Abstract

This paper argues that contemporary development policies have failed to solve the problem of the maldistribution of economic resources, poverty, underemployment, and skewed income distribution. With the collapse of the Lomé Convention in 1996, St. Lucia saw its banana export market suffer a steep decline. Since then, Lomé St. Lucia has focused on market-led international tourism as the new engine of growth. Market-led development is fraught with economic cycles of up and down that lead to economic uncertainty and catastrophe for many people of limited resources. Much government revenue is spent on tourist-oriented infrastructure at the expense of a well-funded social security system. A new, morally oriented economic philosophy is called for at this time. The focus should be on a basic-needs approach and the welfare of the population rather than the needs of the market for continual growth and profit. In this regard, the paper examines the role of family land tenure in providing a common good to help alleviate the hardships of economic downturn. For thousands of co-owning heirs that may need refuge from the vagaries of the international market, family land can provide temporary economic or subsistence shelter. With an economy of limited opportunity, government policy informed by a sense of moral obligation should encourage family land as a form of social security for those numerous co-owners working in off-farm enterprises such as tourism, in which economic uncertainty is ever present.
Introduction

This paper introduces a critical perspective on the failure of contemporary development policies that have focused on foreign direct investment within the arena of the international market to provide employment, economic security, and greater national growth. Market led development cannot solve the problem of the mal-distribution of resources or income, and its uneven cycle of economic performance can leave nations and people with catastrophe. I argue that a new economic philosophy is needed, one that re-conceptualizes the primary role of government as seeking to meet the basic needs of its citizenry rather than the needs of the market for continual growth and profit at the expense of much of the citizenry. In this context, I briefly examine the role a particular form of land tenure, called family land, can play in providing a basic need for many people facing the vagaries of the international market.

The development of the Global South includes a long history of discarded economic theories that have failed to deliver promises of a better life to a broad swath of the world’s working poor.¹ The contemporary era of yet-again failed development policy is exacerbated by the International Monetary Fund’s structural adjustment policies that induce governments to cut back or eliminate various social service programs. Prevailing economic strategy invites foreign capital to invest in market-driven projects that will provide revenue and employment opportunities in place of state-sponsored development programs. These structural adjustment programs are intended to make government more efficient and attractive to foreign capital, yet with enormous investments of capital, poverty and inequality remain intractable blights upon the human condition.²

The International Monetary Fund (IMF) advocates policies derived from an economic philosophy of strict adherence to market oriented programs, coupled with an inherent belief that a “trickle down” of benefits will occur. The economic system is driven by the logic of market growth and investor profit, and it is assumed these factors will create the conditions by which people can secure resources and socio-economic security. This outlook prescribes the traditional neo-liberal program of removing economic barriers and retrenchment of government from such social “activism” as promoting land reform, social welfare, and labor rights. From the IMF’s point of view, economic growth comes from limited government spending, foreign capital investment programs, a stronger push for export production, maquila-type assembly, and tourism. This philosophy, referred to as a “hyper mobility” of capital flows by Vaccaro (2010), where implemented, leads to uneven investment and consequent abandonment when cheaper opportunities develop elsewhere, leading to outcomes that are fraught with instability and uncertainty.

It is within this context that a particular form of land tenure known as common property can play a significant role. Found in many parts of the world, common property, generally referred to in the Caribbean as family land, is a non-individual form of land ownership in which access to land by numerous individuals is gained based on tribal affiliation, community residence, or family lineage. As this paper will outline, common property can be thought of as a form of common or public good in that such tenure can accommodate many more individuals with little or no transaction costs than can private ownership. In areas where this tenure form is found, it may be the only means by which those in need of a degree of economic security can find it. The idea that common property can play an important role in the development future of nations such as St. Lucia hinges upon a shift in development thinking back to the basic needs (growth with equity) approach of the 1960s. Government policy should move beyond a purely
economic analysis of family land and see its significance as a refuge for those facing economic difficulties and few available alternatives. In other words, the state needs to return to a moral or basic-needs conception of social development from its current focus on neo-liberal prescriptions.

For too long, the idea of morality and the meaning of the common good have been marginal to the economistic thinking of development. The concept of common good, however, has a long pedigree in Western thinking, beginning with Greek thinkers such as Plato and Aristotle. The common good generally benefits society as a whole, as it encompasses the ideas of equality and social justice. Acceptance of the common good as a significant social value binds members of a society to each other, as T. H. Green pointed out. He suggested that individual satisfactions are such that “no man can contemplate as abiding except so far as he identifies himself with a society whose well-being is to him as his own” (Barbour 1908, p. 153). Green further commented that the common good provides a good whether or not it serves the “likings” of civil society (ibid). For example, the U.S. national park system is a common good of open access to anyone who wishes to enjoy what it has to offer. Not everyone goes or even cares about the parks themselves, but society is better off with the park system as a public access resource than as exclusive private holdings. The park system meets a need or desire that is beyond any one individual’s volition. We do not think of the park system in terms of economics but in a spiritual or social sense of individual and collective wellbeing.

A central part of the social struggle in the developing world as well as advanced countries such as the United States is over what should constitute common goods. Should access to clean and affordable water, sanitation, health care and education be common goods or goods mediated by some market mechanism determined by cost? However, when we consider economic development in a society, the idea of common good is missing since emphasis is placed more on individual well-being, initiative, and motivation.

