdiction fell the armed paramilitary SSU and a small coast guard.

One of the most important issues debated in the late 1980s was the extent to which St. Vincent and the Grenadines should participate in the RSS. Mitchell, along with Barbadian prime minister Errol Barrow, prevented the upgrading of the 1982 Memorandum of Understanding into a treaty. During the 1984 elections, Mitchell campaigned against expensive defense commitments, stating numerous times that he opposed the establishment of a separate military institution. Mitchell also campaigned against what he termed the "excessive militarization" of the region because he feared that a strong military could endanger the democratic process in times of economic hardship. Although he recognized that the Eastern Caribbean states had to defend themselves, Mitchell believed that economic assistance would do more to secure the region than a military buildup. Ironically, St. Vincent and the Grenadines was one of only two countries in 1986 whose contribution to the RSS budget was not in arrears.

The internal security of the nation was the responsibility of the Royal St. Vincent and the Grenadines Police Force. Headquartered in Kingstown and headed by a commissioner, the force numbered about 490 members in the late 1980s. The organizational structure of the Police Force included the Criminal Investigation Department, the Fire Brigade, and branches for immigration, traffic, and transport. Although the Police Force had a good record with respect to human rights, there were four news media allegations between 1983 and 1987 of police brutality, two of them related, resulting in the deaths of detainees.

The most serious internal disturbance that the police were called upon to control was the uprising on Union Island in December 1979, which resulted when a group of young Rastafarians seized the local airport, police station, and revenue office. The perceived neglect of the small Grenadine island by the incumbent SVLP government was a factor in the Rastafarians' decision to take such drastic action. The situation was brought under control when the

prime minister called upon Barbadian troops to keep order on St. Vincent while the Royal St. Vincent and the Grenadines Police Force was dispatched to Union Island to subdue the minirebellion (see *Regional Security Threats, 1970–81*, ch. 7).

Police Force members operated unarmed unless an emergency occurred, in which case they were provided with the equipment needed to resolve the situation. In response to the Grenada crisis in 1983, a Vincentian SSU was created in early 1984 under the auspices of the RSS to arm some of the police permanently. Functioning as a paramilitary unit, the SSU had eighty members, all under the direction of the local police commissioner. Under a United States security assistance program, the SSU received British and United States weapons and equipment.

The Police Force lauded Mitchell's election because of his reputation for anticorruption politics; Mitchell did not spare the institution, however, when he made changes in some of the nation's security policies. To ensure that the SSU would not become an elitist group unaccountable to civilians, Mitchell took the unit out of the official camouflage military uniform and returned it to the local police uniform. Because Mitchell had reservations regarding the military training that the SSU was receiving under the RSS, he declined to allow the unit to take part in the two paramilitary training maneuvers held in 1985 and 1986 involving United States, British, and Caribbean forces. Although Mitchell supported the intervention of United States soldiers during the Grenada crisis, in the late 1980s he was concerned about their training activities in the Eastern Caribbean. Recognizing that the nation would be unable to defend itself alone in case of serious threat and yet concerned about the inevitability of the United States presence, Mitchell sought to ensure that United States actions in the region were compatible with Vincentian and Eastern Caribbean interests.

Mitchell stressed the need for security-related alliances with other Eastern Caribbean countries, especially Barbados. Nevertheless, despite the continuing compatibility between the governments of St. Vincent and the Grenadines and Barbados, Mitchell remained wary of the high profile of Barbadian troops in the RSS. Throughout his first year as prime minister, Mitchell expressed misgivings about the alacrity with which former Barbadian prime minister J.M.G.M. "Tom" Adams had responded to two appeals for assistance from former Prime Minister Cato. In the first instance, as mentioned previously, Barbados sent troops to maintain order on St. Vincent while the native police force quelled the Union Island uprising; in the second, a Barbadian gunboat was dispatched to Vincentian waters ready to intervene during and immediately after the 1984

elections in case the Royal St. Vincent and the Grenadines Police Force was unable to ensure peace.

Also under the jurisdiction of the Police Force was the small Kingstown-based coast guard, which began operating in 1981. Its primary function was to participate in search-and-rescue missions, fisheries protection, smuggling prevention, and narcotics interdiction. As of 1984, the coast guard possessed one Singapore-built 22.9-meter patrol craft and two locally constructed 8.2-meter launches. One 15.3-meter Swiftship patrol craft reportedly was delivered to the country by the United States in 1986. The small number of vessels hindered the ability of the coast guard to police the vast expanses of the Grenadine Islands and surrounding territorial waters.

In 1987 St. Vincent and the Grenadines could boast of a relatively low crime rate. Theft of property and petty assault were the acts most often perpetrated, mostly in Kingstown. Although illegal, marijuana was readily available. The growing abuse of narcotics among all sectors of society had not escaped St. Vincent and the Grenadines.

Detention facilities were poor. Prisons were crowded, poorly funded, and understaffed, and rehabilitation centers were nonexistent. To reduce overcrowding, first-time offenders were given alternate sentences of fines and community service.

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Solid studies relating to St. Vincent and the Grenadines are rare. Yearbooks, such as the 1986 edition of *The Europa Year Book* and *Political Handbook of the World, 1984-1985*, edited by Arthur S. Banks, comprise a substantial, if not always current, source of data. Geographical information may be garnered from the United States Agency for International Development's 1983 edition of *Countries of the Caribbean Community* and The Diagram Group's *Atlas of Central America and the Caribbean*. A guide to Vincentian economics is the 1986 edition of the Caribbean Development Bank's *Annual Report*. Articles by Gary Brana-Shute, Patrick Emmanuel, and Bernard Diederich in *Caribbean Review* provide useful information about the postindependence political scene, especially the numerous Vincentian political parties. *Caribbean Insight* contains articles on foreign relations and national security. (For further information and complete citations, see Bibliography.)

Grenada

Official name Grenada

Term for Citizens Grenadian(s)

Capital St. George's

Political Status Independent, 1974

Form of Government Parliamentary democracy
and constitutional monarchy

Geography

Size 433 sq. km.

Topography Mountainous

Climate Tropical, wet

Population

Total estimated in 1986 90,000

Annual growth rate (in percentage) in 1986 0.3

Life expectancy at birth in 1984 66

Adult literacy rate (in percentage) in 1986 90

Language English

Ethnic groups Black (91 percent);
remainder East Indian or white

Religion Roman Catholic (65 percent),
Protestant (nearly 35 percent),
small Rastafarian sect

Economy

Currency; exchange rate Eastern Caribbean
dollar (EC\$); EC\$2.70 = US\$1.00

Gross domestic product (GDP) in 1985 ... US\$105 million

Per capita GDP in 1985 US\$1,135

Distribution of GDP (in percentage) in 1985

Government and other services 26.6

Agriculture 16.3

Wholesale and retail trade 15.5

Construction 7.5

Hotels and restaurants 6.4

Manufacturing 5.8

Other 21.9

National Security

Armed forces personnel	0
Paramilitary personnel	80
Police	520

Grenada

Although Grenada has much in common with the other small islands to its north, it has tended throughout its history to look to larger states in an effort to define its role in the world. Since its initial discovery by Christopher Columbus, Grenada has shared or sought associations of differing kinds with France, Britain, Trinidad and Tobago, Cuba (and, by extension, the Soviet Union), and the United States.

Spain's association with the island extended little beyond sighting it and giving it a name, inasmuch as the Spanish made no effort to establish a colony, perhaps because of the ferocity of the Caribs already in residence (see *The Pre-European Population*, ch. 1). Interestingly, the island's present name is not that given to it by Columbus. That name, which it bore but briefly, was *Concepción*. Assigned in 1498, it had given way by 1523 on maps and charts of the region to the Spanish variant of its current designation, *Granada*. Speculation has it that Spanish explorers, struck by the resemblance of Grenada's mountains to those of the Sierra Nevada in Spain, applied the familiar name of a great city to this strange place so far from home. Over the centuries, although control of the island passed from France to Britain (and briefly back to France again), the name endured with but the slightest of etymological alterations, changing from *Granada* to *La Grenade* to *Grenada*.

The French were the first to settle Grenada. Legend holds that in 1652 the last of the defending Caribs threw himself into the sea from a spot that was christened *le Morne des Sauteurs* and is known today as Leapers' Hill. Exploited first for indigo and later for sugar production, the island prospered and, like many others in the Caribbean, attracted the attention of the British. Taken by Admiral George Rodney in 1762, near the end of the Seven Years' War (1756–63) in Europe, Grenada reverted to French rule from 1779 to 1783, when it was restored to Britain by the Treaty of Versailles of 1783. The inhabitants' loyalties remained divided between the two European powers for many years, as illustrated by the Rebellion of 1795 (Fédon's Rebellion). In the course of this violent episode, a group of rebels under the command of the mulatto general Julien Fédon and inspired by the rhetoric of the French Revolution wreaked havoc on the island and its British settlers in an unsuccessful attempt to reunite with France.

From 1784 until its independence in 1974, Grenada remained a member of the British Empire, passing through various stages of colonial status and multiple associations with other regional states.

Early in the twentieth century, it produced one of the region's outstanding leaders, T. Albert Marryshow. His Representative Government Association, which inspired similar movements in other Windward Islands states and in Trinidad, did much to encourage the liberalization of British rule in the Caribbean.

It is ironic that the achievement in 1950 of universal adult suffrage, long a goal of Marryshow's, led directly to his displacement in Grenadian political life by a new figure, Eric Matthew Gairy. Whereas Marryshow had been a man of the middle class, Gairy and his Grenada United Labour Party (GULP) appealed to the lower class, the peasantry. Suddenly empowered by the vote, Gairy's supporters swept him to the leadership of the Legislative Council in 1951; he dominated the island's politics for almost three decades.

The most successful electoral challenge to Gairy between 1951 and 1979 was posed by Herbert Blaize's Grenada National Party (GNP) in 1962, mainly on the issue of union with Trinidad and Tobago (the "unitary state" proposal). Again reflecting the Grenadian penchant for looking outward for support and viability, the GNP campaigned on a platform urging acceptance of the Trinidadian offer of union. Although Blaize's party won the election, it subsequently lost a large measure of prestige and credibility when Trinidad failed to follow through on the proposal. The GNP's fall from grace paved the way for the return of Gairy, who has never tired of the role of political savior of his country.

In March 1979, Maurice Bishop and his followers in the New Jewel Movement (NJM) seized power in Grenada. Looking to Cuba and other Marxist-Leninist countries as its models, the NJM attempted to implement the first Marxist revolutionary state in the English-speaking Caribbean. The initial promises of this "revo"—as the revolution was dubbed—focused on the welfare of the people, for Bishop pledged to provide jobs, food, housing, and education. Free elections were also promised. The People's Revolutionary Government (PRG) established by the 1979 coup failed to live up to the expectations of the Grenadian people, however. Although representative government was promised, the constitution was suspended. In its place, the PRG brought forth a series of "people's laws," the most effective of which were those that curtailed individual freedoms and facilitated the detention of dissidents.

In the economic sphere, the PRG made only slow and halting progress toward socialism. Constrained by the need to attract high levels of foreign aid and frustrated by the intractable nature of the island's economic problems, the ideological fervor of some members of the NJM gave way to increased repression and intensified

conflict within the NJM Central Committee. This internal struggle, essentially a contest between the more pragmatic Bishop and his doctrinaire deputy prime minister Bernard Coard, led directly to the downfall of the PRG and the murder of Bishop and many others on October 19, 1983. His death exposed the truth that the hard-liners among the NJM had failed to recognize, namely, that if the PRG had any claim to legitimacy at all, it was through the charismatic authority of Bishop, who had remained generally popular in Grenada throughout the PRG period.

Bishop's murder set the stage for the October 25, 1983, military intervention by United States and Caribbean forces (see *Current Strategic Considerations*, ch. 7). After that date, Grenada turned to the United States as its principal ally and benefactor. Although the harsh repression of the PRG was a thing of the past, Grenadians continued to face a number of thorny political and economic problems as they looked toward the future.

Geography

Grenada and its largely uninhabited outlying territories are the most southerly of the Windward Islands (see fig. 1). The Grenadine Islands chain consists of some 600 islets; those south of the Martinique Channel belong to Grenada, while those north of the channel are part of the nation of St. Vincent and the Grenadines. Located about 160 kilometers north of Venezuela, at approximately 12° north latitude and 61° west longitude, Grenada and its territories occupy a total area of 433 square kilometers. Grenada, known as the Spice Isle because of its production of nutmeg and mace, is the largest at 310 square kilometers, or about the size of Detroit. The island is oval in shape and framed by a jagged southern coastline; its maximum width is thirty-four kilometers, and its maximum length is nineteen kilometers. St. George's, the capital and the nation's most important harbor, is favorably situated near a lagoon on the southwestern coast. Of all the islands belonging to Grenada, only two are of consequence: Carriacou, with a population of a few thousand, and its neighbor Petit Martinique, roughly 40 kilometers northeast of Grenada and populated by some 700 inhabitants (see fig. 12).

Part of the volcanic chain in the Lesser Antilles arc, Grenada and its possessions generally vary in elevation from under 300 meters to over 600 meters above sea level. Grenada is more rugged and densely foliated than its outlying possessions, but other geographical conditions are more similar. Grenada's landmass rises from a narrow, coastal plain in a generally north-south trending axis of ridges and narrow valleys. Mount St. Catherine is the highest peak at 840 meters.

Islands of the Commonwealth Caribbean

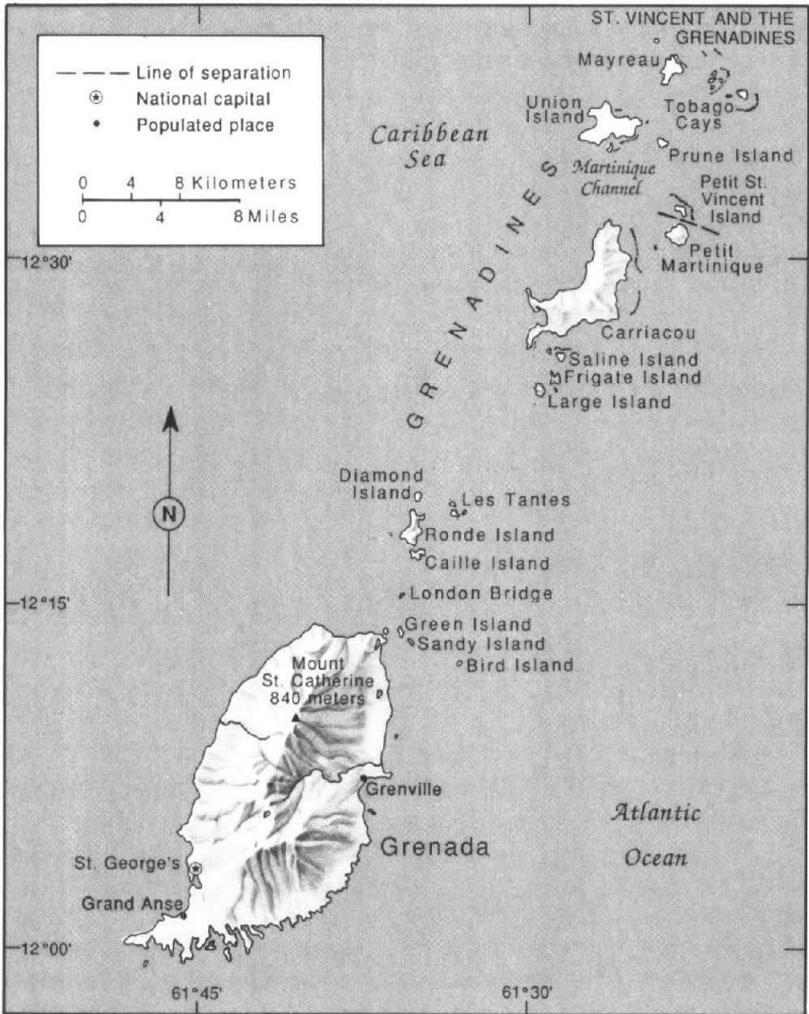


Figure 12. Grenada, 1987

Although many of the rocks and soils are of volcanic origin, the volcanic cones dotting Grenada are long dormant. Some of the drainage features on Grenada remain from its volcanic past. There are a few crater lakes, the largest of which is Grand Etang. The swift upper reaches of rivers, which occasionally overflow and cause flooding and landslides, generally cut deeply into the conic slopes. By contrast, many of the water courses in the lowlands tend to be sluggish and meandering.

The abundance of water is primarily caused by the tropical, wet

climate. Yearly precipitation, largely generated by the warm and moisture-laden northeasterly trade winds, varies from more than 350 centimeters on the windward mountainsides to less than 150 centimeters in the lowlands. The greatest monthly totals are recorded throughout Grenada from June through November, the months when tropical storms and hurricanes are most likely to occur. Rainfall is less pronounced from December through May, when the equatorial low-pressure system moves south. Similarly, the highest humidities, usually close to 80 percent, are recorded during the rainy months, and values from 68 to 78 percent are registered during the drier period. Temperatures averaging 29°C are constant throughout the year, however, with slightly higher readings in the lowlands. Nevertheless, diurnal ranges within a 24-hour period are appreciable: between 26°C and 32°C during the day and between 19°C and 24°C at night.

Population

In 1985 the total population was estimated at 90,000, resulting in a population density of 300 people per square kilometer. Approximately 30 percent of the population lived in the capital city of St. George's; the balance was spread throughout the island in coastal towns and on inland farms. The population growth rate since 1970 has been near zero; some years have registered minor increases, whereas others have had offsetting decreases. In 1986 it was 0.3 percent. In spite of a relatively high crude birth rate, the population has remained relatively stable because of emigration.

Emigration was Grenada's most striking demographic feature in the late 1980s; the emigration pattern has been documented for nearly a hundred years. Throughout much of the nineteenth century, Grenada experienced a net migratory inflow to meet the shortage of labor. This trend was reversed, however, around 1890, when the labor market contracted. Shortly thereafter, Grenada experienced a net outflow of workers that eventually offset natural population growth. Grenada has long been considered overpopulated because of the economy's inability to absorb the growing labor force. This compelled many Grenadians to seek employment in foreign countries; most went to other islands in the Caribbean, Britain, the United States, and Canada.

In the late 1980s, the propensity for the work force to migrate was changing the structure of the population; emigration from Grenada not only neutralized the natural population growth rate but also skewed the age distribution. Because of the large numbers of working-age (fifteen to sixty-four) Grenadians continuing to leave the island, Grenada was slowly becoming a society with

a disproportionate number of very young and very old inhabitants.

These demographic trends were well entrenched by 1987 and were expected to persist into the twenty-first century, having significant ramifications for the economy. A high crude birth rate was thought likely to continue to exacerbate the unemployment problem unless expanded economic performance created new jobs or unless an effective national birth control program was implemented. The failure of these to materialize would perpetuate the need for much of the work force to migrate for generations to come.

Grenada had essentially one ethnic group. Approximately 91 percent of the population was black, descended from the African slaves brought to Grenada by the French and British to work on colonial plantations. East Indians and whites constituted the remaining 9 percent of the population. Virtually all traces of the Carib and Arawak Indians, the original inhabitants, were gone. The island's ethnic homogeneity has often been cited as the reason for the general lack of racial discord in the society. Although factions developed for political and economic reasons, the absence of racial prejudice minimized the social upheaval evident in societies with more distinct ethnic barriers. Social, political, and economic stratification based on color and education had existed from colonial times through the twentieth century, however. White and light-colored inhabitants, composing an elite minority of no more than 5 percent of the population, had long controlled the political and economic resources of the country. Nevertheless, diversification of the economy and political transformations since the rise and fall of the PRG had softened these distinctions (see *Government and Politics*, this section).

Religious affiliation was the product of Grenada's colonial heritage. Approximately 65 percent of the population was Roman Catholic, a lingering effect of periodic French domination. The remaining 35 percent primarily belonged to three Protestant denominations: Anglican, Methodist, and Presbyterian. There was also a small Rastafarian (see *Glossary*) sect.

Education

Grenada's education system was deficient in meeting the basic needs of the country in the 1980s. Although literacy was estimated at nearly 90 percent, much of the population was only marginally literate and had little hope of becoming proficient at reading.

In 1981, the last year for which statistics were available in 1987, education was free and compulsory from ages six to fourteen, and most students completed a primary education. There were 68

primary schools with a total enrollment of approximately 22,100 students; the majority did not continue on to a secondary-school program. The secondary-school program for the same year included 20 schools and 6,250 students. Students took a middle-level examination at age sixteen to determine their eligibility for the final two years of preparatory work for university entrance. Few, however, actually completed these two years.

Grenada had only three institutions beyond the secondary level for technical or academic training of its citizens: the Institute for Further Education, the Teacher Training College, and the Technical and Vocational Institute. The St. George's Medical School, although administered in Grenada, existed to serve foreign medical students, most of whom came from the United States.

Although Grenada maintained a basic educational infrastructure, it was not producing workers with the vocational and administrative skills required of a developing economy. Notably deficient was training in electricity, electronics, plumbing, welding, construction, and other technical skills. A World Bank (see Glossary) development project to upgrade vocational training to help meet Grenada's long-term vocational needs was being reviewed in the spring of 1987.

Education reform was a pillar of the development platform of the PRG. Beginning in 1979, Bishop initiated programs designed to reorganize the entire curriculum and move it away from the British model. The overall plan envisioned the development of a nationwide education system that would meet the vague goal of addressing the "particular needs" of the society. This goal, however, was never explicitly defined, and education reform never became the rousing success claimed by the PRG.

Although the PRG strove to retrain primary-school and secondary-school teachers, little was accomplished because of the burden placed on teachers, who were asked both to instruct students and to attend PRG seminars. In addition, many teachers eventually became alienated and dropped out of the programs because of the programs' strong political overtones.

Perhaps the PRG's most successful attempts at education reform were the volunteer programs designed to improve rural literacy levels and repair community schools. Observers have suggested that rural literacy did improve and that stronger community ties were forged because of the pride generated through rebuilding local schools with volunteer labor. The overall education reform program, however, was not considered successful. Nevertheless, the publicity generated by education reform did contribute to the PRG's popularity.

Developments in primary and secondary education since the fall of the PRG in October 1983 were similarly minimal. Data and analyses of the post-PRG education system were not readily available, but a return to the British school system model was effected in 1984.

Health and Welfare

Health care in Grenada compared favorably with that in other Eastern Caribbean islands in 1983, and mortality rates were actually lower than those of many neighboring countries. Grenada had an infant mortality rate of 21.2 per 1,000 live births, which was slightly below the average for the English-speaking Caribbean islands. The overall death rate was 7.3 per 1,000 inhabitants. In 1984 the average life expectancy at birth was sixty-six years.

Morbidity indicators for the same time period reflected mixed results. Immunization against diphtheria, pertussis, and tetanus reached 68 percent of the population; 78 percent had been inoculated against poliomyelitis. Inoculation against measles, however, was provided to only 7 percent of the targeted population, and other immunization programs, such as against typhoid fever, were not available. Approximately 85 percent of the inhabitants had access to potable water; infectious or parasitic diseases caused only 1 percent of reported deaths in 1983. Three cases of acquired immune deficiency syndrome were reported as of 1986.

Attempts to reduce morbidity levels in the mid-1980s included expanding immunization programs, increasing the number of health inspectors, and improving solid waste management. Only a small percentage of meat, food, and restaurants were inspected for sanitary conditions, and at least 35 percent of all solid waste went uncollected, causing high levels of rodent and fly infestation. Efforts were underway after 1983 to correct these deficiencies with assistance from the Pan American Health Organization, World Health Organization (WHO), United States Agency for International Development (AID), and Project HOPE.

Grenada's health care system was patterned after WHO's primary health care model. Its immediate goals were to provide essential health care to the entire population. Priority was given to maternal and child care, as well as the development of a dental program. Other efforts sought to expand the potable water base, improve disposal of solid waste, increase prevention of vector-borne and communicable diseases, initiate health awareness education programs, and improve the allocation of drugs and medication.

Implementation of the health care policy was conducted by the Ministry of Health. Operations were financed through the national

government budget; only 3.4 percent of capital expenditures went to health care development in 1985. Grenada's health care infrastructure consisted of six hospitals and thirty-five outpatient clinics, including twenty-seven visiting stations, six health clinics, one maternity unit, and one outpost unit.

Foreign aid had been an essential component of the health care system for many years. Cuba provided a large amount of foreign assistance prior to the United States-Caribbean intervention. This effort peaked in 1983 with donations of approximately US\$40 million in medical relief. The overall health care effort by the PRG, however, remained mediocre at best.

Project HOPE, under contract with AID, was the primary provider of assistance to the health care system of Grenada after 1983. Its goal was to provide immediate health care delivery and assist with planning technical and managerial development programs. This included providing doctors and nurses while simultaneously helping the Grenada government design a self-sufficient national medical program.

The success of AID-sponsored projects was critical if Grenada hoped to achieve its long-term health care goals. The government lacked the ability to organize a comprehensive national health care delivery system. Developing such a system required both administrative and clinical expertise, in addition to technically trained medical professionals. The successful completion of the AID-sponsored projects, however, could eventually provide Grenada with one of the best health care programs in the Eastern Caribbean.

A compulsory retirement plan was first instituted among urban workers by the PRG in the early 1980s and expanded to include agricultural workers under the Herbert Blaize administration after 1983. The National Insurance Scheme, administered by the Ministry of Social Security, was established to ensure that all workers would have income following their retirement after age sixty-five. It averaged approximately 20 percent of total transfer payments in 1984.

Economy

In the late 1980s, Grenada was in the midst of a lengthy economic transition following the downfall of the PRG government in October 1983. Although somewhat limited in choice by the country's economic resource base, the PRG and the parliamentary government of Blaize that followed opted for two distinct economic development strategies. The PRG's economic strategy was based on a centrally governed economy dependent on substantial Cuban assistance. The Blaize strategy was one that allowed market forces

to regulate the economy, with financial assistance from the United States.

Bishop's PRG guided the economy into a phase aptly described as "foreign aid socialism," a form of socialism maintained by financial dependence on other socialist countries. Early PRG economic philosophy espoused a strong, diversified agricultural sector and government control of industry through cooperative management and nationalization. What actually developed was a program dependent on the construction industry for growth and on foreign grants for capitalization. Analyses following the removal of the PRG government suggested that the attempt at socialist transformation did not produce a revolution in economic development; there was no change in the distribution of income, and the standard of living actually declined slightly. This occurred because the PRG failed to develop a well-defined economic plan, managed economic enterprises poorly, and became overly concerned with political, rather than economic, priorities.

The Blaize government, by contrast, undertook a change in economic orientation emphasizing tourism and agriculture as the leading economic sectors. Private control of economic enterprises, attraction of both public and private foreign capital, and pursuit of a strong export trade were the fundamental elements of the development policy. This approach was in keeping with the economic realities of an island nation with natural resources limited to small amounts of arable land, natural tourist attractions, and an underutilized labor force. Because of this resource restriction, as well as limited domestic consumption, cultural and historical ties, and easy market penetration, Grenada's economy was naturally linked to the import markets of the United States, Britain, and the Caribbean Community and Common Market (Caricom—see Appendix C) countries.

Macroeconomic Overview

Aggregate economic production has increased steadily since 1983, a year in which there was an actual decline in gross domestic product (GDP—see Glossary) of 2.9 percent. GDP rose by 2 percent in 1984, 3.7 percent in 1985, and 4.3 percent in 1986. Continued growth in GDP between 4 and 5 percent is expected through 1990, provided the economy does not experience any major setbacks.

Many sectors of the economy contributed to the growth of GDP. In 1985 government services accounted for 26.6 percent of GDP, the largest share of aggregate output. Next came agriculture (16.3 percent), the wholesale and retail trade (15.5 percent), construction (7.5 percent), hotels and restaurants (6.4 percent), and manufacturing (5.8 percent).

Much of Grenada's new-found economic prosperity was attributed to the completion of the international airport at Point Salines in St. George's. In addition to boosting the construction sector, it provided an airport to support the expanding tourist and export trades. Manufacturing and agriculture, however, were also important. Preliminary figures for 1986 suggested that manufacturing actually grew for the first time since 1982, and higher prices for agricultural products more than offset slight declines in production. The rise in government services also contributed to GDP figures, registering an increase of 11.2 percent in 1985.

Government figures, although incomplete, indicated that there was a concomitant rise in employment with increased production; nearly 4,000 new jobs were created in 1986. Unemployment, however, remained high, averaging between 20 and 25 percent in 1985, but it was moving in a downward direction after peaking in 1984 at 28 percent. Government plans to reduce the public payroll by 1,500-1,800 personnel—announced in 1987 but not yet implemented in late 1987—would further exacerbate the unemployment problem. Agriculture was the largest employer, providing between 25 and 30 percent of all jobs.

The government was counting on the continuing structural adjustment (see Glossary) in employment to absorb newly displaced government workers, as well as many of the perpetually unemployed. Tourism and manufacturing were expected to take on larger portions of the work force. This adjustment actually began shortly after World War II as the number of workers employed by the agricultural sector began to decline. The manufacturing sector experienced uneven growth after World War II; however, in 1986 it showed signs of growth. Because of strong growth in tourism, the unemployment burden was partially alleviated in 1986. Although the structural change away from agriculture as the dominant employer was Grenada's best hope for development, it did not guarantee relief from chronic unemployment, which was the direct result of high birth rates and long-term overpopulation.

Inflation was the only macroeconomic indicator that improved throughout both the Bishop and the Blaize governments. The most dramatic downward movements in consumer prices occurred after 1984. Inflation as measured by the change in consumer prices remained the same for 1980-81, at 10.6 percent. The index fell in 1982, with prices rising only 6.9 percent; this dropped to 6.5 percent, 3.6 percent, and 1.8 percent for 1983, 1984, and 1985, respectively. The government of Grenada recorded an actual decline of 0.8 percent in the general price level for 1986.

Although the government took some credit for lower inflation rates, the decline in food and fuel prices in 1985 was largely responsible for the overall reduction in inflation. Although the government was in a position to select fiscal and monetary policies designed to minimize locally produced inflation, domestic prices were very dependent on world inflation and the international prices of Grenada's primary imports.

Banking and Finance

In 1987 Grenada, as a member of the Organisation of Eastern Caribbean States (OECS—see Glossary), was a member of the Eastern Caribbean Central Bank (ECCB), which was headquartered in St. Christopher (hereafter, St. Kitts) and Nevis. It was bound by the ECCB's general guidelines on money supply and bank regulation and used the Eastern Caribbean dollar, which was pegged to the United States dollar at a constant exchange rate of EC\$2.70 equals US\$1.00. This relationship had some unusual effects on Grenada's international transactions. Because Grenada's exports were sold to numerous nations, the strength of the United States dollar in relation to other foreign currencies affected the ease with which Grenadian exports were sold.

In the case of a strengthening dollar, the Eastern Caribbean dollar would also appreciate with respect to other world currencies. This would cause Grenadian exports to become more expensive in the world market, while imports would become less expensive and more competitive with domestically produced goods. The overall effect would be to reduce Grenada's terms of trade, negatively affecting its balance of payments position. The reverse situation would have the opposite effect, strengthening Grenadian exports abroad, which would discourage the purchase of imports and improve overall terms of trade and the balance of payments. This situation occurred in 1987 as a result of the depreciation of the United States dollar in world currency markets.

The financial needs of Grenada were served by numerous public and private institutions below the central bank level. In 1985 the commercial banking system included four financial institutions, two of which were controlled by the government. The system was a holdover from the PRG, which chose to absorb all but two commercial banks into the public sector. The Blaize government slowly returned financial intermediation (see Glossary) to the private sector and intended to solicit proposals in 1987 for the sale of the remaining two publicly controlled banks.

Credit was extended for development projects through the Caribbean Financial Services Corporation, which provided long-term

funds to new businesses through AID, the Grenada Development Bank, and the Grenada Cooperative Bank. Foreign investors provided much of their own funds for capital-intensive investment. The government planned to establish a merchant bank in 1987 to facilitate lending to new small business ventures.

Role of Government

The Blaize government played only an advisory role in the economy, preferring a market-oriented system to the tightly controlled economy of the previous government. The government saw its role as one of overseeing the privatization of the economy and assisting national development through public sector investment, as well as through monetary and fiscal policies.

The government's principal role as overseer of public enterprises and manager of infrastructural development was coordinated through its program of public sector investment. The purpose of this program was to coordinate private sector and public sector development efforts to maximize the potential for national economic growth. This was accomplished by providing direct assistance to the productive sectors, while also supporting them with infrastructural development. In 1985 investment in the public sector focused on three major areas: the productive sectors of agriculture, tourism, and manufacturing; physical infrastructure, such as roads; and the social sectors, principally health and education. Seventy-four percent of the funds were placed in infrastructural projects, including roads, water and sewerage, communications, and energy. Agriculture commanded 12 percent of the funds invested in productive resources, and education, health, and housing received a combined total of 7 percent of public funds.

Major improvements to communication and transportation facilities were attributed to public sector investment. Domestic and international communication systems on Grenada were considered good in the mid-1980s. The Grenada Telephone Company served all parts of the island with a 5,600-instrument automatic telephone system. Radio-relay links to neighboring islands provided high-quality international telephone and telex service. St. George's had one government-owned AM radio station broadcasting on 535 kilohertz and one television station. The principal local newspaper, the *Grenadian Voice*, was independent and was published weekly.

Roads were the primary mode of local transportation. Grenada had approximately 900 kilometers of improved highways, 600 kilometers of which were paved. Of the two principal roads, one followed the coastline and the other bisected the island, connecting St. George's and Grenville. Municipal buses and taxis linked

all areas of the island. There were two airports on the island: Point Salines International Airport in St. George's and the older Pearls Airport, located north of Grenville. Grenada had no railroads or inland waterways and was serviced by ports in Grenville and St. George's.

