

City University of New York (CUNY)

## CUNY Academic Works

---

Dissertations, Theses, and Capstone Projects

CUNY Graduate Center

---

2-2015

### Impact of Ethnic Conflict on Development: A Case Study of Guyana

Visnoonand Bisram

*Graduate Center, City University of New York*

[How does access to this work benefit you? Let us know!](#)

More information about this work at: [https://academicworks.cuny.edu/gc\\_etds/524](https://academicworks.cuny.edu/gc_etds/524)

Discover additional works at: <https://academicworks.cuny.edu>

---

This work is made publicly available by the City University of New York (CUNY).

Contact: [AcademicWorks@cuny.edu](mailto:AcademicWorks@cuny.edu)

**Impact of Ethnic Conflict on Development: A Case Study of Guyana**

**By**

**Visnoonand Bisram**

A dissertation submitted to the Graduate Faculty in Sociology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

**2015**

**©2015**

**Visnoonand Bisram**

**All Rights Reserved**

This manuscript has been read and accepted for the Graduate Faculty in Sociology in satisfaction of the Dissertation requirement for the degree of Doctor of Philosophy.

**Professor Stanley Aronowitz**

January 30, 2015  
Date

\_\_\_\_\_  
Chair of Examining Committee

**Professor Philip Kasinitz**

January 30, 2015  
Date

\_\_\_\_\_  
Executive Officer

**Professor William Kornblum**

**Professor Mauricio Font**

\_\_\_\_\_

\_\_\_\_\_

Supervisory Committee

THE CITY UNIVERSITY OF NEW YORK

**Abstract**

**Impact of Ethnic Conflict on Development: A Case Study of Guyana**

**By**

**Visnoonand Bisram**

**Adviser: Professor Stanley Aronowitz**

The study presents an alternative framework, from the dominant political and economic theories, for explaining the feeble and relatively slow pace of development of an ethnically divided, resource rich country.

The study, using primary and secondary sources, empirical evidence, and interpretive analysis, examines the emergence and role of racial conflict and its stifling impact on national development in Guyana, which represents an extreme case of a society plagued by racial division. Organizations including labor unions and political parties, as well as occupations and aspects of the economy, among other social constructs, are all racially divided. Utilizing an inter-disciplinary (sociology, political science, economics, history, anthropology, culture) scope of investigation, the study explains: how Guyana became a multi-ethnic state, how ethnic rivalry emerged during colonialism; how ethnicity has shaped its development; how racial conflict was advanced by colonial forces to serve their interests; how it became institutionalized; how it was used by the US and

UK to delay the independence of the colony; and how the race conflict affected the political and economic development of the post-colonial state including its debilitating impact on social change.

The study determines that the failure of development in Guyana is tied to a range of interrelated social issues and problems associated with ethnic identity and rivalry. The study discusses various theories on economic development and on ethnic conflicts in order to explain Guyana's ongoing racial conflict and illustrates some effects of conflict on Guyana's development. It examines, discusses, interprets, and analyzes various variables (power and economic control) impacting on ethnic relations and politics in Guyana and their effects on the country's overall development. It also looks into the causes for heightened ethnic competition and conflict attributing blame to both major (largely ethnic) political parties, PPP and PNC, and their respective founding leaders, Dr. Cheddi Jagan and Mr. Forbes Burnham as well as their respective supporters, Indians and Africans.

The study also proposes solutions as models of governance to manage ethnic conflict to facilitate development. The study has implications for similar societies serving as a guide to help resolve ethnic conflicts that could affect national development.

## -Acknowledgements-

I have a huge debt of gratitude to many individuals who have facilitated my research on this subject and who offered constructive ideas and critiques. In particular, I wish to thank the PhD doctoral committee (Profs. Stanley Aronowitz, Mauricio Font, William Kornblum of the Sociology Department) that reviewed my research proposal as well as the dissertation and the changes they suggested to better the argument made herein. I had the honor to be advised and supervised by some of the most recognized and distinguished scholars in the Sociology department. They challenged my approach to the study as well as certain arguments and suggested authors and other important sources in making my case. They provided invaluable information and insights generously guiding me on issues related to the topic. Their comments, suggestions, recommendation and encouragement helped me to complete the research and the writing as well as enriched my understanding of the subject matter.

I also wish to thank my former teaching colleague Pete who reviewed and edited the dissertation manuscript and who offered critical ideas to improve on it. He provided invaluable assistance in my writing and in suggesting changes.

