

Third Encounter – Foro Sao Paulo and the Communist Party of China
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Poverty Reduction Policies

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Comrades all, Greetings!

Thank you very much for the opportunity to share some thoughts on this very important topic of “Poverty Reduction Policies” and the experience in the Anglophone Caribbean.

To properly understand the issue of poverty in the Caribbean we need to first appreciate that poverty is essentially a structural issue. It is the legacy of European colonialism and imperialism. Our economies were created as an integral part of an international system of slavery, the production of sugar for export and the importation of goods and later services to meet local needs. Ownership and control of economic activity resided in the metropole – the colonial power. And so the wealth generated from our economies never resided within our territories. Those who laboured – first the slaves, later in some territories indentured labour and then wage labour – were always exploited and thus, their poverty was a given.

Over the years, this essential structure of our economies has remained the same. While we no longer produce sugar in any significant quantity, we are still largely primary producers of a single commodity for export. This is the plantation economy. Thus, in some countries there is oil, later natural gas; in others it is services – such as tourism. The demand for these goods or services is not determined by us; the end use is for foreign consumption and if the multinationals control or own the production process the wealth or a significant portion of it, goes abroad. We have therefore been part of the process of capitalist globalisation from the 16th Century!

I have generalised and simplified the description of the economic model for obvious reasons of brevity. Two major interventions have been made to address the issue of what the very important Caribbean economist George Beckford called “Persistent Poverty”. The first was the mass revolts by the working classes of the Caribbean in the 1930’s. These strikes and insurrections forced the British colonial power to

introduce various programmes of poverty alleviation – better housing; improved health facilities; expanded educational opportunities and the recognition of trade unions which then set about the task of fighting for and winning proper wages and terms and conditions of work.

The second was of course political independence which was also due to the revolts of the 1930's. This year Jamaica and Trinidad and Tobago mark the 60th anniversary of political independence. Most of the governments in the Caribbean adopted policies of social democracy, influenced either by the fact that their political parties were formed by the trade unions or by an acceptance of the post world war 2 social settlement of social democracy. Poverty reduction policies focused on education; health; housing; and the creation of employment outside the formal plantation in light manufacturing and government services.

In spite of these efforts, poverty remains a major structural problem. This is because of several factors:

- We are small island developing states which are extremely vulnerable to external shocks such as the sudden loss of our export market for our primary commodities – as happened when the European Union ended preferential entry of first sugar and then bananas; or when oil prices collapsed, or when tourism disappeared due to the Covid pandemic
- We are vulnerable to natural disasters made worse by climate change – one hurricane can wipe out an entire island's agricultural production or cause the loss of tourism for a year or more
- The international capitalist system discriminates against our region in many ways – we are deemed to be “middle-income” based on GDP per capita which masks the inequality of incomes and so are not eligible for loans from some multilateral lending agencies; we are disadvantaged by international trade rules and agreements; we are unfairly penalised by the international financial architecture; we have struggled with a long term debt crisis and the negative impacts on the poor of neo-liberal policies and structural adjustments, oft time under the thumb of the Washington Consensus - the IMF, World Bank and IADB

Most importantly, however, is the fact that all the efforts by our governments at development have not succeeded in fundamentally transforming the structure of our economies. Even the efforts at regional integration through the establishment of the

Caribbean Community (CARICOM) and the Single Market and Economy have not been fully realised.

The Covid pandemic exposed just how fragile we were as poverty increased dramatically. Governments did their best, but have had to run up huge budget deficits financed largely by borrowing thus pushing us closer to the debt trap. This will reduce governments' capacity to tackle poverty reduction.

All of the Anglophone Caribbean countries have programmes of poverty reduction and have signed on to the UN Sustainable Development Goals (SDGs). While considerable progress has been made in certain areas – access to universal free education; public health including meeting targets of maternity morbidities and neonatal deaths; water and electrification; there remains a very stubborn problem of income inequality with high unemployment in some countries especially among the youth.

We can best tackle this structural problem by: strengthening regional integration – including integration in the wider Caribbean; establishing economic trade outside of the old imperialist structures by integration with Latin America and Africa; and taking advantage of the opportunities of the Belt and Road Initiative of China. The US and the old colonial powers of Imperial Europe are deathly afraid of their former colonies breaking free of their power. This is why they are mounting such a massive campaign against China and seeking to strengthen the old imperialist Munroe Doctrine in our region. Ultimately we will be victorious. Another world is not only possible but absolutely necessary if we are to reduce poverty and end human misery. Thank you!