Cut loose in the Caribbean: neoliberalism and the demise of the Commonwealth sugar trade

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Abstract

This article focuses on the way the Anglophone Caribbean succumbed to the overhaul of the European Union sugar trade and how they have attempted to restructure their economies in its wake. We show how the protagonists of reform gave a sense of inevitability to the demise of the Commonwealth trade system and conveyed (unrealistic) strategies for how this should be managed for the benefit of the Caribbean. In this way we detail the hegemony of neoliberalism in contemporary trade politics and the need for alternative strategies for rural development in the Caribbean region.

Keywords

Sugar; international trade; neoliberalism; Caribbean; Commonwealth; Economic Partnership Agreement

Introduction

The Caribbean sugar trade has irrevocably changed. In the late-2000s the guaranteed prices that the European Union (EU) paid to former British colonies for its sugar exports were first reduced and then abruptly ended, directly threatening tens of thousands of jobs in the region. Under a new, region-wide Economic Partnership Agreement (EPA), a more market-friendly trade regime was ushered in, shorn of much of the historical ‘baggage’ that had

characterised economic relations between Europe and the Caribbean Commonwealth. Along with similar reforms to the other colonial products of bananas and rum, this traditional pillar of the Caribbean economy was effectively 'cut loose' from the EU and made to brace itself – or more likely buckle – against the winds of global competition.

This article seeks to explain how this shift came about, to what extent it was challenged, and what has happened in its aftermath. We do not seek to defend the sugar industry's development record in the region, but rather to show why this episode is emblematic of a wider inability to effectively contest neoliberalism and offer 'radical imaginations' of Caribbean agro-food systems in trade discourse (cf. Weis, 2007).

In highlighting the intellectual labour underpinning restructuring processes in agriculture, we draw on the critical perspectives offered by the food regimes literature. This has traced the international trade of tropical commodities like sugar, tea and coffee through the first 'colonial' regime which saw slave-based monocultures established in the occupied European colonies, and into the second 'national' regime which saw the rise of the capital-intensive New Agricultural Countries in Latin America and South-East Asia under state-led programmes of (agro)industrialisation. Within the so-called third 'corporate' food regime, the governance of tropical commodities has been characterised by vertical integration and global sourcing strategies, resulting in a concentration among large agribusiness and food retailers at the expense of wage labourers and small commercial farmers. Presiding over the ascendance of transnational corporate power has been the World Trade Organization (WTO); the primary vehicle by which national agriculture has been reoriented and put in the service of the global consumer (McMichael, 2009; Weis, 2004).

Applied to the Caribbean, Gavin Fridell (2011) has used this approach to critique the liberalisation of the Commonwealth banana trade. This had the effect of shifting exports from family farms in the Windward Islands to 'economically efficient' exporters in Ecuador and

Guatemala. However, since this low-cost model was predicated on large landholdings and cheap labour, trade liberalisation did not benefit the poor in Latin America but rather plantation owners and transnational corporations like Chiquita and Dole. Fridell thus shows how the intellectual arguments used to justify this policy decision rested on a (wilful) ignorance of the gross inequalities it would generate. In similar fashion, we also use the Caribbean as a developmental test case for the unravelling of international price supports and the export-led plans for adjustment which accompanied it.

The article is split into four sections. The first discusses the evolution of the Caribbean's sugar trade with Britain/EU over the last four decades, from the Commonwealth-inspired Lomé Convention to its current incarnation within a WTO-compatible Economic Partnership Agreement. The second section considers the battle of ideas that took place during this evolution, comparing the persuasive character of neoliberal discourse to the reactionary and defensive arguments presented by critical voices in the region. With a focus on Barbados and Trinidad & Tobago, the third section explores the fallout of reform, highlighting why many of the restructuring plans advanced have in fact been frustrated, and why so many people affected by the closure or contraction of the industry remain without stable livelihoods today. The fourth section suggests that, in light of the ideational defeat and developmental costs suffered over sugar, strategies for alternative forms of rural development for the region must be articulated.

Regulating the Commonwealth sugar trade, 1951-2008

Since colonisation in the seventeenth-century, the sugar industries of the Caribbean have been dependent on special trading arrangements with the metropolitan powers. This has played an important conditioning role in the region, encouraging a mode of insertion into the global economy based on exports of raw commodities and imports of food staples and manufactured goods (Beckford and Girvan, 1989). This status can be closely associated

with Tate & Lyle, which in the early twentieth-century established itself as the principal agent linking Commonwealth cane producers and British consumers – a form of control which was extended further by the acquisition of plantations in Jamaica, Trinidad and British Honduras (now Belize). Along with British firm, Booker McConnell, which dominated the industry in British Guiana (now Guyana), Tate & Lyle was able to lobby the UK government to lower duties on raw cane sugar. This was institutionalised in the 1951 Commonwealth Sugar Agreement which covered the British West Indies, Australia, Fiji, East Africa, Mauritius and South Africa, and for the first time established contractual purchasing commitments between Britain and her favoured colonial exporters.