This dissertation would not have been completed without input and encouragement of several individuals. The writing of the dissertation, after acceptance of the proposal, was shelved aside and remained stuck for many years as I earned a living teaching and volunteering on community activities and writing for community publications. This left little time for research and writing – the quality of time needed to focus on writing a dissertation. Several individuals, including my parents, siblings, friends, and my wife prodded me to complete it. Without out their push, I may not have returned to completing

the dissertation and the doctoral degree. I particularly wish to thank my mother who wanted to see me complete this doctorate and who kept asking “when would you finish it”. My wife also posed similar queries nudging and goading me to finish the project. Their encouragement is most appreciated. I found precious time to research and write in between work and volunteerism. After years of neglecting my studies, I could see the end of the tunnel. It was a painstakingly slow process. What a relief it is that it is all over!

I would be remiss if I don't express direct thanks to my wife for putting up with me during this long period of writing when I used to be up in the wee hours of the morning and going to bed late at night. I spent an inordinate amount of time reading, traveling, and researching that I hardly spent time attending to home care duties and responsibilities. So I wish to sincerely thank my wife for taking care of the home chores while I worked on the dissertation as well as volunteering time for community work.

I wish to dedicate this dissertation and my achievement of the doctoral degree to my wife, mother, other siblings and to all those who provided support and encouragement during my course work as well as during the research and writing of this project.



## -Table of Contents-

Content .....	Page
Table of Contents .....	i
Title Page .....	ii
Copyright.....	iii
Abstract .....	iv
Acknowledgements .....	vi
Table of Contents .....	viii
Time Line .....	x
List of Abbreviations & Political Leaders .....	xiii
List of Tables .....	xiv
Chapter 1 Introduction: Background to Ethnic Conflict .....	1
A. Ethnic Conflict in Guyana .....	8
B. Economic Decline of Guyana .....	14
Chapter 2:	
Sec A Purpose of Study .....	35
Sec B Rationale, Importance & Relevance of Study .....	38
Sec C Why a need to Investigate Ethnicity and Economic Decline .....	40
Sec D Developing a Theoretical Framework .....	45
Sec E Why a Sociological or Ethnic Model to explain underdevelopment .	50
Sec F Argument of Study .....	55
Sec G Hypotheses .....	58
Sec H General Queries Relating to Hypotheses .....	59
Sec I Methodology of Study .....	61
Sec J Shortcomings of the Study .....	63
Sec K New Findings .....	65
Chapter 3 History of Ethnicity in Guyana .....	68
Sec A Need for Cheap labor .....	68
Sec B Slavery & Indenturedship .....	69
Sec C Emergence of Ethnic Conflict .....	75
Sec D Causes of Ethnic Conflict .....	81
Sec E Role of Minority groups in Ethnic Conflict .....	90
Chapter 4 Review of Literature .....	96
Sec A General Overview of Ethnicity .....	96
Sec B Ethnicity & Guyana .....	99
Sec C Economy and Guyana .....	108
Sec D Ethnicity & Development .....	122
Sec E Impact of Ethnic Conflict on Guyana's Development .....	130
Chapter 5: Ethnic Domination and Decline in Standard of Living .....	140
Table of Contents Continues	

Content .....	Page
Chapter 6: Political Development .....	186
Sec A Rise of Parties & Party (Racial) Rivalry .....	187
Sec B Universal Suffrage and PPP Victory .....	192
Sec C International conspiracy & Toppling the PPP Government .....	194
Sec D Collapse of the Working Class Movement .....	197
Sec E Racial Division & Rise of Mass Based Parties .....	199
Sec F Restoration of Self-Rule .....	203
Sec G Jagan's Agro Policy & Charges of Racial Discrimination .....	207
Sec H Cold War and Jagan Leftward Politics .....	210
Sec I US/British Intervention & Second Overthrowing of Jagan .....	214
Sec J Burnham's Racial Campaign .....	221
Sec K Burnham's Rise to Power & Independence .....	227
Sec L Establishment of Ethnic Dictatorship .....	234
Chapter 7: Threats to the Unity of the State .....	243
Sec A Crisis in Governance & Elusive Multi-Racial Governance .....	243
Sec B Racial Zero Sum Game .....	247
Sec C Poverty, Income Inequality, & Urban-Rural Divide .....	250
Sec D Moral Degradation and Corruption .....	251
Sec E Decline in Industrial Productivity .....	254
Sec F Rise of Underground Black Market .....	259
Sec G Educational Neglect and Deterioration of Standards .....	266
Sec H Failure of Farming, Clothing and Housing Policy .....	269
Sec I. Decline in Professional Standards & Make Shift Jobs .....	275
Sec J Political & Ethnic Discrimination Against Individuals & Businesses ....	283
Sec K Collapsing Business Environment & Agriculture .....	293
Sec L Rising Debt Level, Liberalization & Economic Turn Around .....	305
Sec M Parties' Blame Game & Failure of Non-Capitalist Development .....	310
Chapter 8:	
Sec A Economic Reforms & Restructuring Under IMF Conditions .....	327
Sec B Political Reforms and Democratic Elections .....	338
Sec C Return of Racial Stability & Economic Growth under Jagan .....	344
Sec D Resumption of Racial Violence & Economic Downturn .....	346
Sec E Blame for Lack of Guyana's Development .....	352
Chapter 9: Conclusion: .....	358
A. General Summary of the Ethnic Problem & Urgency for a Solution .....	358
B: Proposed Solutions & Recommendations for Stability .....	369
C: Implications for other Multi-ethnic Societies & Further Research .....	387
Chapter 10: Bibliography .....	392