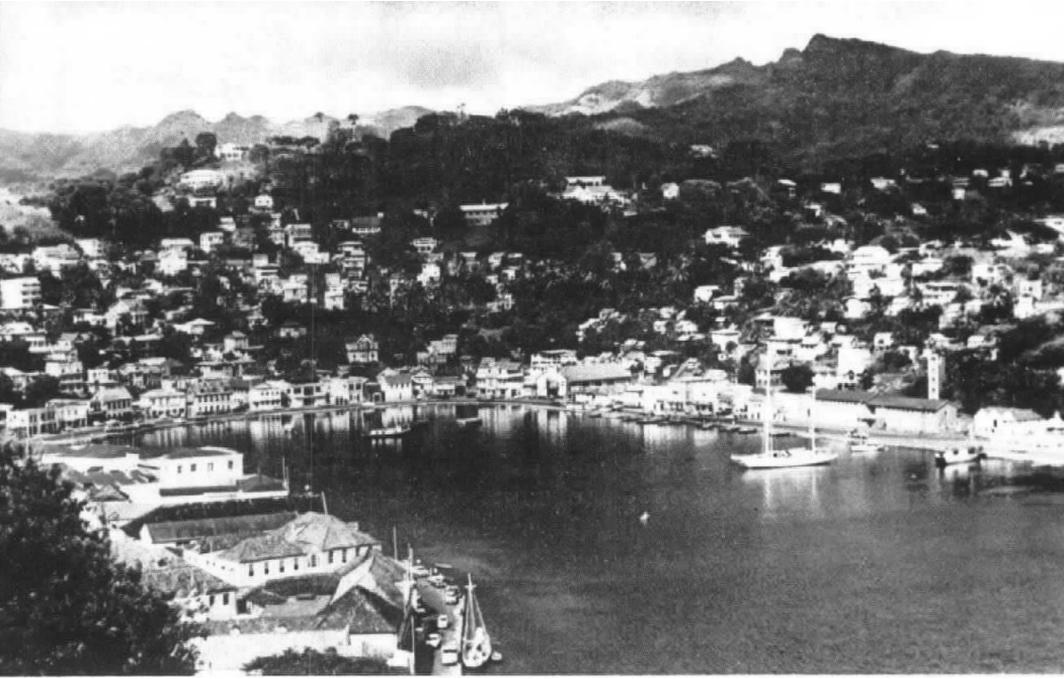
Future allocation of funds called for a greater emphasis on the productive and social sectors; total expenditures on infrastructure were to be reduced to approximately 47 percent of the public sector investment budget. Such allocation was expected to assist with Grenada's development over the long run, but allocation was vulnerable to regional and economic politics because it depended on the government's ability to attract sufficient foreign capital. Although financing of capital expenditures was to be accomplished using foreign funds on a matching basis, all financing of the 1985 budget came from external grants and loans.

The government's role as public enterprise manager diminished after 1986 because of its desire to see the private sector control as much of Grenada's economic assets as possible. Among the twenty-nine public sector enterprises existing in that year, only five were slated to remain either partially or totally controlled by the government. These included three utility companies that provided water, electricity, and telephone service.

The government's role in the economy also included the formulation of monetary and fiscal policies. In the case of monetary policy, however, the government was constrained by its reliance on the ECCB for controlling the money supply. This forced the government to rely heavily on fiscal policy to guide the economy.

Fiscal policy was a major government mechanism for encouraging economic development but became very controversial in 1987 with the introduction of the national budget. It provided for an entirely different tax structure in which a value-added tax (VAT—see Glossary) replaced virtually all other taxes, including personal income taxes, export duties, and consumption taxes. The primary purpose of the VAT was to raise funds to correct the budget imbalance, while simplifying attendant collection and oversight responsibilities. A reduction in inflation and increased domestic savings and investment were also expected to result from the new tax strategy.

These goals were to be achieved by encouraging individual production, while simultaneously discouraging immediate consumption in favor of increased personal savings. The elimination of the personal income tax would make more money available to wage earners and give them a greater incentive to work. Consumption would be penalized with a 20-percent VAT placed on all domestically produced goods. Many essential items, such as food, were



*View of St. George's harbor
Courtesy Grenada Tourism Department*

exempt from taxation. The resulting increase in personal savings would then provide a resource base for domestic investment, while also reducing aggregate demand and placing a check on inflation. In early 1987, the VAT did not appear to be succeeding. A large government deficit was projected because of a decline in aggregate tax revenue, and political repercussions were also apparent.

Opponents of the VAT argued that it penalized domestically produced items that faced regional or international competition. In some cases, such as Grenadian rum products, imported substitutes immediately became less expensive. Such a turnaround forced the government to make many concessions in the VAT, which reduced revenue needed for central government operations.

The VAT was created to correct the government's budget deficit that had persisted throughout the 1980s and had been financed by external grants. Nonetheless, it appeared that this problem would not be solved in 1987 because the VAT was not capable of generating sufficient revenue to cover government expenses. Alternative measures would have to be found, however, because continued reliance on foreign aid to solve fiscal shortfalls was not a long-term solution.

Sectoral Performance

Grenada's primary economic sectors competed directly with those of other Caribbean islands. Major productive contributors to GDP

were tourism, agriculture, and manufacturing. Construction and government services also played an important role.

Agriculture has traditionally been the largest revenue producer; it accounted for 25 percent of GDP and 90 percent of total merchandise exports in 1984. The main crops were cocoa, bananas, nutmeg, and mace, all of which are tree crops and well suited for the steep terrain. In the mid-1980s, farmers also ventured into the cut flowers and fresh fruits markets to take advantage of increased regional demand for these items, particularly in Trinidad and Tobago and the United States.

Agricultural output actually fell in 1985 because of production problems with traditional crops. These problems attested to Grenada's inability to plan strategically. In this case, poor crop performance coincided with strong markets for Grenada's traditional exports. Many cocoa and banana plants had reached maturity in 1985 and required replanting, nutmeg was not effectively marketed, and the mace crop fell victim to poor harvest techniques that lowered production. These problems occurred at a time when the price of nutmeg had risen 150 percent because the only other world producer, Indonesia, was experiencing production problems. Had Grenada been able to react to these market conditions, the strong world market would have absorbed all of the country's banana and mace production, enabling it to improve its GDP and balance of payments position.

Government assistance and foreign aid were being directed to the agricultural sector to address these problems. Expectations for the late 1980s included sectoral growth approaching 5 percent, with banana production returning to previous high output levels and cocoa production coming on line after new plants reached reproductive age. Immediate earnings would come from the nontraditional crops.

After the overthrow of the revolutionary government in October 1983, tourism became the fastest growing sector of the economy. It accounted for 7 percent of GDP and 46 percent of foreign exchange earnings in 1985. It promised continued growth into the next decade.

Completion of the international airport at Point Salines in 1985 launched the expansion of the tourist trade. Grenada enticed major air carriers from Canada, the United States, and Western Europe to make direct flights to Point Salines; however, hotel capacity had not yet grown sufficiently to warrant a significant increase in tourist traffic in such a short period of time.

Tourist statistics varied among different sources, but all pointed to the growth trend in the 1980s. According to informed observers,

stay-over visitors increased 34 percent in 1985, climbing to 39,000 tourists. Cruise ship passengers similarly increased in 1985 to over 90,000, almost three times the number who visited in 1984. Total receipts from tourism reached US\$23.8 million in 1985.

Hotel capacity also expanded, but not quickly enough to meet demand. By 1986 total capacity ranged between 500 and 600 rooms, nearly double that available in 1983. An additional 900 rooms were planned for the end of 1988; analysts suggested that this was not a realistic completion date, however. The success of the tourist trade in 1987 remained limited only by the lack of hotel accommodations.

As of late 1987, manufacturing had not been a dynamic part of the Grenadian economy; output stagnated after 1981, accounting for only 5.8 percent of GDP in 1985. The structure and focus of this sector largely explained its inability to grow. It stressed production of locally used manufactured goods such as tobacco, food products, garments, and building materials. This emphasis encouraged the development of small, fragmented businesses that were unable to take advantage of economies of scale (see Glossary) and the export market. The garment industry was the only manufacturing business that also produced for export, and it accounted for only 3 percent of foreign exchange earnings in 1985. The government hoped to change this trend by enticing foreign investors with attractive investment and tax codes.

Shortages of skilled labor, managerial expertise, and proper industrial infrastructure hindered development of the manufacturing sector. For example, Grenada was unable to enter labor-intensive manufacturing markets, such as assembly of electronic components, as did many of its neighbors. In 1986 government programs were created to address Grenada's infrastructural needs, and foreign capital was being sought to finance start-up costs of local businesses.

Foreign Trade and Balance of Payments

Grenada's exports of goods and services grew rapidly after 1983. The primary foreign exchange earners were agricultural products and tourism, which together accounted for 85 percent of all goods and services sold to foreigners in 1985. Revenue from tourism was US\$23.8 million, slightly higher than earnings from agriculture, which reached US\$20.1 million; clothing and other exports amounted to US\$1.8 million.

Leading agricultural exports were fresh fruits and cocoa, which accounted for 52 percent of total merchandise exports. Nutmeg, bananas, and mace followed, capturing a total of 40 percent of total goods exported. Textiles accounted for only 3 percent of

merchandise sent abroad. Miscellaneous items composed the remaining 5 percent.

Grenada's chief export markets were Western Europe, Caricom, the United States, and Canada. Western Europe accounted for 52 percent of Grenada's exports in 1984, most of which went to Britain. Caribbean countries provided markets for approximately one-third of Grenada's exports; Trinidad and Tobago imported the most. The United States and Canada absorbed 6 percent and 2 percent, respectively.

Food consistently composed 25 to 30 percent of the island's imports from 1979 to 1983. Other significant items purchased abroad during this period were machinery (15 to 20 percent), fuel (10 to 15 percent), manufactured goods (10 percent), and other miscellaneous manufactures (10 percent).

The principal sources of imports were the Caricom countries, Britain, the United States, Canada, and, more recently, Japan. Caricom economies provided nearly one-third of Grenada's imports during the 1980s; oil from Trinidad and Tobago accounted for two-thirds of Caricom imports. Manufactured goods and machinery generally came from the United States and Britain, whereas Japan furnished many of Grenada's automobiles.

Imports of goods and services exceeded exports in 1985, causing a deficit in the current account of US\$29.4 million. Historically, Grenada has had a nearly offsetting surplus in the capital account in the form of public borrowing or official foreign government grants.

Imports of goods and services increased in 1984 and 1985 because of greater demand for food, fuel, and manufactured goods, which contributed to the 1985 current account deficit. The United States provided over US\$20 million in direct grants to Grenada in 1984 and 1985 to offset the deficit. This aid gave Grenada a positive overall balance of payments and allowed it to make substantial repayments to the International Monetary Fund (IMF—see Glossary) and the ECCB. Grenada still maintained a foreign debt of US\$48 million in 1985, which represented 92 percent of exports. Debt service payments were US\$8.3 million, or 16 percent of exports.

Informed observers expected Grenada's current account deficit to hover around US\$30 million at least through 1990, in spite of the expectation that exports would more than double in this period. Plans called for Grenada to replace foreign grants with private investment to maintain a positive overall balance of payments, provided that tourism and agriculture continued to grow at anticipated levels.

Government and Politics

The Governmental System

Grenada has been an independent state within the Commonwealth of Nations since 1974 (see Appendix B). This status has been one of the few constants during Grenada's somewhat turbulent history since that date. Although the 1979-83 tenure of the PRG led by Bishop produced marked changes in the governmental system, the PRG chose not to break its formal ties with the Commonwealth.

The PRG did revoke the independence Constitution of 1973, preferring to rule by revolutionary decree (or "people's laws"). This action produced some legal complications, particularly in the case of the judiciary. After the United States-Caribbean military intervention of October 1983 that deposed the short-lived Revolutionary Military Council established by Bernard Coard and General Hudson Austin of the People's Revolutionary Army (PRA), the Constitution of 1973 was brought back into force by Governor General Paul Scoon (see Current Strategic Considerations, ch. 7). Some judicial provisions established under the PRG were retained, however, for the sake of continuity and for the facilitation of the transition to a more representative government.

The 1973 Constitution provides for a parliamentary system of government on the Westminster model. The theoretical head of state is the British monarch, whose authority is represented on the island by a governor general. When an elected Parliament is in place, the governor general has little real authority and limited official duties (a role similar to that of the monarch in the British government). The governor general is not altogether a figurehead, however, as demonstrated by the events of the 1983-84 period. Scoon assumed constitutional authority in October 1983; he subsequently appointed the Advisory Council (also known as the Interim Government) led by Nicholas Braithwaite, which guided Grenada until parliamentary elections could be held in December 1984.

Even when an elected Parliament is in place, the governor general retains a degree of latent constitutional authority. For example, it is the governor general who must dismiss members of Parliament (for nonattendance or criminal conviction, among other reasons), even though in practice this action is taken only at the urging of the prime minister or the leader of the opposition. The governor general also has the power to declare a state of emergency, a declaration that has the effect of dissolving Parliament.

Parliament is the major governmental institution in Grenada. It is a bicameral legislature, with a lower house referred to as the House of Representatives and an upper house known as the Senate. Representation in the House of Representatives is apportioned according to population. The leader of the party securing the majority of seats in Parliament is named prime minister by the governor general. The leader of the party winning the next largest bloc of seats is named leader of the opposition.

The position of senator is nonelective. The prime minister has the authority to recommend the appointment of seven senators of his own choosing, plus an additional three senators who are to be selected in consultation with "the organizations or interests which the Prime Minister considers the Senators should be elected to represent." These "organizations and interests," although not enumerated in the Constitution, traditionally encompass agricultural and business groups as well as trade unions. In addition to the ten senators nominated by the prime minister, the leader of the opposition is entitled to three nominations of his own. Thus, total membership of the Senate is thirteen.

According to the 1973 Constitution, Parliament "may make laws for the peace, order and good government of Grenada." Parliament has the power to amend the Constitution by a two-thirds vote of both houses. The Constitution also makes provision for amendment by referendum. The House of Representatives wields the power of the purse; so-called money bills (bills dealing with taxation, public debt, or grants of public funds) may only be introduced in that chamber. Nonmoney bills may be introduced in either chamber. Sessions of Parliament must be held at least once each year, with intervals of no more than six months between the end of the last sitting of one session and the beginning of the next.

The parliamentary system gives a great deal of power to the prime minister, who can control the workings of government through the authority granted the prime minister to call and dissolve sessions of Parliament. One complaint lodged against Prime Minister Blaize in the Grenadian press since 1985 has concerned his failure to call frequent parliamentary sessions. This tactic allows important governmental matters, e.g., the formulation of the budget, to be handled exclusively by the cabinet, thus limiting the input and oversight of Parliament.

The power of the prime minister rests further in the authority to name a cabinet of ministers who assume responsibility for the administration of the government in such areas as the prime minister may designate. The prime minister frequently assumes direct control over key portfolios or over ministries of particular

personal or political interest. For example, after his party's electoral victory in December 1984, Prime Minister Blaize took charge of the ministries of home affairs, security, information, Carriacou affairs (Blaize is a native of the island of Carriacou), finance and trade, and industrial development and planning.

The Grenadian judiciary has been the branch of government most affected by the political events of the post-1979 period. Prior to the advent of the PRG, Grenada participated in the Eastern Caribbean States Supreme Court along with Antigua and Barbuda, Dominica, St. Kitts-Nevis-Anguilla, St. Lucia, and St. Vincent and the Grenadines as provided for by the West Indies Act of 1967. The Bishop government severed this association and set up the Grenada Supreme Court and the Court of Appeal. Magistrate's courts were retained by the PRG to exercise summary jurisdiction.

After the events of October 1983, the status of the courts set up by the PRG came into question. The legality of their continued operation was challenged specifically by defense attorneys for Coard, Austin, and other defendants who were to stand trial for the October 19, 1983, murder of Bishop and others in Fort Rupert (the name given to Fort George between 1979 and 1983 in honor of Bishop's father) in St. George's. The Grenada Supreme Court and the Court of Appeal considered several such challenges under its civil jurisdiction, but it rejected them under the doctrine of "state necessity," thus permitting both the court and the trial to continue. Meanwhile, the Blaize government formally applied in July 1986 for readmission to the Eastern Caribbean States Supreme Court. Upon acceptance into this court system, the Grenada Supreme Court and Court of Appeals will be abolished because cases involving both original jurisdiction and appeal can be submitted to the regional court.

The civil service (or public service, as it is known in Grenada) is professional and generally apolitical, although there have been instances in Grenada's colonial history when an entrenched bureaucracy has acted to frustrate the ambitions of a ruler, e.g., Eric Gairy's conflicts with the bureaucracy during his brief tenure as the island's chief minister in 1961-62. The civil service still owes much to its British colonial origins. Its relative autonomy, once a product of isolation from the mother country, was legally reinforced by the Constitution of 1973. During the period of the Constitution's suspension by the PRG, the civil service was politicized to some degree as the ruling NJM sought to solidify its control over all aspects of Grenadian life. During the time the PRG was in power, the civil service lost a great many experienced employees

to emigration. The loss reflected to some extent the traditionally high levels of outmigration; in the case of civil servants, however, the motivation was in many cases more political than economic, expressing the employees' unwillingness to cooperate or collaborate with the workings of the "revo."

The basic unit of the electoral system is the constituency. For the elections of 1984, the country was divided into several constituencies (some constituencies are grouped into parishes, a traditional designation deriving from the discontinued local government organization). In the December 1984 elections, fifty-two candidates competed for the fifteen seats in the House of Representatives. The total number of registered voters was 48,152; of these, 41,041 (or 85.2 percent) went to the polls, a reflection of the general enthusiasm for the return of electoral politics.

Political Dynamics

Politics in Grenada traditionally has been more concerned with personalities and class interests than with ideology. Political parties, even those that grow out of labor union movements, are usually dominated by charismatic leaders who can motivate their followers through strong emotional (or, in the case of Gairy, even mystical) appeal. The aspect of class interest has tended to devolve into lower versus middle-class aspirations, there being no political party or parties commonly identified with the interests of the upper class.

In this respect, as in many others, the PRG represented an aberration in Grenadian history. The "vanguard" of the revolution—the NJM—was a party whose membership was drawn from the urban middle class (mainly young professionals who saw their opportunities limited under the corrupt Gairy government). When the PRG assumed power in March 1979, it presented the novel impression of a middle-class junta that sought, at least rhetorically, to reach out to the poor (the workers and peasantry). This initial promise never bore fruit, however, as the PRG was unable to make lasting economic gains and eventually fell victim to ideological infighting between Leninists and pragmatists, an internal conflict that paved the way for external intervention.

The New National Party (NNP) scored a resounding electoral victory in December 1984, winning fourteen of the fifteen seats in the House of Representatives. The NNP was neither an established party nor a homogeneous one, but rather an amalgamation of three separate parties that, with some outside encouragement, ultimately joined forces to ward off the potential restoration to power of Gairy.



*New Jewel Movement photograph of a political meeting during the regime of Maurice Bishop; background posters of Bishop, Nicaraguan leader Daniel Ortega, and Cuban leader Fidel Castro
Courtesy United States Department of Defense*

The senior partner in the NNP was Blaize's Grenada National Party (GNP). Established in 1956, the GNP has traditionally represented the interests of the urban middle class, drawing the majority of its support from St. George's. The GNP led the government in Grenada during the periods 1957-61 and 1962-67. These two periods of GNP government represented the only interruptions in the domination of Grenadian politics by Gairy and GULP between 1951 and 1979. In 1976 the GNP joined an opposition coalition that included Bishop's NJM, but it played no part in the PRG after the 1979 coup.

Another member of the NNP was the National Democratic Party (NDP), established in February 1984 and led by George Brizan. Formerly a member of the NJM, Brizan dissociated himself from the group after it came to be dominated by Bishop, Coard, and others who envisioned it as a Marxist-Leninist vanguard party. Brizan's political leanings were said to be social democratic.

The third constituent of the NNP was the Grenada Democratic Movement (GDM), founded in Barbados by Francis Alexis. The NNP had originally included the Christian Democratic Labour Party (CDLP) among its ranks, but the CDLP dropped out shortly after the establishment of the NNP over what appeared to be

a personal dispute between Blaize and CDLP leader Winston Whyte.

The evolution of the NNP was neither easy nor smooth. The first step in the process was the April 1984 formation of the Team for National Togetherness (TNT). This initial umbrella group was to have brought the GNP, NDP, and GDM under one political banner; however, its establishment was announced publicly before the private process of negotiating party organization could get fully underway. These talks eventually bogged down over the issue of how many candidates from each of the constituent parties would be allowed to contest the parliamentary elections. Frustrated with the haggling, Brizan withdrew the NDP from the TNT in August. The GNP/GDM grouping was then renamed the Team for National Unity.

In addition to the specific dispute over candidacies, the TNT leaders also differed over broader issues of ideology and political protocol, according to some sources. These divergences seem to have pitted Blaize, the conservative elder statesman, against Brizan, the young progressive. Blaize is reported to have felt that the GNP deserved primacy within the coalition by virtue of its longer history as an established party; he is said to have demanded veto power over all proposed candidates. There may also have been disputes over specific issues, such as the presence of United States and Caribbean military forces on Grenada and the continuation of certain social programs begun under the PRG.

The seeming inability of the moderate Grenadian parties to unite was viewed with concern by the leaders of neighboring countries. Having supported military action to rid the country of a seemingly unstable Marxist-Leninist regime, these leaders did not wish to see Grenada returned to the control of Gairy, whom they viewed as the most likely beneficiary of a divided electorate. If nothing else, Gairy's return to power would have represented a public relations embarrassment of the first order. Therefore, acting in a tradition of regional consultation stretching back at least as far as the West Indies Federation of 1958-62, prime ministers J.M.G.M. "Tom" Adams of Barbados, James Mitchell of St. Vincent and the Grenadines, and John G.M. Compton of St. Lucia volunteered their services as mediators in the negotiating process. Most reports concur that the session that finally produced the NNP was held in August 1984 on Union Island in St. Vincent and the Grenadines. The neighboring prime ministers were present at the August 26 public ceremony in Grenada at which the formation of the new coalition was announced.

Reports of friction among the NNP membership began to circulate soon after the December 1984 elections. Factionalism within the party stemmed from the nature of its founding, the uneasiness that prevailed among the leaders of the constituent parties, and the autocratic control exercised by Blaize over party affairs. Early reports hinted at rivalry between Alexis and Brizan for the right to succeed Blaize as party leader. This notion was reinforced by the competition between the two for the post of deputy political leader, a position to which Alexis was elected at the party convention of December 1985. Subsequent events tended to draw Alexis and Brizan closer together, however. At the 1986 party convention, Blaize's associate Ben Jones replaced Alexis as deputy political leader, cementing further the dominance of Blaize's GNP faction within the NNP.

The first public demonstrations of the NNP's internal tensions were provided by the defections of two members of Parliament—Kenny Lalsingh and Phinsley St. Louis—each of whom left the party in August 1986 and formed separate political organizations. In February 1987, observers reported that Brizan, Alexis, and Tillman Thomas, the junior minister for legal affairs, had refused to sign a declaration of party unity. In April this simmering dispute boiled over when the three resigned from the government, citing their disagreement with Blaize over what had come to be known as the “retrenchment,” the proposed release of 1,500–1,800 civil servants. Although they did not announce their withdrawal from the NNP at that time, Alexis and Brizan technically became part of the parliamentary opposition, reducing Blaize's majority, once fourteen to one, to nine to six.

In October 1987, the opposition coalesced under the banner of yet another political party, the National Democratic Congress (NDC). Brizan was elected as leader of the NDC, which also included Alexis, Lalsingh, Thomas, and St. Louis among its ranks. Although its level of popular support was difficult to gauge, the NDC appeared to generate some enthusiasm among those Grenadians looking for an alternative to the established political organizations headed by Blaize and Gairy.

Aside from the NNP, the only major political party in Grenada in the mid-1980s was GULP, which dated back to 1951 and was led by Gairy. Once the dominant political force on the island, Gairy and his party gradually lost the confidence of most Grenadians through corruption and repression. This erosion of public support was demonstrated by the generally positive reaction to the 1979 seizure of power by Maurice Bishop and the NJM. In the post-Bishop period, GULP clearly suffered from Gairy's enforced exile,

his diminished personal popularity, and the low level of party institutionalization. GULP's disarray could be read in the party's reaction to the December 1984 elections. Immediately after the balloting, GULP appeared to represent the official parliamentary opposition to the NNP. Its one victorious member, Marcel Peters, defected after a dispute with party leader Gairy over political tactics, however. Gairy had decried the elections as fraudulent and ordered Peters to refuse his seat in the House. Peters refused, withdrew from GULP, declared his own political organization (apparently standard procedure for Grenadian politicians), and assumed the post of leader of the opposition, a position he eventually yielded to NNP defector St. Louis.

The history of GULP is the history of its leader, Eric Gairy. Gairy began his political life as a labor leader, establishing the Grenada Mental and Manual Workers Union (GMMWU) in 1950. The GMMWU was a rural workers' union that concentrated its organizing efforts within the Grenadian sugar industry. Like many young Grenadians, Gairy left the island in search of work. After a short stint as a construction worker in Trinidad and Tobago, Gairy moved on to the oil refineries of Aruba. It was there that he began his labor organizing activities, somewhat to the consternation of Dutch authorities, who reportedly deported him in 1949. After asserting his credentials as a populist leader through the vehicle of the GMMWU, Gairy successfully entered the electoral arena in 1951 under the banner of the newly formed GULP, which took 64 percent of that year's ballots (the first held under the Universal Suffrage Law of 1950). Gairy and GULP lost only two of the six general elections held from 1951 until 1979, when the party was overthrown by the NJM. The party drew heavily on the organization and resources of the GMMWU, and the membership of the two groups remained fluid throughout Gairy's years in power.

Gairy returned to Grenada in January 1984 after another involuntary exile, this one lasting almost five years. Although Gairy appeared to have retained some support among the rural population, most Grenadians seemed to have rejected him as a result of his past history of strongman rule, corruption, and harassment of political opponents.

After the electoral defeat of 1984, Gairy seemed to be making plans to broaden the appeal of GULP. In April 1985, he claimed that the party's leadership would be purged, that attempts would be made to expand its low level of support among Grenadian youth, and that all future GULP candidates for office would be drawn directly from the ranks of the party and not recruited for only one campaign. This last promise suggested an effort to institutionalize

what had long been a highly personalistic political organization. GULP support appeared to be dwindling by 1987, however, as new party leaders failed to emerge, other political leaders continued to attract support among Gairy's former rural constituency, and the party restricted its activities as a result of lack of funds.

Although GULP appeared largely ineffective as a political vehicle, Gairy continued to enjoy some measure of influence on the labor front. His longtime union organization, the GMMWU, was renamed the Grenada Manual Maritime and Intellectual Workers Union (GMMIWU). Its membership base still lay among rural agricultural workers. The economic disarray left in the wake of the PRG and the void in agricultural labor organization after the demise of the Bishop regime left the GMMIWU in a good position to recruit new members and exert influence on both the government and private producers, although it, like GULP, suffered from underfunding and possible defection of its members to other organizations.

The left, consisting of the Maurice Bishop Patriotic Movement (MBPM) and the persistent remnants of the NJM, was an insignificant political force in the late 1980s. The MBPM was founded in 1984 by Kendrick Radix, an original NJM member and PRG cabinet minister who played no part in the short-lived Revolutionary Military Council. The MBPM began as the Maurice Bishop and the 19th October Martyrs Foundation, a group dedicated to raising funds for scholarships for Grenadian students (presumably for study in "progressive" or socialist countries) and to erecting a monument to Bishop and other fallen comrades. Although successful in its monument campaign, the MBPM failed to have the Point Salines International Airport named after Bishop. The transformation of the MBPM from foundation to political party occurred in August 1984; Radix claimed that only his movement could prevent Gairy's return to power. During the election campaign, he promised that an MBPM government would confiscate supposedly idle farmland that had been previously held by the PRG but had since reverted to its previous owners because of a lack of proper compensation. The movement failed to attract a popular following in the 1984 elections, however, capturing only 5 percent of the vote and no seats in Parliament.

The group still laying claim to the title of NJM represented the hard core of the organization, the remaining "Coardites" who supported the establishment of an orthodox Marxist-Leninist state but who had not involved themselves directly in the putsch of October 19, 1983. The NJM declined to participate in the elections of 1984, probably knowing that it would have drawn even less support than

Radix's MBPM (with which it continued to feud rhetorically). The continued existence of this organization despite a good deal of public antipathy was one measure of the openness of the Grenadian system.

Other small political parties continued to function in Grenada in the mid-1980s. Whyte's CDLP contested the elections but attracted only 0.26 percent of the total vote. The Grenada Federated Labour Party, an organization that first contested elections in 1957 but that subsequently lay dormant, drew only 0.02 percent of the 1984 vote.

Foreign Relations

Historically, Grenada had long manifested a pro-Western foreign policy. This is not to imply that Grenada's role in the international arena was an active one in the immediate preindependence and postindependence period. Its focus during this period was, first and foremost, a regional one, attended to in such forums as Caricom and the OECS. Beyond the horizon of regional concerns, Grenada looked to the Western powers, primarily the United States and Britain, as its political models, its economic marketplaces, and its sources of foreign aid and investment.

Foreign Relations under the People's Revolutionary Government

The advent of the People's Revolutionary Government (PRG) produced a sharp deviation in the previous norms of Grenadian policy. By the time of Bishop's overthrow and assassination in late 1983, Grenada had been converted from a relatively unassuming member of the Commonwealth to an incipient Soviet-Cuban client state with aspirations of playing a larger role on the world stage.

Almost from the inception of the PRG, Bishop moved to de-emphasize traditional ties such as those with Britain and to build strong ties with the Soviet Union and its allies. Cuba was the most important of these new associations. It was evident during his lifetime that Bishop greatly admired President Fidel Castro of Cuba; after Bishop's death (and the revelations contained in some of the documents captured by United States and Caribbean forces), it became clear that he had also shared Castro's revolutionary ideology. The documents revealed that Grenadian foreign policymakers under the PRG were highly dependent upon the Cubans for advice and direction. Despite their trumpeted nationalism, the Grenadians seemed quite willing to adopt the Cuban (and, by extension, the Soviet) agenda in international arenas such as the United Nations, the Nonaligned Movement, and the Socialist International.

Grenadian relations with the Soviet Union were also strengthened during this period. Soviet specialists Jiri and Virginia Valenta have contended that by the end of the Bishop regime, the NJM was considered a "fraternal" party by the Communist Party of the Soviet Union and had been referred to in terms of "new popular-democratic statehood," a characterization that the Soviets had applied to East European regimes in the late 1940s.

Although the Cubans provided the bulk of the economic aid from the Council for Mutual Economic Assistance to Grenada, the Soviets undertook to provide the requisite weaponry for a buildup of Grenadian military capability and a general militarization of Grenadian society. Three separate arms agreements were signed during Bishop's tenure. After the seizure of weapons stocks by United States-Caribbean forces in 1983, the matériel already on the island was estimated as sufficient to equip a force of 10,000; records subsequently revealed that not all the equipment contracted for had yet been delivered. The presence of such an arsenal on an island that before 1979 had maintained a police force of little more than 100 was a matter of concern not only for the United States but also and more particularly for the neighboring states of the Eastern Caribbean.

In addition to establishing stronger ties with Cuba and the Soviet Union, the PRG also established economic and diplomatic relations with Vietnam, the Democratic People's Republic of Korea (North Korea), the German Democratic Republic (East Germany), and Libya, among others. The Libyans were the most generous of the island's new sources of economic aid during this period.

The events of October 1983 exposed the limitations of the PRG's policy. The violent action taken by the Coard-Austin faction apparently took the Soviet Union, the United States, and Cuba by surprise. Swift military action by United States and Caribbean forces left little time for the Cubans or the PRA to fortify the island and provide additional supplies and troop reinforcements, even if the Cubans had been willing to do so. Castro's remarks after the intervention indicated that Cuba was not prepared to commit significant forces to the defense of Grenada. The Soviets obviously followed the same line of thinking, constrained as they were by both geography and politics.

Relations with Latin American and Caribbean Countries

After taking the reins of government, Prime Minister Blaize returned Grenadian foreign policy to its more traditional orientation, although with a distinct pro-United States flavor. A familiar figure to most of the leaders of the OECS states, Blaize moved

quickly to reassure these leaders of Grenada's return to the democratic fold and to mollify the governments of other regional states that had objected to the military intervention.

Discounting Cuba, the most negative reactions to the intervention came from Trinidad and Tobago, Guyana, and the Bahamas. The government of Belize decried the action, but in milder terms.

The most injurious of these objections from the Grenadian viewpoint was that of Trinidad and Tobago. Close cultural, familial, and migratory links make Grenadians sensitive to events and opinions in Trinidad and Tobago; public condemnation by the government of Prime Minister George Chambers, coupled with the imposition of restrictions on Grenadian immigrants, puzzled and stung most Grenadians. They were able to take some consolation, however, in the fact that the press in Trinidad and Tobago (and, apparently, the majority of citizens) supported the intervention and condemned their prime minister for his opposition to it. Eventually, in 1986, persistent efforts by the Grenadians along with those of other OECS members induced Trinidad and Tobago to drop the visa restriction on Grenadians.

Grenada was integrated into the Regional Security System (RSS) once the Special Service Unit (SSU) of its police force was fully trained (see *A Regional Security System*, ch. 7). The military intervention of 1983 heightened the awareness among regional governments of the need for some kind of security force that could respond to small-scale disruptions or attempts at destabilization. The danger had been pointed up previously by the 1979 NJM coup in Grenada, but collective action on regional security from 1979 to 1983 had been hampered to some degree by the PRG's continued membership in regional organizations, such as Caricom and the OECS.

Grenada's primary forum for the expression of foreign relations concerns beyond its subregion was Caricom. The Blaize government did not play a leading role in this forum, however, preferring to lobby behind the scenes for consensus on issues of regional concern. This approach, a logical one in view of the fact that Caricom foreign relations resolutions must be approved unanimously, took advantage of Blaize's acceptance and connections among regional leaders and his considerable personal persuasiveness.