This agreement was 'Europeanised' in 1975 as part of Britain's accession to the European Economic Community (EEC). The UK government wanted to ensure, first, that Tate & Lyle could continue to source plentiful cane at stable prices, and second, that trade ties could be maintained with its former colonies in the Commonwealth. For their part, and in the context of Third World demands for a New International Economic Order and the nationalisation of many sugar industries in the Caribbean, the region's governments negotiated collectively with other traditional exporters of tropical commodities for better terms of trade.

The result was the Lomé Convention, signed in 1975 between the EEC and the African, Caribbean and Pacific (ACP) bloc of countries. The agreement made on sugar, known as the Sugar Protocol, was annexed to the Convention. It committed the EEC to buy 1.33mt of raw sugar at negotiated prices, typically in excess of world market prices, and, along with other non-reciprocal agreements for bananas, beef, and rum, was held in perpetuity. Mauritius (0.49mt), Fiji (0.16mt), Guyana (0.16mt) and Swaziland (0.12mt) received the bulk of the allocation, though Barbados, Belize, Jamaica, Trinidad & Tobago and St Kitts & Nevis also received quotas.

The Lomé Convention was renegotiated periodically during the 1980s yet in the context of falling commodity prices and Third World debt crisis, the collective power of the ACP became weaker at every step (Flint, 2009). Nevertheless, the Sugar Protocol remained steadfast. The entry of Britain into the EEC had effectively entwined the fate of the Commonwealth cane producers and European beet producers, giving both a stake in the perpetuation of a regime which kept prices remunerative and market shares reserved. Thus on both sides of the Atlantic, agricultural groups lobbied their governments to maintain the set of sugar policies which protected the European market from the New Agricultural Countries like Brazil.

It was the creation of the WTO in 1994 that offered the first real opportunity for other countries and commercial interests to break this arrangement. This brought agriculture into the multilateral trading system and it was made clear during this process that non-reciprocal trade agreements which discriminated between countries would be difficult to uphold. Thus the EU had to acquire a waiver for the fourth Lomé Convention (1990-2000) by effectively buying off other WTO members. Then, in the late-1990s the WTO Dispute Settlement Body ruled against the EU's banana regime, declaring it an affront to the principle of non-discrimination and giving countries permission to apply sanctions against the EU as a penalty. This suggested to European policy-makers that a new, WTO-compatible trade relationship was needed (Bilal, 2006).

This alternative was crystallised in the 2000 Cotonou Agreement which committed the ACP to fragment into regional blocs and move toward free trade agreements, both internally and with the EU. This meant that the non-reciprocal trade links between the EU and the ACP countries would end, although exactly what would become of the Lomé preferences accorded to sugar, bananas, beef and rum was left somewhat hazy. However, the ACP recognised that these would come under threat and so pushed for a longer implementation period for the Cotonou Agreement. This was granted, a waiver secured, and a date of

December 2007 set for the end of Cotonou, after which a process of reciprocal trade liberalisation would be introduced.

The regulation of the Commonwealth sugar trade during this time had become complicated by two related events. The first was the Everything But Arms Agreement signed in 2001, which was essentially a unilateral offer by the EU to abolish duties and quotas on all products for the group of Least Developed Countries (LDCs). By allowing access to a new group of countries under these more liberal terms, both the EU's ability to manage imports and the ACP's ability to construct a unified negotiating position were undermined. The second event affected the EU's ability to dispose of surplus stocks. In 2005, the EU was taken to arbitration at the WTO for violating its export subsidy commitment. The challenge did not dispute the EU's right to import ACP sugar at preferential prices, but rather struck at the high prices guaranteed to its beet producers which enabled them to cross-subsidise the production of sugar for export. The WTO ruled in favour of the complainants and so around four million tonnes of EU refined sugar, which had previously found its way on to the world market, would now have to be 'disposed' in another way. After much internal debate, the EU decided to force down supply by lowering the price it paid for sugar by 36%, and by extension, the prices paid to the cane exporters also.