## -Time Line-

1814: Britain occupies Guyana during the Napoleonic Wars.

1831: Guyana is officially declared a British colony.

1834: Slavery is abolished; many slaves leave plantations to set up their own free holdings and settlements

1838: Portuguese from Madeira arrive in Guyana to work on sugar plantations

Indentured workers imported from India to work on sugar plantations.

1851: Chinese indentured laborers arrive in Guyana to serve the estates

1943: Dr. Cheddi Jagan returns from the U.S and organizes workers

1947: Political Affairs Committee (PAC) formed under Jagan's leadership

Dr. Jagan contests as an independent and wins a seat to legislature

1949: Burnham returns to Guyana from his law studies in England; joins PAC

1950: PAC is transformed into Peoples Progressive Party (PPP) with Jagan as leader, Forbes Burnham as Chairman

1953: Britain grants Universal Suffrage

PPP wins first election under universal suffrage with Jagan appointed as Chief Minister. Britain suspends Guyana's constitution, sends in troops and installs an interim administration after democratic elections for parliament produces a result not to its liking.

1955: PPP splits into two factions – Jagan and Burnham factions

1957: Britain restores Guyanese constitution; PPP formally splits along racial lines, with Cheddi Jagan leading a mostly Indian party and Forbes Burnham leading a party of African descendants; Jagan's PPP wins election. Jagan named Premier

1958: League of Colored People (Middle Class Africans and Mixed race) joins Burnham's PPP faction to form People's National Congress (PNC).

1959: Burnham wins Mayoralty of Georgetown, capital and largest city of Guyana

1960: Peter D'Aguiar bursts onto political scene launching the United Force party

1961: Jagan wins re-election and named Prime Minister. Guyana granted full autonomy, with Britain retaining control over internal and defence matters.

1962: Ethnic tensions increase resulting in racial violence. British troops rushed in.

1963: Racial riots between people of African origins and Indian supporters of Jagan become widespread.

1964: Violence subsides! At independence talks in London, Britain decides to change method of electing parliament shifting from first past the post to Proportional Representation (PR).

### Timeline Continues ---

1964: Elections held; Jagan wins plurality but Britain invites Burnham to form a coalition government with the help of a junior partner representing the interests of Europeans, Mixed and Amerindians.

1964: PNC-UF coalition forms with Burnham as Premier and D'Aguiar as Finance Minister

1966: Guyana becomes independent with Burnham as prime minister.

1967: Fallout between Burnham and D'Aguiar with D'Aguiar charging ethnic discrimination and calling for investigations of allegations of corruption involving officials close to Burnham

1968: Burnham jettisons UF; rig general elections giving himself two-thirds majority to change the constitution.

Judicial Appeals to British Privy Council abolished derailing any challenges to rigged elections.

1969: An Amerindian group opposed to the PNC government of dictatorial President Forbes Burnham stages an uprising in the Essequibo region. It was asserted that Venezuela had trained and armed the militants. Burnham crushes rebellion.

Economy slides downward

1970: Burnham declares Guyana a republic within the British Commonwealth and appoints a Chinese, Raymond Arthur Chung, as titular president.

1973: Burnham rigs elections

1978: Burnham rigs referendum to draft a new constitution; opposition wages successful boycott of referendum; only 10% participated; Burnham claims massive victory.

1980: Burnham promulgates a new constitution without electoral approval

Historian Dr. Walter Rodney murdered by the government.

Burnham declares himself first executive president.

1985: Burnham dies in August

Desmond Hoyte (PNC) becomes president.

Hoyte rigs elections in December 1985

Economy continues downward deterioration.

