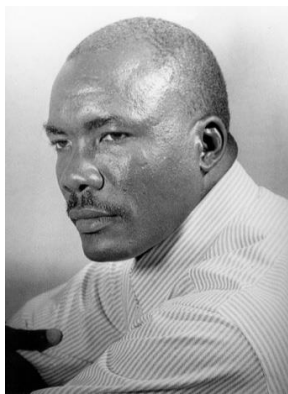


# **The Diseconomies of Poverty**

Dr. Anderson Reynolds

reprinted from the Voice Newspaper (2002)



By 1999, with a real per capita GDP of over EC\$7500, the World Bank had pronounced St. Lucia an upper-middle income country, allowing it to join the ranks of Barbados, Trinidad and Israel, and showing that the nation had reached a new plateau in its development march. However, there lies the country's dilemma. In its initial stages of development, given where it was starting from, a flourishing banana industry, a rising tourism sector and low wage manufacturing enterprises combined with international aid were sufficient to spearhead acceptable economic growth rates. But as a middle income country (and the accompanying higher wage structure that comes along with it), low wage, low skill, footloose factories, the production and export of bananas, a soil depleting and environmentally degrading raw product, and a fickle tourism sector whose economic benefit to the country is questionable at best (given the current trend of cruise ship tourism and inclusive hotels and the fact that a large portion of tourists expenditures do not remain in the host country), may not be sufficient for sustained economic growth, especially since none of these activities help develop high-level skills that in turn could spur high wage, high tech industries. Furthermore, as the country's standard of living rises, international donors will be less forthcoming with aid.

This suggests that the only way St. Lucia can continue to enjoy high rates of economic growth would be to keep on improving its level of productivity. After all, it is a well-known fact that an industry's or country's wage rate is directly linked with its level of productivity. A country's level of productivity can be improved by the adoption of new and improved technology (or alternatively, increasing and improving its stock of physical capital) and by improving the quality of its human resource or in the jargon of development economists investing in its human capital. Human capital can be improved by education, training, and the cultivation of attitudes and habits conducive to sound business practices.

## **Local Means Inferior**

On the question of attitudes and habits conducive to business performance and productivity, the country displays several traits that severely undermine its productivity and hence its ability to be competitive. To begin with, made in St. Lucia is viewed by St. Lucian themselves as inferior. Now if a locally made product is inferior to its imported counterpart, there is nothing wrong in saying so, in fact some good could come out of such a pronouncement, because how else would the manufacturer know that the product can do with some improvement. But where the problem lies is that not only has "local" become synonymous with inferiority, but that to St. Lucians it is quite ok for something made locally to be inferior, because, after all, the country is small and poor. It

seems to matter little that quality and superiority are matters more of attitude and of the mind than of the abundance of resources. How can one ever become competitive when one is starting with the premise that given where one is coming from it is impossible to be competitive.

## A Legacy of Slavery

There is a culture that individuals have no stake in public goods or endeavors or in property and activities they do not directly own. Citizens exploit and abuse public property with no remorse. Sand miners have denuded beyond recognition many of the island's beaches. Yet the abuse continues unabated. Employees rob their employers as if it is their right to do so, as if to not do so would be to fail in their duty as employees. Workers seem to operate under the premise that the whole concept of work is to do as little as possible. So serious is the problem of employee theft and irresponsibility that many businesses refuse to branch out unless they can find a relative to put in charge of the new branch, suggesting that it may not be factors like market size and access to capital that are the biggest impediments to business expansion, but the untrustworthiness of employees. One wonders how many businesses have folded because of employee theft.

Arguably some of this attitude could be traced to the island's history of slavery and colonialism. Under the slave culture of the plantation system, the slaves had little stake in the success of the plantation. There was no direct relationship between their well-being and how hard they worked. On the contrary, given that the brutal labor conditions the slaves had to undergo led to premature deaths, it was in their interest to do as little as they could get away with. Undoubtedly, owning nothing and having no hope of owning anything, the slaves saw it as their duty to undermine as much as possible the smooth running of the plantation. After all, the more break downs and down times the sugar mills and other plantation operations suffered the less work the slaves did. The fact that St. Lucians, especially the older folks, refer to government property as *bagai bétché*, (the white man's or the plantation owners' property), is suggestive that this aspect of the country's slave culture has perpetuated. It seems that in the psyche of many St. Lucians the slave master has been replaced by the government, businesses, or any individual, organization or entity that has some authority, owns property or has employees. The quickness with which many St. Lucians call anyone they perceive as financially better off than them "boss" (thus setting up the "boss" for exploitation), is another case in point.