The final nail in the coffin of the Commonwealth sugar trade occurred in 2007 with the abrupt and unilateral denunciation of the Sugar Protocol. This was assumed by the Caribbean to be legally inviolate; its provisions written in a separate annex to the original Lomé Convention (Thomas, 2009). Instead, the European Commission argued that the phrase 'indefinite period' gave it the option to end the Protocol at some point and that it had to happen then because of the broader changes brought by the end of the Cotonou Agreement in December 2007 (Commission of the European Communities, 2007). Commissioners argued that the Sugar Protocol would be incompatible with its WTO commitments and that the Caribbean

sugar exporters could still get access to the EU market if they signed an Economic Partnership Agreement (Mandelson *et al*., 2007).

Many in the Caribbean were furious with what they perceived as heavy-handed European tactics. The sugar industry argued that ending one agreement while negotiating another put them in a position of extreme uncertainty, especially while they were trying to adjust to the reduced prices brought by the first wave of reform (Ishmael, 2007). For many commentators and politicians, it was the power politics of the EU Commission that angered. There was widespread concern that through the EPAs, the Caribbean was being forced to cede its economic sovereignty to Europe and that sugar was used as leverage to push several Caribbean heads of government into signing the agreement (Sanders, 2010). Contrary to what the Trade and Development Commissioners had argued, it was clear to these commentators that the EU *did* have offensive interests in securing an EPA (see Mandelson and Michel, 2007). These included the introduction of the 'WTO-plus' issues into its trade relations with the Caribbean, as well as the 'lock-in' of market access advantages should the region strike a free trade agreement with another country in the future (Girvan, 2008).

In the end, the EPA was signed in October 2008 and Caribbean sugar relations subsumed within it. This replicated the terms of the Everything But Arms Agreement – i.e. duty-free, quota-free access – but without any guarantees on prices or market share. Moreover, it also applied to the Dominican Republic and Haiti, potential export competitors, which along with Surinam, also signed the EPA, thereby bringing to an end the distinctive *Commonwealth* dimension of the EU-Caribbean sugar trade. In these new regulatory conditions, many traditional exporters struggled to stay in business, with St Kitts & Nevis and Trinidad & Tobago exiting the industry altogether, closing down after two centuries of sugar production.

The hegemony of neoliberalism in Caribbean trade debates

During the decade long reform process described above, and despite the harsh words often exchanged between the EU and ACP negotiators, there was a general air of inevitability about the ultimate outcome. As David Jessop of the Caribbean Council noted at the time:

> The end of the sugar debate is effectively a watershed in the region's relationship with Europe... For its part African, Caribbean and Pacific states never gave Europe any clear political reason to cause it to think again (Jessop, 2005).

We suggest in this section that the absence of a more convincing challenge can be put down to the hegemony of neoliberalism within trade debates. In particular, we show how this was constituted through discourse on the imperatives of WTO legality and global competitiveness, reworked by economists located in the World Bank and Caribbean institutions and applied to the region's future developmental trajectory. Collectively, these helped secure acquiescence to reform and set the parameters of the resultant restructuring process.

The World Bank had long advocated liberalisation in the international sugar trade, arguing that it would benefit low-cost exporters like Brazil, Australia and Thailand as well as consumers in rich countries. The contraction of production in developed countries and traditional exporters would be a small price to pay for overall welfare gains (World Bank, 1986; Borrell and Duncan, 1990). This position re-appeared in its broader study of the region, *A Time to Choose: Caribbean Development in the 21st Century* (World Bank, 2005). As recounted by Payne and Sutton, the report contained a stark message for the region's governments. It suggested that there was too much 'concern for the sustainability of past achievements', that 'formidable challenges lie ahead' and so 'it cannot be business-as-usual'. The Bank saw no future in agriculture for export and only a limited future for industry. Economic growth depended on competitiveness, which meant services, and in particular, those based on information and communications technology (Payne and Sutton, 2007: 5).

Specifically on sugar, the Bank argued that not only were historic preferences contained in the Sugar Protocol likely to erode, but that in any case, they had been poorly utilised by the Caribbean. Sugar industries in the region had 'been in decline since at least the 1970s' and had failed to increase exports, at the same time as other sugar producing countries had reduced their costs of production (World Bank, 2005: 83). This was neatly encapsulated in a comparative cost diagram made by the Bank and subsequently reproduced in a number of key reports which illustrated the high-cost production of the Caribbean and other ACP exporters vis-á-vis the world market price.