Reaching somewhat beyond the limits of Caricom, the Blaize government also engaged in some tentative economic negotiations with the government of Puerto Rico. Governor Rafael Hernández Colón visited Grenada in April 1985. One of the principal items on the agenda was the exploration of possible joint ventures that would establish plants in Grenada with seed money from both

Puerto Rican-based companies and Grenadian investors. Such ventures would be designed to take advantage of tax benefits granted to investors in Puerto Rico under the United States tax code. By early 1987, these negotiations had yielded some benefit to Grenada in the form of a "twin plant" (a factory assembling finished products using components fashioned abroad) set up by the United States firm Johnson and Johnson to produce nurse's caps.

Relations with the United States

The government of Prime Minister Blaize, recognizing the importance of sustained United States support for Grenada, sought to identify itself closely with the United States and particularly with President Ronald Reagan's administration. After Blaize's election, he traveled frequently to Washington to lobby for sustained levels of aid, endorsed and defended United States foreign policy actions that other Third World leaders either condemned or avoided discussing (such as the United States bombing of Libya in April 1986), and hosted Reagan's brief but tumultuous visit to the island in February 1986. According to a Royal Grenada Police Force (RGPF) estimate, some 42,000 attended a rally for the United States president held in Queen's Park; if accurate, the figure represented some 47 percent of the island's population.

For its part, the Reagan administration initially sought to infuse Grenada with sufficient levels of development aid to effect the repair of all collateral damage caused by the military action of 1983, to upgrade the island's infrastructure to a point where it could compete economically with other regional states (in such areas as tourism, agriculture, and light manufacturing), and to establish improved health care and education programs. Once these goals had been accomplished to some degree, the United States plan seemed to envision economic development for Grenada through foreign investment, primarily in export-oriented enterprises and tourism.

By September 1986, postintervention United States aid to Grenada had totaled approximately US\$85 million. It had become clear, however, that United States aid to Grenada would not continue at the high levels it had reached during the previous three years. A drawdown in aid was driven not only by an improving domestic situation in Grenada but also by United States budgetary constraints and the imperative of equal treatment for other Caribbean states. The reduction was reluctantly accepted by the Grenadian government; a decrease in United States economic support, however, especially a precipitous one, threatened to exert increased pressure on the Blaize government from a population whose

expectations of development and increased prosperity had been raised (perhaps unrealistically) by the 1983 intervention.

In the security sphere, Grenada has been an enthusiastic participant in United States-sponsored military exercises in the Eastern Caribbean. These exercises, such as "Ocean Venture 86," have served to provide training to the SSU of the RGPF and to improve Grenadian infrastructure to a limited degree through associated civic action projects carried out by United States forces.

In the late 1980s, it appeared that the United States-Grenadian relationship would continue to be shaped and defined by the events of October 1983. For the Grenadian viewpoint on that action—variously referred to as an intervention, an invasion, or a rescue mission—one could do worse than to quote the respected Grenadian journalist Alister Hughes, who has written that

An academic judgement in the world outside Grenada has condemned the military intervention by U.S. forces and the Caribbean Peacekeeping Force as a violation of the island's sovereignty. This view is shared in Grenada only by the small Marxist minority. The overwhelming majority see the intervention as a "rescue mission" which saved them from the anarchy which had been created and from the possible killing of thousands.

Relations with the Commonwealth and Others

Before and after the Bishop regime, Grenada identified more with the countries of the Commonwealth of Nations (see Appendix B) than with those of Latin America. The reasons for this are cultural, historical, and economic in nature. Culturally, Grenadians are still strongly influenced by British political forms and social mores. Historically, the Commonwealth countries share a common legacy of colonialism, however much that legacy may vary in its contemporary manifestations. Economically, British and other West European aid and trade mechanisms tie the Commonwealth Caribbean more into their markets than is the case for most Latin American economies. The competitive, noncomplementary nature of the agricultural export economies of the Caribbean and those of many Latin American states, particularly those of Central America, also exerts influence on their state-to-state relations.

Grenada experienced some friction in its relations with non-Caribbean Commonwealth nations after the United States-Caribbean intervention. The government of British prime minister Margaret Thatcher made no secret of its disagreement with the employment of military force in Grenada. This attitude was reflected in the position of Commonwealth secretary general Shridath Ramphal, who objected to the disbursement of Commonwealth aid

funds to Grenada until all foreign military forces were withdrawn from the island. This stance, apparently accepted by most of the non-Caribbean members of the organization (New Zealand being the only such nation to support the United States-Caribbean military action), gradually gave way to a more receptive approach by most members as Grenada began to reconstruct its governmental and political system.

After rendering its initial objections, Britain became the largest Commonwealth aid donor to Grenada. Its December 1983 grant of US\$1.1 million was its first to its former colony since 1978. Thereafter, it provided aid in the form of both loans and grants. This aid was expected to total more than US\$7 million for the period 1985-90. British assistance proved valuable as well in such areas as police training and equipment, community development, housing, and spare parts for local industry. Britain also reassumed its position as the leading market for Grenadian exports.

The revitalization of British-Grenadian relations was symbolically confirmed by the visit of Queen Elizabeth II to the island on October 31, 1985. The Queen read the Throne Speech to open the Grenadian Parliament and was warmly received by the government and the public.

Grenadian relations with Canada since October 1983 have followed a pattern similar to those with Britain. After an initial period of friction and diplomatic disruption, relations were normalized by early 1986. Canadian aid programs (in such areas as agriculture and construction) were never formally suspended; in addition to these established programs, the Canadian government agreed in 1984 to provide aid and technical assistance toward the completion of Point Salines International Airport. Canada also assisted in the installation of a digital direct-dial telephone system.

Beyond the Commonwealth, the Blaize government acknowledged foreign aid donations from the governments of France, Venezuela, and the Republic of Korea (South Korea). In addition to providing increased economic aid, Venezuela also upgraded its diplomatic representation in Grenada from the *chargé d'affaires* to the ambassadorial level in 1985. Other sources of economic aid included the European Economic Community, with which Grenada is associated through the Lomé Convention (see Glossary), and, to a more limited extent, the Organization of American States.

The post-1983 governments of Grenada also took steps to downgrade their country's relations with communist countries. Relations with the Soviet Union were broken by Governor General Scoon in November 1983. Ties with North Korea were severed in January 1985. Although the Grenadians stopped short of

breaking relations with Cuba, these relations were downgraded and Cuban presence on the island withdrawn. The retention of downgraded relations may be attributable in part to a claim by the Cuban government, still pending in 1987, for the return of construction equipment from the Point Salines International Airport project.

The government established relations with China in October 1985. Relations with the government of Libya were broken in November 1983, in retaliation for the Libyans' strong political support for the PRG.

National Security

The Royal Grenada Police Force

After mid-1985, internal security in Grenada was the responsibility of the Royal Grenada Police Force (RGPF). Although the title of the organization is traditional, the force itself had been reconstituted and its members retrained and reequipped since the United States-Caribbean intervention of October 1983. In the immediate wake of the action by the United States military and the 350-member Caribbean Peace Force (CPF), units of these forces handled police and security duties on the island. The last of the United States military police personnel departed Grenada in June 1985; the remnants of the CPF pulled out shortly thereafter, leaving the new and inexperienced RGPF to fend for itself.

The RGPF has had a history of personal and political manipulation in Grenada. Under Gairy, the authority and professionalism of the force were undermined by the establishment of personal paramilitary units (such as the infamous "mongoose gang"), which served to intimidate Gairy's opponents and inhibit free expression of political viewpoints on the island. After Gairy's ouster in 1979, Bishop's PRG set about restructuring Grenada's security system along with its governmental, political, and economic systems. Under the PRG, the RGPF continued to exist both in name and in fact—a level of some 350 was maintained—but in practice, the RGPF yielded its responsibilities and its jurisdiction to the People's Revolutionary Army (PRA), a politicized force presumed to be loyal to Bishop and the PRG. Under the Bishop regime, the RGPF was neglected in terms of manpower, funding, training, and equipment. As was the case under the Gairy regime, the police force enjoyed neither the confidence nor the support of the Grenadian people.

In light of this repressive history, after October 1983 it became clear to both foreign and Grenadian observers that the establishment of an apolitical and professional police force was essential for the development of a representative and pluralistic system of

government on the island. The most pressing need in this regard was training. For the United States, meeting this need presented a dilemma of sorts, for United States security assistance to foreign police forces had been prohibited by the United States Congress since the 1960s. Thus, some creative and cooperative programs were required.

The interim Grenadian government solved the problem by establishing an SSU, an elite eighty-member paramilitary force within the larger RGPF. Apparently both the United States and the leaders of other Caribbean nations had urged the Interim Government to form such a group. The majority of the Caribbean leaders had expressed interest in training similar forces of their own, which eventually could be integrated into a regional security system (see *A Regional Security System*, ch. 7). The expanded paramilitary mission of the SSU made possible the provision of United States funds through the Military Assistance Program and allowed for training of Grenadian personnel by United States Army Special Forces units.

The training of the RGPF was facilitated further by the cooperation of the British government. After the initial objections by the Thatcher government to the military intervention were smoothed over, training and assistance to the RGPF constituted one of the major British contributions toward the normalization of affairs in its former colony. Although not overwhelming in terms of numbers or expenditure, British security assistance was timely; three British police advisers were at work on the island by early 1984. Training of RGPF recruits by the British advisers was conducted on the island, mainly at Fort George. More extensive training took place off the island, at the Regional Police Training Center in Barbados (training at both sites was provided at British expense).

The total training program consisted of three phases. Phase one provided physical conditioning and basic skills for groups of Grenadian recruits during a four-week course under the supervision of United States military personnel. Phase one training also provided an opportunity for instructors to identify those recruits who would be most suitable for service in the paramilitary SSU. A fourteen-week course in basic police procedure constituted phase two for those trainees who had successfully completed the four-week session; this phase was administered by British police advisers. Most of the members of the RGPF underwent only the first two training phases. For those who qualified, phase three provided instruction in the more varied skills required for service in the SSU.

At the completion of all training phases, the RGPF counted some 600 men and women among its ranks. Included in that total was the eighty-member SSU. The domestic duties of the RGPF included

airport security, immigration procedures, firefighting, and maritime interdiction (through the Grenadian Coast Guard, also a part of the RGPF). The SSU was available for peacekeeping duties in Grenada or on neighboring islands under the auspices of the RSS.

The postintervention RGPF was envisioned as an apolitical force performing purely domestic duties. The SSU, in addition to its regional obligations, was also intended to function as a domestic crowd control unit. In an effort to extend the outreach and heighten the profile of the RGPF among the population, the Interim Government of Nicholas Braithwaite expressed interest in reopening community police stations closed by the PRG. The physical disrepair of many of these stations forced the government to put this proposal on hold. Whether or not the RGPF was planning to enhance its community relations and increase its effectiveness through regular patrolling of the island was uncertain, given the traditional station-bound orientation of the force.

According to an early 1986 report in the *Grenadian Voice*, the RGPF was considering the establishment of a reserve force of volunteers who would receive police training and be prepared for mobilization under emergency conditions (presumably in case of natural disaster or generalized public unrest).

Civil and Political Unrest

Some three years after the violent events of October 1983, the potential for serious political unrest in Grenada appeared to be surprisingly low. Although various officials and members of the government had cited the potential threat to stability from disgruntled leftist elements, these pronouncements appeared to have been made primarily to rally domestic political support or to bolster requests for continued high levels of United States aid. For example, in December 1986, following the announcement of death sentences for fourteen of the eighteen defendants in the Bishop murder trial proceedings, Blaize called for the mobilization of SSUs from neighboring islands to reinforce the Grenadian SSU. The prime minister, the police commissioner, and the local media cited increased reports of gunfire around the island and a general upswing in crime and violence as justification for the appeal. The actual level of unrest seemed to be unknown, however, and the link to the trial verdict appeared to be tenuous and speculative at best.

To be sure, the dramatic actions of October 1983, generally popular though they were among the Grenadian public, did not purge the island of all dissident radical politicians or their sympathizers. The continued existence of the NJM and the establishment of the MBPM provided evidence that some Grenadians still hewed to a

hard leftist political orientation. However, the lack of success by the MBPM at the ballot box in December 1984 plus the NJM's failure to contest the elections at all revealed the shallowness of popular support for these groups following years of repression under the PRG and the days of extreme violence that preceded the United States-Caribbean intervention.

Although the influence of Marxism-Leninism and its major regional proponent, Cuba, on Grenadian politics has been a fairly recent development, political violence has not been uncommon throughout the island's history. Violence carried out by his labor followers brought Gairy to prominence in 1951. The NJM coup of 1979, however, although justified by its participants as a response to Gairy's brutal repression and exploitation, was political violence of a new and different sort for Grenada. Whereas Gairy had abused the system but always maintained its forms, Bishop and his followers delivered the message that the forms themselves were objectionable. The notion that power could be wrested by force and maintained by ideologically justifiable repression is a legacy that the PRG may have left to some younger members of the Grenadian population.

Civil unrest in Grenada in the postintervention period was minimal. Reports persisted that the crime rate had risen since 1984, and RGPF statistics did indicate increases in violent crime in 1985 and 1986. The reliability of these official statistics was questionable, however, because police work in Grenada was neither painstaking nor very precise. In any case, opinion on the island appeared to reflect increasing concern over the issue of crime. Neighborhood watch organizations were being established, representatives of the private sector were promising aid to these groups as well as to the RGPF, and citizens were calling on the government to take sterner measures.

Internal security did not appear to be a serious or pressing concern for the Blaize government, despite the prime minister's periodic invocations of the leftist threat (typified by the overreaction to the Bishop murder trial verdict). Despite some problems, most of which could be attributed to the islanders' relative inexperience with a functional democratic system, the return to parliamentary democracy appeared to be proceeding apace in the late 1980s.

* * *

A number of books on Grenada have been published since 1983. Understandably, most of them focus on the military intervention and the PRG period. Two of the better products are *Revolution and*

Islands of the Commonwealth Caribbean

Intervention in Grenada by Kai P. Schoenhals and Richard A. Melanson and *Grenada: Politics, Economics, and Society* by Tony Thorndike. Thorndike's is perhaps the more complete treatment, providing good historical background to a detailed study of post-1979 events. The best source for topical reporting on Grenada is the *Grenada Newsletter*, produced in St. George's.

Specific health and education data are available in the Pan American Health Organization's *Health Conditions in the Americas, 1981-1984* and *Program Budget, 1986-87*, the *World Population Profile* published by the United States Department of Commerce, and the annual report of Grenada's Ministry of Education. An understanding of Grenada's economic status may be obtained from the World Bank's *Grenada: Economic Report*, the annual *Grenada Budget Speech*, and annual reports from the Caribbean Development Bank. (For further information and complete citations, see Bibliography.)

Barbados

Official Name Barbados

Term for Citizens Barbadian(s)

Capital Bridgetown

Political Status Independent, 1966

Form of Government Parliamentary democracy
and constitutional monarchy

Geography

Size 430 sq. km.

Topography Rolling hills and plains

Climate Maritime tropical

Population

Total estimated in 1987 255,500

Annual growth rate (in percentage) in 1987 0.6

Life expectancy at birth in 1983 70

Adult literacy rate (in percentage) in 1983 95

Language English

Ethnic groups Black (90 percent), mulatto (5 percent),
white (5 percent)

Religion Anglican (31 percent);
Church of God, Methodist, or Roman Catholic
(3 to 4 percent each); remainder other or no religion

Economy

Currency; exchange rate Barbadian dollar (B\$);
B\$2.00 = US\$1.00

Gross domestic product (GDP) in 1985 US\$1.1 billion

Per capita GDP in 1985 US\$4,405

Distribution of GDP (in percentage) in 1985

Other services and government 66.8

Manufacturing 10.5

Tourism 9.5

Agriculture 7.2

Other 6.0

Islands of the Commonwealth Caribbean

National Security

Armed forces personnel	500
Paramilitary personnel	0
Police	1,000

Barbados

Barbados has acquired the nickname “Little England” because, through the centuries, it has remained the most British of the Caribbean islands. Since wind currents made it relatively difficult to reach under sail, it was not conquered and reconquered like most of its Caribbean neighbors. British control over Barbados lasted from 1625 until independence in 1966. About fifty male settlers, including some slaves captured en route, arrived in 1627 to settle the island, which was uninhabited and had no food-bearing plants. Twelve years later, in 1639, the House of Assembly was formed, the only representative legislature in the Caribbean to remain in existence for more than three centuries. Barbadians are proud of their colonial heritage and used a statement on individual rights and privileges from the 1652 Charter of Barbados as a basis for the Constitution of 1966.

Following the introduction of sugar by a Dutchman in the early 1640s, the island was deforested, and the economy became dominated by large plantations. As the plantation economy developed, the land became consolidated in the hands of a decreasing number of white families, leading, between 1650 and 1680, to the emigration of some 30,000 landless Barbadians, who left the island for other Caribbean islands or North America. During the seventeenth and eighteenth centuries, slaves were imported from Africa by the thousands. In 1645 the black population was estimated at 5,680; by 1667 it was over 40,000. As the slave trade continued, Barbados became the most densely populated island in the Caribbean, a position that it still held in the late 1980s (see *The Impact of the Conquest; The Colonial Period*, ch. 1). Because labor was plentiful, few indentured servants were brought to Barbados even after emancipation in 1838.

During the eighteenth century, Barbados languished. The price of sugar fell sharply as abundant supplies were produced more cheaply in other islands. European wars and the American Revolution interfered with trade, and the British embargo on shipment of American goods to British colonies during the American Revolution also hurt Barbados severely. In the early months of the embargo, food and supplies fell so low that residents of Barbados would have faced starvation had not George III ordered special food shipments in 1778. Barbados also suffered several other calamities. Hurricanes devastated the island in 1780 and 1831. The 1780 hurricane killed over 4,000 people and destroyed most of the island’s buildings and livestock; the 1831 hurricane ruined many buildings,

including seven of the eleven churches on the island. In addition, a cholera epidemic killed over 20,000 people in 1854.

Throughout the nineteenth century, Barbados resisted change. Although free blacks were granted the vote in 1831 and slavery was commuted to an apprentice system in 1834, with emancipation following four years later, the ex-slaves stayed on the island and life remained essentially the same. As historian Ronald Tree has put it, the hurricane of 1831 was “followed by a hundred years of sleepy impoverishment, during which time the island was a source of constant annoyance to the Colonial Office.” Barbados successfully resisted British efforts in the late eighteenth and nineteenth centuries to abolish its House of Assembly and install crown colony government (see Glossary). The British had found local assemblies to be intractable and cumbersome to manage from London. Under the system called crown colony government, which was installed in all of the Commonwealth Caribbean islands except Barbados, the British replaced these argumentative assemblies with a unicameral legislature, the majority of whose members were appointed by the governor, and in which the king theoretically represented the lower classes (see *Political Traditions*, ch. 1). As a result of multiple petitions, Barbados managed to retain its local House of Assembly, which functioned in addition to the governor’s Legislative Council. Barbados was also successful in securing the repeal of the British sugar tax.

For almost 300 years, Barbados remained in the hands of a small, white, propertied minority who held the franchise. Reform finally came after World War I, however, as a result of ideas brought back by Clennell Wilsden Wickham of Barbados, Andrew Arthur Cipriani of Trinidad, and others who had served in the British forces abroad (see *Precursors of Independence*, ch. 1). Wickham returned home in 1919 fired by enthusiasm to make Barbados a more democratic place. His newspaper articles inspired Charles Duncan O’Neale to organize the Democratic League, a political party that espoused franchise reform, old-age pensions, compulsory education, scholarships, and trade union organization. The Democratic League succeeded in electing a few representatives to the House of Assembly between 1924 and 1932, but it is chiefly remembered for inspiring O’Neale’s nephew, Errol Barrow, to found the Democratic Labour Party (DLP).

During the 1920s and 1930s, Barbados was confronted with a rapidly growing population, a rising cost of living, and a wage scale that was fixed at the equivalent of US\$0.30 a day. Spontaneous rioting erupted throughout the Commonwealth Caribbean in the late 1930s as the region felt the effects of the worldwide depression.

In Barbados, fourteen people were killed and forty-seven wounded in protests in 1937.

The rioting spurred Grantley Adams to found the Barbados Labour Party (BLP) in 1938. (The BLP was known briefly as the Barbados Progressive League.) Adams, a lawyer who had won the Barbados Scholarship to Oxford in 1918, became the most important figure in preindependence politics. He quickly rose to prominence through his testimony before the British Moyne Commission, which was charged with investigating the causes of the regional disturbances in the late 1930s (see *Labor Organizations*, ch. 1). Adams argued that the main cause of the riots was economic distress. Elected to the House of Assembly in 1940, Adams became president general of the Barbados Workers Union (BWU) on its formation in 1941. Under Barbadian governor Sir Grattan Bushe, the constitution was changed to effect a semiministerial form of government, and the franchise was progressively liberalized. During the 1942 House of Assembly session, Adams led a fight for reforms that broadened the franchise by reducing the cost of qualification, increased direct taxation, established a workmen's compensation program, and protected union leaders from liability in trade disputes.

Under the terms of the Bushe reforms, Adams became leader of the government in 1946. Between 1946 and 1951, he presided over uneasy coalitions in the House of Assembly as the BLP failed to win a clear majority. In 1951, in the first election conducted under universal adult suffrage with no property qualifications, the BLP captured sixteen of the twenty-four seats. Although the BLP had finally gained a majority in the House, Adams was unable to hold the party together. The BLP and BWU, which had formerly acted in unison, pulled apart in 1954 after Adams resigned as president of the BWU, became premier (the preindependence title for prime minister), under a new ministerial system of government, and neglected to include the new BWU president, Frank Walcott, in his cabinet. Meanwhile, a new member of the House, Barrow, emerged as leader of a discontented BLP left wing, which felt that Adams was too close to the governor and not close enough to labor. Barrow had served in the Royal Air Force in World War II and subsequently studied and passed the bar in London. After returning to Barbados in 1950, he joined the BLP and was elected to the House in 1951. In 1954 Barrow left the BLP and the following year founded the DLP, which he led for the next thirty-two years. In spite of Barrow's defection, Adams led the BLP to victory in the 1956 election.

Plans for a British Caribbean federation had been drawn up in London in 1953, and elections for a federative assembly were held in 1958. The BLP also swept these elections, capturing almost all of the seats allotted to Barbados; subsequently, Adams, who had been knighted in 1952, was elected prime minister of the West Indies Federation. He was the only individual ever to hold that office because the federation dissolved in 1962, when Jamaica and Trinidad and Tobago both opted for independence (see *The West Indies Federation, 1958-62*, ch. 1).

Adams's devotion to the cause of federation cost the BLP dearly. H.G. Cummins, who had become premier of Barbados when Adams was elected prime minister of the West Indies Federation, was unable to hold the party together. By the late 1950s, unemployment, always a persistent problem in Barbados, exceeded 20 percent. While Adams struggled with increasing problems in the federation, Barrow supported the sugar workers in their campaign for higher wages and in turn won their support for the DLP; as a result, the DLP won the 1961 elections by a large majority. Barrow became premier and continued to lead the government until 1971. Between 1961 and 1966, the DLP government replaced the governor's Legislative Council with a Senate appointed by the governor, increased workers' benefits, instituted a program of industrialization, and expanded free education. Barrow also explored the possibility of joining another federation of the so-called Little Eight islands (Antigua and Barbuda, Barbados, Dominica, Grenada, Montserrat, St. Christopher [hereafter, St. Kitts]-Nevis-Anguilla, St. Lucia, and St. Vincent and the Grenadines); this too came to naught, however, and the DLP espoused full independence with the concurrence of the opposition parties. The DLP won the election of November 2, 1966, capturing fourteen of the twenty-four House seats. On November 30, 1966, Barbados gained independence, and Barrow became its first prime minister.

Geography

Barbados is the easternmost island of the Lesser Antilles, situated 480 kilometers north of Guyana, 160 kilometers east of St. Vincent, and 965 kilometers southeast of Puerto Rico (see fig. 1). This isolated pear-shaped island extends for 34 kilometers along a north-south axis and has a maximum breadth of 23 kilometers, giving it a total land area of 430 square kilometers (about the size of San Antonio, Texas, or half the size of New York City).

Barbados is fringed with coral reefs. The island itself is characterized by lowlands or gently sloping, terraced plains, separated by rolling hills that generally parallel the coasts. Elevations in the

interior range from 180 to 240 meters above sea level. Mount Hillaby is the highest point at 340 meters above sea level. Farther south, at Christ Church Ridge, elevations range from sixty to ninety meters (see fig. 13).

Eighty-five percent of the island's surface consists of coralline limestone twenty-four to thirty meters thick; Scotland District contains outcroppings of oceanic formations at the surface, however. Sugarcane is planted on almost 80 percent of the island's limestone surface. The soils vary in fertility; erosion is a problem, with crop loss resulting from landslides, washouts, and falling rocks. Most of the small streams are in Scotland District. The rest of the island has few surface streams; nevertheless, rainwater saturates the soil to produce underground channels such as the famous Coles Cave.

Barbados lies within the tropics. Its generally pleasant maritime climate is influenced by northeast trade winds, which moderate the tropical temperature. Cool, northeasterly trade winds are prevalent during the December to June dry season. The overall annual temperature ranges from 24°C to 28°C; slightly lower temperatures prevail at higher elevations. Humidity levels are between 71 percent and 76 percent year round. Rainfall occurs primarily between July and December and varies considerably with elevation. Rainfall may average 187.5 centimeters per year in the higher central area as compared with 127.5 centimeters in the coastal zone.

Population

Barbados had an estimated population of 255,500 in 1987. Population density was 593 persons per square kilometer; slightly over one-third of the populace lived in urban areas. Annual population growth remained relatively low in the 1980s, averaging between 0.2 and 0.8 percent. In 1987 it was 0.6 percent. In spite of this success, Barbados remained the most densely populated country in the Eastern Caribbean (see Glossary). The primary reason for Barbados' small population growth was the government's ability to implement a nationwide family planning program that served to maintain a crude birth rate of 17 per 1,000 inhabitants for the 1980-86 period.

In the past, emigration played a large role in stabilizing Barbados' population. From the end of World War II until the 1970s, Barbados exported its unemployed, as did the Windward Islands. Between 1946 and 1980, its rate of population growth was diminished by one-third because of emigration to Britain. The United States replaced Britain as the primary destination of emigrants in the 1960s because of Britain's restriction on West Indian immigration.

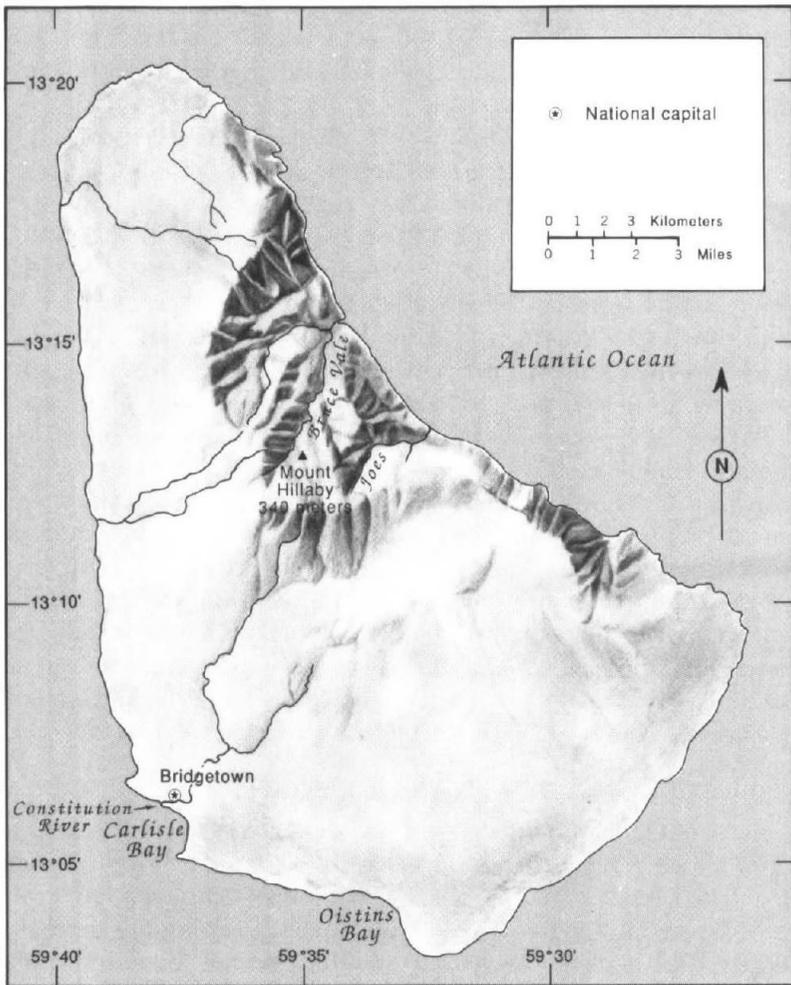


Figure 13. Barbados, 1987

In spite of continued emigration, Barbados began to experience a net inflow of workers in 1970, most coming from other Eastern Caribbean islands. By 1980 demographic figures began to stabilize because migration to Barbados had lessened, probably for economic reasons, and a relatively small natural population growth rate had been achieved. By the mid-1980s, expected real growth rates, adjusted for migration, remained below 1 percent.

Ethnically, Barbados' population was dominated by descendants of African slaves. At emancipation in the late 1830s, the size of the slave population was approximately 83,000, three times that

of the entire slave population in the Windward Islands. By the 1980s, distribution of ethnic groups was typical of the Eastern Caribbean; 90 percent of the population was black, 5 percent mulatto, and 5 percent white.

Race largely defined social position in Barbados. The majority of whites still held a disproportionate amount of economic wealth in the 1980s and significantly influenced national politics through their control of business enterprises. Blacks constituted both the middle and the lower classes.

In the 1980s, there was still a displaced social subgroup of extremely poor whites in Barbados who had not been fully assimilated into society. Descendants of the white labor class that had emigrated from Britain in the early colonial period, they had quickly been replaced as an economic group by African slaves, who had been brought to the New World as an inexpensive source of labor. Known as "red legs," the subgroup lived off the sea and subsistence agriculture and eventually became entrenched social outcasts, who had little expectation of becoming members of modern society (see *The Sugar Revolutions and Slavery*, ch. 1).

Barbados inherited from the British a stratified society with a strong sense of class consciousness; Barbadian aspirations to reach the next rung of the social and economic ladder partially explain the industriousness of the population. Individual pride is clearly associated with economic status and has been cited as a reason for Barbados' early economic success, which surpassed that of the Windward Islands.

Religion in Barbados was also influenced by the British. The first colonizers established the Anglican Church in Barbados, where it quickly assumed a position of dominance. Alternative religions were subsequently provided by Moravian and Methodist groups. Although Anglicans were still the dominant religious group in the early 1980s, they constituted only 31 percent of the population. The Church of God and the Roman Catholic and Methodist churches each claimed to minister to between 3 and 4 percent of the population. The remainder belonged to other religions or professed no religious affiliation.

Education

Barbados had one of the oldest and most advanced education systems in the Eastern Caribbean in the late 1980s. Education dated back to 1686, when private funds were used to build the first school. Throughout the eighteenth and nineteenth centuries, education was controlled by the Anglicans, who were later joined by other religious groups. By 1962 education was free for all nationals and

administered primarily by the state. This trend continued, so that by 1984 only 4 percent of the primary and secondary schools were managed by churches.

Barbados' longstanding emphasis on education was evident in the values and goals of contemporary society. Education has traditionally been associated with success and upward mobility. In 1970 Barbados officially claimed to have achieved a 99-percent literacy rate, a figure that was questioned by some observers. Despite these doubts, observers generally agreed that in the 1980s literacy in Barbados exceeded the rates of other Caribbean societies.

In 1984 Barbados had 126 primary schools, 110 of which were administered by the state. Approximately 1,350 teachers were available to instruct the 35,000 students. There were sixty-four secondary schools, five of which prepared students for technical careers. A total of 6,000 students attended secondary-school programs.

Postsecondary education consisted of seven institutions that awarded degrees or certificates. Four schools offered specific vocational training: the Barbados Institute of Management and Productivity, the Erdiston Teacher's Training College, the Tercentenary School of Nursing, and the Samuel Jackman Prescod Polytechnic.

Academic programs at the university level were conducted at the Cave Hill Campus of the University of the West Indies (UWI) and the Barbados Community College, which offered vocational and technical classes as well. The UWI also included Codrington College, a local theological seminary.

In 1979 the government created the Skills Training Programme to augment existing education programs. It was designed to fulfill the need for short but intensive training in vocational subjects and to prepare students for careers in mechanics, electronics, horticulture, masonry, plumbing, and other technical and vocational occupations.

Although the educational infrastructure was designed to meet both the nation's academic and vocational needs, observers seriously questioned Barbados' ability to provide quality instruction in fields related to tourism, agriculture, and manufacturing, the major economic undertakings in the 1980s. Few courses were actually offered in agricultural science and commerce; as a result, an inadequate number of Barbadians were being prepared to take on the responsibilities inherent in a growing economy.

The education system was also criticized for being stratified along socioeconomic lines. In general, upper-class Barbadians prepared for university studies at the best primary and secondary schools, received a disproportionate number of scholarships, and had the best records for entering the professional disciplines. On balance,

however, most Barbadians felt that the education system still afforded opportunities to achieve at least limited upward mobility. The government appeared to be attempting to address specific criticisms of its educational policy; its goals for Barbadian education in the 1980s included the promotion of equal educational opportunity and enhanced technical and vocational programs in all schools. In spite of its shortcomings, the Barbadian education system remained the best in the Eastern Caribbean in the 1980s.

Health and Welfare

In the mid-1980s, Barbadian health indicators showed that the overall health status of the country had improved substantially. In addition, by 1984 the government had taken major steps toward instituting a comprehensive health care service. As a result, Barbados compared favorably with its Eastern Caribbean neighbors in quality and delivery of health services.