A Short History of Development Theory

Since the Second World War, numerous theories of and prescriptions for how to bring the Global South to a more advanced state of economic progress have been proposed. The most commonly accepted method of economic assessment of countries comprising the Global South during the last half century has been the calculation of the relative value of each national economy, measured by its Gross National Product, expressed in relation to its population. For a considerable period, and to a large extent continuing today, the emphasis has been on bringing GNP per capita up to a level that would sustain economic growth. By its very, nature development implies growth, and from the 1950s through the 1980s, the search was for the obstacles preventing what was understood to be an inevitable process. Two broad perspectives developed that explained why growth was so difficult to attain: an orthodox modernization perspective and a radical approach expressed by dependency and underdevelopment theory.

Modernization refers to processes by which traditional societies move in the direction of taking on the technological and socio-cultural systems characteristic of advanced industrialized nations. This perspective holds that the differences between the rich and poor countries of the world can be addressed by the introduction of Western technology, values, and institutions. Practitioners such as David McClellan in *The Achieving Society* (1961) and David Lerner’s *The Passing of Traditional Society* (1965) attempted to identify the characteristics—structural, cultural, and psychological—that are necessary to modernization. They also examined the kinds of structural, cultural, and psychological features of traditional societies that were thought to
obstruct modernization, particularly as these related to economic development. At the psychological level, for example, modernization theories picture traditional peoples as fatalistic, resistant to innovation, and unwilling to experiment with new ways of doing things. Socially, the theories considered traditional society too communally-oriented (as opposed to individualistic) and too inwardly-focused (as opposed to engaged in the broader world). These theorists held that in order for traditional societies to become modern, they must move toward a more open attitude toward change and the achievement orientation that characterizes Western societies.

Those who subscribe to modernization theory tend to accept Adam Smith’s assumption of the existence of *homo economicus* and that Western industrial values will create individuals who, in the pursuit of their private interests, will create wealth from which the entire society will benefit. Constituent elements of this perspective are that the individual is a rational maximizer of his or her own interests, that the idea of profit and competition are resident within the modern individual, and that these drives operate best through the mechanism of the private ownership of resources. The ultimate goal is a modern market economy populated by rational independent decision-makers fluid in their psychological makeup to accommodate risk and uncertainty.

Modernization theory is correct in observing that less developed countries have inefficiencies based on patronage systems and staid bureaucracies, but this alone cannot explain persistent inequality, poverty, and economic uncertainty. The dependency paradigm, on the other hand, attributes inadequate development to the nature of the unequal political-economic relationships between the less powerful developing countries and the more developed industrial world. From this point of view, there were no discernible cultural or political stages of growth leading to industrial development. Andre Gunder Frank, for example, denied that development could be introduced into Third World societies and suggested that it is not the lack of proper values and institutions that had prevented underdeveloped societies from investing in their own future but more the net outflow of local capital to the West (1969). Most less developed countries are former Western colonies in which domination put them at a disadvantage as they began to develop to satisfy the needs of foreign markets at the expense of local ones. Frank argued that for many peripheral areas, their economic condition is the precise outcome of a capitalist oriented development project.

The era of colonialism set in motion the structure that would siphon resources (and the wealth contained therein) through the exploitation of cheap local labor and agricultural lands regulated and organized by a set of subservient local institutions. The Western nations set up these colonies for the express purpose of supplying the colonial homeland with the resources necessary for industrialization. Finished industrial product (now with considerable value added) were then traded back to the former colonies in return for their low priced agricultural and raw resources. From Frank and other dependentistas’ point of view, the poverty found in the Third World is not inherent to these regions but is an outcome of colonial action and the cumulative history of such transactions. It is for this reason Frank saw colonialism leading to dependency on the Western nations and furthering the process of “underdevelopment.”

The difference between these two approaches is put succinctly by John Isbister when he concluded, “To the modernization theorists, underdevelopment is a state or a condition [out of which one will evolve]...” but to the dependentistas, underdevelopment “is not just the failure to develop; it is an active process of impoverishment” (1998, p. 44). In the long run, however, neither of these two broad perspectives offered much for policy recommendations. While offering significant insight, dependency theory cannot explain the rise of the newly industrialized countries of Asia (e.g., South Korea, Taiwan). The weakness of modernization
theory was the assumption that by merely introducing new technology and capital, along with new values and norms, a poor country could “take off,” as W. W. Rostow argued. This likewise proved to be far too simplistic and ineffective.

The development of modern economies in the less developed countries has had as a consequence the unequal distribution of the economic output and benefits of whatever growth has occurred. Neither modernization nor the dependency school of thought considered nor were able to suggest policies to alleviate the internal maldistribution of income. As Charles Wilber and Kenneth Jameson point out, any laissez faire market-oriented approach to the economy will fail to adequately deal with income distribution (1979) even if dependency is overcome. They go on to conclude that the orthodox approach to economic development by the late 1970s had not been able to adequately address crucial economic conditions such as unemployment, income inequality, and poverty. Jan Knippers Black has noted that the 1980s was equally unkind to much of the Global South. The U.S. Agency for International Development (USAID), she explained, reported that of ninety-five least developed nations, 70 percent experienced economic decline during the decade (1999, p. 13).

The United Nations Development Programme recognized this disillusionment with a mixed assessment of progress in poverty eradication in their 1990 report. While considerable progress had been made, approximately one billion people continued to live in absolute poverty (UNDP Human Development Report 1990). Concurring with the UNDP assessment, Shaohua Chen and Martin Ravallion of the World Bank’s Development Research Group reviewed the state of world poverty through the 1990s and reported a “disappointing rate of poverty reduction” (2000). Although the incidence of poverty fell in Asia, North Africa, and the Middle East, there was little substantive change in Latin America and Sub-Saharan Africa and sharp increases in Eastern Europe and Central Asia.