This discourse provided a compelling diagnosis and prognosis for the Commonwealth sugar trade: preferences were both illegal and ineffective, and any delay in liberalisation would only make the final adjustment harder. These arguments were replicated by the European Commission a year later when it laid out its own vision for growth and development in the Caribbean (Commission of the European Communities, 2006). They were also apt for pithy repetition by free trade advocates. For instance, in the run-up to reform *The Economist* (2005) asserted that:

> Some countries need help to make the switch from sugar and bananas. But the future need not be sour – provided that the Caribbean's politicians look to embrace it, rather than cling to the past.

In advancing trade liberalisation at the multilateral level, 'aid for trade' had gained prominence as a way to encourage reticent countries to sign up to further reforms. Extending this agenda into bilateral relations, respected economists like Bernard Hoekman of the World Bank and Susan Prowse of the International Monetary Fund (at the time seconded to the UK's Department for International Development) suggested that development assistance should be provided by preference-granting countries so that those dependent on these

arrangements could exploit trade opportunities in other sectors. The argument that weakening terms of trade might be addressed through the multilateral trading system itself was dismissed for generating more distortions, rather than moving the WTO towards a more liberal, non-discriminatory regime (Hoekman and Prowse, 2005).

This proposal was reflected in the final reform of the EU's sugar regime in 2005. A Commission budget line was provided for industry restructuring totalling €1.3 billion, to be split between eighteen ACP countries and set against estimated export earnings losses of €2.5 billion (ACP Sugar Group, 2005). A major contributor in mapping out what the Caribbean would use the restructuring aid to 'switch' to was Donald Mitchell, lead economist in the World Bank's Development Prospects Group. Mitchell delineated the fork-in-the-road facing the region's sugar industries. He argued that they would have to become 'more competitive by better managing and operating their industries and by adding value to sugar production' or else 'devote resources to retraining workers and developing sugar lands into commercial, residential and agricultural uses' (Mitchell, 2005: 24-25).

For those countries that wanted to stay in sugar, the reduction of costs through privatisation, rationalisation and professionalization were necessary steps, as was diversification, in order to add value 'in any way possible'. Meanwhile, to the extent that agriculture was considered as a future employer, it was only as a niche export-industry or a supplier to domestic hotels, producing food for tourist taste-buds. Again, these arguments were reiterated in European Commission discourse, which advocated 'improved technology and management' in field and factory operations, and the use of 'market opportunities rather than production capacities' as the guide for diversification strategies (Commission of the European Communities, 2005: 11-12).

The Caribbean reaction: convincing but not compelling

This account was contested by many groups within the Caribbean. Senior industry figures were keen to point out the hypocrisy of the EU in adapting the language of free trade in its dealings with the Caribbean when it continued to offer supports like direct payments to its own sugar beet farmers. For instance, no diagrams were produced detailing the European supply curve, which would arguably have revealed even more 'inefficient' production than in the ACP and posed the uncomfortable political question as to whether the beet industry should be in business at all on a pure 'cost of sugar' basis. As a sugar company manager in Jamaica made clear to us:

> There's no such thing as free trade anywhere in the world. What I've been trying to fight for is more *fair* trade where everybody get a chance to bite the cherry. But the EU come up with this… what I call the young turks come up with all these high felooted theory; it doesn't exist! (interview with Confidential 1, 2007).

In this light, industry representatives then attempted to reframe trade support in a way that mirrored the EU's actual treatment of its own agricultural sector. For example, the Sugar Association of the Caribbean asserted that the value of sugar cannot be measured purely in 'accounting or banking terms' and exhorted their supporters to demonstrate the 'irreplaceable multifunctional role that sugar plays in maintaining social cohesion and rural stability and enhancing the environment' (McDonald, 2004: 6). In short, they sought to present persuasive *extra-economic* reasons as to why trade preferences should be defended.

Grounded in their earlier writings on radical development theory, a group of Caribbean academics also became prominent objectors to the demise of the Commonwealth sugar trade and the reincorporation of the region in an EPA. The Guyanese economist, Clive Thomas, for instance, offered an historical account of the preferences afforded to Caribbean exporters. He argued that the Sugar Protocol was originally negotiated as a commercial

arrangement but had since been re-invented by the EU as a charitable handout. Moreover, he also questioned why trade preferences had been invariably discussed as 'dysfunctional, inefficient and backward-looking' despite the lack of analysis on their specific contribution. Rather, their utility was simply read-off from the failure of sugar producers to reduce costs and export more – an outcome which was never expected when the Lomé Convention was first struck. There had thus been an 'inversion of meaning' in the purpose of preferences; accepted and promulgated even by the region's own media (Thomas, 2002).