Barbados achieved considerable success in reducing its crude birth rate in the 1980s (see Population, this section). Mortality rates, which had been steadily improving since 1974, deteriorated slightly in 1983. The death rate for the population rose in 1983 to 7.9 deaths per 1,000 inhabitants; much of the increase was attributed to a higher infant mortality rate, which rose 15 percent to 24.5 deaths per 1,000 live births. This increase was caused largely by problems arising shortly after birth, particularly pneumonia and respiratory ailments. Life expectancy at birth in Barbados in 1983 was seventy years. Morbidity indicators in the 1980s approximated those found elsewhere in the Caribbean. Only 2.3 percent of all deaths in 1982 were attributed to infectious and parasitic diseases. Statistics from that year indicated that two-thirds of all children one year of age and younger were inoculated against diphtheria, pertussis, and tetanus and 53 percent against measles. As of mid-1987, Barbados reported fifteen cases of acquired immune deficiency syndrome.

Improved water and sewage disposal was credited with the decline of morbidity rates from 1974 to 1985. The entire population had access to potable water by 1984. In addition, the completion in 1982 of the sewage system in the capital city of Bridgetown dramatically improved the urban sanitation situation. The rest of the island depended on septic tanks for waste disposal; however, plans were underway in 1985 to extend modern sewage facilities throughout the southern and western coastal areas.

Barbados' consistently improving health conditions were the direct result of government efforts to enact a health care program. Between 1978 and 1983, Ministry of Health expenditures, including social security, represented an average of 14.5 percent of total

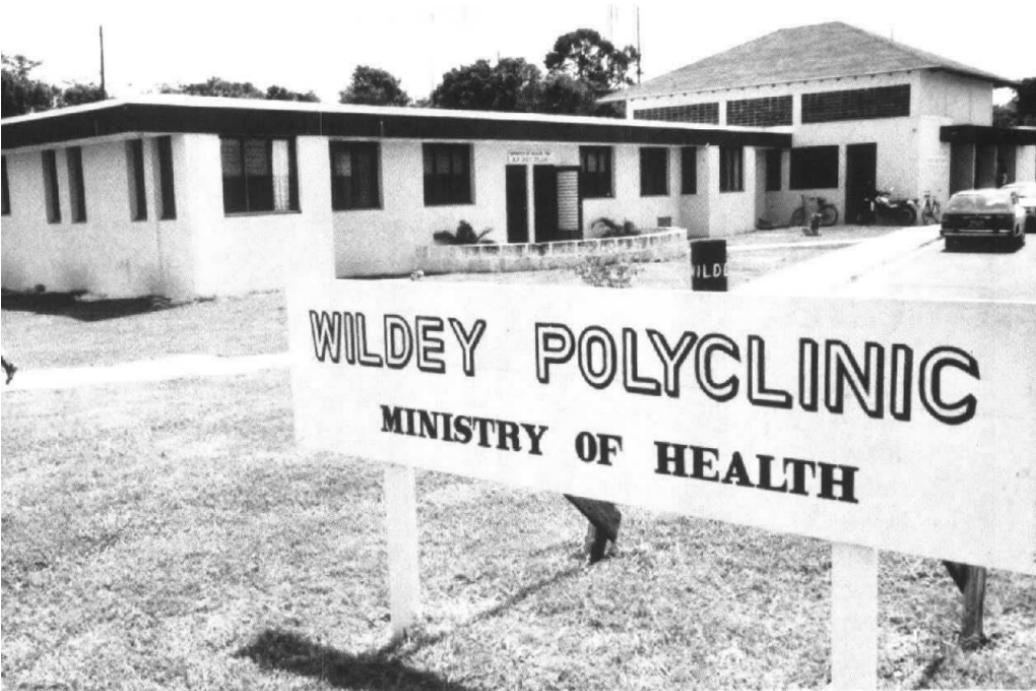
government outlays. The government planned delivery of free health care to all Barbadians through two basic programs, the General Practitioner Service and the Barbados Drug Service. The former was designed to bring medical service to virtually all areas of the island, but it had not been fully implemented. The Barbados Drug Service began operations in 1980 and improved the delivery of prescription and over-the-counter drugs, providing increased efficiency and reduced costs.

In 1985 Barbados' health care facilities included one general hospital (Queen Elizabeth's Hospital), one psychiatric facility (the Psychiatric Hospital), six district hospitals, seven polyclinics, and four health centers. Queen Elizabeth's Hospital and the Psychiatric Hospital each contained approximately 630 beds. District hospitals offered an additional 900 beds, and private hospitals were equipped with approximately 60 beds. The polyclinics delivered basic maternal and child care, family planning, and general health education services in rural areas. The health centers offered medical care in remote locations, but they were considered poorly equipped. There were 8.8 physicians and 30 nurses per 10,000 inhabitants in 1982. The Barbados Medical School, a part of the UWI system, was located at Queen Elizabeth's Hospital.

Despite substantial improvements in Barbadian health care, some problems persisted as of the late 1980s. Continued efforts were necessary to improve health care in rural areas. New measures were also needed to deal with alcohol abuse and diseases carried by rodents and wild dogs. Most noticeable noncommunicable health problems were heart disease, diabetes, and cancer. The government sought to respond to these health problems with expanded education programs, early diagnosis, and drugs.

Economy

Barbados experienced steady economic development and diversification following World War II, outperforming in many ways all of the Windward Islands. The economy was transformed from one dependent on agriculture, primarily sugar, for one-third of its gross domestic product (GDP—see Glossary) to one considered relatively diversified with the development of tourism and manufacturing sectors. By 1980 agriculture accounted for a mere 9 percent of GDP, whereas the wholesale and retail trade had grown to 17 percent, general services to 14 percent, manufacturing to 12 percent, and government services and tourism to 11 percent each. At the same time, Barbados' standard of living had increased remarkably as the nation elevated itself from the ranks of the low-income countries to those of middle-income countries.



*Wildey Polyclinic, opened in 1981
Courtesy Inter-American Development Bank*

Barbados' economic success could be traced to many factors. The island had long been a model of social and political stability, which helped attract both public and private foreign investment. The government also assisted with the infrastructural development required of an expanding economy, including a sound education system.

In spite of a lengthy history of economic development, the economy floundered at times during the 1980s. In part the fluctuations were the result of the innate characteristics of a small Caribbean economy, which include a limited resource base and heavy dependence on external markets. To a large extent, however, the setbacks resulted from the worldwide recession in the 1981–83 period. In 1987, however, Barbados was still actively pursuing a policy of growth based on a diversified export market, with a prudent mixture of private and public management of economic resources.

Macroeconomic Overview

Annual economic growth in the 1960s and 1970s averaged 5 percent. The 1980s, by contrast, saw little or no real growth in the economy. In addition to being affected by the global recession in the early 1980s, the 3.5-percent growth of GDP in 1984 was offset by near zero growth in 1985 because Barbados' leading export sectors all performed poorly. In 1985 the economy expanded slightly

by 0.3 percent, but only because the nontrading sectors, such as mining, quarrying, utilities, construction, and government services, performed well. Otherwise, Barbados would have experienced a decline in GDP.

Among the most disturbing economic developments for the island in the 1980s was the use of protectionist policies by Trinidad and Tobago and Jamaica with respect to clothing and other goods that faced strong regional competition. The tourist sector also slumped in the early 1980s, falling victim to a strong Barbadian dollar, which greatly reduced the number of tourist visitors from Britain. Tourism lessened because of the deterioration in the exchange rate of the British pound that accompanied the strengthening of the United States dollar. The Barbadian dollar was tied to the United States dollar at a fixed exchange rate.

Preliminary statistics for 1986, however, suggested that the economy was improving dramatically, registering an annual growth rate of 5 percent. This improvement was primarily the result of enhanced performance by tourism, manufacturing, and agriculture, the three sectors generating foreign exchange earnings.

External factors also improved when the United States dollar began to depreciate in 1984. The depreciation of the United States dollar increased the foreign exchange rate of the British pound sterling in Barbados and led to a 25-percent rise in British visitors. Tourism for the first three-quarters of 1986 increased 3.2 percent; the manufacturing sector registered a 9-percent increase in production over the same period because of a recovery in chemicals and processed foods. Nonsugar agriculture also improved. The electronics industry, however, continued to decline because of strong Japanese competition, and textiles still faced regional trade restrictions.

The quick turnaround in Barbados' aggregate economic performance in 1986 graphically demonstrated its strong dependence on external markets. To a large extent, the economy's overall performance in the 1980s paralleled that of the leading export sectors; the economy, however, has been able to survive periods in which trade was sharply reduced.

The growth and diversification of the economy since World War II did not result in substantial new employment opportunities. The unemployment rate exceeded 10 percent throughout the 1980s; it averaged 18.7 percent in 1985 and 19 percent in 1986. There were three primary reasons for high unemployment. First, the decline of the agricultural sector in favor of tourism resulted in a less labor-intensive economy, causing a slow, yet inevitable, displacement of agricultural workers. Second, employment figures also reflected

improved productivity across sectors. As productivity grew after World War II, fewer workers were needed even though the economy had expanded. Finally, Barbados' relatively large population also contributed to the development of an entrenched unemployment base.

In 1985 the services sector, including government workers, accounted for 35 percent of the work force. The second largest employer was restaurants and hotels, which had a combined contribution of 22.7 percent of the work force; this was followed by manufacturing (13.2 percent), agriculture and fishing (9.8 percent), and construction and quarrying (7.6 percent).

Because agriculture retained only a small percentage of the work force as the economy diversified, the manufacturing sector began to play a pivotal role in absorbing the unemployed. In the 1985-86 period, however, manufacturing experienced severe problems as a result of international competition and regional trade imbalances that directly affected employment levels. By 1986 it appeared unlikely that alternative jobs for the newly displaced manufacturing workers could be found.

Historically, Barbados has experienced periods of high inflation caused by both internal and external forces, but external causes have been responsible for the more acute inflationary periods. Domestic inflation has been fueled by government overspending financed by increasing the money supply, excess demand caused by import restrictions, and large real wage increases. Because of the open nature of the Barbadian economy and its heavy reliance on foreign markets, inflationary pressures also were exerted from abroad.

Since 1981, however, Barbados has experienced a steady decline in its inflation rate; the rate fell from a high of 14.6 percent in that year to less than 2 percent in 1986. The work force, as a whole, fared well during this period; wages rose faster than prices each year. Although wage hikes could not be justified based on productivity gains, they apparently did not have a significant impact on the general price level as evidenced by the decreasing inflation rate.

Banking and Finance

The Central Bank of Barbados (CBB) was created in 1972 to assist the government in stabilizing the economy by facilitating development and financial intermediation (see Glossary). Since 1972, Barbados has minted its own Barbadian dollar, which has been pegged to the United States dollar at a rate of B\$2.00 to US\$1.00.

The government created the CBB for numerous reasons, all related to gaining more control over domestic and international

financial intermediation. Paramount to maintaining financial stability was Barbados' new-found control over its money supply. Unlike other Eastern Caribbean states, which were dependent on a regional financial institution for central governance of the monetary system, Barbados was capable of establishing its own monetary program to supplement fiscal policy in meeting national economic goals.

Financial priorities were also advanced by the Barbados Development Bank, which was created in 1963. It functioned as an independent corporation designed to facilitate development by encouraging domestic savings and investment and providing loans to development enterprises, cooperatives, and small businesses. It was also empowered to issue its own securities to ensure sufficient funding to meet development needs. In 1985 it reemphasized its effort to assist the small manufacturing sector, which had failed to expand significantly during the previous year.

In the mid-1980s, Barbados was also served by numerous local banks and seven foreign commercial institutions. In addition, it was the headquarters for the Caribbean Development Bank (CDB), which acted as a conduit for multilateral lending arrangements.

Role of Government

In general, the Barbadian government has taken a strong stand against government interference in the operation of the national economy. During his second term as prime minister, Barrow favored a minimal role for government in managing economic enterprises and emphasized the supportive nature of the government in promoting the development of the economy. Nevertheless, government spending has been a major tool of economic growth. The government has conducted its economic policy by employing fiscal and monetary measures and by supporting the social and productive sectors of society with public sector investment. Public sector investment, however, was also inextricably linked to outcomes of fiscal policy.

In fiscal year (FY—see Glossary) 1986, the government introduced fiscal policies aimed at enhancing the purchasing power of the private sector. Tax concessions to individuals and businesses were expected to stimulate the economy and minimize demand for wage increases, whereas increased consumption duties were designed to regulate consumer activity. Indirect taxation was to offset the loss of direct revenue from income and business tax concessions.

By late 1986, however, it was clear that the realigned tax structure would cause a large deficit. In December 1986, the CBB

recorded a 118-percent increase in the national deficit compared with the previous year. The increase stemmed from the government's inability to control capital expenditures and public wage increases. Such control was a necessary precondition for the success of the new fiscal policy.

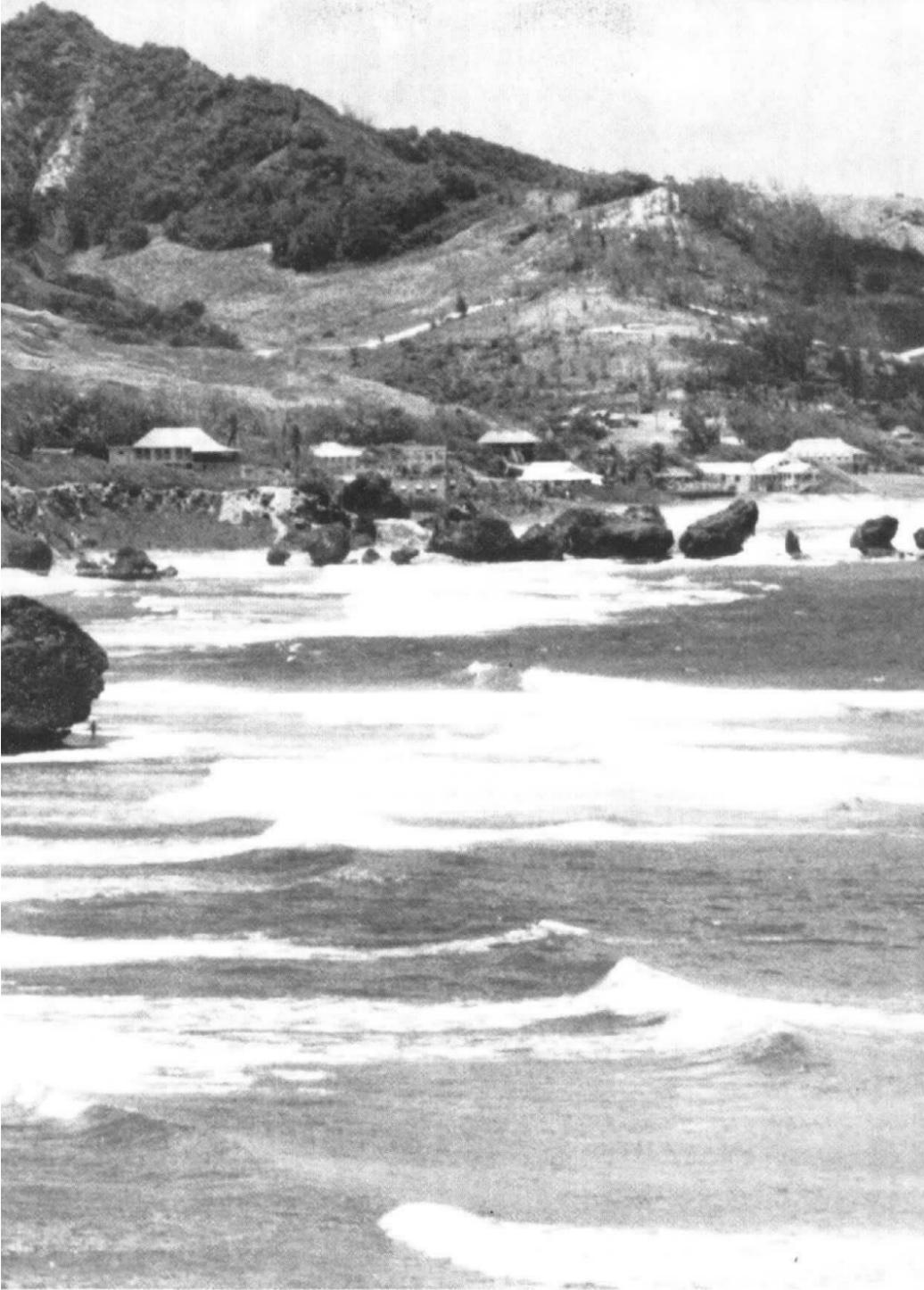
In the mid-1980s, analysts raised concerns about the potential effects of the Barbadian deficit. In spite of gains in aggregate productivity, the budget imbalance could not be corrected, and increased foreign borrowing appeared to be imminent. International concerns revolved around Barbados' ability to meet debt payments in the near future, as well as its ability to finance the public sector investment in the out years.

Although fiscal policy was a dominant economic tool of the government, monetary control played a relatively significant role when compared with operations of other Eastern Caribbean islands. The government coordinated economic policy with the CBB, rather than allowing it to develop a completely independent program. Their mutual goal was economic stability for the island, which implied controlling the money supply so that credit markets remained nonvolatile yet were sufficiently liquid to meet the demands of a developing economy.

Government influence over the economy was exercised more directly through public sector investment, which was developed and coordinated in conjunction with the five-year economic development plan. Historically, Barbados has concentrated public investment in three areas: economic infrastructure, such as roads and ports; social infrastructure, including health, education, and housing; and productive sectors, particularly agriculture and tourism. Funds for the 1986-88 period, which coincided with the last two years of the 1983 five-year economic development plan, were allocated mostly to transportation; the social sector received 26 percent of capital outlays, however, split mostly between health and education programs. Agriculture and tourism received a combined total of 30 percent of investment funds available from public sources.

Infrastructure constituted almost 36 percent of the total public sector investment for that period, which was reflected in the excellent communications and transportation networks that were available in the late 1980s. The Barbados Telephone Company operated an entirely automatic system of 75,000 telephones. Tropospheric-scatter links to Trinidad and Tobago and to St. Lucia and a satellite ground station operating with the International Telecommunications Satellite Corporation (INTELSAT) Atlantic Ocean satellite provided high-quality international service. The government-owned Caribbean Broadcasting Corporation broadcast from the capital





*View of the east coast
Courtesy Barbados Board of Tourism*

on 900 kilohertz and had FM service at 98.1 megahertz. Two commercial stations also broadcast from St. George's, Grenada, on 790 kilohertz and 90.7 megahertz. Evening television service was available. The *Nation* and the *Barbados Advocate* were the local daily newspapers.

Transportation infrastructure was good and comprised almost 1,500 kilometers of paved roads, a major international airport, and a deep-water port. One highway circled Barbados, and numerous other roads crisscrossed the island; buses served most towns. Grantley Adams International Airport, on the southern tip of Barbados, handled direct flights to points in North America and Western Europe. Bridgetown boasted a manmade deep-water port, which was completed in 1961 and expanded in 1978. The island had no railroads or inland water transportation.

In 1986 informed observers estimated that the next five-year plan would allocate additional capital to productive sectors (tourism, agriculture, and manufacturing) in the form of direct credit. This would take place at the expense of reduced investment in physical infrastructure. Because many of the road projects were scheduled for completion within the decade, a reallocation toward sectors that would directly assist national economic development was considered necessary to enhance the overall performance of the economy.

Foreign sources of capital, which from 1982 to 1986 had included loans or grants from development banks and government agencies, composed 40 percent of the public sector investment budget. This figure was expected to increase to 50 percent for the 1986-88 period, a situation that could further exacerbate a growing foreign debt repayment problem.

Sectoral Performance

By 1987 Barbados had a diversified economy, with numerous sectors contributing to GDP. Leading sectors of the economy in 1985, as measured by percentage of GDP, included wholesale and retail trade (20.4 percent), business and general services (16 percent), government services (14.2 percent), and tourism (9.5 percent). Contributions of productive sectors (those with tangible output) included manufacturing (10.5 percent), agriculture (7.2 percent), and construction (5.3 percent).

Barbados' primary productive sectors were agriculture, tourism, and manufacturing. Agriculture, including the fishing industry, still played an important role in the development of the economy. In the late 1980s, agricultural planners were attempting to diversify the sector. The long-term decline in sugar production was the natural result of increased production costs combined with depressed



Sugar mill
Courtesy Barbados Board of Tourism

world prices. In its stead, planners emphasized nonsugar agricultural products in order to reduce food imports and free up valuable foreign exchange for the purchase of capital goods and technology needed for economic development. Agricultural diversification, as outlined in the 1983–88 five-year development plan, also contributed marginally to reducing the unemployment rate and provided much of the society's nutritional base.

New markets in the Caribbean Community and Common Market (Caricom—see Appendix C) for fresh vegetables, flowers, and cotton allowed Barbados to increase foreign exchange earnings from agriculture. Improved output of fish, peanuts, and onions also improved its foreign exchange position by lowering agricultural imports. Figures for 1985 suggested that the 1983–88 development plan had succeeded in meeting diversification and production goals.

Agriculture, as a percentage of GDP, actually rose by 6 percent in 1985, representing increases in both sugar and nonsugar products. Sugar production rose by 20 percent in nominal terms, whereas food crops and fishing increased 11.3 percent. Unusually high growth rates occurred in cotton production, which rose by 400 percent. Food crops, however, experienced mixed production levels. These were decreases in the amounts of cabbage, carrots, peas, tomatoes, and corn produced and increases in peanuts, onions, beets, eggplant, pumpkin, broccoli, and okra.

In spite of distinct successes in agricultural diversification and production efforts, the sector had numerous problems to overcome. Sugar production remained unprofitable and required financial support through government subsidies. Analysts noted that in 1985 nonsugar agriculture had experienced production problems such as erosion, erratic rainfall patterns, and poor disease control. Marketing constraints, such as poor management, were also identified, as was inadequate coordination with external markets.

Output from the fishing industry declined by 32 percent in 1985 compared with the previous year, in spite of a marginal increase in the number of fishing vessels. This was accounted for by a combination of bad weather and imprecise reporting by fishermen to avoid paying tariffs. Government efforts to improve the fishing sector continued, however, as was evidenced by port improvements and financial assistance provided for boat purchases.

By 1985 tourism had become Barbados' primary foreign exchange earner. It accounted for 9.5 percent of GDP and was the leading sector in providing employment. Additionally, tourism had developed better economic linkages with the agricultural and industrial sectors, providing a market for locally produced foods and handicrafts. Production of fresh fruit and vegetables, fish, meat, and poultry all benefited from the tourist trade, as did handicrafts. Approximately 90 percent of all handmade goods were sold to visitors. Production of local goods sold to tourists, however, lagged behind demand, forcing Barbados to import 70 percent of all handicrafts sold to visitors in 1983.

Barbados was an early entrant into the Caribbean tourist market and enjoyed above-average earnings because of early development of its international airport. However, the change in market conditions in the 1980s eroded Barbados' dominant position, forcing it to consolidate gains rather than to continue to increase its share of the regional tourist market.

The worldwide recession of the early 1980s caused Caribbean tourism to lose ground. As the recession subsided, Barbados found itself in an increasingly competitive environment with other small island economies, particularly Grenada and St. Lucia. Both countries had emerged as significant tourist attractions, largely because of improved airport facilities.

The Barbadian government expected competition in the Caribbean tourist market to increase through the 1980s. In order to protect its share of the market, Barbados planned to address internal problems that had impeded growth of the tourist sector. Refurbishing of tourist facilities was essential if the island was to compete with the amenities available on other islands. The government

also planned to develop a coordinated marketing plan to attract a greater share of United States business, as well as to dispel impressions that Barbados was expensive and less service oriented than neighboring islands. Analysts suggested that Barbados implement better management and financial controls.

Manufacturing, the third major productive sector, began to grow significantly following the creation of the government-run Barbados Industrial Development Corporation (BIDC) in 1957. The BIDC produced a long-term plan to enhance Barbados' manufacturing capability by taking advantage of low-cost labor, concessionary fiscal policies, foreign capital, a solid physical infrastructure, and political stability.

The manufacturing sector produced for both domestic and foreign markets. Primary manufactured products for domestic and external consumption included processed foods, clothing, beverages, chemical products, and tobacco, all of which required foreign capital and raw materials as primary inputs. Goods produced solely for export included handicrafts, which were produced exclusively from local raw materials, and electronic components and sportswear, which were developed through multinational enterprises and relied completely on foreign materials and capital.

Manufacturing had become a significant sector of the economy by 1985. As of this date, there were over 200 small-scale firms that contributed 10.5 percent of GDP and 13 percent of employment. In spite of this established presence, manufacturing had generally not performed up to expectations. Its contribution to economic growth and employment had not expanded significantly in the previous twenty-five years. In 1960 manufacturing accounted for 8 percent of GDP, only 2.5 percentage points below the 1985 level. The sector's contribution to employment had grown at a similarly small rate during this same period, leading some analysts to conclude that other sectors of the economy had done more for aggregate economic growth and employment than manufacturing.

Manufacturing's greatest contribution to the economy appeared to be its ability to earn foreign exchange. In 1983 electronic assembly accounted for over half of Barbados' total domestic exports. Nevertheless, heavy reliance on foreign raw materials and global competition continued to hinder the island's ability to contribute to economic growth.

In 1985 output of the manufacturing sector declined by 9.5 percent as a result of changing world market conditions. Demand for Barbados' leading export—electronic components—fell sharply as the world market became inundated with Japanese semiconductors and resistors. Furthermore, regional competition was expected

to continue to restrict this sector's ability to grow so that it would probably contribute no more than 10 to 15 percent of GDP in the near future.

Barbados also began producing oil and natural gas in the 1980s; it had 3.6 million barrels of proven oil reserves and 400 million cubic meters of natural gas in 1985. Although neither oil nor gas was extracted in sufficient quantities to export, Barbados was able to produce over half of its crude oil requirements by 1984, dramatically reducing its oil import bill. Natural gas was used as a direct energy source and in the production of electricity; however, 75 percent of all natural gas was flared at the wellhead. Construction of a small liquefied petroleum gas plant was expected to be completed in late 1987; the plant would improve utilization of excess natural gas.

Foreign Trade and Balance of Payments

Barbados had expected trade to achieve its goal of export-led economic growth by the mid-1980s. By 1985, however, Barbados had experienced significant declines in all sectors that traditionally accounted for the majority of its foreign exchange earnings. The poor performance was a result of constricting regional demand for Barbadian goods and tighter trade restrictions in the Caricom market.

Barbados' foreign exchange earnings were derived from numerous goods and services. Sugar and molasses accounted for nearly 80 percent of agricultural exports in 1985 and contributed 10 percent of total merchandise exports. This sector, however, accounted for only 4 percent of total foreign exchange earnings and has continued to decline in importance since the early 1960s.

The manufacturing sector provided Barbados with 85 percent of the total value of merchandise exports and 30 percent of total foreign exchange. In 1985 electronic components represented 60 percent of total manufactured goods; secondary exports included clothing, chemicals, and rum. Tourism was the greatest foreign exchange earner in 1985; receipts totaled 38 percent of exported goods and services.

Approximately 23 percent of Barbadian exports went to other Caricom countries in 1985. Guyana and Trinidad and Tobago absorbed 68 percent of regional exports, whereas St. Lucia, Jamaica, Grenada, and St. Vincent and the Grenadines together accounted for 21 percent. The other 11 percent went to numerous other regional trading partners. Preliminary figures for 1986, however, suggested that Caricom trade would fall significantly, perhaps by as much as 20 percent. The United States purchased



*Workers making clothing at Elias Industries, Wildey
Courtesy Inter-American Development Bank*

most of Barbados' electronic components and accounted for 18.4 percent of total merchandise exports. Britain and Canada constituted 5.8 percent and 1.4 percent of the Barbadian export market, respectively; the remainder was sent to numerous other countries.

Overall, exports declined 10.1 percent in 1985 because of decreased demand for all items. Electronic components, sugar, and clothing fell 10 percent, 12.2 percent, and 30.6 percent, respectively. Barbados did not expect a significant change in market conditions in the near future and was developing a market strategy that focused on extraregional economies to absorb sugar and manufactured products.

In addition to declining demand for Barbadian exports, the island's foreign exchange position was also negatively affected by currency devaluations in Trinidad and Tobago and Jamaica, as well as by large wage increases given to workers in the Barbadian tourist and manufacturing sectors. These two problems had a combined effect of lowering the country's competitive position in the region. Because of wage increases and the relatively expensive Barbadian dollar, goods and services originating in Barbados were more expensive than those of the country's primary competitors.

In 1985 Barbados' primary imports were capital goods, food and beverages, fuels and chemicals, and miscellaneous durable goods; these represented 21.7, 15.3, 10, and 5 percent, respectively, of

total imports. Other consumer and intermediate goods included textiles, animal feeds, and other unspecified goods. The United States provided 41 percent of total imports and was the trading partner causing the single largest deficit. It was followed by Caricom countries, which shipped 14.7 percent of total imports; the remaining 29.2 percent came from numerous other countries. Britain and Canada supplied 9.1 percent and 5.1 percent, respectively. Trinidad and Tobago furnished 70 percent of all Caricom goods imported by Barbados, and Jamaica supplied 21 percent; the remaining 9 percent represented less significant trade relationships with other regional partners.

Barbados' balance of payments position was relatively healthy at the close of 1985, in spite of trading problems. Exports of goods and services had exceeded imports, providing a current account surplus of US\$40.3 million. The surplus occurred when there was a fall in both absolute exports and imports; however, strong tourist receipts narrowed the trade deficit.

The capital account experienced heavy outlays to repay private loans, and much of this debt was essentially replaced by public borrowing. There was a capital account surplus of US\$46 million in 1985. When added to the current account and adjusted for errors and omissions, the overall balance of payments was US\$22.4 million.

Informed observers suggested that Barbados might experience only slight growth in the late 1980s because of declining manufacturing trade. An increase in tourist receipts and an improved competitive position were expected to help the country adjust to a decline in foreign earnings, but it appeared that increased borrowing would be needed for at least the five-year economic planning period beginning in 1988. Such borrowing would cause Barbados' 1985 debt service ratio of 8 percent of exports to double by the early 1990s. Furthermore, it was expected that a deficit in the current account in later years would cause the overall balance of payments to become negative as well. The need to purchase more intermediate goods and increase borrowing to maintain development goals, as well as greater regional competition in the tourism and manufacturing markets, was the most likely reason for this adjustment.

Government and Politics

The Governmental System

At independence in November 1966, Barbados formally adopted the Westminster parliamentary system of government, with a

governor general representing the British monarch. Rights and privileges accorded to the governor in 1652 by Britain formed the basis for the Constitution of 1966, which provides for a bicameral parliamentary system headed by a prime minister and cabinet.

Under the Constitution, Parliament consists of the British monarch, represented by the governor general, the Senate, and the House of Assembly. The governor general is appointed by the monarch and serves at the monarch's pleasure. Although the governor general must act in accordance with the advice of the cabinet or one of its ministers, the governor general has considerable influence and is responsible for appointing judges, commissioners, and senators and for voting in the Senate if there is a tie. The governor general presides at all meetings of the Privy Council for Barbados, an appointed body whose duties include the right to review punishments and grant pardons.

Executive authority in Barbados rests with the governor general, the prime minister, and a cabinet of at least five ministers. The prime minister is by far the most powerful figure in the executive and within the cabinet. The prime minister chooses the cabinet ministers and may dismiss them at will. The cabinet, which is responsible to Parliament, is the principal instrument of policy and is charged with direction and control of the government, but the personality, style, and popularity of the prime minister largely determine the direction of government.

The Constitution provides for a House of Assembly of twenty-four members or as many as Parliament may prescribe. The number was increased to twenty-seven before the 1981 elections. Members are elected by universal suffrage and must be over twenty-one years of age. The leader of the majority in the House of Assembly is appointed prime minister by the governor general. The minority leader becomes leader of the opposition. The term of office is five years, but elections may be called at any time by the ruling party, and an election must be called in case of a vote of no confidence. During the first twenty years of Barbadian history, all of its governments remained in power until the five-year limit.

The Senate is a wholly appointed body. Senators must be citizens of Barbados over the age of twenty-one; twelve are appointed on the advice of the prime minister, two on the advice of the leader of the opposition, and the remaining seven at the governor general's discretion. The Senate elects its own president and deputy president and has a quorum of eight plus the presiding officer.

Bills may be introduced in either house with the exception of money bills, which must be introduced in the elected House of

Assembly. A bill becomes law after it has passed both houses and has been signed by the governor general.

Barbados' judiciary includes the Supreme Court, which consists of the High Court and the Court of Appeal. The chief justice is appointed by the governor general after consultation with the prime minister and the leader of the opposition; the other judges who make up the court are appointed on the advice of the Judicial and Legal Service Commission. Judges serve until the age of sixty-five; in case of vacancies, the governor general has the authority to appoint acting judges who serve until the appropriate consultations have been made. Appeals from decisions made by the High Court may be made to the three-judge Court of Appeal. The highest appeal is to the Judicial Committee of the Privy Council in London.

Under the Constitution, a number of public service commissions—including the Judicial and Legal Service Commission, the Public Service Commission, and the Police Commission—oversee government acts. All of the commissioners are appointed by the governor general after consultation with the prime minister and the leader of the opposition.

Political Dynamics

Since independence in 1966, responsibility for organizing the government has been almost evenly divided between the two major Barbadian parties, the DLP and BLP, which are both centrist social democratic parties with roots in the British labor movement. Although the BLP is perceived as somewhat more conservative than the DLP, there has been relatively little ideological difference. Both parties strongly support private enterprise, but both have undertaken large public works as a necessity in a country where unemployment ranges between 15 and 20 percent. In foreign policy, both the DLP and the BLP have endorsed and coordinated regional integration initiatives. Since the 1960s, party differentiation has been mainly in style and rhetoric and in the personalities of the leaders.