Considering that development has not progressed as hoped, “development” is now re-conceptualized as “participation in the world market” (McMichael 2000, p. 111). Through structural adjustment programs, privatization, effective and efficient allocation and use of resources, and direct participation in the market are now the hallmarks of development. Within the context of such development, realignment of the function and performance of resources is central for Third World economies under the new market paradigm.

The Market as Development

In ascendance today is the belief that a laissez faire market to attract foreign investment is the best method for developing an economy because the market produces a degree of rationality leading to efficiency in allocating resources and rewards. To this end, many developing nations have instituted various IMF structural adjustment programs to eliminate economic inefficiencies and encourage capital investment. However, many of these programs involve trade liberalization, greater control over labor unions, and the privatization or dismantling of state-provided goods and services that tend to benefit low-income groups. An essential focus of such programs is the active search for foreign direct investment. The risk here is that these economies become highly vulnerable to the “hyper mobility” Vaccaro (2010) characterizes as a central feature of the “post modern” international economy of “liquid” foreign investment’s search for cheap resources and labor. Such investment is in constant search for new opportunities beyond the control of any national entity.
Unquestionably, structural reforms have led to a period of vigorous expansion for some economies. For example, between 1985 and 1995, exports by the Chilean economy jumped from 28 to 37 percent of the Gross Domestic Product (GDP). The GDP rate averaged around 7 percent during the same period while poverty dropped from 44 to 29 percent, and real wages increased by 23 percent (Vergara 1996, p. 39; Riveros 1998, p. 131). Even during the economically turbulent early 1990s, “Chile was among the most dynamic economies in the world” and an exception in Latin America (Riveros 1998, p. 111). For many countries, these measures have meant, as Vergara concluded for Chile, that “privatization has created a dual welfare system: a private system with high quality services [that] coexists with an under-financed public system” (1996, p. 41). Every social member without adequate resources such as education, income, and essential skills is left to fend for him or herself in an economic sea of uncertainty and limited opportunity. In Chile’s case, what helped bring down the poverty rate was not exclusively economic growth and laissez faire policies per se but rather, as Julieta Palma and Raúl Urzúa have reported, the government’s Chile Solidario plan, a program of direct action to help the poor (Palma & Urzúa, 2005). While poverty has been addressed, it is noteworthy that income inequality remains stubbornly entrenched. According to the CIA Factbook, the lowest ten percent of Chilean society had a 1.2% share of income, while the highest ten percent captured 47 percent, a GINI coefficient of 57.1 (2007).

Carlos Vilas believes that while Latin America has experienced relatively high growth rates by the mid-1990s, employment and poverty remain serious concerns. By the end of 2001 Argentina, for instance, was experiencing 20% unemployment, a 70% devaluation of the peso, and an increase in the poverty rate to 58% (World Bank, 2003). With the repayment of the outstanding IMF debt in 2005 and a GNP growth rate of around eight percent under Nestor Kirchner, the poverty rate still burdens over 30% of the population in 2006, according to Guillermo Háskel of the Buenos Aires Herald (2006). In the city of São Paulo, Brazil, Vilas writes that poverty increased from 37 to 47 percent (1999, p. 17). The World Bank notes that while Honduras has had positive economic growth of around 3 percent for most of the decade, poverty has hardly changed, hovering around 44 percent of the population (2006).

Over the past several decades, the Caribbean basin economies have likewise experienced mixed results in their development efforts to fight poverty and inequality. Although many of the Eastern Caribbean (EC) nations such as St. Lucia had experienced adequate growth and the advancement of both an urban and rural middle class, the collapse of the Lomé Convention (which gave the EC economies preferential treatment in the export and sale of bananas) has shown the economic vulnerability of the region. An assessment for the Caribbean Development Bank found that between 1995 and 2005, poverty increased in St. Lucia for both number of households (from 18.7 to 21.4 percent) and percent of the total population (25.1 to 28.8) (CDB, 2007). The CDB report also found that 46.6% of households would fall into poverty if some negative economic event were to occur (ibid, xiii). The uncertainty surrounding the vulnerability of the St. Lucian economy will be discussed below, but it is worth noting the CDB felt the lack of a social security safety net a significant factor. The CDB commented,

The fiscal difficulties prevented the government from expanding expenditure on the social services generally and on the social safety-net specifically. Thus, as poverty inducing conditions increased, the Government has found itself with fewer resources to address the problem through alleviation (CDB, 2007).
These conclusions are shared by James Speth, Administrator of the United Nations Development Program. Taking stock of development conditions in the developing world today, he wrote in *Foreign Affairs* that not only have conditions not improved, but in many countries, they have become worse, with per capita income declining in over 100 countries the last 15 years (1999, p. 13).

Considering the Millennium Project goal to eradicate world poverty, the 2005 United Nations Development Report declared, “...The overall report card on progress makes for depressing reading. Human development is faltering in some key areas, and already deep inequalities are widening.” (UNDP Report 2005, p. 2). Their data suggest that, in 2005, more than 2.5 billion people—40% of the world’s population—lived on less than two dollars a day, leading Nelson Mandela to frustratingly declare, “Massive poverty and obscene inequality are such terrible scourges of our times—times in which the world boasts breathtaking advances in science, technology, industry, and wealth accumulation—that they have to rank alongside slavery and apartheid as social evils” (ibid, p. 4).