Offering a prospective analysis, the Jamaican political economist Norman Girvan argued that the opportunities for export growth under an EPA had been overplayed. In respect of sugar, he suggested that the benefits of unlimited access would themselves be eroded as prices fell in the context of greater import competition from the Least Developed Countries and other EPA signatories. The delayed implementation of more flexible rules of origin on sugar-based products to the EU would also hamper 'value-added' exports such as confectionery (Girvan, 2008). Finally, taking aim at the neo-liberal foundations of the EPA more broadly, with his colleagues Girvan pointed out how they restricted the right of governments to privilege national capital through rules requiring equal treatment with European firms, and provided no new funding to promote upgrading of productive capacity (Brewster *et al.*, 2008).

Yet while these criticisms were valid on their own terms, they failed to seriously challenge the neoliberal bandwagon for two reasons. First, there was no collective vision about what a revitalised sugar industry might look like and what its place would be in the broader global economy. For instance, at the outset of the reform process the Caribbean Policy Development Centre expressed its 'grave disappointment' at the EU's proposal to reduce the internal price for sugar, but gave no reason why the industry should be actively sustained, arguing simply for a delay in price reductions (CPDC, 2004). This position was also evident among civil society actors in the EU. Even Oxfam and WWF (2005) – outspoken critics of EU trade policy – felt resigned to the position that there was 'no automatic link between

employment in the sugar sector and poverty reduction' and so could only recommend that the EU give more and better aid for restructuring. The defensive nature of such critiques left many commentators feeling that there really was no alternative. This was encapsulated in a paper by the Caribbean Policy Research Institute on the sugar debate, which recommended that government officials 'stop wasting time trying to secure preferential arrangements' and instead pursue the only option laid open to them: 'Embrace globalization in reality and in populist political rhetoric' (Thorburn and Morris, 2007: 54).

Second, there were insufficient fractions of capital with which these reactionary ideas could connect. Despite the lip-service paid by politicians to the cultural and economic importance of sugar, many state ministers and technocrats had more interest in gaining easy access for the region's professional class to the EU and cheaper imports for its tourist businesses. For this reason they were not willing to jeopardise the EPA process by protecting the Sugar Protocol. In addition, the Dominican Republic was also an important influence in pushing for more liberal trade relations (Byron, 2005: 15). Since the country had been excluded from the Sugar Protocol, it had everything to gain from the market access offered as part of the EPA. Moreover, since its sugar producing companies also had significant interests in tourism and financial services, they stood to gain from the EPAs in this sense as well. Finally, the historic role played by Tate & Lyle in brokering preferential trade policy had attenuated both because of the transfer of decision-making power from London to Brussels, and, from the company's perspective, the falling share of profit to be had from refining sugar. Indeed, shortly after the Commonwealth trade was reformed, Tate & Lyle sold off its entire sugar division.

Dysfunctional restructuring in Barbados and Trinidad & Tobago

In the previous section, we showed how neoliberal discourse incubated in institutions like the World Bank was reiterated by the EU in its foreign relations with the Caribbean and also taken up by many commentators in the region itself. The lack of a compelling alternative on

the part of the Caribbean's more critical voices and the limited support for agro-industry among the political elite only heightened the sense that reform was inevitable. However, although the neoliberal line can be seen to have won the day in this sense, it was highly problematic in terms of the adjustments then faced by the Commonwealth Caribbean. In particular, the restructuring strategies have failed to deliver positive outcomes for those affected by industry contraction and closure. We now explore how this came about through the examination of two of the countries affected by reform: Barbados and Trinidad & Tobago.

Barbados

Barbados has been in the business of sugar cane production since the advent of British colonialism and has been hailed by historians as the epicentre of a 'sugar revolution' in the 1640s (Menard, 2006). By 1660, sugarcane occupied roughly 60% of the island's arable land; a figure which had changed little over three centuries later (*ibid.*: 18). Deeply entrenched in the social and cultural geography of the island, it was always unlikely that its politicians would follow that other tourist-based economy, St. Kitts & Nevis, in closing down the sugar industry entirely – despite its falling share of national Gross Domestic Product (GDP). Indeed, in the early 1990s the government had already stepped in to take over ownership of the ailing sugar factories run by the white planter class (though management was outsourced to a company borne of Booker McConnell and Tate & Lyle).