During the first twenty years of Barbadian independence, the DLP and BLP each ran the government for ten years. The DLP, with its founder, Barrow, as prime minister, was the majority party from 1966 to 1976 and was returned to power in 1986. The BLP was in power from 1976 to 1986 with J.M.G.M. "Tom" Adams as prime minister until his sudden death in office in 1985. After Adams's death, H. Bernard St. John became prime minister until the DLP victory in the May 1986 election. In June 1987, a year after resuming the post of prime minister, Barrow also died; thus, in the short space of twenty-six months Barbados lost the two party leaders who had run the country since 1961. Barrow was succeeded

by Deputy Prime Minister Lloyd Erskine Sandiford, a member of the House since 1971 and the holder of a number of ministerial portfolios under two previous DLP governments.

Barrow, who has been called the "Architect of Independence," led the DLP from its inception in 1955 until his death in 1987. After having completed a term as premier (the preindependence title for prime minister) from 1961 to 1966, Barrow and the DLP were elected to a second five-year term on the eve of independence in November 1966. Barrow had instituted many programs in his preindependence term of 1961-66 and continued them throughout the DLP governments that lasted until 1976. Barrow's achievements included free secondary education and school meals and many capital works programs, especially public housing projects. Under his government, the Barbados economy diversified by encouraging tourism. Barbados joined the Caribbean Free Trade Association (Carifta) in 1968, continuing its efforts to achieve some regional integration, and later joined Caricom, the successor to Carifta.

During Barrow's third term (1971-76), the Barbadian economy suffered from oil price increases and the international energy crisis. Unemployment increased, and there was increasing worker dissatisfaction. In 1976 the BLP, under the leadership of Tom Adams, won the election, gaining seventeen out of twenty-four seats in the House of Assembly. Adams was the son of BLP founder Sir Grantley Adams, Barbados' most prominent preindependence leader. Tom Adams was born in 1931 and, like both his father and Barrow, had won the Barbados Scholarship (to Oxford). He had earned two degrees in England and had been active in the British Labour Party. When Adams returned to Barbados in 1962, the West Indies Federation had dissolved and the BLP was a minority party. Adams went to work as honorary secretary for the BLP and in 1966 was elected along with his father to the House of Assembly. Adams became leader of the BLP in 1971 after BLP leader St. John had been defeated in the elections. In 1976 Adams led the party to victory and was elected prime minister after a campaign focusing on the rise in unemployment, inflation, and government waste. In his first term, Adams managed to cut unemployment nearly in half, increase per capita income and growth, achieve a balance of payments surplus for three years, and expand tourism. Because of the country's economic prosperity, the BLP government was reelected for a second term in 1981, winning seventeen out of twenty-seven seats.

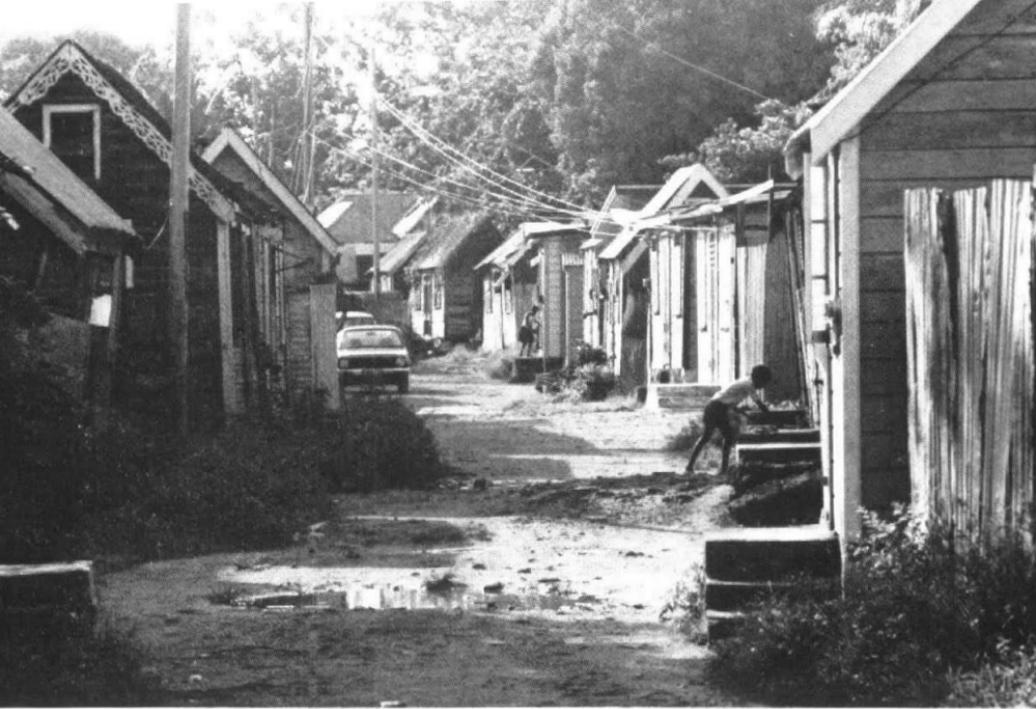
Adams's second term was marked by economic problems and a major crisis in Grenada. Inflation had begun to rise again in 1980,

and growth slowed down from its 1979 peak of 8 percent. This trend continued, and during the early 1980s GDP declined (see Economy, this section). The economic woes caused friction at home and with Caribbean neighbors such as Trinidad and Tobago, a traditional friend. In addition, the increasing size of the military forces in Grenada and the island's failure to hold elections caused consternation and division at the 1982 Caricom conference and precipitated the organization of the Regional Security System (RSS). The situation in Grenada reached a crisis in October 1983. Adams's strong support of the United States-Caribbean intervention included sending Barbadian police officers to join the Caribbean Peace Force in Grenada and brought Adams and Barbados international attention (see Foreign Relations, this section; A Regional Security System, ch. 7). Although public opinion in Barbados supported Adams's actions, there was concern about the possible precedent set by military intervention. Adams continued to be a vigorous supporter of the RSS until his death.

Deputy Prime Minister St. John succeeded Adams as BLP prime minister in March 1985 and served in that capacity until the elections of May 1986. St. John had been a member of the BLP since 1959, a senator from 1964 to 1966 and from 1971 to 1976, and a member of the House from 1966 to 1971, and had served as deputy prime minister during both terms of the Adams government, holding a number of ministerial portfolios during that time. St. John attempted to improve the economy and mend the relationships in the Caribbean that had been strained by the economic recession and the Grenadian crisis. With an eye on the 1986 elections, St. John promised tax relief, but he was unable to create a constituency during his short time in office.

By the time of the 1986 election, unemployment in Barbados was about 19 percent. The election campaign in May 1986 was bitter and included accusations that the BLP was corrupt and racially biased in favor of whites and that it favored the middle class over the poor. The DLP promised to reduce taxes and lower the price of utilities and gasoline and also spoke of reducing participation in the RSS. The DLP was elected in a landslide, capturing all but three of the twenty-seven seats and sweeping out St. John and all but one of the BLP members elected in 1981. Barrow once again took the position of prime minister; Henry Forde, a former attorney general and minister of external affairs and the only BLP member elected in 1981 to retain his seat in the House, was named leader of the opposition.

On becoming prime minister, Barrow, in an effort to reduce unemployment, cut taxes substantially and increased public



*Clapham Park
Courtesy Inter-American Development Bank*

expenditures on roads and transport, creating a large fiscal deficit (see Economy, this section). Barrow continued his previous strong support for regional integration and his opposition to apartheid. During the campaign, Barrow had declared that he would reduce the Barbados Defence Force (BDF); however, Barbados remained in the RSS and took part in maneuvers with the United States and Britain.

On June 1, 1987, Barrow died of a heart attack and was succeeded by Deputy Prime Minister Sandiford. The new prime minister had been a member of the DLP since 1964. Elected to the House in 1971, he was a cabinet minister in Barrow's third administration, a senator from 1967 to 1971, and was chosen deputy prime minister in 1986. Sandiford pledged to continue the policies of Barrow.

Foreign Relations

Relations with Latin American and Caribbean Countries

Barbados played a leading role in Caribbean affairs both before and after independence. Grantley Adams was an advocate of regional federation and served as the prime minister of the short-lived West Indies Federation. As noted earlier, his successor, Barrow, labored during the immediate preindependence period to pull together the Little Eight islands. This effort did not reach the stage of formal union, however, mainly because of the protracted nature of the negotiations. By the time Britain agreed to continue grant-in-aid monies, the momentum toward federation had been lost in acrimony. Barrow marched out of the last negotiating session in April 1965, taking with him the viability of potential union. Barbados declared its independence from Britain the following year.

Barrow did not abandon his belief in Caribbean integration after the collapse of the Little Eight negotiations. Instead, he helped to shift the regional approach to the concept. As the islands moved toward independence as separate entities, the notion of political association lost much of its appeal. The attraction of economic cooperation was strong, however, given the precarious economic status of these new ministates. Recognizing this, Barrow lobbied for the establishment of Carifta as a means of promoting regional economic viability and as a way of keeping the integration movement alive. The principle of foreign policy coordination among Commonwealth Caribbean countries, as advocated by Barrow, was achieved in theory with the advent of Caricom. Barbados also advocated the creation of such other regional institutions as the UWI,

the CDB, and the West Indies Shipping Corporation (WISCO—see Appendix C).

By the time the BLP returned to power in 1976 under the leadership of Tom Adams, economic integration was an ongoing process, albeit not a particularly smooth or dynamic one. Adams maintained the Barbadian commitment to this process and made some limited efforts to expand beyond Caricom and establish new economic links with Latin America. Indeed, from 1976 until 1982 Barbadian foreign policy seemed to be driven primarily by economic imperatives, such as the promotion of trade (including tourism), the attraction of capital, and the expansion of domestic industry.

By 1982, however, it was clear that Adams's thinking on regional policy had begun to focus more on security concerns and less on political and economic issues. The motivation for this change in emphasis was the establishment in Grenada of the People's Revolutionary Government (PRG). From Adams's perspective, the PRG was a regional aberration that threatened to destabilize other island governments by its example and rhetoric if not by possible active support for subversive groups. Barbados' concern over Grenada surfaced pointedly in 1982 at the third Caricom heads of government meeting in Ocho Rios, Jamaica. It was there that Adams, supported by a number of like-minded leaders, pushed for the alteration of the Caricom treaty to commit members to the maintenance of parliamentary democracy and the defense of human rights. PRG leader Bishop, the target of this effort, argued for the incorporation of economic rights, such as employment, health care, and education, under the human rights rubric; he also gave private assurances to the prime minister of Trinidad and Tobago that Grenada would hold elections, although not necessarily under the Westminster system. Adams's amendment eventually was rejected in favor of a declaration affirming Caricom's support for ideological pluralism and the right of each state to select its own pattern of development. Although it appeared at the time to be a foreign policy victory for the PRG, the conference revealed the uneasiness and divisions within the Caribbean community over the course of events in Grenada; it also furthered an attitudinal split as to how best to deal with the situation. This drift was thrown into sharp relief by the events of October 1983.

Adams was a prime mover in the events that led up to the United States-Caribbean intervention in Grenada (see *Current Strategic Considerations*, ch. 7). The regional relationship most seriously affected by adverse reaction to the intervention was that of Barbados and Trinidad and Tobago. The flare-up between the two was marked by charges and countercharges over the issue of whether

or not Adams had informed Port-of-Spain of the operation in advance of its execution. At the height of the dispute, the Trinidad and Tobago envoy to Barbados, who contradicted Adams's claim of prior notification, was expelled. In contrast to the debate provoked in other parts of the world by the intervention, the issue of notification seemed to be the real crux of the argument between these two states; disagreement over the inherent merit of the action in Grenada appeared to be a secondary consideration for both parties. The diplomatic dispute exacerbated already existing tensions based on Trinidad and Tobago trade restrictions. This rift, although not deep or irremediable, was not healed within Adams's lifetime and was employed as a campaign issue by Barrow and the DLP in their successful return to power in 1986.

Upon his return to the country's leadership, Barrow signaled his reservations over the previous government's approach to regional security issues. Despite some rhetorical salvos against the RSS, the United States, and some more conservative regional leaders such as Dominica's Mary Eugenia Charles, Barrow took no substantive action before his death to withdraw Barbados from the existing regional agreements. It is significant to note, however, that Grenadian prime minister Herbert Blaize did not request Barbados to send forces to Grenada in December 1986 to prevent possible unrest growing out of the verdict in the Bishop murder trial (see Grenada, National Security, this ch.).

Within the wider Caribbean, Barbados continued to maintain formal and correct relations with Cuba even after the Grenada intervention. Barbados, along with Guyana, Jamaica, and Trinidad and Tobago, had defied both the United States and the Organization of American States to establish relations with Cuba in 1972 in keeping with a general commitment to ideological pluralism. The relationship between Cuba and Barbados since that time, however, had been decidedly distant, the result perhaps of the competitive nature of both countries' major export (sugar) and their incompatible political systems.

Barbadian relations with Latin American countries traditionally had been limited. Nevertheless, Barbados was one of only two Commonwealth Caribbean beneficiaries of the 1980 San José Accord between Mexico and Venezuela (Jamaica being the other), whereby the two large producers agreed to provide oil at preferential rates to a number of Caribbean Basin states. Barbados had also benefited from low-interest loans for infrastructure and housing projects through another provision of the San José Accord. As of 1986, the DLP government was reported to be seeking new export markets

in Latin America, particularly in Brazil, Colombia, and Venezuela, apparently perpetuating the efforts of the BLP government.

Along with the other nations of Caricom, Barbados supported the territorial integrity of Belize in the face of a long-standing claim by Guatemala. The Barbadian foreign minister held talks with Guatemala's ambassador to Venezuela in August 1986, presumably on the subject of Belize as well as the possibility of Barbadian-Guatemalan commercial and diplomatic relations. Progress seemed to be anticipated by both sides after the 1986 assumption of power by a civilian government in Guatemala.

Relations with the United States

In the early 1980s, the Adams government's diplomatic pressure on Bishop's Grenada, its participation in the 1983 intervention, and its advocacy of a Regional Defence Force were judged by a number of observers to represent a tilt from a nonaligned policy direction to one favoring United States security interests. It was clear that Adams's advocacy of enhanced security mechanisms, which came to be known as the "Adams Doctrine," dovetailed with the main thrust of Reagan administration policy in the Caribbean Basin. However, the Adams Doctrine probably was motivated more by the then-prime minister's interpretation of previous events, e.g., the 1979 Grenadian and Nicaraguan revolutions, than by United States, i.e., Reagan administration, pressure.

Barbadian relations with the United States have always been influenced by economic factors, especially trade and tourism (see Economy, this section). The Barrow government, in a foreign policy statement issued in 1987, recognized the importance of these relations and acknowledged the contribution of the United States Agency for International Development and the Peace Corps to projects in the fields of health education, housing, and agriculture. At the same time, Barrow chided both Caribbean and United States policymakers for perpetuating excessive reliance by Caribbean countries on the United States. He expressed a preference for greater "multilateralism" in this regard, apparently a reference to the need for increased coordination of aid programs among the United States, Canada, and the European Economic Community (EEC). Consistent with his earlier positions, Barrow also argued for greater Caribbean self-reliance and improved intraregional cooperation as a hedge against dependency.

Relations with the Commonwealth and Others

Barbados utilized its membership in the Commonwealth of Nations mainly to advance its economic interests, such as the promotion

of tourism and the provision of aid and technical cooperation (see Appendix B). In addition, the Barbadians have also used the Commonwealth as a forum to air their long-standing condemnation of the apartheid system in South Africa and to push Britain toward a stronger stance with regard to sanctions against the South African government.

Beyond its antiapartheid stance and such related positions as support for the self-determination of Namibia and recognition of the South West Africa People's Organization, Barbados has expressed a keen interest in African affairs generally through its membership in the Commonwealth and the United Nations. The Barbadians viewed this connection as a natural one, arising from historical and cultural links as well as a convergence of economic interests. Along with many African and other Third World members, Barbados has supported the movement for a New International Economic Order and argued in favor of a code or other mechanisms for the transfer of technologies from developed to developing countries.

Barbados' primary connection with the EEC has been through the Lomé Convention (see Glossary), which is updated every five years. Barbadian negotiators were involved in the discussions that finalized Lomé III in 1985. In a show of Caricom solidarity, in 1986 Barbados protested efforts by Britain and France to block Guyana's access to funds from the CDB, to which both European nations had contributed. The British and French objected to alleged human rights abuses and electoral irregularities in Guyana, issues that Barbados had tended to overlook in the interest of Caribbean unity and support for ideological pluralism.

In keeping with this stance and its historical efforts at nonalignment, as of 1987 Barbados maintained diplomatic relations with a number of communist countries, including Albania, Czechoslovakia, Hungary, Romania, Yugoslavia, the Democratic People's Republic of Korea (North Korea), and China. These relations were not very active, although some limited technical assistance and other exchanges were undertaken with the Chinese.

National Security

The Royal Barbados Police Force

Domestic police duties in Barbados are the responsibility of the Royal Barbados Police Force (RBPF). Originally established under British colonial rule in 1835, the RBPF was one of the most professional and effective of Caribbean police forces. According to the

Constitution, appointments to the force are made by the governor general, acting in accordance with the recommendations of the Police Commission. Overall command of the RBPF is vested in the police commissioner.

According to mid-1980s press reports, the RBPF was in the process of expanding its membership from 1,000 to about 1,200. The increase, initially resisted by the BLP government, was eventually undertaken at the urging of the police commissioner and the leadership of the opposition DLP, which had attempted to score political points by portraying the BLP as unresponsive to a perceived increase in the crime rate.

The crime rate in Barbados was generally higher than that of other Eastern Caribbean states, partially as a result of its higher population density (see Population, this section). As a country with a heavy stake in the tourist trade, Barbados has been concerned as much with the foreign perception of its crime rate as with the actual statistics. The Barbadian public and government officials differed to some extent on the nature of the crime problem; the average citizen was seemingly preoccupied with crime on the streets and beaches, whereas government and police spokesmen frequently emphasized the problem of white-collar crime and the corruption that often accompanied it.

One problem on which most parties seemed to agree was that of drug abuse, which appeared to be on the increase in Barbados during the 1980s. The RBPF functioned as the exclusive anti-narcotics force on the island, leaving tasks such as maritime interdiction to the coast guard. Money laundering, possibly in connection with drug trafficking, was another offense cited by officials to justify increased manpower and improved training for the RBPF. Barbados did not appear to be a major transshipment point for drug traffic to the United States, although in 1985 an RBPF spokesman expressed his belief that some shipments to Western Europe had transited the island.

One indication of heightened public concern with crime was the formation in 1986 of neighborhood watch groups in Bridgetown. The initiation of this process was announced by the attorney general, who emphasized the role of the RBPF in guiding and informing members of these groups.

Most RBPF training was conducted at the Regional Police Training Center situated near Grantley Adams International Airport. Funded and largely staffed by the British, the center conducted courses for both Barbadian and foreign students from other Commonwealth Caribbean police forces, such as those of the Cayman Islands, Grenada, Montserrat, St. Lucia, St. Vincent and the

Grenadines, the Turks and Caicos Islands, and the British Virgin Islands. More specialized training for officers was provided at police facilities in Britain.

As of 1987, the RBPF had exclusive responsibility for port security and shared airport security duties with units of the BDF.

The Barbados Defence Force

In the late 1980s, Barbados was one of only two Eastern Caribbean states to maintain a standing military force (Antigua and Barbuda was the other). The Barbados Defence Force (BDF) was established in 1978 as a force completely separate from the RBPF. It has played a leading role in the RSS. Within the RSS framework, Barbados contributed the highest percentage of the system's budget, provided BDF headquarters as the RSS base of operations (and the BDF chief of staff as RSS coordinator), and informally earmarked the BDF as the primary regional reaction force in crisis situations. This understanding may have been abandoned, however, when the BLP government was voted out of power in May 1986. Domestically, the BDF was a somewhat controversial institution insofar as its existence underscored the Barbadian (and, one might well say, the Caribbean) ambivalence toward established military organizations.

The circumstances that led then-Prime Minister Tom Adams to create the BDF were unsettling and worrisome to the government and to many Barbadians. Adams's October 1976 announcement of an aborted attempt by two United States nationals to seize power with the aid of mercenary forces (and, five days after the announcement, the explosion and crash of a Cuban airplane at Grantley Adams International Airport) exposed the vulnerability of small island governments to destabilization by outside forces (just as the 1979 overthrow of the Eric Gairy government in Grenada displayed the susceptibility of such states to takeover by domestic dissident groups). The establishment of the BDF was subsequently justified, at least in the eyes of Adams and his supporters, by its successful December 1979 intervention on Union Island in St. Vincent and the Grenadines, which quelled an uprising by militant Rastafarians (see Glossary; Regional Security Threats, 1970-81, ch. 7).

Not all Barbadians shared Adams's favorable opinion of the BDF. Barrow, as the leader of the opposition DLP, questioned the government's figures on defense spending and spoke out against what he characterized as a militarization of Barbados through the establishment of the BDF (see Controversial Security Issues, ch. 7). After his 1986 electoral victory, most observers assumed that Prime Minister Barrow would move quickly to slash the BDF's ranks and

budget. However, Barrow's moves in this regard were more tentative and ambivalent than anticipated.

After his May election, Barrow publicly expressed his objections to the October 1983 intervention in Grenada, stating that he would not have allowed BDF forces to participate and would not have acquiesced to the use of Barbados as a staging area had he been prime minister at the time. He also objected to the notion of a treaty formalizing the RSS and pledged himself not to sign such a document. Barrow seemed more reassuring in a September 1986 address to BDF units, during which he denied any plans for a "wholesale retrenchment" of the force.

By December, Barrow was once again vowing to cut back BDF forces or to phase them out entirely. Barbados did not need a defense force, he stated, because the only real threat it faced emanated from the United States, a superpower. These strong words were not followed by action until March 1987, when Barrow announced a freeze in BDF recruiting, a rather conservative approach to thinning the ranks. Subsequently, the government did submit an FY 1988 budget that called for deep cuts in capital expenditure for defense. By the time of his death, it seemed clear that Barrow was intent on scaling back the size of the BDF, particularly the ground forces, and emphasizing its missions of airport security and maritime patrol and interdiction over its role as the primary reaction force within the RSS.

As conceived by Adams, the BDF was not to be tasked with domestic police duties. The prime minister believed that the assignment of internal security responsibilities to an army paved the way for domestic repression; this belief was reinforced by events in Grenada under the Bishop regime. Despite Adams's desire to distance the BDF from domestic affairs, the organization could still be considered an internal security force insofar as its primary mission was to defend the existing government against externally sponsored or assisted coup attempts. In the late 1980s, the domestic duties of BDF ground forces were limited to relief efforts in the wake of such natural disasters as hurricanes; BDF troops performed such duty not only in Barbados but also in Dominica and St. Vincent and the Grenadines.

The size of the BDF was unclear in the late 1980s; estimates ranged from 300 to 1,800, with 500 the most commonly cited figure. BDF force levels were considered confidential under the Adams government. The steady rise in defense spending from 1979 through 1986 probably indicated a steady increase in BDF personnel over that period. Because the defense budget was not made public, the

breakdown of personnel versus equipment expenditures was uncertain.

The BDF included ground, naval (coast guard), and air branches. The inventories of the latter two arms were limited. The maritime responsibilities of the coast guard included interdiction of vessels engaged in smuggling and drug trafficking, search and rescue, immigration control, and protection of fishing grounds in cooperation with other regional states under the terms of the 1982 Organisation of Eastern Caribbean States (OECS—see Glossary) Memorandum of Understanding. The air branch of the BDF apparently was tasked primarily with transport duties, reflecting the BDF's important role within the RSS. The BDF was also reported to include a reserve component.

The BDF was both a recipient and a provider of training. The coast guard received the lion's share of the foreign training provided to BDF personnel. Formerly handled by Britain and the United States, this foreign training program was transferred to Canada by the Barrow government in August 1986. Barbadian trainers assisted in the instruction of paramilitary troops from other regional states.

Despite the concerns of Barrow and others, most observers in the late 1980s did not perceive the BDF to be a direct threat to democratic government. One author, Gary P. Lewis, has cited Barbados' well-established constitutional system and tradition of public accountability, as well as its relatively high level of economic development, as strong disincentives to military influence in the political arena.

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F. A. Hoyos's *Barbados: A History from the Amerindians to Independence* and Ronald Tree's *A History of Barbados* provide a thorough account of Barbados prior to independence. Hoyos's *Builders of Barbados* and *Grantley Adams and the Social Revolution* span all of Barbadian history to the 1970s. The Barbadian journal the *Bajan* also provides useful data on recent events. Information on population, health, and education is available in a number of works, including Carleen O'Loughlin's *Economic and Political Change in the Leeward and Windward Islands*, Graham Dann's *The Quality of Life in Barbados*, Kempe Ronald Hope's *Economic Development in the Caribbean*, and the Pan American Health Organization's *Health Conditions in the Americas, 1981-1984*. Background information on the Barbadian economy is presented in the *Caribbean Economic Handbook* by Peter D. Fraser and Paul Hackett and *The Economy of*

The Windward Islands and Barbados

Barbados, 1946-1980 by DeLisle Worrell; statistical data are available in the government of Barbados' annual *Barbados Economic Report* and five-year *Barbados Development Plan 1983-1988*, as well as in the annual reports by the CDB. (For further information and complete citations, see Bibliography.)

Chapter 5. The Leeward Islands



Harvesting sugarcane

LIKE THE REST OF THE INSULAR CARIBBEAN, the Leeward islands were discovered and named by the Spanish, only to have their control contested by the British and French. The term *leeward islands* is derived from the course taken by most of the sailing ships that voyaged from Britain to the Caribbean. Impelled by the trade winds, these vessels normally encountered Barbados, the island most to windward, as their first port of call. After progressing through the islands most to windward, which came to be known as the Windwards, these ships rounded off their voyages with the islands most to leeward—Montserrat, Antigua, Barbuda, St. Christopher (hereafter, St. Kitts), Nevis, Anguilla, and the Virgin Islands, among others.

Historically, the Leewards and Windwards have followed somewhat divergent paths despite their common colonial bond. The Leewards were settled earlier and were not, with the possible exception of St. Kitts, as rigorously disputed over as were the Windwards. Consequently, the period of uninterrupted British rule was longer in the Leewards. One legacy of this is the absence of French-influenced creole languages among the inhabitants of the Leewards. Despite colloquial forms of expression, English is the common tongue. In regard to religion, Roman Catholicism did not take root in the Leewards as it did in the Windwards. A number of Protestant denominations, predominantly the Anglican, Methodist, and Moravian churches, account for most of the Leewards faithful.

As a political entity, the Leewards experienced two extended periods of federation during the colonial period. The first of these, the Leeward Caribbee Islands Government, was established in 1671 and united the islands under the direction of a British governor. For a brief period in the early nineteenth century (1806–32), this grouping was divided into two separate governments. In 1871 Dominica, the British Virgin Islands, Montserrat, St. Kitts-Nevis-Anguilla, and Antigua (with Barbuda and Redonda) became the Leeward Islands Federation. Except for Dominica, which withdrew in 1940, these islands remained joined until the British dissolved the federation in 1956. Following a brief period in which they were administered as separate colonies, the former members of the Leeward Islands Federation were absorbed into the West Indies Federation in 1958 (see *The West Indies Federation, 1958–62*, ch. 1). The islands assumed associated statehood (see Glossary) in 1967, five years after the dissolution of the West Indies Federation. By

the end of 1983, all but the dependencies (Anguilla, Montserrat, and the British Virgin Islands) had acquired full independence.

One phenomenon that binds the two island groupings together in a political and perhaps sociological and even psychological sense is the "small-island complex." Caribbean scholar Gordon K. Lewis has blamed this mind-set, which is a general feeling of inferiority suffered by the residents of small islands in relation to the residents of larger islands such as Jamaica and Trinidad and Tobago, for the failure of the West Indies Federation and other even less successful efforts at unification. Others have noted the "push and pull" effect on migration from the smaller islands to the larger islands, although these patterns are probably best examined and explained from an economic rather than a sociological-psychological point of view.

The Leewards generally have shared a similar pattern of economic development. The plantation system, characterized by production of one or possibly two major export products on land often held by absentee owners, has been another legacy of the enduring but largely static and unresponsive British control of the islands. What the system produced for Britain was sugar. Its by-products—labor strife, migration, landlessness, and poverty—were bequeathed to the workers. Thus it was that labor unions became the first vehicles for mass-based political expression in the islands. The political parties that grew out of unionism came to dominate government in the Leewards, especially after the granting of universal adult suffrage in 1951. Although the power of the labor-based parties was eventually diminished by factionalism and the rise of middle-class opposition groups (especially in St. Kitts and Nevis), their political influence has endured.

One notable political aspect of the Leewards is the high incidence of multi-island states—Antigua and Barbuda, St. Kitts-Nevis-Anguilla, and the British Virgin Islands. Such associations were encouraged by the British, who thought to enhance the economic and political viability of these small states by broadening their productive and electoral bases. The British did not sufficiently account for the small-island complex, however, and the seemingly inherent resentment it generated among the residents of the smaller islands. Thus, the grouping of unequal partners promoted unrest more than unity, particularly in the case of Anguilla. Eventually, a more positive approach to the question of multi-island federation, based on the concept of enhanced and assured autonomy for the smaller island, was achieved in Antigua and Barbuda and St. Kitts and Nevis.

Antigua and Barbuda

Official Name	Antigua and Barbuda
Term for Citizens	Antiguan(s) and Barbudan(s)
Capital	St. John's
Political Status	Independent, 1981
Form of Government	Parliamentary democracy and constitutional monarchy

Geography

Size	445 sq. km.
Topography	Low-lying islands with limestone formations
Climate	Tropical, dry

Population

Total estimated in 1985	80,000
Annual growth rate (in percentage) in 1982-85	1.3
Life expectancy at birth in 1985	72
Adult literacy rate (in percentage) in 1986	90
Language	English
Ethnic groups	Primarily black
Religion	Anglican (75 percent); remainder other Protestant, Roman Catholic, or Rastafarian

Economy

Currency; exchange rate	Eastern Caribbean dollar (EC\$); EC\$2.70 = US\$1.00
Gross domestic product (GDP) in 1986	US\$109 million
Per capita GDP in 1986	US\$1,346
Distribution of GDP (in percentage) in 1984	
Other services and government	44
Tourism	40
Manufacturing	8
Agriculture	8

National Security

Armed forces personnel	115
Paramilitary personnel	0
Police	350

Antigua and Barbuda

The islands of Antigua and Barbuda form a small nation whose strategic importance is greater than its size. Located at the outer curve of the Leeward Islands, Antigua and Barbuda are well placed for strategic defense of the Caribbean against outside forces. The natural harbors along Antigua's indented coast also offer havens for naval forces (see *Current Strategic Considerations*, ch. 7).

By the eighteenth century B.C., Antigua and Barbuda had been settled by their first inhabitants, the Ciboney (or Guanahatebey) Indians. They were followed by the Arawaks, a peaceful Indian tribe that migrated from northern South America through the Caribbean islands and arrived on Antigua around A.D. 35. They began slash-and-burn cultivation of the island and introduced such crops as corn, sweet potatoes, beans, pineapples, indigo, and cotton. The Arawaks were uprooted by the Carib Indians around A.D. 1200; however, the Caribs did not settle on Antigua but used it as a base for gathering provisions (see *The Pre-European Population*, ch. 1).

In 1493, on his second voyage, Christopher Columbus sighted the island of Antigua and named it after Santa María de la Antigua. Early settlement, however, was discouraged by insufficient water on the island and by Carib raids. Europeans did not establish settlements on Antigua until the English claimed the island in 1632. Antigua fell into French hands in 1666 but was returned to the English the following year under the Treaty of Breda. Antigua remained under British control from 1667 until independence was granted in 1981.

From the start, Antigua was used as a colony for producing agricultural exports. The first of these were tobacco, indigo, and ginger. The island was dramatically transformed in 1674 with the establishment by Sir Christopher Codrington of the first sugar plantation. Only four years later, half of Antigua's population consisted of black slaves imported from the west coast of Africa to work on the sugar plantations. Antigua became one of the most profitable of Britain's colonies in the Caribbean (see *The Sugar Revolutions and Slavery*, ch. 1).

In 1685 the Codrington family leased the island of Barbuda from the English crown for the nominal price of "one fat pig per year if asked." The Codringtons used Barbuda as a source of supplies—such as timber, fish, livestock, and slaves—for their sugar plantations and other real estate on Antigua. This lease continued in the

Codrington family until 1870. Barbuda legally became part of Antigua in 1860.

Although the British Parliament enacted legislation in 1834 abolishing slavery throughout the empire, it mandated that former slaves remain on their plantations for six years (see *The Post-Emancipation Societies*, ch. 1). Choosing not to wait until 1840, the government on Antigua freed its slaves in August 1834. This was done more for economic than for humanitarian reasons, as the plantation owners realized that it cost less to pay emancipated laborers low wages than to provide slaves with food, shelter, and other essentials. The plantation owners continued to exploit their workers in this way into the twentieth century. The workers perceived little opportunity to change the situation, and sugar's dominance precluded other opportunities for employment on the island.

The Antiguan sugar industry was severely jolted in the 1930s, as the dramatic decline in the price of sugar that resulted from the Great Depression coincided with a severe drought that badly damaged the island's sugar crop. Social conditions on Antigua, already bad, became even worse, and the lower and working classes began to protest to the point that law and order were threatened. The Moyne Commission was established in 1938 to investigate the causes of the social unrest in Antigua and elsewhere in the Caribbean (see *Labor Organizations*, ch. 1). In 1940, in response to the situation, the president of the British Trades Union Congress recommended that the workers on Antigua form a trade union. Two weeks later, the Antigua Trades and Labour Union (ATLU) was created. The union soon began to win a series of victories in the struggle for workers' rights.