Now contrast this with how aspects of Japanese history and culture have served them well in this modern age of capitalism and globalization. Modern Japan emerged out of a culture where the *Samurai*, the warrior aristocracy of Japan, was fanatically loyal and dedicated to their *daimyos*, or warlords, and took their sense of responsibility and accountability to such extremes that they would willingly commit suicide when they failed to successfully carry out a mission. The *daimyos* in turn provided for their *Samurai* as they would for their own family and were totally committed to the supremacy of the Japanese nation. It is small wonder that Japan was among the few countries that Europeans never conquered. Japan's system of *Samurai* and *daimyos* is no more. But the fanatical loyalty of the *Samurai* to their *daimyos*, and their suicidal sense of responsibility and accountability have been transferred to the loyalty and dedication of workers to their employees (the Toyotas, Hondas, Datsuns). And the *daimyos* commitment to their *Samurai* and to the

supremacy and superiority of Japan have been translated into Japanese companies' lifetime employment for their employees and a dedication to Japanese global economic dominance. Japan's mercurial rise to economic might is no doubt partly due to this aspect of its culture that, like the slave culture of St. Lucia, has perpetuated into the present. Of course, this kind of fanatical devotion to region, company and country can self-destruct if one doesn't know when to stop. Japan's kamikazes (World War II suicidal pilots) made history. And their tenacious commitment to the war long after their defeat was obvious led to the near destruction of their country.

## **A Don't-Carish Society**

A culture of lawlessness, irresponsibility and unaccountability pervades St. Lucian society. With almost no risk of police intervention, motorists drive at break-neck speeds and overtake each other without regard to road conditions or sharp bends. Vehicles traveling at nights with one headlamp or none at all are such frequent occurrences that visitors to the island often wonder whether it is quite legal to do so. Taking little responsibility for their own safety, pedestrians walk in the middle of highways as if begging motorist to run them over, or at the very least putting their safety totally in the hands of the already reckless drivers. The government and the National Trust's massive educational campaigns, which have included island wide community cleanup days, pleading with citizens to keep their community clean, have produced little results. People continue to litter the country's roadsides, gutters, rivers, and beaches. In St. Lucia few lines are drawn. Little distinction is made between school children and adults regarding drinking, dance halls, nightclubs, and sexual engagement. A headmaster of one of the island's Primary Boy's Schools was for years (allegedly) sexually molesting his students, yet there has never been a shred of public outcry. The headmaster is now retired but continues to enjoy great respectability. His educational and musical (he gave music lessons) contributions apparently more than made up for his damaging of the nation's children.

It would be a mistake to think that this sense of irresponsibility and unaccountability reside only in ordinary citizens. On the contrary, it works its way from the street bum who callously throws away a plastic soda bottle in the gutter to the highest levels of government and corporate offices. An unstable, uncertain, unpredictable, anything-can-happen-anytime (with no recourse) atmosphere permeates the society. The uncontrolled and unmonitored state of the nation's vehicular traffic leaves one in constant fear of meeting death anywhere, anytime, any day. So much so that many a citizen dread, whether on public transport or on their own vehicle, the commute between Castries and Vieux Fort. The many vicious crimes and even murders that go unsolved in such a small country leaves one in no less fear and is yet another example of the level of irresponsibility and unaccountability that is crippling the country. For what greater level of unaccountability there is when citizens are getting away with murder. Especially when one senses that police investigations into many of these cases rarely go beyond a public show. Clearly, this kind of atmosphere doesn't lend itself to the attainment of excellence.

Students of industrial organization or social behavior may posit that structure influences conduct, which in turn affects performance. No doubt there are many societal traits that help create in citizens the sense that most things are beyond their control, that what happens to them have little

to do with their own behavior, that they are not responsible, and thus unaccountable, for the outcome of events. Frequent and electricity and water outages, sudden shortages of items ranging from basic foodstuffs to passport forms to cement and tires, telephone and electricity hookups that can take from a week to several months, goods that take weeks to clear customs on account of the multitude of signatures and forms required, documents such as permission to drive a left hand drive vehicle that simply requires a couple of signatures and that could be prepared in five minutes, taking weeks even months to process, all create a sense of helplessness. The sudden shortages, the pervasive unreliability of services, the extreme, unnecessary delays, make planning extremely difficult, and the timely completion of projects almost impossible. After a lifetime of facing this kind of environment, especially when people have had no outside exposure, it is quite understandable that they would acquire the mindset that says things are not up to them. It is a vicious and circuitous cycle. For the people who occupy government and business offices and are in positions to turn things around, to act more responsibly and speedup the processing of documents and projects, are the very people who from childhood have been subjected to the conditions that have inculcated a sense that things are beyond their control. Therefore, they are in no psychological condition to change the status quo.

One can carry the analysis deeper to suggests that besides historical and cultural preconditioning, the unreliable and chaotic provision of services and goods are partly a consequence of the limited size and purchasing power of the population. The limited size of the domestic market forces business to operate below the optimal scale of operations (both in terms of manufacturing, merchandising, staffing, etc.), which in turn affects the flow of goods and services. The country, especially in the short run, cannot do much about its market size, nevertheless, if the country is to develop further, its citizens, the government and businesses have to take up the challenge of greater accountability and responsibility.