It is clear from the foregoing discussion that the market, while producing benefits for some on the one hand, likewise produces an environment of economic uncertainty and instability for those without resources on the other. That is, the fluidity of the international market cannot secure an environment that can adequately address the twin problems of poverty and income inequality for the most vulnerable members of society. This past year, we have seen the international economy experience a widespread and deep recession. Many impoverished people have always been in a recession mode of limited means and opportunity fraught with uncertainty and continuous struggle to maintain even the most basic of necessities. A consequence of the market-led, foreign investment model is a new means of global integration fraught with higher degrees of risk and uncertainty since investment capital can move any time for any reason. Under older regimes such as Lomé, forms of dependency remained but with a greater degree of consistency of production, investment, and access to market by numerous independent producers.

**Selling Beaches: Tourism as Direct Investment**

St. Lucia, like most of the small island economies of the Caribbean, is resource poor with little to offer except a tropical climate and wide sandy beaches. A majority of the population lives in small towns and villages, and most St. Lucians are engaged in agrarian activities. The mainstay of the economy had been banana exports to Great Britain under the Lomé Convention of 1975 preferential agreement. With the 1996 collapse of Lomé due to a World Trade Organization ruling, the small Eastern Caribbean islands faced serious economic problems, as their major means of generating foreign exchange began to dry up. Most islands turned to the only resource they have of significant value: picture postcard scenery. Referring to St. Lucia, Prime Minister Kenny D. Anthony pointed out that for "tourism investment to be more attractive and sustainable, vast outlays will be needed by most Caribbean countries to upgrade the supporting infrastructure" (1999b). With few available resources other than sun and sand, St. Lucia began to reinvent itself as a major tourist destination. This strategy has proven relatively successful. Speaking at the annual meeting of the St. Lucia Hotel and Tourism Association, Prime Minister Anthony remarked on the importance of tourism as the major generator of foreign exchange. "In St. Lucia," Anthony pointed out, "tourism now accounts for a larger share
of GDP, employment, and foreign exchange earnings than does agriculture" (1999b). By 2005, the Caribbean was identified as the most tourist-intensive region in the world (Bain 2007, p. 15). St. Lucia focused its development efforts on expanding tourism such that by 2004, tourism was contributing approximately 38 percent to St. Lucia’s GDP and 73 percent of all exports of goods and services (Jules 2005, p. 1). Sharmon Jules’s research noted that the industry had a significant effect on employment, which increased from 11,420 in 1999 to 27,020 in 2003, at a time when agriculture was releasing labor by the thousands (2005, pp. 21-22).

Clearly, tourism saved the islands of the Eastern Caribbean from economic catastrophe, bringing in much needed foreign exchange, investment dollars, and employment opportunities. In 2005, for example, 325,000 tourists visited St. Lucia. Yet unemployment remained relatively steady for that year at 19.7 percent (Government of St. Lucia, 2006). The present state of the international economy will see a further spike in unemployment through 2010 due to the decrease in tourist arrivals. Many of those unemployed are rural agricultural workers who do not easily fit into the growing but particular demand for workers in tourism. The grim nature of the unemployed can be deduced from the Caribbean Development Bank’s 2006 Poverty Assessment Report—St. Lucia. The CDB estimated that almost 19 percent of households and 25 percent of individuals are poor, with a greater incidence of poverty in rural areas (2006). The numbers mask the hardships and uncertainties resident in St. Lucia even for those above the poverty line. As in Tijuana and the coastal areas of Costa Rica, many people in the Caribbean do not earn wages sufficient for subsistence within the relatively expensive economy, in which most goods are imported (due in part to an extremely anemic domestic industry) and are, thus, costly.

Throughout the Caribbean, the labor-intensive nature of tourism means that the industry takes advantage of the available cheap labor force. For average earning per hour, of eight sectors listed by Jules in his study, five pay more than hotels and restaurants (2005, p. 22). Tourist employment tends to be seasonal, often menial with low wages and limited benefits or protections. Employment levels are also susceptible to downturns due to various disasters, conflicts, and socio-political instability. Historically, to circumvent the lack of adequate employment opportunities on the island, St. Lucians could migrate to Canada or Great Britain. Migration to these countries today is much more difficult and no longer operates as a “release valve” for those desperate for work.

Polly Pattullo’s investigation of Caribbean tourism lead her to ask the central question: who benefits from this growth? Her answer is that the industry remains under foreign control. It is mostly foreigners who operate the airlines and cruise ships, own most of the resorts and hotels, and own or control tour operations and food imports (1996). Most revenue generated by tourism escapes the island and is repatriated abroad. Bain estimated that 75 percent of revenue leaves the Caribbean (2007, p. 27), while for St. Lucia in particular the loss is over 56 percent (Jules 2005, p. 6). The degree of leakage is due in part to the lack of strong forward and backward links to the local economy. The problem of limited usage of local resources is due, as the CDB pointed out, to the “high price of local produce, [which is in turn] due in part to small scale of production, inconsistency of supply, and poor quality of products, [all of which deters] reliance on local supplies” (Bain 2007, p. 27). For all-inclusive resorts and package deals, most of what is consumed is imported from abroad rather than procured locally, including most agricultural produce such as orange juice, tomatoes, and chicken.