Despite these victories, the ATLU recognized the need to participate in the political life of the island, as the plantation owners still held all political power. Thus, in 1946, the union established a political arm, the Antigua Labour Party (ALP), and ran five parliamentary candidates who met the qualification of being property owners. All were elected; in addition, one of the five, Vere Cornwall Bird, Sr., was selected to serve on the government's Executive Council. Bird and the ATLU continued to push for constitutional reforms that would give the lower and working classes more rights. Largely because of these efforts, Antigua had full adult suffrage by 1951, unrestricted by minimum income or literacy requirements. With each general election, the union and the ALP put forth more candidates and won more seats in the Antiguan Parliament. In 1961 Bird was appointed to fill the newly created position of chief minister. Five years later, he led a delegation to

London to consider the issue of Antiguan independence. Following a constitutional conference, Antigua became an associated state (see Glossary) in February 1967, with Barbuda and the tiny island of Redonda as dependencies. Antigua was internally independent, but its foreign affairs and defense still were controlled by Britain.

During the period of associated statehood (1967–81), Antigua saw the rise of a second labor union and its affiliated political party and the beginnings of a secessionist movement in Barbuda, as well as the replacement of sugar by tourism as the dominant force in the economy. In 1978 Deputy Prime Minister Lester Bird (younger son of Vere Cornwall Bird, Sr.) and other like-minded political leaders called for full independence. Following their return to office in the 1980 general election, which was regarded as a popular mandate on independence, another constitutional conference was held in London in December 1980. An obstacle to achieving independence was the issue of Barbudan secession; this barrier was overcome when a compromise was reached that made Barbuda relatively autonomous internally. Complete independence was granted to the new nation of Antigua and Barbuda in 1981.

Geography

Antigua and Barbuda lies in the eastern arc of the Leeward Islands of the Lesser Antilles, separating the Atlantic Ocean from the Caribbean Sea (see fig. 1). Antigua is 650 kilometers southeast of Puerto Rico. Barbuda lies forty-eight kilometers due north of Antigua, and the uninhabited island of Redonda is fifty-six kilometers southwest of Antigua (see fig. 14). The largest island, Antigua, is 21 kilometers across and 281 square kilometers in area, or about two-thirds the size of New York City. Barbuda covers 161 square kilometers, while Redonda encompasses a mere 2.6 square kilometers. The capital of Antigua and Barbuda is St. John's, located at St. John's Harbour on the northwest coast of Antigua. The principal city of Barbuda is Codrington, located on Codrington Lagoon.

Antigua and Barbuda both are generally low-lying islands whose terrain has been influenced more by limestone formations than volcanic activity. The highest point on Antigua, however, is Boggy Peak, the remnant of a volcanic crater rising 399 meters. This mountain is located amid a bulge of hills of volcanic origin in the southwestern part of the island. The limestone formations in the northeast are separated from the southwestern volcanic area by a central plain of clay formations. Barbuda's highest elevation is 44.5 meters, part of the highland plateau east of Codrington. The shorelines of both islands are greatly indented, with beaches, lagoons,

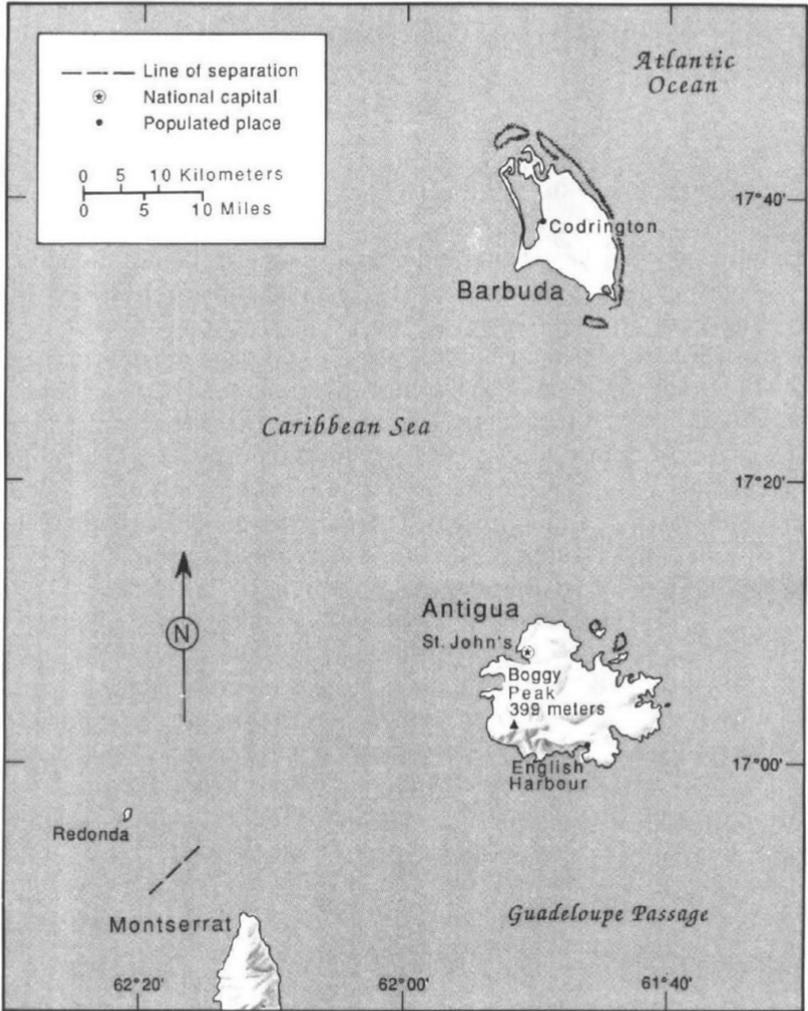


Figure 14. Antigua and Barbuda, 1987

and natural harbors. The islands are rimmed by reefs and shoals. There are few streams, as rainfall is slight. Both islands lack adequate amounts of fresh groundwater.

The islands' tropical climate is moderated by fairly constant northeast trade winds, with velocities ranging between thirty and forty-eight kilometers per hour. There is little precipitation, however, because of the islands' low elevations. Rainfall averages ninety-nine centimeters per year, but the amount varies widely from season to season. In general, the wettest period is September

through November. The islands generally experience low humidity and recurrent droughts. Hurricanes strike on an average of once a year. Temperatures average 27°C, with a range from 23°C in the winter to 30°C in the summer and fall; the coolest period is December through February.

Population

In mid-1985 the population of Antigua and Barbuda was about 80,000, of which 78,500 lived on Antigua and 1,500 on Barbuda. The annual growth rate was 1.3 percent, based on a crude birth rate of 15 births per 1,000 inhabitants and a crude death rate of 5 deaths per 1,000. Infant mortality was twice that for the population as a whole, at 10 deaths per 1,000 live births. In 1981 about 34 percent of Antigua's population was classified as urban. This segment was almost completely concentrated in the capital, St. John's. Rural settlements tended to be compact villages of varying sizes, concentrated along major or secondary roadways. Nearly all of the population of Barbuda lived in the town of Codrington; the island of Redonda was uninhabited.

The people of Antigua and Barbuda were mostly black, descendants of African slaves. But the population also included some whites, descendants of British, Spanish, French, or Dutch colonists or of Portuguese, Lebanese, or Syrian immigrants. An exchange of residents had occurred between Antigua and Barbuda on the one hand and Europe and North America on the other hand as job seekers emigrated from, and retirees immigrated to, the Caribbean islands.

About 75 percent of the population belonged to the Anglican Church in the mid-1980s. The Anglican Church was acknowledged as the official church, but church and state were legally separated. The remaining 25 percent of the population included members of different Protestant denominations—Methodist, Presbyterian, and fundamentalist—as well as Roman Catholics and Rastafarians (see Glossary).

In the colonial era, Antiguan society was stratified on the basis of race. Europeans and those of European descent held the respected positions in society. They were the plantation owners and the political elites. On the other end of the spectrum were the black slaves or those of African ancestry, who lacked both political leverage and economic independence. The middle class was composed of mulattoes, who participated in commerce as merchants yet had little political clout. The abolition of slavery did little to change the class structure; nevertheless, the trade union movement and the associated transfer of political and economic power into workers' hands

did much to weaken class barriers. In the late 1980s, society was divided along flexible class lines based on economic standing rather than the rigid racial criteria of the previous century.

The upper class in the late 1980s consisted mostly of foreigners but also included local investors or businessmen from the private sector. The higher positions in the party system, the civil service, the state-run enterprises, and the private sector professions were filled by the upper middle class, while the lower middle class consisted of other professionals, party functionaries, technicians, and skilled laborers. The lower class encompassed the rest of society.

Education

The education system in Antigua and Barbuda followed the British pattern and included public and private schools. Preprimary school was available for children from ages three to six. Primary education, compulsory for all children up to age twelve, was provided for five or six years. Secondary education, lasting four or five years, was offered upon the successful completion of a qualifying examination; private schools had their own qualifying examinations, while public schools used a standard test.

Postsecondary education was offered at the Antigua State College and at the local branch campus of the University of the West Indies (UWI). The Antigua State College offered a two-year program in five departments: teacher training, the advanced level in general education, commercial, engineering, and hotel and catering. Upon completion of the program, students took exams to earn certificates from external institutions, such as the UWI, Cambridge University, and the Royal Arts Society of London. Students attending the local branch campus of the UWI completed one year of studies and then continued their studies at another campus in Jamaica, Trinidad, or Barbados.

The 90-percent literacy rate indicated that the education system was reasonably successful in imparting basic skills. Despite this achievement, substantial problems remained in the late 1980s. Educational supplies and facilities were inadequate; in addition, there existed a high percentage of untrained teachers at all levels. These instructional deficiencies contributed to a national shortage of skilled labor.

In the 1980-81 school year, primary-school enrollment was 10,211 students, 78 percent of whom were in public schools. Of a total of 436 primary-school teachers, 82 percent were in the public system. Secondary schools had a total of 5,687 students and 321 teachers; 66 percent of the students and 71 percent of the teachers were in the public system. The state college consisted of 329

students; although most were from Antigua and Barbuda, some students also came from Anguilla, the Turks and Caicos Islands, and Montserrat. The two special education schools had a combined enrollment of thirty-seven students, instructed by thirteen teachers.

Health and Welfare

In the late 1980s, Antigua and Barbuda had a fairly healthy population, primarily as a result of the relatively high level of protein in the diet. Life expectancy at birth was seventy-two years. Primary causes of sickness and death, especially among children, were gastroenteritis and dysentery, both of which are caused by poor sanitary conditions and therefore are avoidable. Many parts of the islands, especially rural areas, did not have sufficient amounts of safe drinking water or adequate waste-disposal facilities. Other causes of death were heart disease, cerebrovascular disease, cancer, and influenza or pneumonia. Pertussis, yaws, and leprosy also presented health problems. Moreover, the kind of mosquito that spreads dengue and yellow fever inhabited Antigua and Barbuda. There were some cases of child malnutrition and failure to immunize children against common diseases. Diabetes and high blood pressure were common in adults. As of 1987, Antigua and Barbuda had two reported cases of acquired immune deficiency syndrome.

The main health facility, the Holberton Hospital, had a staff of full-time doctors and offered specialist services in surgery, ophthalmology, radiology, and psychiatry. A smaller hospital, with 230 beds, was located on Barbuda. Antigua also had a 160-bed mental hospital and a 40-bed leprosy hospital. In 1982 there were four health centers, supervised by district health nurses, and twenty-five multipurpose satellite health clinics. There were 30 doctors and 130 nurses and midwives; most nurses had completed a three-year training program at the Holberton Hospital. The government played an active role in providing for the social welfare of the nation's citizens. Seen as an "employer of last resort," the government occasionally purchased failing enterprises in an effort to prevent increased unemployment. The government also provided social security, medical benefits, and subsidized health care. Retired civil servants received pensions, and compensation was paid to dismissed public employees.

Economy

The economy underwent a substantial transformation in the twentieth century as tourism replaced sugar as the principal earner of foreign exchange and the primary source of employment. Like the previously dominant sugar industry, tourism was controlled

primarily by foreign capital. This control was in part the result of insufficient domestic capital, the local upper class having made more of its investments in commerce than in entrepreneurship. In an attempt to fill the local void, the government established state enterprises. Their specific purpose was to develop areas where foreigners were hesitant to invest, such as infrastructure or the faltering sugar industry, or to create domestic competition with foreign-owned enterprises, such as those in the tourist industry. The other major sectors of the economy, especially agriculture, were not strong enough to support the tourist industry; as a consequence, many items had to be imported.

Macroeconomic Overview

Economic growth in the early 1980s slowed after the relatively rapid expansion of the 1970s. This retardation was the result of several factors: recession in the industrial countries, trade problems within the Caribbean Community and Common Market (Caricom—see Appendix C), and a severe drought that reduced agricultural output in 1984. Increased tourism brought a slight recovery in 1985, as the gross domestic product (GDP—see Glossary) reached US\$180.3 million, or US\$2,273 per capita. In 1986 GDP fell again, however, to US\$109 million, or US\$1,346 per capita. This represented a decline of 16 percent from the 1982 GDP of US\$129.5 million and a 20-percent drop from the 1982 per capita GDP of US\$1,682.

Antigua and Barbuda faced a debt situation in the mid-1980s; this was partly the result of the recession of the early 1980s, which did not support the national outlays on infrastructure and other items. In 1983 the current account deficit of the central government reached 3.8 percent of GDP, with a gross external debt of 16.3 percent of GDP. By the end of 1984, debt had reached close to US\$100 million. Servicing the debt cost more than US\$7.4 million per year, which represented 16 percent of government revenues. Import expenses were expected to fall in the late 1980s, and tourism revenues were expected to increase, thereby helping to narrow the balance of payments gap. The central government was reducing public expenditures and state investment because of the fiscal difficulties created by the debt problem.

The Barbudan economy differed slightly from that of Antigua proper in the late 1980s because tourism was relatively less important to the smaller island's economy. Barbuda's largest source of income was remittances from relatives working in the United States or Britain. The second largest source was a subsidy from the Antiguan government, budgeted and distributed by the warden

of Barbuda, the person selected to administer Barbudan economic matters. Economic activity and employment were concentrated in fishing, followed by agriculture (especially the raising of livestock) and tourism. Other sources of income included charcoal manufacturing and salt mining. Development of peanut farming and the exploitation of the island's coconut trees offered potential.

The labor force in Antigua and Barbuda consisted of 31,500 workers in 1984. In the mid-1980s, these workers were divided fairly equally among three trade unions: the ATLU, the Antigua Workers Union (AWU), and the Antigua Public Service Association. The first two were affiliated with the two main political parties, the ALP and the Progressive Labour Movement (PLM), respectively. Workers were free to choose the union to which they wanted to belong. Hence, each industry employed members of two or three labor unions. The labor union represented by the simple majority (50 percent plus one) of workers was designated to represent all of the workers in that industry during contract negotiations. Wage contracts normally were valid for three years.

Foreign nationals were allowed work permits only if there were no local applicants qualified for a specific position. Work permits generally were granted, however, for those who were involved either directly or via their companies in an investment project considered to be important to the country. Citizens of the United States, Canada, and Britain did not need visas.

Communications on Antigua were modern and adequately served all parts of the island. On Barbuda, however, communications consisted of only a few telephones, mostly in the village of Codrington. The telephone system was well maintained, fully automatic, and had over 6,700 telephones. Radio-relay links from Antigua to Saba and Guadeloupe, a submarine cable, and a ground satellite station all provided excellent international service to both islands. Antigua had three AM radio stations broadcasting on medium wave: the government-owned Antigua Broadcasting Service on 620 kilohertz, a commercial station on 1100 kilohertz, and the religious Caribbean Radio Lighthouse on 1165 kilohertz. Two shortwave stations reached points throughout the Western Hemisphere from transmitters on the island; the British Broadcasting Corporation and Deutsche Welle of the Federal Republic of Germany (West Germany) shared one transmitter, and the other relayed programs from the Voice of America. St. John's also had two small FM transmitters on 99.0 and 90.0 megahertz and television service on Channel 10. The *Workers' Voice* and the *Outlet* were the two main local newspapers. The *Herald* was a new third newspaper.

The transportation system was well developed on Antigua but practically nonexistent on Barbuda. About 240 kilometers of paved or gravel roads connected all areas of Antigua. V.C. Bird International Airport, east of St. John's, had a paved runway and handled international flights. A small, unpaved strip at the southern tip of Barbuda could accommodate only small aircraft. St. John's was the main port for the islands, but smaller vessels could also dock at English Harbour on the south side of Antigua. More than seventy-five kilometers of narrow-gauge railroad track extended south and east from St. John's. These lines, however, were used almost exclusively to transport sugarcane. Neither island had significant inland waterways.

Sectoral Performance

Sea, sun, and sand are so much a part of Antigua that they have been incorporated into the national flag. Tourism was the dominant industry in the late 1980s. It accounted directly or indirectly for 40 percent of GDP and 60 percent of employment in 1984 and was responsible for 21 percent of all foreign exchange earnings. Direct revenues from tourism were accrued by restaurants, duty-free shops, boutiques, entertainment and gambling establishments, car rental agencies, taxis, and miscellaneous other businesses. At the same time, agriculture, manufacturing, construction, public utilities, communications, trade, and banking and insurance received indirect revenues from tourism.

Despite tourism's many areas of direct or indirect contact with the domestic economy, the links in the late 1980s were weak, and many tourist dollars leaked back to the outside world. This leakage was primarily a result of the tourist industry's heavy reliance on foreign investment. Foreign investment dominated the larger resort complexes that accounted for the great majority of hotel room capacity. In many cases, the large resorts were built as self-sufficient enclaves, isolated from the rest of the island and offering all-inclusive vacations so that tourists did not need to have contact with other elements of the economy. As a consequence, much of the profit from tourism was expatriated.

The weakness of other sectors also affected links between tourism and the domestic economy. Because foreign businesses chose not to invest in areas such as agriculture and manufacturing and because local investors were also lacking, the entrepreneurial role was left to the government or else was not filled. Because of the resulting low level of productivity, the tourist industry had to import goods, such as food, that the local market could not provide. Ironically, many tourist dollars were lost in importing items purchased

by the tourists. The sector most significantly affected by tourism was construction; its growth was positively related to that of investment in the tourist industry.

The nature of ownership in the tourist industry created a dilemma for the government. Since foreign-owned hotels and entertainment establishments expatriated much of tourism's financial benefits, the government encouraged national ownership of the industry. Local investors did not have sufficient capital, however, to support the large luxury resorts that were critical to employment. As a consequence, the government was forced to modify nationalistic tendencies and encourage foreign investment. Still, most of the jobs available to Antiguan and Barbudans were minimum-wage service positions; senior-level management posts in the tourist industry were held primarily by foreign nationals.

The manufacturing sector accounted for about 8 percent of GDP and 14 percent of employment in 1984. Manufacturing also represented 85 percent of total domestic exports in 1983. Despite government diversification efforts, the sector was dominated by light manufacturing. Cotton textiles and garments, distilled liquors such as rum, and pottery were the major industries in the sector; each of these was oriented toward exports. Other items manufactured in Antigua and Barbuda included paints, furniture, mattresses, metal and iron products, household appliances, electronic components, and masonry products, produced for both the local and the export (mainly Caricom) markets. The textiles and garment industry accounted for 47 percent of the manufacturing work force. The food and beverages and fabricated wood products industries accounted for 21 and 12 percent, respectively, of the sectoral work force.

Once the mainstay of the economy, agriculture has declined in importance since the collapse of the sugar industry. Agriculture generated only 7.5 percent of GDP and 12 percent of employment in 1984. Small farmers replaced the large plantation owners as the dominant producers in the agricultural sector. Production tended away from plantation crops of sugar and cotton—although sea island cotton remained an important supplier of the textile industry—and toward a varied system of fruits and vegetables to reduce food imports for the local market and tourist industry. The main crops were carrots, onions, eggplants, pumpkins, corn, cassavas, tomatoes, cabbage, cucumbers, potatoes, and yams. The livestock industry was also managed on a smaller scale and contributed to agriculture's increased relative importance in terms of GDP in the 1973-80 period. Livestock included cattle, sheep, and goats.

Despite the partial revival of the agricultural sector, however, several barriers to expansion remained. The most basic of these was the scarcity of fresh water, which limited irrigation. A second obstacle was the governmental land tenure system, covering 60 per cent of arable land in Antigua, through which land was leased on a short-term basis. As a consequence, productive investment in the land was discouraged. Other constraints affecting agriculture included limited farm credit, deficient domestic marketing arrangements, a lack of effective agricultural information systems, and difficulties on the part of small farmers in obtaining basic agricultural services.

Role of Government

Although most economic activity was privately controlled and operated, state enterprises represented an important element in the economy in the late 1980s. Beginning with the electric power industry, the public sector expanded into agriculture, manufacturing, and tourism, as well as infrastructural services such as seaports, airports, roads, water supply, energy, and telecommunications. Productive enterprises included a cotton ginnery, an edible-oil plant, two large hotels, a commercial bank, an insurance company, the Antigua and Barbuda Development Bank, and most of the prime agricultural land.

The government's rationale for involvement in infrastructure and public utilities was that it contributed to firmer bases for further development. The purchase of failing enterprises, such as the sugar factory and the oil refinery, limited the anticipated increase in unemployment should the enterprises actually close. The government entered the tourist sector primarily to influence the employment practices of private investors. By keeping the state-owned resort open year round, the government was able to persuade the privately owned resorts to stay open as well, which alleviated unemployment in what had been the slow season. In addition, operation of the resort allowed the country to keep some of the tourist industry profits. In the manufacturing sector, the government constructed factory shells to be rented at low cost in order to attract foreign investment.

Despite achievements in some areas, such as tourism, the government's entrepreneurial efforts were relatively ineffective. Lacking an adequately trained managerial work force, the government often contracted with foreign nationals to run the state enterprises. In many cases, mismanagement grew out of the political patronage system used to fill senior public sector positions. Because the government also tended to act as the employer of last resort, it effectively

gave a higher priority to reducing unemployment than to economically efficient use of labor. Despite its employment priority, the government was forced to shut down some operations, including the sugar factory and the oil refinery just mentioned, because they were serious financial liabilities.

Trade and Finance

Although Antigua and Barbuda was dependent on trade for its survival, it maintained large annual trade deficits throughout the 1980s. Manufactured goods, not including processed foods and beverages, comprised 59 percent of all exports in 1981. Food, beverages, and tobacco represented 20 percent, and other items accounted for the remaining 21 percent. Seventy percent of exports were destined for other Caricom countries, especially Trinidad and Tobago and Jamaica; the United States received 26 percent of Antiguan and Barbudan exports. Imports mainly came from the United States and included food, beverages, and tobacco (33 percent in 1981) and manufactured goods (25 percent). Other items accounted for 43 percent. Other major trading partners were Britain and Canada. In 1986 exports were estimated to equal US\$51.8 million, whereas imports were US\$74.1 million, for a trade deficit of US\$22.3 million. This gap, although still large, was reduced from the 1982 level, when the trade deficit was US\$90 million.

Like the economy in general, the finance industry in the 1980s was controlled largely by foreigners. Predominant were a small number of British and Canadian banks and insurance companies. Loans, a source of commercial and consumer credit, constituted the main link between the financial elements and the rest of the economy. The private financial institutions favored the tourist and construction industries to the detriment of other areas of the economy. Seeing this as unsatisfactory, the government established its own banks and insurance companies, including the Antigua and Barbuda Development Bank. Public institutions were a relatively insignificant part of the financial sector, however.

Antigua and Barbuda, as a member of the Organisation of Eastern Caribbean States (OECS—see Glossary), was a member of the Eastern Caribbean Central Bank. As such, it used the Eastern Caribbean dollar, which was created in July 1976 and pegged to the United States dollar at the rate of EC\$2.70 equals US\$1.00.

Government and Politics

The Governmental System

Antigua and Barbuda is a constitutional monarchy with a British-style parliamentary system of government. The reigning British monarch is represented in Antigua by an appointed governor

general as the head of state. The government has three branches: legislative, executive, and judicial.

The bicameral Parliament consists of the seventeen-member House of Representatives, responsible for introducing legislation, and the seventeen-member Senate, which reviews and gives assent to proposed legislation. Representatives are elected by popular vote in general elections that are constitutionally mandated every five years but may be called earlier. Senators are appointed by the governor general. The major figures in Parliament and the government come from the House of Representatives. The prime minister is the leader of the party that holds the majority of seats in the House; the opposition leader is the representative, appointed by the governor general, who appears to have the greatest support of those members opposed to the majority government. The prime minister creates an executive government and advises the governor general on the appointments to thirteen of the seventeen seats in the Senate. The leader of the opposition, recognized constitutionally, is responsible for advising the governor general on the appointment of the remaining four senators to represent the opposition in the Senate. The opposition leader also consults with the governor general, in conjunction with the prime minister, on the composition of other appointed bodies and commissions. In this way, the opposition is ensured a voice in government.

The executive branch is derived from the legislative branch. As leader of the majority party of the House of Representatives, the prime minister appoints other members of Parliament to be his cabinet ministers. In late 1987, the cabinet included thirteen ministries: Ministry of Agriculture, Lands, Fisheries, and Housing; Ministry of Defense; Ministry of Economic Development, Tourism, and Energy; Ministry of Education, Culture, and Youth Affairs; Ministry of External Affairs; Ministry of Finance; Ministry of Health; Ministry of Home Affairs; Ministry of Information; Ministry of Labour; Ministry of Legal Affairs; Ministry of Public Utilities and Aviation; and Ministry of Public Works and Communications.

The judicial branch is relatively independent of the other two branches, although the magistrates are appointed by the Office of the Attorney General in the executive branch. The judiciary consists of the Magistrate's Court for minor offenses and the High Court for major offenses. To proceed beyond the High Court, a case must pass to the Eastern Caribbean States Supreme Court, whose members are appointed by the OECS. All appointments or dismissals of magistrates of the Supreme Court must meet with the unanimous approval of the heads of government in the OECS

system; the prime minister of Antigua and Barbuda acts on the recommendation of the attorney general in making decisions concerning this judicial body.

The Constitution of 1981 was promulgated simultaneously with the country's formal independence from Britain. The Constitution provides a basis for possible territorial acquisitions, expands upon fundamental human rights, recognizes and guarantees the rights of opposition parties in government, and provides Barbuda with a large measure of internal self-government.

In defining the territory of Antigua and Barbuda, the Constitution includes not only the territory as recognized upon independence but also other areas that may in the future be declared by an act of Parliament to form part of the territory. This cryptic provision may have been designed to lay the basis for possible extensions of territorial waters.

The Constitution sets forth the rights of citizens, ascribing fundamental rights to each person regardless of race, place of origin, political opinions or affiliations, color, creed, or sex. It further extends these rights to persons born out of wedlock, an important provision in that legitimate and illegitimate persons did not have equal legal status under colonial rule. The Constitution includes provisions to secure life, liberty, and the protection of person, property, and privacy, as well as freedom of speech, association, and worship.

In order to quell secessionist sentiment in Barbuda, the writers of the Constitution included provisions for Barbudan internal self-government, constitutionally protecting the Barbuda Local Government Act of 1976. The elected Council for Barbuda is the organ of self-government. Acting as the local government, the council has the authority to draft resolutions covering community issues or domestic affairs; in the areas of defense and foreign affairs, however, Barbuda remains under the aegis of the national government. The council consists of nine elected members, the elected Barbudan representatives to the national Parliament, and a government-appointed councillor. To maintain a rotation of membership, council elections are held every two years.

Political Dynamics

Antigua and Barbuda's political system emerged from British political tradition and the development of trade union activism. The ATLU, established in 1940, found that its activism was not completely effective without a political voice. Seeking to gain a foothold in politics, the ATLU established a political arm, the ALP,

in 1946. The ALP was structurally subordinate to the ATLU and was staffed by union personnel.

When Antigua and Barbuda achieved associated statehood in 1967, the union executives became political officials, consolidating their power. The political elites retained the political system that had developed from merging colonial politics with trade unionism, a system in which they had attained prominence. As the party gained importance, the labor union became subordinate to it.

From the start, both the ATLU and the ALP were dominated by Vere Bird, Sr., considered the "father of the country" by many because of his early efforts to promote labor unionism and independence. Although the labor union and the political party that stemmed from it were considered to be democratic, power was concentrated in the president, the general secretary, the treasurer, and the eight-member executive council elected at each annual convention. The faction led by Bird normally was able to influence the outcome of these union council elections and, subsequently, rankings within the party. Conflicts that arose within the union and the party were not resolved by compromise but by purging the opposition. Factionalism became a key characteristic of union and party dynamics.

Antigua shifted from a one-party to a two-party system after 1967. Establishment of the second party resulted from the personalistic factionalism that split the ALP and the ATLU. George Walter, leader of the dissenting faction, was dismissed from the ATLU because of his outspoken objection to the close tie between the labor union and the political party. In an attempt to regain power, Walter formed both a rival union, the AWU, and an affiliated political party, the PLM. The ATLU/ALP and the AWU/PLM became competitors for power. Although the PLM initially had factions that opposed the ALP on specific issues, the differences between the two groups were more personalistic than ideological. Both the ALP and the PLM competed intensely for the increasingly important political positions, as power became concentrated in the hands of the majority party and the attitude toward elections increasingly became "winner take all."

The two nonpersonalistic groups within the PLM were the Antigua Progressive Movement (APM) and an unnamed left-wing faction. The APM opposed the ALP on the basis of its close ties with the ATLU, believing that the labor union and the party should be completely independent. When the AWU/PLM proved to behave in the same way as the ATLU/ALP, the APM faction left the PLM in 1969 to form a purely political party, the Antigua People's Party (APP). The APP could not remain viable as an

independent party, however, and soon merged with the ALP. The left-wing faction, led by Tim Hector, also left the PLM, forming the Afro-Caribbean Movement, which later became the Antigua-Caribbean Liberation Movement (ACLM). Hector had been a supporter of the Black Power movement (see Glossary) as a force in the Caribbean region (see *Regional Security Threats, 1970–81*, ch. 7). Despite its alleged pro-Cuban, pro-Libyan stance, the ACLM was regarded by the ALP government as a legitimate opposition party. The ACLM claimed to be a permanent voice of the opposition, never attempting to achieve a majority or to form a government, as that supposedly would compromise its principles.

In 1971 the PLM won the majority of the seats in the House of Representatives in the general election, ending the ALP's continuous dominance in national politics. During the PLM administration, however, the party instituted repressive social measures, such as limitations on freedom of the press, and ineffective economic policies that contributed to a recession. As a result, the ALP again won control of the government in the 1976 general election. Some PLM party leaders, including Walter, were tried on corruption charges stemming from their mismanagement while in office. Although Walter was released on appeal, he was barred from the 1980 elections and was replaced as PLM party leader by Robert Hall. Walter again sought a way to political power by creating the United People's Movement (UPM) with some of his supporters from the PLM.

During 1976–80, the ALP implemented policies that revitalized the economy and reopened society. These measures enabled the ALP to consolidate power at the expense of the PLM and UPM. The ALP easily won the 1980 election, campaigning on the basis of improved economic and social conditions. Using the same platform in the 1984 election, the ALP won a complete victory, capturing all seats in the House except for one taken by a pro-ALP independent from Barbuda.

As the conservative opposition parties—PLM and UPM—became defunct, a new opposition party, the United National Democratic Party (UNDP), was established by Ivor Heath in late 1984. The UNDP was formed partly in response to the growing dissatisfaction with the effective monopoly the ALP seemed to have on political power and the subsequent potential for abuse. The UNDP was composed first of remnants of the PLM and later of the UPM and envisioned itself as the voice of middle-class elements pressing for greater support of private enterprise and stronger action against corruption. Although he lacked specific goals when he established the UNDP, Heath later elaborated the issues of limited

tenure for the prime minister and the security of the secret ballot. The leader of the UNDP also vowed to decentralize the government if his party were to come to power. Specifically, he proposed a system of village councils to give communities a form of local government and more control of their own affairs. In the late 1980s, only Barbuda had local self-government; the other localities fell under the authority of the Ministry of Home Affairs.

The ALP faced corruption charges in the late 1980s. The *Outlet*, the newspaper affiliated with Hector and the ACLM, accused the Bird administration of having insufficient control over casino operations, peddling passports to non-Antiguans, mismanaging foreign loans, and using Antigua and Barbuda to launder arms shipments to South Africa. The most potentially damaging scandal, however, was the 1986 corruption case involving Minister of Public Works and Communications Vere Cornwall Bird, Jr., the first son and namesake of the prime minister. The minister was accused of fraud in the negotiation and subsequent misappropriation of a French loan of US\$11 million for the rehabilitation of the V.C. Bird International Airport. Sir Archibald Nedd, a retired Grenadian judge, was appointed to lead an investigation into the matter. During the course of the inquiry, the scandal spread to touch Bird, Sr., who appeared to be attempting to cover up evidence and influence the course of the investigation. Others inside the party, such as Minister of Education, Culture, and Youth Affairs Reuben Harris, provided evidence and testimony that could be seen as harmful to the case of Bird, Jr. The situation appeared to exacerbate previously existing dissension within the party and the cabinet and contributed to a crisis in ALP leadership. The previous conflict seemed to have been based on use of favoritism by Bird, Jr., in the distribution of cabinet positions and on personality clashes and power struggles within the cabinet. Sir Archibald concluded in his report that although Bird, Jr., was innocent of criminal wrongdoing, he had behaved in a manner unbecoming a minister of government. Members of the cabinet, Parliament, and opposition forces demanded that Bird, Jr., be forced to resign. Bird, Sr., however, decided to keep his son as a member of his cabinet.

Because the PLM and UPM were still weak, the only viable rival for the 1989 election seemed to be the new UNDP. In the opinion of most observers, however, its chances were slight, despite the ALP scandal, unless the new party were to widen its organizational basis beyond its original middle-class sources of support. The ACLM was not expected to win a significant number of seats in Parliament.

Foreign Relations

Strong economic and political bonds largely determined the country's foreign relations in the late 1980s. Antigua and Barbuda's primary diplomatic relations were with other Caribbean countries, the United States, Britain, and Canada; embassies were maintained in each of these countries. In other countries with which Antigua and Barbuda had diplomatic relations, no Antiguan and Barbudan ambassador was in residence, but ambassadors residing in the aforementioned countries were accredited to them as well. Firmly anti-communist, Antigua and Barbuda in 1987 was considered to be one of the most ardent supporters of the United States in the Caribbean area. Various forms of United States aid were important to Antigua and Barbuda, as was North American tourism. Of importance to the United States was the fact that Antigua occupied a strategic position and hosted a United States military presence, including air force and naval facilities. After Antigua and Barbuda gained independence, the United States consulate that had been established in 1980 was upgraded to an embassy in 1982, with a staff of eighteen.