1988: Hoyte invites Commonwealth and IMF Team of Economists to review economy

1989: Hoyte embraces structural reforms

1990: US calls for political reforms in Guyana

1991: Hoyte invites President Carter for consultation on free and fair elections

1992: Hoyte agrees to hold free and fair elections under international supervision

Jagan wins first completely free parliamentary elections since independence;

Timeline Continues ---

1992: October, Jagan sworn in as President

1997: Jagan dies and is replaced by Prime Minister Sam Hinds as President

Jagan's wife, Janet, led the party into elections; PPP wins re-election;  
PNC refuses to accept results and brought supporters onto streets.

1998: Government declares state of emergency in Georgetown in response to violent race riots amid allegations of discrimination against Afro-Guyanese by PPP gov't.

Accord is signed in which PPP agrees to give up two years of term and holds early election.

1999: President Janet Jagan resigns for health reasons

Bharrat Jagdeo becomes president.

2001: New Elections is held; PPP wins re-election

Sources (Guyana Timeline)

<http://www.odci.gov/cia/publications/factbook/gy.html>

<http://lanic.utexas.edu/la/sa/guyana/>

<http://lcweb2.loc.gov/frd/cs/gytoc.html>

[http://news.bbc.co.uk/2/hi/americas/country\\_profiles/1211428.stm](http://news.bbc.co.uk/2/hi/americas/country_profiles/1211428.stm)

[Guyana Chronicle](#)

[Guyana Kaieteur News](#)

[Guyana Stabroek News](#)

[Guyana Times](#)

### **-Acronyms & Abbreviations-**

Caricom – Caribbean Community of regional English Speaking nations

PNC -- Peoples National Congress founded by Forbes Burnham (African)

PPP -- Peoples Progressive Party founded by Dr. Cheddi Jagan (Indian)

PAC – Political Affair Committee that became PPP

ROAR -- Rise Organize And Rebuild

U.F -- United Force Founded by Peter D'Aguiar (Portuguese)

WPA -- Working Peoples Alliance founded by Dr. Walter Rodney

### **-Political Leaders-**

Cheddi Jagan (Indian) - Ruler 1957-64, 1992-97

Forbes Burnham (African) -- Ruler 1964-85

Desmond Hoyte -- (African) Ruler 1985-92

Janet Jagan -- (White) Ruler 1997-99

Bharath Jagdeo – (Indian) Ruler 1999-2011

Donald Ramotar -- (Indian) Ruler December 2011 to Present

**-List of Tables-**

<b>Table</b>	<b>Page</b>
Table 1 Population Breakdown of Guyana by Ethnicity (2000) .....	388
Table 2 Several Economic Indicators on Guyana .....	388
Table 3 Social and Demographic Indicators for Guyana .....	389
Table 4 Change in GDP over previous year in constant 1988 market prices ....	389
Table 5 Growth Rates for Guyana for Selected Years .....	390
Table 6 Various Debt Items .....	390
Table 7 GDP Per Capita (in current US dollars) of Guyana and Singapore .....	390
Table 8 GDP Growth Rates of Barbados and Guyana .....	391
Table 9 Number of Seats and Percentage of Voter Support (1961 and 1964) .....	391
Table 10 Breakdown of Senior Government Ranks by Race (1970s) .....	391

## **Chapter 1 Introduction: Background to Ethnic Conflict**

In recent decades, diverse people have become increasingly dependent on one another resulting in a breaking down of various social barriers to allow for greater economic integration that should result in a better quality of life. Yet, in many societies, especially in the developing world, a barrier in the form of race or ethnicity<sup>1</sup> is increasingly dividing people and impacting negatively on their way of life and standard of living and even on the growth of a nation (Laguette: 2013; Gurr: 1994; Hechter: 1987; Horowitz: 1985; Brass: 1976; Hechter: 1974). In many multi-ethnic societies, ethnic identity (ethnic assertiveness) and discord have been on the rise with many ethnic groups<sup>2</sup> placing increasing demands on the state for a more “fair” (or greater) share of resources and political power (participation and significant positions in governance). People have been viewing issues through ethnic lens and pursuing or advocating policies that are geared towards serving the interests of people of their own ethnic groups rather than the entire nation of multi-ethnic groups (Hechter: 1978; Barth: 1969). Also, they tend to pledge greater loyalty and allegiance to their group rather than to the state. In addition, the members of ethnic groups have been asserting their ethnic identity (described as ethno-nationalism or a kind of ethnic assertiveness in their group identity) in matters pertaining to the state and the economy often making (at times unreasonable) political and economic demands for their group<sup>3</sup> (Bonacich:

---

1 Ethnicity refers to the passionate loyalty one displays for his/her ethnic group.

2 An ethnic group is defined on the basis of race or cultural criteria, namely a group sharing a distinctive homeland or territory (nationality), or language, or religion, or some other form of common ancestry (such as tribe or race, among others).