While the growth of the tourist industry has provided an alternative to the traditional focus on agriculture, it is nevertheless a form of foreign direct investment in which it is foreign
capital that controls most of the industry. In this case, both capital and tourism are sensitive to events such as September 11th, the SARs outbreak, or the recent global recession, which had a dramatic affect on tourist visitation. A significant major outcome of these events is in the area of employment; St. Lucia experienced a surge in unemployment after the events of September 11th. Thus, the major risk of market-led direct foreign investment is the ease of capital and tourist flight.

My Brother’s Keeper: the Moral Economy Imperative

It is really not enough to think that the market can allocate resources in such a way that poverty and inequality are addressed. It is also clear that the benefits of GDP growth and general economic expansion will not “trickle-down” in any great measure to the lower rungs of society. In Tijuana, Mexico, hundreds of assembly plants and factories employ thousands of workers, the vast majority of whom live in communities such as Maclovio Rojas and Chilpancingo, which continue to struggle without infrastructure or any governmental services. Life in these communities is a continual struggle to meet the basic needs of everyday living. Conditions will not improve unless there are fundamental changes in the structure of the economy alongside government policy and general social values to support such changes.

The “moral economy” implies that there needs to be moral constraints or influences on the policies governing the economy. The market, as constituted today, overrides the values and norms that traditionally acted to reinforce social cohesion and cooperation. As Karl Polanyi argued in *The Great Transformation* (1977), the evolution toward a capitalist-oriented market “disembedded” the economy, leading to an autonomous, self-regulating system acting as a centripetal force away from any moral or social community. The basis of capitalism is an individual who is assumed to be self-interested such that, as Sean Sayers points out, the individual “is portrayed as having a nature and an identity which exists prior to and [independently] of its social relations and social roles, and society is conceived as a mere aggregate of such individuals, each endowed with individual rights and pursuing its own conception of the good” (1996, p.1). A moral economy would balance the economic imperative in consideration with the idea of social and economic justice. Development policy influenced by the ideals of a moral economy would ask what the economy is about: creating class-based wealth and greater degrees of consumerism or meeting the basic needs of all citizens, including the impoverished and dispossessed. The question goes beyond exclusive economic calculation to the central ideas of moral obligation and state responsibility.10 Embedded within the idea of a moral economy is the “basic-needs” approach to development, in which the focus of development is on providing health, education, environmental protection, and employment sustainability.11

Attempting to pin down a way to imagine this alternative approach, Jan Nederveen Pieterse felt it can be “viewed as concerned with local development, with alternative practices on the ground, or as an overall institutional challenge, and part of a global alternative” (1998, p. 345). Summing up his review of recent publications on alternative development thinking, Stuart Corbridge added that there is a call for a new way of life organized beyond economism. Corbridge cited Gilbert Rist’s *The History of Development*, which sees a “new way of looking at the self and the world or, in other words, an epistemological turn” that suggests a way of living beyond the economistic calculus of Western ideas about progress and growth (1998, p. 141). Implicit within this perspective is a critique of consumerism as the yardstick of economic and
social progress. Development is also recognizing that there are a series of normative attitudes which express the structure of social relations centered on the norms of social and economic justice.

True development is one that “...aims at the full realization of human capabilities,” wrote Elliot Morss, where “men and women become makers of their own histories, personal and societal. They free themselves from every servitude imposed by nature or by oppressive systems...” (1976, p. 22). The goal of development needs to be more than meeting export quotas and investor profits, but it must use as operational guidelines the three probing questions posed by Dudley Seers in his seminal article, “The Meaning of Development”: What has happened or will happen to poverty, to unemployment, and to inequality? (1967, p. 3) If these conditions are not positively addressed, the prevailing development policy must be deemed a failure.

Recognizing the impasse of conventional efforts, Speth acknowledged that a more inclusive idea of development is needed. “True development,” he concluded, “requires profound institutional changes that empower poor people to contribute to and benefit from the economy… It entails investing in the human, social, environmental, and physical assets of the poor, expanding their access to productive resources, social services, and basic infrastructure” (1999, p. 16). The Bolivarian Revolution instituted in Venezuela under the presidency of Hugo Chávez, for example, attempts to realize Speth’s ideas. The goal of “participatory democracy” is to empower local communities through cooperatives and communal councils to identify and solve their own community problems. The role of government is to provide a structure for accessing resources by communities to solve their needs. On two trips to Venezuela, I saw firsthand the operation of an empowered communal council and its attendant accomplishments.

In the developing world, what assets are typically in place to help the poor deal with issues such as job loss? In Tijuana as well as St. Lucia, the loss of a job can have dire consequences if there is no recourse to other employment. In both cases, jobs that pay a living wage are scarce. For example, the unemployment rate in St. Lucia for 2004-2005 averaged 20 percent, and for those between 15-24 years of age, the rate was around 37% (St. Lucia Statistical Department, 2005). There are no official statistics for unemployment in Tijuana beyond the very low figure offered by the city government. The problem is not so much unemployment as underemployment and sub-minimum wages. My visits to Mexico to examine the relationship between wages and cost of living support this conclusion. I met with various worker organizations such as Centro de Información de Trabajadores y Trabajadoras (CITTAC) and the Sindicato de Trabajadores Telefonistas, which, in both cases, have outlined the critical problems of average wages existing far below the actual cost of living. I have also walked in several communities composed mostly of maquila workers, and it is readily apparent that even full-time workers remain at the threshold of poverty. The optimism that had Carlos Salinas proclaiming, in 1994, with the signing of the North American Free Trade Agreement, that the treaty would create jobs and keep Mexicans in Mexico, has yet to be realized. It appears that neo-liberalism, while transforming the economy, has failed to produce substantive economic improvements in Mexico (see, for example, Binford 2005).