Despite Antigua and Barbuda's bonds with both the United States and Britain, relations were tense in late 1986 as the ALP government formed the impression that the United States and Britain might favor the UNDP in the upcoming 1989 election. Realizing that the Western powers might regard Deputy Prime Minister Lester Bird, the presumed successor to his father, as too leftist, the ALP leadership accused the United States and Britain of courting Heath and promoting his party in the next elections in the hope that the UNDP would institute a more conservative government. When Heath received an official invitation to visit London, the *Herald*, the newspaper generally regarded as affiliated with Deputy Prime Minister Bird and his supporters, cited this as evidence of Britain's support of the UNDP candidate and described as inappropriate a diplomatic meeting with the leader of a party with no elected seats in the Antiguan Parliament. The *Workers' Voice*, the ATLU-supported newspaper, joined in accusing the United States of interfering in Antigua and Barbuda's internal affairs.

For his part, Deputy Prime Minister Bird criticized United States policy in the region as not sharing the national priorities held by governments in the Caribbean region. Bird also expressed reservations about the pervasive presence of United States advisers in the region, increased arms shipments from the United States to the Caribbean, and the establishment of paramilitary Special Service

Units (SSUs). Although some in his party feared a leftward turn should he gain power, Lester Bird and those with similar nationalistic views remained strongly anticommunist.

Antigua and Barbuda was a member of, among other international organizations, the Commonwealth of Nations (see Appendix B), the International Monetary Fund (IMF—see Glossary), the World Bank (see Glossary), the United Nations (UN) and several UN agencies (including the United Nations Education, Science, and Culture Organization), the OECS, the Regional Security System (RSS), Caricom, and the Organization of American States. As a member of Caricom and the Commonwealth of Nations, Antigua and Barbuda supported Eastern Caribbean integration efforts (see *Postwar Federation Efforts*, ch. 7).

National Security

Antiguan and Barbudan security forces consisted of the Royal Antigua and Barbuda Police Force, which was a constabulary of 350 personnel, and the Antigua and Barbuda Defence Force, which had 115 members. Although both forces reported to the deputy prime minister, they were independent of each other. The Defence Force filled the role of the SSUs established in other OECS countries; it had only a ground element, as Antigua and Barbuda had no navy or air force. The coast guard was subordinate to the Police Force.

Elements of both the Police Force and the Defence Force participated in the United States-Caribbean military intervention in Grenada in 1983 (see *Current Strategic Considerations*, ch. 7). Antiguan and Barbudan forces stayed in Grenada until the spring of 1985 as part of the regional peacekeeping effort. Members of Antigua and Barbuda's Defence Force returned to Grenada in late 1986 in response to a request from Grenadian prime minister Herbert Blaize. Blaize had feared the eruption of violence as the Maurice Bishop murder trial neared its end.

Antigua and Barbuda was an early supporter of the regional defense force concept. Prime Minister Bird regarded the RSS as a means of providing a counterinsurgency force in the event that revolutionary forces established themselves on Antigua and Barbuda. He felt that communist groups in the region saw the RSS as a threat and therefore were trying to discredit the system. Although some Caribbean heads of government remained opposed to the proposal, Bird continued to support the establishment of an independent, regional force and security system that could counter this perceived threat to the RSS system and, by extension, OECS member states (see *A Regional Security System*, ch. 7). In support

of United States military aid to the region, Antigua and Barbuda received coast guard boats from the United States in the early 1980s and agreed to engage in joint coast guard patrols with Barbados, St. Kitts and Nevis, and St. Lucia. The Antigua and Barbuda Defence Force and coast guard also participated in various joint training exercises with the United States and other countries in the region. At the same time, Antigua and Barbuda agreed to permit United States facilities on Antigua to be used to train RSS personnel.

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A very useful overview of Antigua and Barbuda at the time of independence is provided by *Antigua and Barbuda Independence*, an official publication of the government of Antigua and Barbuda edited by Ron Sanders. Paget Henry's *Peripheral Capitalism and Underdevelopment in Antigua* covers many aspects of Antiguan society and economy from a Marxist perspective. The November-December 1981 issue of the *Bulletin of Eastern Caribbean Affairs* includes several interesting articles on the Constitution, agriculture, and society. Novelle H. Richards's *The Struggle and the Conquest, Pt. II: The Locust Years* provides a helpful glimpse at interparty dynamics and political history. A closer look at Barbuda can be obtained in *Barbuda Reconnaissance* by Richard Russell and William G. McIntire; although dated in some ways, it offers useful information, especially for those interested in local geology and oceanography. (For further information and complete citations, see Bibliography.)

St. Christopher and Nevis

Official Name St. Christopher and Nevis

Term for Citizens Kittitian(s), Nevisian(s)

Capital Basseterre

Political Status Independent, 1983

Form of Government Parliamentary democracy
and constitutional monarchy

Geography

Size 269 sq. km.

Topography Mountainous; intermittent grasslands
and forests

Climate Tropical, wet

Population

Total estimated in 1986 45,000

Annual growth rate (in percentage) in 1986 0.1

Life expectancy at birth in 1982 70

Adult literacy rate (in percentage) in 1986 90

Language English

Ethnic groups Black (over 90 percent);
remainder white or mulatto

Religion Primarily Anglican

Economy

Currency; exchange rate Eastern Caribbean dollar
(EC\$); EC\$2.70 = US\$1.00

Gross domestic product (GDP) in 1985 . . . US\$67.3 million

Per capita GDP in 1985 US\$1,500

Distribution of GDP (in percentage) in 1985

Government and other services 23.7

Agriculture 15.0

Manufacturing 12.8

Tourism 6.0

Other 42.5

National Security

Armed forces personnel 0

Paramilitary personnel 80

Police 220

St. Christopher and Nevis

St. Christopher (hereafter, St. Kitts) and Nevis share a long history of British colonization. St. Kitts has been referred to as the “mother colony of the West Indies,” a reflection of its status as the first English colony in the Caribbean. Although discovered by Christopher Columbus in 1493, St. Kitts was not settled by Europeans until 1623, when a small group of Britons established themselves at Sandy Bay. As elsewhere in the Caribbean, the French were not far behind; they established settlements the following year. Nevis was colonized in 1628 by an English party dispatched from St. Kitts.

The British and French kept up an uneasy cohabitation on St. Kitts until 1713, when Britain was granted sole dominion under the Treaty of Utrecht. The only apparent cooperative venture between the two groups of settlers during this period was a series of joint military operations against the native Carib Indians that resulted in their virtual elimination from the island. Although officially sovereign, the British were unable to solidify their control over the islands and secure them against French assault until the late eighteenth century (see *Historical and Cultural Setting*, ch. 1). This consolidation of British rule was recognized by the Treaty of Versailles in 1783.

Under British rule, St. Kitts and, to a lesser extent, Nevis provided classic examples of the plantation system. On tracts owned by well-to-do Britons, often on an absentee basis, cash crops were raised for export by indentured laborers and, eventually, by African slaves. After brief attempts at indigo and tobacco cultivation, sugarcane was introduced to both islands by the mid-seventeenth century (see *The Sugar Revolutions and Slavery*, ch. 1). Sugarcane cultivation and its by-products—land scarcity, price fluctuations, seasonal employment and unemployment, and migration—went on to shape the history of St. Kitts and Nevis, although soil erosion and depletion in Nevis eventually led to the abandonment of sugarcane cultivation by the plantation owners and the establishment of peasant smallholdings.

The two islands, along with the somewhat more distant Anguilla, experienced a number of administrative configurations and changes of status during the course of colonial history. Beginning in 1671, St. Kitts and Nevis joined Antigua (with Barbuda and Redonda) and Montserrat as part of the Leeward Caribbee Islands Government under a British governor. This arrangement endured until 1806, when the Leeward Caribbees were split into two separate

governmental units, with St. Kitts-Nevis-Anguilla and the British Virgin Islands comprising one of these units. The Leewards were reunited as a single administrative entity in 1871, with Dominica included in the grouping. St. Kitts-Nevis-Anguilla was established as a “presidency” within the Leeward Islands Federation in 1882, a status it kept until 1956.

The three-island grouping participated in the ill-fated West Indies Federation from 1958 to 1962 and took part in the unsuccessful negotiations of the so-called Little Eight (Antigua and Barbuda, Barbados, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, and St. Vincent and the Grenadines), which broke off in 1966 when the government of Antigua and Barbuda would not agree to have its postal service absorbed into a federal framework. When these efforts failed, St. Kitts-Nevis-Anguilla, along with most of the other small Caribbean colonies, accepted the British offer of associated statehood (see Glossary), which provided for domestic self-government while Britain maintained responsibility for external affairs and defense. St. Kitts and Nevis remained an associated state until it declared full independence in 1983 (the last of the associated states to do so). By that time, Anguilla had long since declared and demonstrated its opposition to continued union with St. Kitts and had assumed dependency status (see *British Dependencies: British Virgin Islands, Anguilla, and Montserrat*, this ch.).

The political history of St. Kitts and Nevis is closely intertwined with its economic development (or lack of it). The issue of land is at the heart of Kittitian politics. The dominance by estate owners of this already limited natural resource and the single-minded application of that resource to one industry precluded the development of a stable peasant class. Instead, the system produced a large class of wage laborers generally resentful of foreign influence. The nature of the sugar industry itself—the production of a nonstaple and essentially nonnutritive commodity for a widely fluctuating world market—only served to deepen this hostility and to motivate Kittitian laborers to seek greater control over their working lives and their political situation.

The collapse of sugar prices brought on by the Great Depression precipitated the birth of the organized labor movement in St. Kitts and Nevis. The Workers League, organized by Robert Bradshaw in 1932, tapped the popular frustration that fueled the labor riots of 1935–36. Rechristened the St. Kitts and Nevis Trades and Labour Union in 1940, the union established a political arm, the St. Kitts and Nevis Labour Party, which put Bradshaw in the Legislative Council in 1946. The Labour Party would go on to



View of Sandy Point, St. Kitts, 1837
Courtesy Prints and Photographs Division, Library of Congress

dominate political life in the twin-island state for more than thirty years.

During its long tenure, Bradshaw's Labour government moved increasingly toward a statist approach to economic development. This tendency culminated in 1975, when the government took control of all sugarcane fields. It assumed ownership of the central sugar factory in Basseterre, the capital, the following year. By this time, opponents of the Labour government had discerned a corresponding tendency toward political rigidity and even repression, mainly through the vehicle of the St. Christopher and Nevis Defence Force. Resentment of Labour rule was particularly acute on Nevis, where citizens not only saw themselves as neglected and ignored politically but also felt that their island was being unfairly deprived of services and revenue by its larger neighbor. Nevisian disenchantment with the Labour Party proved a key factor in the party's eventual fall from power.

The decline of the Labour Party was marked by the passing of its longtime leader, Bradshaw, in 1978. He was replaced as premier (the preindependence title for prime minister) of St. Kitts and Nevis by a close associate, C. Paul Southwell. When Southwell died only one year later, the government and the party fell into a leadership crisis that strained the unity required to fend off a growing opposition. The new Labour leader, Lee Moore,

apparently was unprepared to fill the void left by Bradshaw and Southwell.

By 1979, the political opposition had coalesced into two party groupings, one on St. Kitts, the other on Nevis. The Kittitian opposition party was the People's Action Movement (PAM), a middle-class organization founded in 1965 on the heels of a protest movement against a government-ordered increase in electricity rates. The PAM first participated in elections in 1966. Its platform eventually came to advocate economic diversification away from sugar and toward tourism, increased domestic food production, reduction of the voting age to eighteen, and increased autonomy for Nevis.

On Nevis, the party that came to enjoy widespread support was the Nevis Reformation Party (NRP). Established in 1970, the NRP advocated secession from St. Kitts as the only solution to the island's lack of autonomy. Campaigning almost exclusively on this issue, the party won 80 percent of the vote on Nevis in the elections of 1975, capturing both Nevisian seats in the legislature.

Labour's decline was confirmed by the elections of 1980. Although Labour outpolled the PAM on St. Kitts, taking four seats to three, the NRP again captured both seats on Nevis. This made possible the formation of a PAM/NRP coalition government in the House of Assembly (the legislative body that succeeded the colonial Legislative Council) with a bare majority of five seats to four, a development that placed the Labour Party in the unfamiliar role of parliamentary opposition. Kennedy Simmonds, a medical doctor and one of the founders of the PAM, assumed the post of premier (Simmonds had won Bradshaw's former seat in a 1979 by-election). Simeon Daniel, the leader of the NRP, was appointed minister of finance and Nevis affairs.

The change in government reduced the demand for Nevisian secession. Most Nevisians had long focused their objections to Kittitian government on the Labour Party. The PAM, advocating as it did an enhanced autonomy for Nevis, facilitated the incorporation of the NRP and its followers into national life. The PAM/NRP coalition also cleared the way for the national independence of St. Kitts and Nevis as a two-island federation. Although Simmonds and the PAM had formerly stated their opposition to full independence, they now reversed themselves, citing economic advances since the change of government and the prospect of further development through increased foreign aid after a formal separation from Britain. Accordingly, the coalition hammered out a constitution that granted Nevis considerable autonomy as well as a guaranteed right of secession (see *Government and Politics*, this section). A

constitutional conference was held in London in December 1982, and St. Christopher and Nevis was declared an independent state on September 19, 1983.

Although Moore had participated in the constitutional conference, the Labour Party expressed strong objections to many provisions of the new Constitution, particularly those dealing with Nevis. The arrangement worked out by the PAM and NRP, it claimed, was not a true federation, since St. Kitts was not granted the same powers of local government as Nevis, i.e., there was no separate Kittitian legislature, and was not allowed the same right of secession.

Labour's objections, however, did not seem to be widely shared by the electorate. Simmonds, now the prime minister, called early elections in June 1984. In the expanded parliament, the PAM augmented its majority by capturing six seats to Labour's two. It also scored a symbolic victory by defeating Moore in his constituency and denying him the post and platform of leader of the opposition. The NRP captured all three seats in Nevis, yielding the coalition government a commanding nine to two advantage in Parliament and an apparent mandate to pursue its policies of development through diversification and an enhanced private sector.

Geography

The islands of St. Kitts and Nevis are part of the Leeward Islands group of the Lesser Antilles (see fig. 1). They are located about 113 kilometers south of Anguilla and 300 kilometers southeast of Puerto Rico. A narrow strait 3.2 kilometers wide separates the two islands. Total land area is 269 square kilometers, which makes the nation about the size of San Antonio, Texas.

Geologically, St. Kitts and Nevis are hilly or mountainous and volcanic in origin, representing adjacent peaks in a chain of partially submerged volcanic mountains. Both islands are subject to subterranean seismographic activity, which sometimes results in earthquakes. Lava deposits on the windward side of St. Kitts attest to the area's volcanic past.

St. Kitts, the larger of the two islands at 168 square kilometers, is shaped like an oval with a long neck and a small peninsula at its southeastern end (see fig. 15). The peninsula is flat and consists of salt ponds and white beaches. Towering mountains extend through the central part of the island, running from southeast to northwest. Mount Liamuiga, a dormant volcanic cone with an elevation of 1,156 meters, is the highest point on the island. Brimstone Hall, on the southwest side of the island, is 229 meters high and is composed of volcanic rock covered with a layer of limestone.

Islands of the Commonwealth Caribbean

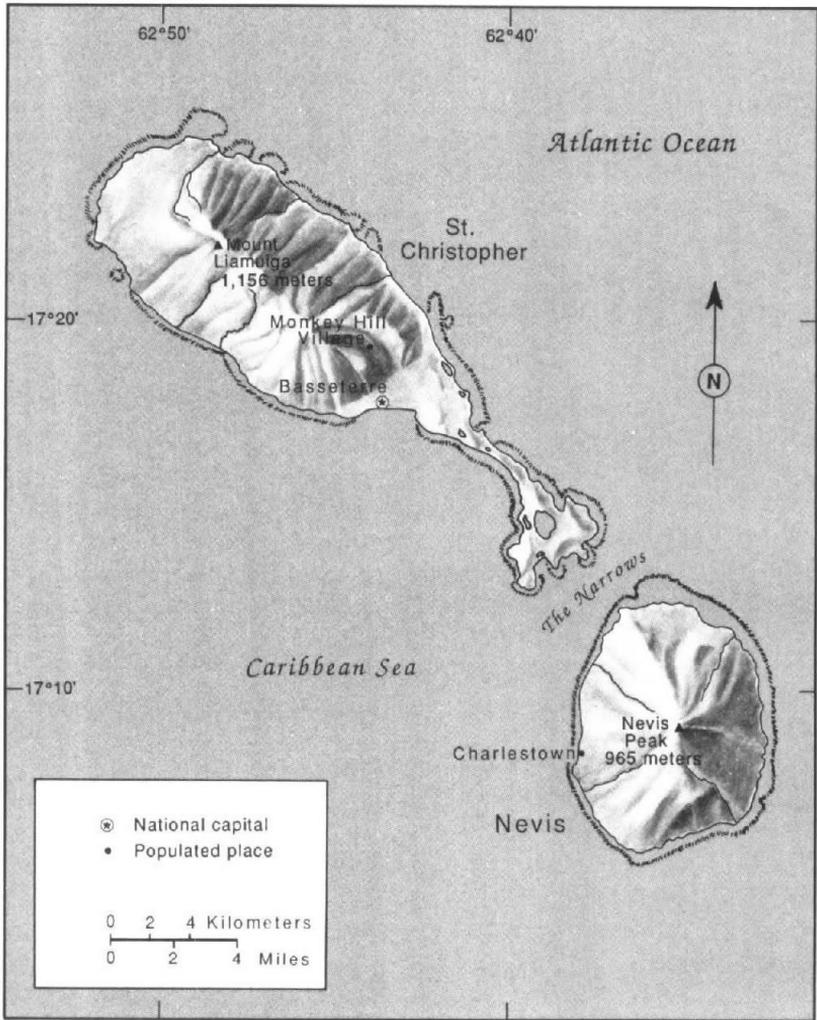


Figure 15. St. Christopher and Nevis, 1987

St. Kitts' fertile soil is well watered, has adequate drainage, and usually requires little or no irrigation. Forested areas cover 4,500 hectares of land and include both rain forests at the lower altitudes and evergreen forests above 250 meters. There are 7,700 hectares of agriculturally productive land, much of the soil consisting of a clay base. An acute erosion problem persisted into the late 1980s on certain parts of the island. Erosion was a result of a mineral deficiency caused by a lack of crop rotation, overgrazing, and inadequate intercropping.

Cone-shaped Nevis is ten kilometers wide, thirteen kilometers long, and has a total land area of ninety-three square kilometers. Nevis Peak, in the center of a chain of mountains, is the highest point on the island at 965 meters. Its rugged, heavily forested slopes rise gently from the sea. The soil on Nevis Peak is weathered; soils everywhere on Nevis are generally less fertile than those on St. Kitts and have experienced much worse erosion. Water is plentiful in the higher elevations. There is no rainy season on Nevis, but showers can be torrential. There are several hot mineral springs on the island.

Both St. Kitts and Nevis have a tropical climate tempered by the northeast trade winds; there is little daily or seasonal variation. Temperatures generally range between 18°C and 32°C and average approximately 26°C; lower temperatures prevail in the higher elevations. Humidity is generally about 70 percent. Annual precipitation varies from 100 to 300 centimeters. Neither island has the distinct rainy season characteristic of many other Caribbean islands. Winds are predominantly easterly and seldom exceed nineteen kilometers per hour except during the islands' hurricane season, which occurs from July to September.

Population

St. Kitts and Nevis had a population of about 45,000 in 1986; population density was 167 per square kilometer. Despite a crude birth rate of 26 per 1,000 inhabitants, annual population change has been about zero or slightly negative since 1970 because of continued emigration; nearly 20 percent of the population left the island each year in search of employment. Most went to Canada, Britain, or the United States and its Caribbean territories.

The long trend of labor emigration from St. Kitts and Nevis was tied to its economic and social development. Both men and women emigrated with the understanding that remittances to family members at home were expected of them for the entire time they were abroad. Some researchers have suggested that these remittances accounted for a greater percentage of disposable income than wages and salaries earned at home.

In the 1980s, more than 90 percent of Kittitians were black; most could trace their heritage to the African slave trade that was responsible for populating much of the Eastern Caribbean (see Glossary) in the seventeenth and eighteenth centuries. There was, however, a small group of white inhabitants who dominated the economy and were prominently represented in the merchant, banking, and other business professions. The remainder of the population consisted of a small group of mulattoes. Notwithstanding this apparent

racial division, socioeconomic stratification on St. Kitts and Nevis was defined mostly by occupational status rather than by color.

Religious affiliation in the late 1980s was directly linked to the islands' British colonial heritage. Most citizens were at least nominal members of the Anglican Church, although exact figures were not available. The remainder of the population belonged to other Protestant denominations, including the Church of God, Methodist, and Baptist churches.

Education

Since independence in 1983, the education system of St. Kitts and Nevis has emphasized meeting the needs of a developing country, although this goal had not been fully realized by 1987. Broad policy objectives included producing trained and educated citizens capable of managing social and economic progress and unifying the populations of the two islands. At the same time, the government was dedicated to recognizing cultural, ethnic, and religious differences and providing the skills and knowledge needed to survive in an international environment known for disruptive domestic social and economic conditions.

The government's education program offered numerous alternatives. Basic academic preparation through high school was available in the mid-1980s, but public education also emphasized vocational and technical programs for students wishing to enter the work force after graduation. The government also developed "non-formal" programs to provide skills to high school dropouts and the unemployed. Development of educational facilities in the 1980s was accomplished with grants from the Organization of American States (OAS), the Caribbean Development Bank (CDB), the United States Agency for International Development (AID), and the government of Canada.

Education was coordinated at the national level by the Ministry of Education, Health, and Community Affairs. It had responsibility for the planning and administration of all public schools from primary levels through postsecondary instruction. Education was free and compulsory from ages five to fourteen. In the mid-1980s, there were more than 30 primary schools, teaching approximately 7,200 students from ages 5 through 12. There was a total of 350 teachers. In 1986 many buildings were renovated, and two new primary schools were planned, including one for Basseterre.

There were six secondary schools in St. Kitts and Nevis in the mid-1980s; four were located on the larger island. Total enrollment was about 4,200 students. There was a teaching staff of 265, which included both trained and untrained instructors. The

renovation of Sandy Point and Cayon high schools in 1986 included construction of new laboratories, engineering facilities, and larger classrooms to accommodate additional vocational programs.

Postsecondary educational opportunities in St. Kitts and Nevis were available in some fields in the mid-1980s. Although there was no university on either of the islands, further study could be undertaken at the Teacher's Training College, Technical College, Nursing School, or First-Year University Education Programme. Those who completed the latter program were permitted to enroll as second-year students at the University of the West Indies (UWI).

Scholarship funds from Western Europe and Canada assisted Kittitian students attending programs at the UWI, as well as at the College of Arts, Science, and Technology in Kingston, Jamaica. Scholarships emphasized vocational disciplines such as business administration, science, and engineering.

The Ministry of Education, Health, and Community Affairs also offered informal opportunities, such as the Adult Education Programme and Community Courses workshop. The former provided academic instruction to individuals who had left the formal education system prematurely; the latter gave instruction in various vocational subjects to the general population.

In 1986 the Non-Formal Youth Skills Training Programme was instituted. Its mission was to teach high school dropouts and other unemployed youths specific skills in a short period of time to assist them with finding immediate employment. The three- to eight-week courses in garment making, automobile mechanics, leather crafts, and other skills were designed and implemented with funding from the OAS, AID, and the government of St. Kitts and Nevis.

Although improvements in the education system were still needed in the late 1980s, the government had made progress toward meeting some of the basic needs of the population. The focus on vocational training at all levels was eventually expected to reduce the high unemployment rate and improve the country's competitive position within the region by producing better trained and more highly motivated workers.

Health and Welfare

Health care services improved steadily but slowly in the 1980s. With the exception of their youth and infant populations, both islands enjoyed generally good health by Eastern Caribbean standards. High rates of malnutrition and infant mortality were the worst health problems in the mid-1980s, despite the government's intention to target youths and infants for special health care attention.

Mortality rates in St. Kitts and Nevis went virtually unchanged from 1980 to 1984. Although life expectancy at birth in 1982 was about 70 years and the crude death rate hovered between 10 and 11 per 1,000 inhabitants, neonatal (first month) and infant death rates were the highest in the Eastern Caribbean. The infant mortality rate averaged 43.5 per 1,000 live births between 1975 and 1983, and the neonatal mortality rate averaged 23.8 for the same period. The Pan American Health Organization (PAHO) noted that there had been no noticeable improvement in these statistics in the 1980s and that infant mortality rates were unlikely to change in the near future.

Morbidity patterns, although statistically less verifiable, also indicated a need to improve health care delivery to infants and young children. In the mid-1980s, gastroenteritis was highly prevalent among young children, and the general level of malnutrition in this group was among the worst of the Caribbean Community and Common Market (Caricom—see Appendix C) countries. Low birth weight, a generally accepted measure of malnutrition, was a chronic condition, affecting nearly 12 percent of total births in 1984. The incidence of low weight among children age five and younger was also high, affecting nearly 40 percent of this age-group in 1984. Combined with other medical problems associated with young children, these nutritional problems made the unusually high infant mortality rate inevitable. The development of national programs to improve the health care of expectant mothers, infants, and young children was expected to improve this situation in the future.

Although the nutritional problems of infants and young children were not solved by the mid-1980s, health services coverage, as measured by the success rate of the national inoculation programs, compared favorably with that of other Caricom countries. In 1983 nearly 90 percent of children under one year of age were given the diphtheria, pertussis, and tetanus vaccine; 93 percent were inoculated against poliomyelitis; and 69 percent were administered the tuberculosis vaccine. These levels were consistent with those of other Caricom countries, most of which were able to provide the same vaccinations to 90 to 95 percent of the targeted population.

Morbidity indicators for adults were not well documented, but available evidence suggested that diabetes, general infections, parasitic diseases, heart disease, and cancers were the most common afflictions. PAHO registered a rise in the number of hepatitis cases for 1984–85, but only one case of acquired immune deficiency syndrome was reported as of May 1986.

Environmental health indicators were up in the late 1980s. PAHO reported that nearly the entire population had access to

potable water by 1983, and projects underway in 1986 included three new reservoirs in St. Kitts and well digging in Nevis. Solid waste disposal was available near Basseterre, and 96 percent of the combined population had access to sanitary waste disposal, including those serviced by pit latrines.

St. Kitts and Nevis' national health policy in the 1980s dictated that basic health services be made available to all inhabitants. This policy objective was formulated by the Health Department of the Ministry of Education, Health, and Community Affairs, which administered all public facilities, including hospitals and health centers.

In 1986 three hospitals were serving St. Kitts: the Joseph N. France General Hospital (164 beds) in Basseterre, the Pogson Hospital (28 beds) in Sandy Point, and the new Mary Charles Cottage Hospital (10 beds) in Molineax, which served the side of the island farthest from the capital. In 1986 the Pogson Hospital was renovated and expanded, and a new psychiatric wing was added to the Joseph N. France General Hospital. Nevis had one facility, the Alexandra Hospital (fifty-eight beds) in Charlestown, which was equipped for minor surgery and outpatient services.

Among St. Kitts and Nevis' specialized centers were a leprosarium and the Cardin House, a facility providing geriatric care. There were also seventeen health centers located throughout the two islands. These formed the basis for the provision of health care to the majority of the population, including the services of doctors, dentists, and nurses. Each parish was allocated at least one health center. Two or more centers were located in more heavily populated parishes. In 1984 there were about 4 doctors, 1 dentist, and 26 nurses per 10,000 inhabitants.

By the mid-1980s, the general welfare of the population was improving noticeably, largely because of government programs. Besides the water development projects on Nevis mentioned earlier, the government was instrumental in developing low-income housing projects on both islands. By 1987 the Central Housing Authority had added approximately 200 houses in new and existing neighborhoods. The government also created the Social Security Scheme in 1978 as a source of retirement benefits. The worker and employer each contributed 5 percent of the worker's salary or wages to the fund, which also represented the single largest source of public sector savings.

Economy

St. Kitts was early regarded as a logical choice for agricultural colonialism and became the launching point for seventeenth-century British expansion into the Caribbean. In many ways, St. Kitts was

an ideal island for development of the colonial sugar estate; it had relatively large, fertile tracts of land, an amenable climate, and a steady pattern of rainfall. More than 300 years later, the Kittitian economy was still very dependent on sugar; but by the 1970s, government and business leaders realized that a move away from sugar was vital for continued economic growth.

Tourism and manufacturing developed slowly as economic alternatives in the 1980s, but eventually they began to challenge sugar as the primary foreign exchange earner. Because significant capital investment was a prerequisite, the transition was at first both unpredictable and uneven. Diversification within the agricultural sector, particularly toward fresh vegetables, was also a government priority. Nonsugar agriculture also experienced a similar pattern of steady but slow growth because of land restrictions and reluctance on the part of farmers to attempt smallholder farming.

Nevis, in its bid to achieve economic viability, has had less success. Historically, it lacked the richer soils and larger tracts of land available on its sister island and was consequently less suitable for cultivation of sugar. It was valued, even in colonial times, for its seclusion and beaches rather than for agriculture, a fact that may allow it to accommodate the growing international tourist market of the late twentieth century. Agriculturally, Nevis has relied heavily on the cultivation of sea island cotton as its primary export commodity. This crop, usually planted without rotation, caused a serious soil erosion problem, however, which will likely diminish the island's potential for further agricultural production for many years to come.

In the mid-1980s, the government envisioned the economic future of St. Kitts and Nevis as dependent on tourism, light manufacturing, and a scaled-down sugar industry. Although the potential seemed great, both islands were still struggling to make the necessary adjustments. The development of infrastructure and effective marketing techniques, however, may allow these three economic sectors to mature by the 1980s.

Macroeconomic Overview

Growth of the national economy in the 1980s was generally uneven because of the continued reliance on the sugar industry. Both the agriculture and the manufacturing sectors depended on sugar for large portions of their earnings, and aggregate economic performance mirrored the vagaries of the international sugar market.

Gross domestic product (GDP—see Glossary) grew, on the average, by a respectable 2.8 percent annually from 1977 to 1983. Despite significant expansion of tourism-related services, this figure

would have been higher were it not for an actual decline in GDP of 2.4 percent in 1983 because of poor performance by the sugar sector. Sugar rebounded in 1984 so that aggregate economic performance rose by 3.3 percent, but GDP growth was reduced to only 1 percent in 1985, again the result of the weak performance of sugar. GDP grew in 1985 solely because of the strong performance of tourism and related construction projects.

The shift toward the service sector was evidenced by the economic figures for 1985. About 67 percent of GDP was accounted for by wholesale and retail trade, communications, and financial and government services. Agriculture and manufacturing each accounted for about 13 percent of GDP; the other economic sectors accounted for the remaining 7 percent. This trend was expected to continue into the 1990s, particularly if more tourist accommodations could be added to those already existing on the two islands.

Employment statistics in the mid-1980s, although widely regarded as unreliable, also reflected the growing importance of the tourist and manufacturing sectors. By 1982 a reported 26 percent of the work force was associated with trade, hotels, and other services, whereas 22 percent was employed by the manufacturing sector. The agricultural sector (primarily sugar) still employed one-third of the total work force, and sugar processing was still an important part of the manufacturing sector. Most of the remaining 19 percent of the labor force worked for the government, and about 5 percent were employed in the construction industry.

Despite the existence of government-run employment agencies on both islands, unemployment statistics were unavailable in the mid-1980s. Best estimates, however, placed the unemployment rate between 20 and 25 percent. This high level of unemployment has been variously attributed to the unwillingness of the labor force to attempt nonsugar agriculture and the lack of training necessary to make the transition to tourism-related services. Unemployment was not expected to decrease in the immediate future, unless the government became more successful at coordinating education and technical training with the demands of the labor market.

Inflation in the Kittitian economy was typical for a Caribbean island in the mid-1980s; it was fueled by both internal and external sources but tended to parallel world inflation because of the open nature of the domestic economy. Because St. Kitts and Nevis was so dependent on imports, the price changes of these goods often had a strong effect on the domestic inflation rate. Local inflationary pressures, such as wage increases, were also occasionally evident but generally had a minimal effect on prices in the mid-1980s.

After rising at double-digit rates in the early 1980s, inflation as measured by the consumer price index fell to 3.6 percent in 1983, 2.7 percent in 1984, and 1.8 percent in 1985. This decline reflected global trends, as well as stable prices for essential imports and minimal increases in domestic wages. Stable prices and wages were expected for the rest of the decade.

Banking and Finance

St. Kitts and Nevis had a relatively simple system of public and private financial institutions in the 1980s. As a member of the Organisation of Eastern Caribbean States (OECS—see Glossary), it had as its central monetary authority the Eastern Caribbean Central Bank (ECCB), headquartered in Basseterre. St. Kitts and Nevis also used the Eastern Caribbean dollar as its medium of economic exchange; it was pegged to the United States dollar at a rate of EC\$2.70 to US\$1.00 in 1987.

The two islands had six financial institutions in 1986, including both foreign and domestic concerns. Barclays Bank, the Royal Bank of Canada, and the Bank of Nova Scotia represented foreign interests, whereas domestic institutions included the St. Kitts and Nevis National Bank, the Development Bank of St. Kitts and Nevis, and the Nevis Co-operative Bank. Financial assistance was also provided by multilateral institutions, such as the CDB and the World Bank (see Glossary).

By the mid-1980s, savings levels had been deteriorating steadily since 1978. By 1981 they had become negative, forcing foreign savings to become the base for lending to both the public and the private sectors. Public sector borrowing increased in the 1980s because of the deteriorating fiscal situation caused in part by the fall in sugar tax revenues. Additionally, the private sector was saving less and purchasing more, particularly consumer durables.