Thus, following the price reduction of sugar by the EU, the Barbadian government approved proposals for a multi-purpose factory that would cost an estimated US$150 million. The new factory was 'expected to lead to a viable and profitable sugarcane industry' by generating speciality sugar and high-grade molasses for the rum industry, as well as electricity for the national grid and biofuel for cars (Government of Barbados, 2006: 67). This closely follows the advice given to those countries which decided to stay in sugar, which was to invest in

new technology for the private sector to become competitive, and diversify into new markets to add value.

While official documents presented the adaptation plans as consensual and unproblematic, in reality they have been mired in controversy. The EU delegation in Barbados felt that this particular plan had been pushed through by the state-owned Barbados Agricultural Management Committee (BAMC) which was set up to oversee the previous wave of restructuring in the 1990s. Reluctant to support the investment in a new plant without proper feasibility studies, the EU was marginalised in discussions and was soon joined by Barbados Light and Power which shared similar concerns (interview with Confidential 3, 2007). The attitude of the BAMC to the EC delegation was explained by a Ministry of Agriculture official, who said bluntly, 'We don't like to be told what to do' (interview with Confidential 4, 2007). In short, the vested interests around sugar – which were clearly identified as a reason to do away with trade preferences in the first place – have also hindered the adoption of 'rational' restructuring plans.

These vested interests are typically seen as the result of rent-seeking efforts by sugar unions or landowners, leading to some form of state capture. Yet in Barbados, this behaviour should also be considered a result of sugar's linkages to other sectors of the economy. Chief among these is its relationship to the tourism industry. With few recognised agricultural alternatives, the sugar industry is seen by many in the country as the last bulwark against urbanisation and the loss of farming landscapes. Green fields are considered integral to tourism in Barbados both for holding down the erosion-prone soil and providing the pleasant vistas expected by visitors. Reflecting this functionality, one Bajan Minister is supposed to have quipped: 'the future of sugar is gardening!' (interview with David Jessop, 2011). In a similar fashion, the survival of the industry is also important to the country's financial sector. If the industry were to close, the government would be obliged to pay-off in full the sizeable

BAMC debts, affecting the state's ability to service existing loans and destabilising the banking sector.

However, while sugar's existence was supported, expansion was thoroughly undermined. The new multi-purpose factory requires an increase in cane acreage of 8,000 acres to provide the necessary throughput, but in the past decade, about 1,000 acres per year have been going out of cultivation (interview with Confidential 2, 2007). With limited availability of land and a massive inflation in real estate value caused by the growth in finance and tourism, there has been increasing temptation for private landowners controlling the sugarcane area to subdivide their estates into small plots and sell it off to property developers. Though the government has a land use policy that should guard against excessive urbanisation, it is widely acknowledged that this is not consistently enforced. This results in a mismatch between processing capacity and cane supply, and, ultimately, dysfunctional industry restructuring.

For those workers made redundant during this upheaval, the assumption made by neoliberal-informed analyses was that they would be absorbed by the growing service sector. This has not transpired. Even the EU's own commissioned report into the adaption strategies of Commonwealth countries remarked that it is 'very unlikely' that many will be reemployed in the high technology sectors targeted by Barbados' broader development strategy (ADE, 2010: 192). As shown vividly in the participatory videos filmed as part of Ngwenya's fieldwork, in Barbados and also in St. Kitts, many of the poorest workers in the industry are the formally 'unskilled' field workers, who have worked in sugar their whole lives (see http://vimeo.com/user2299194). With little experience outside the sector and limited opportunities for re-training and/or alternative formal employment, it is easy to see why many have had to try and forge livelihoods in the informal economy.

Trinidad & Tobago

In contrast to Barbados, the Trinidadian sugar industry had a longer and broader experience with state-ownership; a consequence of the government's decision to take control of the mill-refineries, distillery and cane land after Tate & Lyle divested in 1975. Although it has now closed down, in 2003 the government launched a wholesale restructuring programme to make the industry commercially viable and reduce the vast amounts of money being lost in supporting it. This involved, firstly, closing down the existing state-owned company and replacing it with a smaller parastatal focused only on sugarcane milling, and, secondly, phasing out cane growing on company-managed land and contracting exclusively from the 3,000 private farmers who remained in the industry. The ultimate failure of this plan is instructive since it, too, closely follows the neoliberal model. In fact, Trinidad's approach was even cited at the time by World Bank staff as an example of a successful strategy that could be emulated in the region (Mitchell, 2005).