As suggested, given the present development performance, there is an imperative to move beyond the current development paradigm. Current economic policy has difficulty satisfying the needs of the impoverished while at the same time continuing unsustainable environmental exploitation. While it is recognized that producing for the international market is necessary to generate important capital accumulation, a policy structure must be instituted to directly satisfy the needs of the most vulnerable populations. In other words, the market economy is not an end
in itself but should be regarded as a means to an end in meeting the basic needs of society, especially its most vulnerable members. In many developing countries, access to land resources constitutes a primary economic strategy. When individuals are released from other sectors of the economy, land may provide the only means of subsistence. It is here at the confluence of these two points where family land tenure has had an impact on St. Lucia’s focus on tourist development.

**Family Land and the Common Good**

In small Caribbean Island economies, commercial agriculture from sugarcane to bananas has played an important role in providing employment and foreign exchange. In the post-Lomé era, agriculture will continue to play an important but minor role as these nations continue to transform themselves into tourist destinations. With the virtual collapse of commercial agriculture as a foreign exchange earner, tourism is the only viable alternative for these small island economies. There are two points to make regarding agriculture, land ownership, and the uncertainties associated with the tourist industry. First, small but resource-poor economies such as St. Lucia’s are relatively impoverished and face tight fiscal constraints, thereby limiting their ability to provide an adequate social security system to deal with economic downturns that most adversely affect the working classes. The heavy investments in developing and maintaining the infrastructure in support of the tourist industry means fewer funds available for other government projects or programs.

The second point relates to St. Lucia’s attempt to create stronger linkages between the tourist industry’s need for produce and the local farm sector. The government has pushed for crop diversity both to overcome the shortfall in banana exports and to meet the tourist industry’s food needs. The problem of linking local agricultural production to the tourist sector is threefold. On the one hand are the technical problems of educating farmers in new crop cultivation and the reorganization of field production. The second issue is meeting the taste and food demands of the tourist sector with consistent quality and quantity production. The third problem relates to the land itself. Much land is semi-arable and found on erodible hillsides, often far from feeder roads. This limits production possibilities and presents difficulties in getting to market. These problems are exacerbated by the generally anemic conditions of agriculture. Over the past several decades, the evolving urban and middle classes in St. Lucia have generally set their sights on imported foods. There has thus been a limited demand for locally produced foodstuffs that would otherwise encourage a robust domestic market. This condition in turn, along with the emphasis on export agriculture, has meant a poorly developed domestic oriented distribution system.

Agricultural production in St. Lucia is relatively evenly divided between those farmers with private tenure and those who share common or family ownership and use of land. Because of family land’s pervasiveness and the potential to give access to numerous individuals, family land continues to have a role to play, at least as a safety net. According to research, family land comprises between 30 and 40 percent of all land holdings in St. Lucia and as much as 57 percent in areas such as Choiseul (Thornburg 1990). A regional sample of parcels in Micoud found 49 were family land holdings with more than four hundred co-owners with a potential claim to a portion of a holding, while seventy were in private holdings encompassing seventy owners (ibid). The total number of family land holdings in St. Lucia suggests that possibly thousands of individuals have potential access to otherwise scarce and expensive land. Without government
commitment to provide a safety net, such access to land may be not only economically important but also politically important for numerous individuals.

Historically, the benefits of the Lomé Convention led to the creation of a St. Lucian agrarian “middle” class. The "function" of such a middle class is threefold. First, with its relative ties to those classes influencing the direction of the State, the economic health of this class offers allegiance to prevailing democratic political conditions. Second, the existence of the middle class serves to mitigate the contrast between the all-too-rich and the all-too-poor. Third (and directly related to the second point), the middle class appears to offer the hope to those at the bottom of the class structure that they too can "make it" if they try hard enough. In other words, the benefits of Lomé gave the political-economic structure a degree of legitimacy in claiming to provide the conditions for a better standard of living. Co-owning family land farmers, in this case, were just as attracted to cash crop production as were owners of private farms and were also just as willing to invest in productive inputs.

From the perspective of gender, the absorption rate of women into tourist sector work is relatively equal to men, 48% versus 52% (Government of St. Lucia, 2005). Men, however, tend to have higher wages. (On average, men made an hourly wage of 13.99, compared to 10.84 for women) (ibid). The jobs that are found in tourism are often low paying with few or no benefits. Instead, it is on family land that women have historically gained the greatest access to land resources and the export banana market. Private land involves obstacles for women such as access to a bank loan and the high cost of land, while family land, in contrast, provides an “open access” resource for which transaction costs are low once kinship affiliation is established. One cannot be denied access if one is so entitled. The future for women is uncertain if banana exports are limited, and yet women meet with difficulty securing tourist employment.

There is a long history of misunderstanding regarding the circumstances of family land. Some observers believe family land, since it is not private, does not provide security and thus is a disincentive to production. Gershon Feder and David Feeny (1993) believed that some form of extra-individual decision-making over land policy will act as a disincentive to agricultural investment and productivity since the individual producer, it is assumed, is not guaranteed exclusive rights over the fruits of his or her labour. Conversely, others view family land as a prescription for environmental overuse. Garrett Hardin, most famously associated with his idea of the “tragedy of the commons,” considered that a resource open to all would lead to overexploitation and environmental degradation (1968). Hardin conceived of the commons leading to tragedy where “each man is locked into a system that compels him to increase his herd without limit—in a world that is limited” (1968, p. 1244).