## **A Minimalist Attitude**

St. Lucia's minimalist attitude is another aspect of its culture that is limiting its ability to be competitive. There is a tendency to put the least amount of effort, to use the least quantity and quality of inputs, and to pay the least attention to detail as would just barely get the job done. So understandably quality suffers. For example, not long after construction, toilets refuse to work, faucets fall apart, walls crack, roads disintegrate. No matter there is plenty of space, bridges and roads are built large enough to just barely allow two vehicles to squeeze through. This mentality of cutting corners, living on the edge, pervades the whole society. The frequent electrical blackouts and water shortages mentioned above suggest that the utility companies, among the largest corporations on the island, are also cutting it close. One enters an office, government or business, seeking information, and it is as if the people there operate under a principle that they should give the least amount of information as possible, as if every shred of information cost a million dollars.

One can well understand that this kind of mentality arose out of a condition of severe impoverishment in which as a matter of survival we were forced to economize, to stretch resources as far as possible, even if at the expense of quality. After all, even today, a large percentage of the population is still inadequately housed and faces degrading living conditions. Yet if the country

has to improve its global competitiveness, it must shift away from this minimalist attitude and adopt a mindset of doing the best work possible with given time and material resources.

## **Education is the Answer**

For the country to move forward it has to overcome these historical and cultural baggage. And this is where education comes in, because no activity is as effective in enabling one to overcome the deficiencies or negatives of their upbringing and culture and become productive members of society. This suggests that the poorer a country, and the more its history and culture predispose its citizens to being counterproductive, the more critical is education to the country's socioeconomic development. If there is any way of St. Lucia defeating history, of rising above its slavery and colonial past, and of finding its own path, then education is the way. Yet St. Lucia's illiteracy rate stands at above 27 percent. Each year over 50 percent of students sitting common entrance exams are denied access to a secondary school education. Each year the nation callously discards over half of its up and coming brain power. Newspapers, bookstores and authors are lamenting that few of those who can read, read regularly. Many of the hundreds of secondary school students that the country graduates each year behave as if a secondary school education is the beginning and end of all education.

Nonetheless, there is no way around the nation committing itself to excellence and to being globally competitive. With bananas, St. Lucia based its livelihood on a commodity that others were producing not only at a lower cost but at a higher quality, forcing the country to depend on the generosity of third countries for its survival. As alluded to above, going the way of tourism is no panacea. So unless the country has decided that it is just too small and too resource-poor to ever be globally competitive in anything it does, it is foolhardy depending on the generosity of others for its well-being. The only way forward is to commit itself to excellence. And the only way to excellence is through education.

After all, despite the serious economic strides that St. Lucia has taken, a government study (1995 poverty assessment study) suggests that more than 25 percent of the population or almost 19 percent of households live in poverty. Yet to be considered above the poverty line, a household of four (parents and two children) only needs an annual income of EC\$4800.00. Contributing to this poverty is the sad fact that even at the country's peak level of performance its unemployment rate hovers above 15 percent. Statistics, however, do not tell the whole story. Many live in small, patched up shacks that allow little privacy, and are so over crowded that households invariable extend unto sidewalks. Many of these homes have no running water and toilets ( pit or otherwise), so, to many, public stand pipes have had to serve as showers, and nearby bushes, rivers and sea walls as toilets.

## **A Vulgar Society**

The splendor of the fishery complexes at Dennery and Vieux Fort is enough to make any resident of these communities proud. Nonetheless, if one were to walk along the wall and huge boulders

where the ocean meets these fishery complexes, the excrement stench that greets the nostrils is so powerful that one would have no choice but conclude that this here is toilet to the whole town. Yet one need not go as far to realize that something is amiss. At any corner of any town or village urine stench assails the senses.

Such poverty-stricken conditions have produced citizens who have little self-respect and self-worth, don't talk of respect for the rights and property of their fellow citizens. The many disputes that end with cutlass murders suggest also that many citizens have little sense of where their own space ends and where those of others begin. The culture arising from these conditions is predictable: spousal abuse, households headed by single mothers with children of different fathers; parental physical, mental, and verbal abuse of children; school dropouts who take to a life of drugs, alcohol and idleness even before they reach puberty. In brief a culture of debasement, obscenity, drugs, idleness, hopelessness, and dependency. A culture where men never become men and women never become women.

Such a sizable percentage of the population are coming from varying degrees of poverty-stricken conditions, that the culture they produce is the part of St. Lucian culture that is the most visible. So this culture of poverty, obscenity and licentiousness has come to define St. Lucian popular culture. So much so, that after any reasonable length of stay in St. Lucia one must conclude that St. Lucia is a vulgar society.

How does the country begin to combat this "*diseconomies of poverty*?" Again, the answer is Education and a growing economy. And since significant long term economic growth is not possible without education, education, and more education is the principal solution to the nation's problems.