At first, and judged against its own criteria, the strategy did seem a success. For the 9,000 public-sector workers who were made unemployed, the £65m package of redundancy payments were paid out and over half found new jobs reasonably quickly, thanks in particular to the growing construction sector and migration to join family members overseas. For the remainder, around 1,500 took up the technical training on offer and 2,500 the agricultural training (interview with Deosaran Jagroo, 2010). The latter was especially popular due to the plans to award 18,000 acres of company-owned land to former workers in the form of two-acre plots for farming. The majority of the company-owned land – an estimated 45-50% of the country's total arable land – was kept by the state to sell to industry, large commercial farms and housing developers.

For the restructured sugar industry, though, it soon became apparent that they had not turned a corner; production costs remained high and just five years after the plan was first

launched, the industry was closed down for good. Again, to understand this outcome it is necessary to consider the complicated domestic political interests at work in the country. As the manager of the new parastatal suggested, the decision by the government to restructure was simply a 'token gesture', never designed to protect the long-term safety of sugar production but instead to soften and defer the blow of imminent closure. In his view, the government took a 'hands off' approach and did not give the new sugar company the capital investment nor cane growers the agronomic support they needed (interview with Deosaran Jagroo, 2010). Crucially, the underlying rationale for this was not one of dispassionate economic analysis about Trinidad's future, but rather one of party-politicking.

As a legacy of the indentured Indian labour brought to work on the plantations, the sugar industry in Trinidad was historically dominated by Indo-Trinidadians. Indeed, until the mid-1980s, the leader of the opposition, Basdeo Panday, was also the leader of the sugar-workers union. The party in power at the time of reform, though, was the People's National Movement (PNM), an Afro-Trinidadian party with its support rooted in the oil-workers union. By first weakening the sugar industry and then finally closing it down in 2008, the PNM was able to deal a serious blow to the support base of its long-term rivals. This was made possible thanks to an average annual GDP growth rate of over 8% during the period of retrenchment, which buoyed the job market and muted concern among the ranks of labour. However, when the economy rapidly contracted in 2009, the crutch was pulled away. Many of the former sugar employees lost their jobs as construction and service contracts dried up, while simultaneously state-funded social programmes introduced or expanded during the boom were subject to increasing fiscal pressure.

The alternative livelihood options sought through land reform have also been jeopardised. The company set up under the Ministry of Finance to oversee the land distribution process had neither the resources nor the experience to do the job properly. The vast majority of employees have been left waiting over seven years to receive their plots, thereby

extinguishing much enthusiasm for a shift into farm enterprise. Meanwhile, what land has been disbursed has been haphazard in terms of suitability and location, leaving the farms prone to burglary and even abandonment (Sookraj, 2010). The incoming government has pledged to address this failure, taking land management out of the purview of the Ministry of Finance and expediting land allocation for agriculture over that for housing and industry. Nevertheless, questions remain about its ability to integrate farmers *profitably* into agro-food supply chains (interview with Raffique Shah, 2010).

Radical imaginations of Caribbean agriculture: a return to the past

A key contention of this paper has been that a viable alternative to the neoliberal roadmap were never seriously entertained by policy-makers. This was summed up by the confident assertion of the EU Trade Commissioner that there was 'certainly no Plan B' to the Caribbean eventually signing an EPA; a claim which his Caribbean counterpart had also come to agree on (Mandelson, 2007; Bernal, 2008). While this claim could have been disputed as far as the legality of the Sugar Protocol was concerned – a similar preferential system is used by the United States to regulate its sugar trade– we suggest that the *real* alternative that needed to be presented was not one of policy but of purpose. In other words a collective vision of a credible and inclusive rural economy, or what Tony Weis (2007) has called 'radical imaginations' of Caribbean agriculture. This much was suggested by the Jamaican press, which, disappointed at the region's acquiescence to the EU position, pointed the finger at its own intellectuals:

> Here's where our economists are to be blamed. First, they are responsible for not providing a pragmatic development alternative [to the EPAs] and, second, they have generated no policy advice to extricate the region from its present parlous state(*Jamaica Gleaner*, 2010).

In piecing together this alternative, it is appropriate to draw on the region's own political economy tradition, which has long highlighted the antagonistic relationship between plantation and peasant economies. Out of the New World School in particular came a powerful critique of the dependencies inculcated through colonialism and the subsequent control of the sugar trade by transnational companies, which, among other things, resulted in unequal access to land and finance for the nascent smallholder sector (Beckford, 1972). Through this literature, strategies for reorienting the Caribbean away from unequal exchange with the metropole and its reliance upon merchants and middlemen for domestic food needs included: breaking up the plantations and supporting the resettlement of peasants on the land through central services provided by cooperative agencies; realigning tariffs and changing consumption habits so as to reduce reliance on extra-regional food imports whilst bolstering intra-island trade; and, finally, where sugarcane was to be grown, using the crop to provide pulp, paper, fibre and alcohol as a material resource base for domestic industrialisation (see Beckford and Girvan, 1989; Levitt and Witter, 1996).