The fault with this approach is that it fails to place individuals within a social context with its plethora of cultural meanings, social obligations, and responsibilities. To answer those who believe that without private exclusionary rights there will be “free rider” problems, Carl Runge maintained that immersion in the community brings with it pressure of social sanction to abide by conventions of custom and tradition in use rights (1986). As Max Gluckman’s research in Africa indicated, land rights do not “stand alone” but are expressions of deeper, more social situations. He explained, “...the crucial thing about property is the role it plays in a nexus of specific relationships” (1965, p. 75; see also Anderson 1995). The key element in these relationships is the variety of social obligations between individuals. It is these interlocking sets of obligations that act as a sanction mechanism to ensure at least an element of adherence. It is this web of reciprocal social obligation and mutual interest that ties people together and ensures a
degree of cooperation over land use issues. My research in St. Lucia found that there was a general sense of moral recognition of the rights of other co-owners, who are kin.

From the perspective of those working with common property, “[The] retained interest in family land,” concluded John Bruce, “provides a sense of security [and a] sense of place to men and women who live in a fairly unstable economy where job opportunities shift from one sector to another and from one place to another in response to fluctuations in international markets” (1983, p. 11). Because family land cannot be alienated to a bank, it thus provides insulation from the pernicious effects of market systems that often threaten the grower’s agricultural existence. It appears that it is family land that offers the greatest potential to prevent further concentration of land ownership and dispossession. Hardin’s views on the practice of farming family land notwithstanding, holders of family land are not only as productive as holders of private property, but family land also offers access to land resources to those experiencing unemployment in other economic sectors.

Family land is construed as a modified form of a common or public good in that it is not open to all but only to those who demonstrate rights of access that may encompass thousands of individuals. From those outside the kin group, family land may appear more a private than public good, since outsiders cannot gain access. From the inside, while family land appears to be a public good, which is non-excludable, parcel holders view their production activities and investments in the same way that holders of private property do. Because family land management decisions are often situational and personalistic, the system lends itself to potential criticism and conflict among co-owners. Existing research in St. Lucia, however, found no indication of a systemic pattern of serious or violent conflict that led to productive land lying idle or the direct dispossession of a resident co-owner. Though Bruce is essentially correct that there may be a "battle of attrition" over house sites (although not usually violent) (1983, p. 31), the problems found in operation among co-owners are the sort of problems inherent in any agricultural system regardless of tenure: boundary locations and rights of trespass to distant parcels.

Conflict today is now mitigated to an extent since land no longer retains the economic value it once had under Lomé export conditions. Furthermore, there are social pressures mediated by the nexus of family and kinship to conform to the expectations surrounding common ownership. The weight of tradition and heritage located within the family of co-owners informs negotiations over access and use of such land. Equitable arrangements are usually found among contending members through the nexus of cultural rules of custom and kinship.

With the collapse of the banana export market due to the 1996 collapse of Lomé, family land now can play an important role in acting as a reservoir for subsistence cultivation for those permanently or seasonally unemployed on the one hand and as a possible site for truck farming to supply the tourist sector on the other. As the economic conditions that inform the tourist sector wax and wane, co-owning heirs may likewise move in and out of family land subsistence production. This may prove to be much truer for women than men, as women experience greater exclusion from the growth industries of tourism and construction as well as from the purchase of land.

Conclusion

A moral economy may be difficult to institute, given the prevailing market-oriented values such as possessive individualism. Class-based hierarchies determined by wealth and
income have created cultures composed of strangers, which may be anathema to the normative ideas of sharing, fairness, and justice. Family land as a form of common good supports the meaning of a moral economy. The question of state policy toward family land is complex and difficult. Family land tenure has been in existence a very long time and continues to enjoy the loyalty of the majority of co-owning heirs and is thus not likely to disappear. While the state argues that family land is not economically viable, family land can provide a public service beyond economic return. The Government estimated there were 7,000 family land parcels in 1996, and if we use an average of six heirs per parcel, we can estimate about 36,000 individuals with potential access to family land. For those co-owning heirs that need refuge from the vagaries of the international market, family land can provide temporary economic or subsistence shelter. Family land does provide a positive social function for St. Lucian society and economy by providing a social security net and by giving multiple co-owners access to land when needed. The question is, do the social-economic costs associated with family land outweigh its benefits? We need also ask, must the question be phrased to imply a "zero-sum" answer? The growth of capitalism has meant the individual is at the mercy of impersonal market forces entirely economic in nature. The market arena shifts our focus from collective responsibility and wellbeing to private wants and needs. Fate is individualized and outcome a private concern.

In this era of neo-liberalism, the gap between the rich and poor both within and between countries is growing. Many observers such as Lewellen (1995), John Rapley (1996), McMichael (2004), Black (1999), Ibister (2006) and Easterly (2006) have all agreed that the prevailing theories and practices have been ineffective in dealing with poverty and inequality. Personal observations in Tijuana, Mexico, Costa Rica, and St. Lucia illustrate the continuing inability of present-day foreign investment programs to substantively tackle poverty.

A new way of thinking is in order then, one that goes beyond seeing human activity exclusively in monetary or economic terms. A basic-needs approach should, as ul Haq wrote, focus on an “enabling environment for people to enjoy long, healthy and creative lives” (n.d.). This basic-needs perspective gained currency in the 1990s, when the United Nations Development Program designed the “human development index,” a series of indices to measure progress in basic human development. The UNDP recognized that economic growth must be accompanied by social growth, especially if growing inequalities and poverty are to be overcome. “The hopes for alleviating poverty,” Ibister concluded, “and for asserting human dignity have been largely unfulfilled” (1998, p. 237). The market is not structured nor equipped to respond to the need for human dignity.