Role of Government

The government played both direct and indirect roles in the national economy. Although it allowed the private sector to control most of the country's economic assets, it found itself having to assume management of the sugar industry in the 1970s, a situation that remained unchanged as of 1987. The government, however, considered its primary role as one of facilitating economic development by exercising fiscal and monetary options, managing public sector investment, and creating an attractive environment for both public and private foreign capital.

Following independence in 1983, St. Kitts and Nevis attempted to maintain a balance of revenues and expenses. By the mid-1980s,

however, current expenditures and capital investment exceeded revenues. Large increases in public salaries, 45 percent in 1981 and 25 percent in 1986, were partially responsible for the growing deficit; tax receipts, however, did not realistically reflect fiscal requirements. To offset the resulting budget deficit, which reached 5 percent of GDP in 1984, the government cut capital expenditures, borrowed from domestic and foreign banks, and developed new revenue sources. Although the personal income tax was abolished in 1980, increased revenue was realized from two new taxes created in 1986, the Social Services Levy and the Employment Protection Levy. These new financial measures, in addition to import duties and utilities fees that had previously formed the basis of government revenue, allowed St. Kitts and Nevis to reverse its operational deficit and actually realize a small surplus by 1987. This was a critical development for maintaining the country's international credit rating and access to foreign loans.

Because it was a member of a regional monetary authority, St. Kitts and Nevis had a limited ability to exercise control over the economy by manipulating money supply and interest rates. The nation's primary goals of growth and stability, however, were in accordance with those of other regional economies, and balanced growth of the money supply, which was managed by the ECCB, assisted the government in financing deficits and providing funds for public sector investment. The Social Security Scheme provided local public funds for budget and public investment loans.

The government coordinated growth through a program of public sector investment, which managed foreign and domestic capital expenditures used for national development. The primary goal was to expand the country's economic base by moving away from sugar and toward tourism, manufacturing, and nonsugar agriculture. Public investment managers allocated funds to three major areas: directly productive sectors such as agriculture, industry, and tourism; economic infrastructure projects, including transportation, communications, and utilities; and social infrastructure, such as health, education, and housing. In the early 1980s, construction of economic infrastructure was emphasized to accommodate future growth in both manufacturing and tourism. Thirty percent of total expenditures were allocated to transportation. This resulted in the completion of a 250-kilometer road system, the Golden Rock International Airport, and a deep-water port in Basseterre.

Communications were also upgraded in the 1980s and were considered good on both islands. A modern telephone system consisting of more than 2,400 telephones provided excellent international service by means of radio-relay links to both Antigua and St.

Martin. St. Kitts had two AM stations: the government-owned Radio ZIZ on 555 kilohertz and the religious Radio Paradise with a powerful transmitter on 825 kilohertz. Channel 5, near Basseterre, was the principal television transmitter, and programs were rebroadcast through repeaters from the northern tip of St. Kitts on Channel 9 and Nevis on Channel 13.

Other major projects in the early 1980s included construction of new schools, diversification of agriculture, and development of a manufacturing industry. Total allocation for these areas was about 39 percent of the budget; the remaining 61 percent was split among small projects in all three major areas.

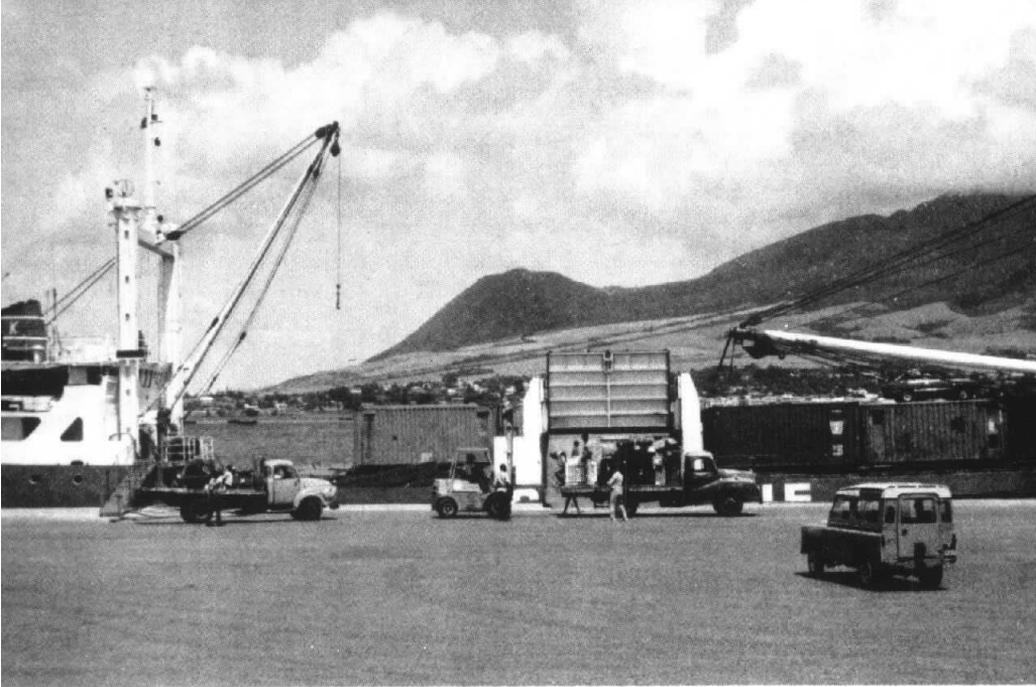
After 1984, with the completion of large portions of the supporting infrastructure, public sector investment was focused more intently on the productive sectors of the economy. Tourism received approximately 32 percent of total funds allocated through 1987; agriculture and industry followed with 12 percent and 14 percent, respectively. Economic and social infrastructure each received about 21 percent of total funding, with emphasis placed on developing new energy sources and upgrading educational facilities.

Sectoral Performance

In the late 1980s, the economic aspirations of St. Kitts and Nevis were only partially realized; a completely diversified economy had not yet been developed, and economic productivity was still highly dependent on the unreliable sugar industry. Although the number of economic sectors in 1984 seemed to indicate a growing economic base, most of the foreign and domestic earnings were still coming from sugar and related products. Key economic sectors of the economy included government services (18.3 percent of GDP), agriculture (16.6 percent), manufacturing (12.8 percent), transportation and communications (12.5 percent), wholesale and retail trade (10.9 percent), and construction (7.9 percent). Other sectors that contributed to the remaining 21 percent of GDP included banking, real estate, utilities, and other service activities.

St. Kitts and Nevis' primary productive sectors were agriculture, manufacturing, and tourism; sugar represented significant portions of both agricultural and manufacturing output. In 1984 sugar took up 90 percent of the land under cultivation, supported 30 percent of the active labor force, constituted 15 percent of GDP, and made up half of total commodity exports. Processed sugar, molasses, and other sugar derivatives also constituted much of the manufacturing output.

The national economy's dependence on sugar has been the primary impediment to further economic development because of



*Dock facilities, Basseterre
Courtesy St. Christopher Tourist Bureau*

the commodity's steady decline in profitability since the 1960s. On St. Kitts, sugar production began falling in 1965 and was abandoned altogether on Nevis because of rising production costs and declining prices. Long-standing quotas with Britain and the United States sustained minimal profitability a while longer, but by the mid-1970s the sugar industry could no longer operate profitably, and its operations were assumed by the government.

The government attempted to revive the sugar industry by reorganizing its functions under the National Agricultural Corporation and the St. Kitts Sugar Manufacturing Corporation, which coordinated production and marketing, respectively. These two organizations were merged in 1986 to streamline operations further; the unpredictable availability and high cost of labor, however, combined with persistently low sugar prices, required that a more efficient harvesting and processing system be developed for the industry to turn a profit. Uncontrollable factors, such as weather, would occasionally aggravate already untenable conditions.

Although the sugar industry required substantial subsidization in the 1980s, the government was unable to drop it altogether because of its pervasive influence on the national economy. Because a long-term transition was considered the only alternative, the government developed a two-pronged strategy for replacing sugar as the leading revenue producer. First, the agricultural sector was

to be diversified so that St. Kitts and Nevis could enter promising regional markets, such as that for cut flowers. Import substitution was also emphasized, especially the production of fruits and vegetables that were previously purchased abroad. Second, the economy was to be redirected toward tourism and manufacturing in order to take advantage of foreign exchange earning industries that were succeeding in other Caribbean economies, such as vacation resorts and electronic component assembly.

Lack of available land was a major constraint on the diversification of the agricultural sector. The government's appropriation of the sugar industry included confiscation of growers' land, much of which was to be set aside for production of alternative crops. As of 1987, however, no formal settlement had been reached, and the government had not yet obtained clear title to the property. Until land titling and redistribution problems could be solved, crop diversification was expected to remain an elusive goal.

Manufacturing played an increasingly important role in the Kittitian economy in the 1980s. An aggressive government program focusing on labor-intensive export manufactures attracted foreign firms, allowing the sector's output to reach about 13 percent of GDP in both 1984 and 1985. In the late 1980s, the government continued its energetic effort to attract foreign investment, in the hope that it would help pave the way for economic growth and absorb some of the workers laid off from the retrenching sugar industry.

Besides refined sugar products, industry included numerous kinds of firms specializing in assembly work. Garment, shoe, and electronic component assembly firms were the largest employers; smaller concerns produced processed metal, handicrafts, furniture, pottery, and boats. Although the sector as a whole was stable in the 1980s, individual industries and firms experienced variable success, some being forced to shut down shortly after production began. Nonsugar manufacturing actually experienced no growth in 1986, in spite of new factory start-ups. This was a continuing problem caused by external factors such as regional trade restrictions that often disrupted St. Kitts' export markets, especially for textiles and electronic components.

Faster growth in the industrial sector was also frustrated by internal restrictions in the 1980s. A lack of stable financing and factory space inhibited investors' interest. Government marketing strategies and the creation of the Industrial Development Corporation were expected to address these problems, as was financial assistance from the CDB.

Tourism grew by two-thirds from 1980 to 1984 and positively affected numerous areas of the economy, including construction, hotels, restaurants, and the wholesale and retail trade, among other services. Tourism's success was attributed to government programs that facilitated infrastructure development, hotel construction, and marketing strategies. Continuing efforts in these areas were a government priority, and tourism was expected to be the main component in the country's future economic growth.

Growth of the tourist sector was linked directly to improved accessibility. The opening of Golden Rock International Airport brought direct flights from Canada and the United States, and a large increase in the number of cruise ship calls accompanied the completion of Basseterre's deep-water port. Total ship calls jumped from six in 1979 to fifty in 1984. Although cruise ship calls declined in 1985 and 1986 because of the loss of a major carrier, the long-term expectation was for continued growth in this area of the tourist trade.

Tourist facilities were added quickly in the late 1980s to augment the small-scale accommodations that existed previously. Major resorts, such as the Royal St. Kitts Hotel and the Frigate Bay Resort, offered modern conveniences, and development of the southern peninsula would open previously uninhabited beach areas. Nevis was also planning the expansion of tourism, including the construction of new hotels and an eighteen-hole golf course.

Foreign Trade and Balance of Payments

St. Kitts and Nevis' trading patterns were well established by the 1980s, but this did not guarantee the stability of trade or the balance of payments. Although relationships with major trading partners such as the United States, Britain, and Caricom had existed for a long time, St. Kitts and Nevis' export earnings were hard to predict because of the volatility of demand for its tourist services, agricultural (sugar) products, and manufactured goods.

Raw and processed sugar products continued to lead export earnings in the 1980s, but to a lesser degree than before because of steady growth in the manufacturing and tourist sectors. Export earnings from sugar had accounted for 77 percent of the total in 1978, but they fell to 60 percent in the mid-1980s as clothing, shoes, and electronic components sold abroad in greater quantities. In spite of improved earnings from nonagricultural trade, the trade deficit continued into the 1980s. Only the growing tourist sector kept the current account deficit from being even worse.

St. Kitts and Nevis imported goods at a constant rate through the 1980s, the most significant of which were manufactured

products, food, and machinery. They accounted for about 21 percent, 20 percent, and 19 percent, respectively, of total imported goods in the mid-1980s. Fuel and chemicals combined for a total of 20 percent of imports; the remaining 20 percent comprised numerous miscellaneous items. Over 55 percent of imports originated in Britain, the United States, and Puerto Rico. Trinidad and Tobago, Canada, and other countries accounted for approximately 12 percent, 6 percent, and 27 percent of imports, respectively.

Because St. Kitts and Nevis was forced to import basic necessities such as food and many manufactured products, the danger of a large current account deficit was ever present. Should sugar, light manufacturing, and tourism all perform poorly at the same time, a large deficit in the current account would be unavoidable. As of 1987, this situation had not occurred only because the tourist market had been very buoyant. Sugar output fell in the mid-1980s, while production of manufactured goods, such as garments and footwear, fluctuated with the trade restrictions characteristic of the Caricom market. This fluctuation often compounded the trade deficit.

Despite these uncertainties and the large deficit in the trade balance, St. Kitts and Nevis ran a relatively small current account deficit for 1985 of US\$6.8 million. Three items helped minimize the negative trade balance: a strong positive services account composed almost entirely of tourist revenues, unrequited private remittances, and official government transfers.

The overall balance of payments for 1985 was a surplus of US\$1.7 million. A capital account surplus of US\$8.5 million, composed predominantly of private sector investment in tourism and communications but also bolstered by public sector loans, more than offset the current account deficit. Growing public sector loan commitments caused the World Bank to express concern over the potential for a long-term external debt obligation. But the World Bank suggested that continued growth of the tourism sector would do much to minimize St. Kitts and Nevis' debt service burden; there would be even less probability of a serious problem should sugar and manufacturing markets stabilize in the future.

Government and Politics

The Governmental System

St. Kitts and Nevis is a federal state that adheres to the forms of the British Westminster-style parliamentary system of government. The uniqueness of its 1983 Constitution derives from the



*Light manufacturing, Basseterre
Courtesy St. Christopher Tourist Bureau*

provisions for the autonomy of the island of Nevis with regard to certain “specified matters” and the establishment of the separate Nevis Island Assembly (legislature) to address these local concerns.

As a constitutional monarchy within the Commonwealth of Nations (see Appendix B), St. Kitts and Nevis recognizes Queen Elizabeth II or her successor as the titular head of government. The British monarch is represented by a governor general, who resides in Basseterre. Although legally responsible for the government of both islands, the governor general appoints a deputy to represent him or her on Nevis. As the highest executive authority on the islands, the governor general appoints the prime minister, the deputy prime minister, other ministers of the government, the leader of the opposition in Parliament, and members of the Public Service Commission and Police Service Commission. He may prorogue or dissolve Parliament at any time. In the judicial sphere, he has the power of pardon, “respite” (stay of execution of sentence), and remittance of all or part of the sentence of convicted criminals. As in most Commonwealth countries, however, the apparently sweeping nature of the governor general’s powers is restricted by the requirement that the governor general act only in accordance with the advice of the prime minister. In St. Kitts and Nevis, the governor general is permitted to act without consultation

only when the prime minister cannot be contacted because of absence or illness.

The federal government of St. Kitts and Nevis is directed by a unicameral parliament known as the National Assembly, established by the 1983 Constitution to replace the House of Assembly. After the 1984 elections, the assembly was composed of eleven elected members, or representatives, and three appointed members, or senators. Two of the senators are appointed by the governor general on the advice of the prime minister. The other is named on the advice of the leader of the opposition. Both representatives and senators serve five-year terms.

The focus of effective power in the federal government is the Cabinet of Ministers, which consists of the prime minister and other ministers drawn from the membership of the assembly (either representatives or senators). The cabinet determines the business and policies of government. According to the Constitution, the cabinet is "collectively responsible to the National Assembly," but because its members are drawn from that body, there is little likelihood of serious disagreement between the two.

Electoral districts, or constituencies, are delimited by the Constituencies Boundaries Commission. A minimum of eight constituencies on St. Kitts and three on Nevis is mandated by the Constitution. Boundaries are not established solely on the basis of population; the commission is charged to consider other factors, such as population density, fair representation for rural areas, communications differences, geographical features, and existing administrative boundaries.

The island of Nevis elects representatives both to the National Assembly and to its own Nevis Island Assembly, a separate eight-member body (five elected, three appointed) charged with regulating local affairs. The Nevis Island Assembly is subordinate to the National Assembly only with regard to external affairs and defense and in cases where similar but not identical legislation is passed by both bodies. The guidelines for legislative autonomy in Nevis are contained in the "specified matters"—areas of local administration for which the Nevisian legislature may amend or revoke provisions passed by the National Assembly. There are twenty-three specified matters, including agricultural regulations, the borrowing of monies or procurement of grants for use on Nevis, water conservation and supply, Nevisian economic planning and development, housing, utilities, and roads and highways. These restrictions on Kittitian control over internal Nevisian concerns appear to have been one of the major concessions (along with a local

legislature and the right of secession) made by the PAM to the NRP in order to maintain the two-island union after independence.

Nevisian secession from the federation requires a two-thirds vote in the Nevis Island Assembly and the approval of two-thirds of the voters in a referendum. St. Kitts has no corresponding right of secession, a reminder of the separatist roots of the NRP and the desire of the smaller island to protect itself from possible exploitation by its larger neighbor.

The government of Nevis closely parallels the structure of the federal government and has a premier analogous to the prime minister, an assembly incorporating both elected and appointed members, and a body functioning as a local cabinet, the Nevis Island Administration, which includes the premier plus two or more members of the Nevis Island Assembly. Disputes between the Nevis Island Administration and the federal government must be decided by the High Court.

The High Court, which sits in Basseterre, is the final court of appeal on the islands. Appeals beyond the High Court are heard by the Court of Appeal of the Eastern Caribbean States Supreme Court. Appeals beyond that level may be taken to the Judicial Committee of the Privy Council in London, but only if they conform to certain prescribed conditions, for example, if they are issues that require constitutional interpretation or are decisions of "great general or public importance." Local magistrate's courts provide summary jurisdiction.

Political Dynamics

Politics in St. Kitts and Nevis in the 1980s was marked by a vituperative relationship between the PAM and its opposition, the Labour Party. This state of affairs derived from a history of bitter contention between the two St. Kitts-based parties and from Labour's apparent inability to adjust to the role of opposition after more than thirty years in power.

The PAM arose as an expression of middle-class opposition to the political dominance of the Labour Party. According to most observers, the reaction of the Labour government to this challenge was not a positive one. The PAM's relatively strong showing in 1966, the first year it participated in elections, apparently alerted the Labourites to the potential strength of the opposition movement. The government's initial reaction to this threat was to declare a state of emergency in June 1967, under which twenty-two PAM members were arrested. Efforts to prosecute the detainees were abandoned by the government after the first two defendants were acquitted. Both the founder of the PAM, William Herbert, and

party leader Simmonds, among others, gave accounts of harassment, imprisonment, mistreatment, and confiscation of property at the hands of the Labour government.

For its part, the PAM also showed that it could play political hardball after it came to power in coalition with the NRP in 1980. In 1981 the government ended the practice of "check-off" deduction of dues from the paychecks of members of the St. Kitts and Nevis Trades and Labour Union (SKNTLU), considerably complicating efforts by the Labour Party's union arm to raise revenues. PAM-associated unions also challenged the SKNTLU for membership, particularly among dock workers. In a move that was eventually blocked in the courts, the government attempted to shut down the headquarters of the SKNTLU (the so-called Masses House) by foreclosure through the National Bank. Ironically, this action replicated a similar effort by the Labour government in 1969, when the PAM's headquarters was purchased by the government and members were turned away by armed Defence Force personnel. Some observers felt that the PAM/NRP government took matters a step too far when it arrested Labour leader Moore in April 1987 for "utter[ing] seditious words." Moore was quickly released on bond to the acclaim of a group of supporters.

After its 1980 defeat, the Labour Party appeared to apply more of its energies to criticism of the policies and actions of the PAM/NRP government than to the formulation of a coherent alternative platform. The party's 1984 manifesto called for wage increases, a 50-percent reduction in electricity rates, greater job security for workers, and the establishment of a separate government for St. Kitts comparable to that enjoyed by Nevis. This last issue echoed Labour's 1983 campaign against the independence Constitution drawn up by the PAM/NRP, a campaign that proved unsuccessful, as judged by the results of the 1984 elections. Labour leaders also leveled charges of widespread corruption among government ministers, a fairly common theme in West Indian politics. Nonetheless, these negative tactics were not coupled with any productive efforts to expand support among the sectors of the electorate where the Labour Party had proved weakest, namely, youth and voters on Nevis. A continued decline in SKNTLU membership also hampered the party's organizational efforts.

The acrimonious relations between the PAM and the Labour Party since 1980 can perhaps be best illustrated by a brief cataloging of the allegations each has hurled against the other through their respective party organs. Labour has charged the PAM with favoring the wealthy over the workers; with responsibility for increases in mental illness, drug abuse, and drug trafficking; with

“undermin[ing] black self-image”; with association with international criminals; and with plans for a mass murder of Kittitians in the style of the 1978 Jonestown, Guyana, massacre. For its part, the PAM has accused the Labourites of burning sugarcane fields; of physically assaulting PAM candidates and threatening others, including the prime minister; and of employing “communist tactics” in an effort to destabilize the country and establish a one-party state.

Despite the results of the 1984 elections, the Labour Party remained a political force on St. Kitts, although in the opinion of most observers its prospects for a return to power in the 1989 election were not promising. A reassumption of power by Labour under its platform of the mid-1980s would pose a serious dilemma for the two-island federation, as it would almost certainly precipitate the secession of Nevis.

The party that would lead such a movement, the NRP, continued to dominate political life on Nevis in the late 1980s. Organized as a secessionist movement, the NRP had a poorly defined political ideology. As a coalition partner with the PAM since 1980, however, it supported the moderate policies of Simmonds and his advisers. After the 1984 elections, the NRP technically no longer held the balance of power in the National Assembly, since the PAM took six of the eleven seats contested. There were no public indications of tension between the two parties, however, and the coalition appeared secure as it looked toward another electoral test in 1989.

Foreign Relations

The Simmonds government was one of several moderate-conservative governments to come to power (or, as in the case of the Antigua Labour Party of Vere Cornwall Bird, Sr., to be reconfirmed in power) in the Eastern Caribbean around 1980. Other examples could be found in Dominica and St. Vincent and the Grenadines. These new, generally pro-United States leaders found themselves and their thinking compatible with that of then-Prime Minister J.M.G.M. “Tom” Adams of Barbados, particularly on issues of regional security. Their number eventually came to include the Grenadian government of Herbert Blaize after the postintervention elections of 1984 (see *A Regional Security System*, ch. 7).

The Simmonds government supported the October 1983 United States-Caribbean intervention in Grenada and dispatched a handful of police personnel to participate in the Caribbean Peace Force on the island. The intervention was generally popular among the population of St. Kitts and Nevis; some observers have suggested that

Simmonds called early elections in 1984 in order to take advantage of this support.

St. Kitts and Nevis has been an active participant in Caricom, the OECS, and the Regional Security System (RSS). The ninth meeting of the Authority of Heads of Government of the OECS (the organization's policy-making body) was held in May 1986 in St. Kitts; as rotating chairman, Simmonds headed both that meeting and the next one in Antigua in November of that year. Within the forum of Caricom, Simmonds has advocated increased cooperation to curtail drug trafficking and use within the region. Along with Dominica's Mary Eugenia Charles and Grenada's Blaize, Simmonds has raised objections to charges by leaders such as the late Errol Barró of Barbados that the United States has attempted to militarize the Caribbean through the pretext of increased security aid and cooperation.

The Simmonds government's relations with the United States were generally smooth and productive. One exception to this concerned the United States sugar quota policy. From 16,500 tons in 1984, the quota allotted to St. Kitts and Nevis under the system of preferential purchases for foreign producers was reduced to 7,500 tons by 1987, and there was little prospect for any increase in the near future. The cut had a severe impact on the island nation's foreign exchange position because of its continuing inability to diversify its economy away from sugar production. The United States government provided some direct food aid in the form of wheat flour to St. Kitts and Nevis in an effort to ease the effect of the quota cut on the domestic economy.

Most United States economic assistance to St. Kitts and Nevis was channeled through AID and was generally intended to promote economic diversification, primarily through infrastructure-related projects. The major AID-funded project in the mid-1980s was the South East Peninsula Road, which was scheduled to progress beyond the surveying stage in late 1987. The Simmonds government hoped that this new roadway would open up the peninsula, the area of St. Kitts with the longest expanse of accessible beaches.

One rationale for the movement to full independence in 1983 was the prospect of foreign aid from sources other than Britain and the Commonwealth. Since 1983 the PAM/NRP government has pursued these new sources avidly. On a bilateral basis, aid programs were instituted with Taiwan and the Republic of Korea (South Korea). The establishment of relations with Japan and West Germany also held promise in terms of future bilateral aid. Among multilateral sources, St. Kitts and Nevis benefited from assistance

from the OAS, the United Nations Children's Fund, and the European Economic Community. It also continued to participate in aid and assistance programs through the Commonwealth. The leading bilateral aid sources among the Commonwealth countries were Britain and Canada. Given the country's comparatively small area, population, and GDP, even limited foreign aid programs had the potential for significant impact, particularly in such areas as education, health, soil and forest conservation, water supply and sewerage, and job training.

As a newly independent country, St. Kitts and Nevis also qualified for loan funds from such multilateral financial institutions as the World Bank and the International Monetary Fund (IMF—see Glossary). In this regard, Simmonds was a leader in the effort by Eastern Caribbean leaders to prevent the World Bank from declaring their countries ineligible for concessionary development loans through the International Development Association (IDA) because of their high per capita incomes relative to less developed states in Africa and Latin America. The success of this effort was still in doubt in the late 1980s, as World Bank management reconfirmed in 1987 that it still intended to phase Eastern Caribbean states out of the IDA program.

National Security

The focus of security concerns on the islands has changed over the years. During the Labour administration, which ended in 1980, the possible secession of Nevis and Anguilla was considered the primary threat to security. British paratroopers had to be dispatched to Anguilla in 1969 to keep order during a period of secessionist unrest; nevertheless, Anguilla did secede that year (see *British Dependencies: British Virgin Islands, Anguilla, and Montserrat*, this ch.). Kittitian forces were more successful at discouraging such activity on Nevis because of its geographical proximity. According to some members of the PAM, personnel of the regular Defence Force and police were routinely employed by the Labour government to intimidate political opponents on Nevis.

After the advent of the PAM/NRP government and the movement toward independence as a two-island federation, secession became regarded as less of a threat to security. Accordingly, the regular Defence Force maintained by the Labour government was abolished in 1981. The Volunteer Defence Force was retained, but it did not appear to be active because of the lack of any serious external threat to the islands. Some former Defence Force personnel were absorbed into the Royal St. Christopher and Nevis Police Force (RSCNPF); Defence Force weaponry and other equipment

were transferred to the RSCNPF. Weaponry unsuited to day-to-day police work, such as semiautomatic small arms, was adopted for use mainly by the RSCNPF's Tactical Unit and, later, the Special Service Unit (SSU).

In the late 1980s, the RSCNPF appeared to number about 300, including the 80-member SSU. The RSCNPF was headed by the commissioner of police, whose subordinates included a deputy commissioner and a superintendent of police. The appointment, discipline, and removal of police officers were regulated by the Police Service Commission, a five-member board appointed by the governor general on the advice of the prime minister. Initial recruit training was conducted at the Police Training Complex at Pond's Pasture, Basseterre. The mission of the RSCNPF was varied and included immigration and firefighting duties in addition to standard police work. The coast guard, administered by the harbor police, was organizationally integrated into the RSCNPF. The sole coast guard vessel was donated by the United States in October 1985. In addition, coast guard personnel received some training in the United States. SSU personnel received on-island instruction from a United States Army military training team. The United States was also reported to have supplied small arms, ammunition, and trucks to the SSU. Other sources of equipment donations to the RSCNPF were Britain, which provided radio equipment, and South Korea, which donated automobiles and pickup trucks.

St. Kitts and Nevis was not an original signatory to the 1982 Memorandum of Understanding that laid the groundwork for the RSS. Nonetheless, membership in the system was extended to St. Kitts and Nevis in early 1984 after it achieved full independence. As an RSS member, St. Kitts and Nevis—or, more specifically, its SSU—has participated in a number of regional military exercises with Caribbean, British, and United States forces. The Simmonds government has been a strong supporter of the RSS, particularly since the Grenada intervention (although technically that was not an RSS operation). Although the opposition Labour Party has not criticized the RSS publicly or advocated withdrawal from the system, it has tried to portray Simmonds's support as an effort to shore up his rule through the threat of military action against his opponents. The PAM has responded to these allegations by comparing Labour leader Moore and his followers to that faction of the Grenadian People's Revolutionary Government that murdered Maurice Bishop and several of his ministers on October 19, 1983, and plunged Grenada into chaos.

From the government's perspective, the most likely source of social and political unrest appeared to be agitation by the Labour

Party. PAM leaders and publications have quoted Moore as threatening the prime minister and calling for the extralegal assumption of power by his own followers. Even if true, however, these statements would appear to have been more in the nature of rhetorical excesses than genuine calls to revolution. There was no indication in the late 1980s of significant popular support in St. Kitts and Nevis for politically motivated violence against the PAM/NRP government.

Generally speaking, the society of St. Kitts and Nevis was quite open and free in terms of political and civil rights. According to the ratings assigned various countries in an article by Raymond A. Gastil in the periodical *Freedom at Issue*, published by the research and monitoring group Freedom House in New York, St. Kitts and Nevis in 1985 and 1986 was a free society with a fully competitive electoral process, freedom of the press, an impartial judiciary, and a general lack of politically motivated repression. Representatives of the PAM/NRP government have cited these ratings frequently as a riposte to charges of abuse of power leveled by the opposition.

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Although there are few comprehensive sources on St. Kitts and Nevis, background information on its social development may be found in Bonham C. Richardson's *Caribbean Migrants* and Edward L. Cox's *Free Coloreds in the Slave Societies of St. Kitts and Grenada, 1763-1833*. Health, education, and population data are available in the Pan American Health Organization's *Health Conditions in the Americas 1981-1984*. Major works dealing with economic background and development include Carleen O'Loughlin's *Economic and Political Change in the Leeward and Windward Islands*, Peter D. Fraser and Paul Hackett's *Caribbean Economic Handbook*, and the World Bank's *St. Christopher and Nevis Economic Report*. Current economic data are presented in annual reports prepared by the CDB and the ECCB. Political studies on St. Kitts and Nevis are equally scarce, perhaps as a result of the nation's brief history as an independent state. The *St. Christopher and Nevis Independence Magazine, 19th September 1983* and *1986 Year in Review*, official publications, present good snapshots of the country. Current political issues and concerns on the islands are reflected in the newspapers published by the PAM (*Democrat*) and the opposition Labour Party (*Labour Spokesman*), as well as in reporting by the Caribbean News Agency and periodicals with a regional focus, such as *Latin America Regional Reports: Caribbean*. (For further information and complete citations, see Bibliography.)

British Virgin Islands

Official Name	British Virgin Islands
Term for Citizens	British Virgin Islander(s)
Capital	Road Town
Political Status	British crown colony
Form of Government	British-appointed governor and locally elected assembly

Geography

Size	153 sq. km.
Topography	Hilly or mountainous terrain on three of four island groups; other is a flat coral island
Climate	Tropical, moderately wet

Population

Total estimated in 1986	12,000
Annual growth rate (in percentage) in 1982-85	1.6
Life expectancy at birth in 1982	70.2
Adult literacy rate (in percentage) in 1984	98.3
Language	English
Ethnic groups	Primarily black
Religion	Methodist (42 percent), Anglican (25 percent); remainder other Christian denominations

Economy

Currency	United States dollar (US\$)
Gross domestic product (GDP) in 1985	US\$84.5 million
Per capita GDP in 1985	US\$7,260
Distribution of GDP (in percentage) in 1985	
Tourism	Approximately 50
Government and other services	Approximately 50

National Security

Armed forces personnel	0
Paramilitary Personnel	0
Police	100

Anguilla

Official Name	Anguilla
Term for Citizens	Anguillian(s)
Capital	The Valley
Political Status	British associated state
Form of Government	British-appointed governor and locally elected assembly

Geography

Size	91 sq. km.
Topography	Flat coral islands
Climate	Tropical, dry

Population

Total estimated in 1987	6,800
Annual growth rate (in percentage) in 1982-85	0.7
Life expectancy at birth in 1982	70.2
Adult literacy rate (in percentage) in 1984	90.4
Language	English
Ethnic groups	Primarily black; some white
Religion ...	Methodist (43 percent), Anglican (43 percent); remainder other Christian denominations

Economy

Currency; exchange rate	Eastern Caribbean dollar (EC\$); EC\$2.70 = US\$1.00
Gross domestic product (GDP) in 1983	US\$6 million
Per capita GDP in 1983	US\$6,000
Distribution of GDP in 1983	Primarily services and tourism

National Security

Armed forces personnel	0
Paramilitary personnel	0
Police	80

Montserrat

Official Name Montserrat

Term for Citizens Montserratian(s)

Capital Plymouth

Political Status British crown colony

Form of Government British-appointed governor
and locally elected assembly

Geography

Size 102 sq. km.

Topography Mountainous; narrow coastal plain

Climate Tropical, wet

Population

Total estimated in 1986 12,000

Annual growth rate (in percentage) in 1982-85 0.6

Life expectancy at birth in 1982 70.2

Adult literacy rate (in percentage) in 1981 77

Language English

Ethnic groups Primarily black; some white

Religion . . . Anglican (33 percent), Methodist (25 percent);
remainder other Christian denominations

Economy

Currency; exchange rate Eastern Caribbean dollar
(EC\$); EC\$2.70 = US\$1.00

Gross domestic product (GDP) in 1985 . . . US\$37.1 million

Per capita GDP in 1985 US\$3,130

Distribution of GDP (in percentage) in 1985

Services 79

Manufacturing and industry 15

Agriculture 6

National Security

Armed forces personnel 0

Paramilitary personnel 0

Police 80-90