Echoes of these strategies reverberate today. For instance, in Trinidad & Tobago, the government has negotiated with fast-food outlets to sell domestically-produced cassava in place of imported potatoes, and has sought to promote downstream agro-processing facilities for coconut water and sweet potatoes. Likewise in Barbados, the marketing of '100% Bajan' fresh produce, West Indian Sea Island Cotton and agro-tourism, along with the potential generation of electricity from the sugar mill (subject to land policy and energy pricing) also point to the way sugarcane lands could be used differently. Finally, ideas circulating in some Caribbean-based institutions to build collective food reserves, develop domestic markets for organics, and target diasporas for the export of traditional foods highlight the continued emphasis on developmental regionalism (as opposed to the 'open regionalism' sought by neoliberals) as a means of reshaping extant patterns of global integration (see Kendall and Petracco, 2009).

Arguably, what these prescriptions lack is location in a wider ideological landscape. Whether it was post-independence nationalism, democratic socialism or Third World radicalism, previous transformations in the Caribbean's external relations all had underlying intellectual movements to which its advocates could appeal. For some contemporary scholars, the ideology of 'food sovereignty' could help play that role today, identifying and supporting the class interests of peasants, pastoralists and landless rural workers (Weis, 2007). What we suggest here, based on our account of the EU-Caribbean sugar reform, is that a necessary step in operationalising this agrarian ideology is to shift the mainstream discourse on trade. Even where critiques of the region's current trajectory have been presented, engaging on the terrain of (WTO) legality, (economic) efficiency and (cost) competitiveness has ceded too much ground to the neoliberal worldview. Rather, by using the registers of (mitigating) vulnerability, (smallholder) entrepreneurialism and (rural) employment instead, licence could be given to the kind of interventions that are currently marginalised in policy circles. By using this discourse to connect these ideas to domestic fractions of agricultural capital and build political alliances with unions, cooperatives and political parties, it is possible that they could cohere into a collective and truly counter-hegemonic vision of Caribbean agriculture.

Conclusion

Through the demise of the Commonwealth sugar trade and its reincorporation within an Economic Partnership Agreement, the Anglophone Caribbean was 'cut loose' from a relationship which attended to the historical legacies of British colonialism. This can be seen as symptomatic of the wider corporate food regime, which has swept aside arrangements antagonistic to the WTO rulebook and precipitated a concentration of commodity production based on large-scale and low-priced 'industrial agriculture' (McMichael, 2009). What concerned us here was the politics that enabled this to happen. Contrary to the readings which suggested that this reform was inevitable, we showed how it was *advanced* by appeal

to the WTO's disciplinary mechanisms and *shaped* by the principle of global competitiveness.

The preference among intellectuals debating the region's future was for the Caribbean to trade away direct support for sugar in favour of a transnational development strategy focused on the circulation of foreign money into the economy through tourism, banking and overseas remittances (World Bank, 2005). Not only was this taken in by the EU in its negotiations, but also by certain actors in the Caribbean, especially those professional policy-makers or 'tecnicos' working for national governments and regional organisations (Payne and Sutton, 2007: 3). In this way, the hegemony of neoliberalism was re-produced as the universal 'common sense', reflecting a post-Washington Consensus approach in which palliatives for – not prevention of – liberalisation has been sought through short-term 'aid for trade' funding.

Through an engagement with the impacts of trade reform in Barbados and Trinidad & Tobago, we have also shown that the supposed advantages for labour that were implied by restructuring strategies have simply not manifested themselves. There has been a marked tendency for workers and small farmers to experience difficulty in accessing stable jobs and land, whilst wealthy investors seem to effortlessly consume vast swaths of former sugar lands for golf courses and large hotel complexes. The reason for this was located in the failure of the adjustment strategies to, first, recognise the complex relations surrounding the sugar industries, and, second, prioritise the needs of the rural sugarcane workers and farmers who were always going to struggle to move seamlessly into the urban-based, service sector.

Moving away from this trajectory requires first rethinking the possibilities for rural development in the contemporary global economy. We suggest that to support this endeavour, intellectual labour is needed to locate existing and emergent agrarian reform

within a discourse that allows its advocates to justify and mobilize them with greater ease. In the context of volatile food markets, global resource scarcity and growing inequality, the time is ripe to establish a new common sense in Caribbean agriculture.

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