Given St. Lucia’s limited resources and the uncertainties associated with tourism, family land tenure can play a significant role in fulfilling a basic need by acting as a common good reservoir for laborers released from other sectors of the economy. With family land’s potential to absorb excess labor during economic downturns, government policy should strive to improve extension and other services to family land co-owners. With an economy of limited opportunity, government policy informed by a sense of moral obligation and economic justice would encourage family land as a form of social security for those numerous co-owners working in off-farm enterprises such as tourism in which economic uncertainty is ever present.
Regardless of the level of poverty in the Third World, everyone has to work. Without any safety net of social welfare, one either works or starves. My research trips to Tijuana, Mexico, and Venezuela have shown me that there are very few who do not work; even beggers perform a kind of work in begging.

The billions of dollars that have been invested in the maquiladora zone along the U.S. – Mexico border under NAFTA have not alleviated poverty in Tijuana or Juarez. To the contrary, impoverishment in these industrial cities is worse than ever, often approaching 50 percent or more.

See, for example, Vicky Randall and Robin Theobald (1998) on political change and underdevelopment. From their point of view, the IMF’s structural adjustment programs are a perfect example of creating the conditions of dependency.

For a discussion of rural poverty conditions in Latin America and the Caribbean, see also the United Nations International Fund for Agricultural Development (2001).

The loss of Lomé privileges will be, according to the Prime Minister of St. Lucia, Kenny Anthony, "...a threat to our very survival as small nation states." The WTO decision, from Anthony's point of view, is inherently misguided "unbridled liberalism," as a result of which "we will lose everything, but the [U.S. banana] companies... stand to gain more and make bigger profits, at the expense of our farmers" (1999).

There is, as is often the case, disagreement over poverty rates. Poverty rates are dependent upon the criteria used to define the level of poverty. The CDB and others suggest that the data for 1995 indicate that about 25% of St. Lucia’s population was in poverty. The Economic Commission for Latin America and the Caribbean, on the other hand, believe that $2.00 a day is a more realistic baseline for St. Lucia when factoring in per capita GDP. Thus rather than 25% they estimate the poverty level closer to 59% of the population (see United Nations ECLAC, 2005, p. 32).

Lomé was replaced in 2003 by the Cotonou Agreement, which gives former Lomé participants duty-free trade access to EU markets beginning in 2008. It remains to be seen if Cotonou provides the economic benefits realized under Lomé.

The Statistical Department’s report implies that the contraction of agriculture continues to have an adverse effect on the young (where the unemployment rate is 37%) and older workers. Neither is likely to be employed in the tourist industry. The report states that while the construction industry may pick up some of the younger workers, “there are likely to be adverse consequences of this for the older persons displaced from the industry” (2006).

In an attempt to capture as much leakage as possible, St. Lucia has instituted a program to encourage agricultural production to satisfy the needs of resorts, hotels, and restaurants. The program, begun in 2004, focuses on quality, quantity, and consistency of produce. The Sandals Group of resorts has agreed to work with St. Lucian farmers to improve produce to substitute imports (Bain 2007; Jules 2005).

Orthodox development economists would suggest that such a basic needs/moral approach would curtail economic growth. See, however, Bruce Moon and William Dixon’s article, Basic Needs and Growth-Welfare Trade-Offs, for a counter argument that meeting basic needs in fact promotes growth (1992).

It is not the focus of this paper to discuss the political implications of such development policy. However, there are at least two basic problems that need to be overcome for a basic-needs or moral economy approach to work. First, policy development must include the active participation of civil society and the many non-government organizations. This is so because part of civil society as recipient knows what it needs and what form delivery should take. Additionally, other elements of society must be asked to rethink the meaning of development even though the conventional conditions of the economy have benefited them. This is, for example, what the contemporary political struggle in Venezuela is all about. Furthermore, any shift in policy may have to be accountable to external multilateral agencies such as the World Bank and IMF, which carry considerable influence over economic policy.

Especially among the growing urban middle class, imported consumption items, including food, from the United States, Canada, and Great Britain are very important as status symbols, and, some say, in terms of quality and taste. Thus, selling local fresh chicken faces a constrained market, one which is at least at present rapidly shrinking. In the Caribbean, one cannot discount the importance of external market pressure on the islands that have historically always been import dependent. Deen Saidwan of Wyatt & Co. (Trinidad) has complained, "Within the Caribbean, there's [an] influential food import lobby: the commercial agents, and this lobby has a vested interest in maintaining [its] commission agency status and importing food" (1987). He goes on to add, "It is in their interest to keep on importing food.... [T]he food import lobby is more powerful than our local food producers" (1987).

For example, many farmers I spoke to grew a variety of citrus fruit but mostly for home consumption or the local market. The fruit were generally pulpy and not very sweet. The same is not true for imported frozen orange and
lemon juice. With no distribution system in place to get produce from farm to market, there is little incentive to improve quality.

14 Of course, with too many claimants, the size of the individual parcel decreases, but if it is a question of a house plot or a subsistence garden, the parcel size may not be a significant issue for many users who wish to return to non-agricultural jobs when economic conditions that forced them out improves.

15 The six heirs per parcel is from research conducted in St. Lucia. See Thornburg 1990.
References