3 From a sociological or anthropological perspective, ethnic consciousness and the value of ethnicity are social labels imposed from outside a person’s group of physical like-minded individuals and that indeed has been the social reality of life among people in multi-ethnic societies. People are described by the color of their skin or by their ancestors’ geographic locations like Indians or Africans or Chinese or Portuguese or Turkish or their religion, or their language, etc., as is the case in so many places. In these societies, ethnicity (or ethnic identification becomes inordinately significant to the people. Their physical identity and group differences (from others) are always emphasized and instilled into their psyche by others



1972). Such demands made primarily out of ethnic considerations, and for whatever reasons, are increasingly becoming a relevant focus for so many peoples' socio-economic and politico attitudes and their overall behavior in many multi-ethnic nations primarily in developing nations (Young: 1975). This often leads to violent ethnic conflict<sup>4</sup> that has an adverse effect on investment and productivity hurting national economic growth and quality of life (Allahar: 1996; Geertz: 1973). In short, ethnic conflict generally impact on national development and social change.

As gleamed from the literature and from empirical observations, race or ethnic conflict is the single most intractable barrier to social change, progress, growth and development, especially among countries in the developing world. Ethnic division in developing states tends to be much more evident and pronounced than in developed countries, and it seems to have greater effects on development on the former than on the latter. Very few nation states are spared the travails of ethnic conflict and violence, especially in the developing world, which have affected overall development in many of them impacting on standard of living and quality of life (Richardson: 1996, Dew: 1994). In many of these multi-ethnic states, especially in the Third World, the ethnic conflict has been so acute that the nation has experienced (or is on the verge of) a civil war (like Rwanda, Burundi, Zaire, Sudan, among others) that has damaged their economies -- rendering infrastructure dysfunctional, destroying large swaths of buildings, as well as making farming and business activities almost impossible (Horowitz: 1985). Thus, ethnic conflict, especially

---

(including in the media). Not unexpectedly, people tend to accept or see themselves in terms of how they are described by others thereby reinforcing their identity especially when seen by members of other ethnic groups as belonging in that group category.

<sup>4</sup> Ethnic conflict is a struggle (could be peaceful like using protests or violent with clashes) between or among rival groups seeking to maintain or gain access to resources or control of state power. The latter has been the primary motif or *raison d'être* of most ethnic groups in conflict.

when it is expressed in extreme forms of physical violence or even through persistent protests that lead to instability, can negatively impact the overall social, economic and political development of societies (social change) (Bonacich: 1972). This inevitably results in a declining standard of living or quality of life as reflected in measurements of Gross Domestic Product (GDP), GDP per capita, economic growth rates, health and social indices, and other social and economic indicators of many of these multi-ethnic nations.

There is pronounced ethnic conflict in too many nations. In virtually every multi-ethnic nation, people tend to coalesce around their group or an organization (s) advocating the interests of their ethnic group; or they may rally behind a leader (or leaders) who is (are) the advocate (s) of their group or they are influenced by political (ethnic) leaders and or ethnic organizations that advocate on behalf of their group or they support those who they perceive to be representing their 'ethnic' interests (group). The organizations are usually composed of members of their own ethnic group, and they make demands that may be in conflict with (members of) other organizations representing the interests of other ethnic groups that have similar (or even conflicting) demands on the state vis-à-vis their groups (Alahar: 1996; Hechter: 1995; Horowitz: 1985; Hechter: 1974). Ethnic groups tend to display self-interest and have defined their goal not in terms of what is in the national interest but what they perceive to be in the groups' interest. Not surprisingly, many groups demand autonomy or greater amounts of power for their group with reference to control over the state and or its allocation of resources (Hechter: 1987 & 1978; Gordon: 1975). Such demands conflict with those of other groups and they inevitably lead to socio-politico instability resulting in major problems in nation building, including effects on social change and standard of living (that tend to decline).

Also, in several multi-ethnic societies, especially in the developing world, politics is practiced at a primordial (or tribal) level where organizations or political parties are formed (often endorsed by political leaders and politicians) to advocate the interests of their own ethnic group rather than that of the entire nation (state) of all ethnicities. Such fragmentation of the nation often leads to a clash between or among the diverse groups and or with the state (that may be under the control of another group) (Alahar: 1996, Dew: 1989; Nagel: 1984). Very often, the focus of the leadership of a group is on capturing the state for its (their) members (or for a small group of *ethnic entrepreneurs* who claim leadership or are chosen as leaders of the group). The goal of the ethnic leadership is not necessarily that of developing the state for the benefit of all its citizens but rather to guarantee the interests of the group or those of its selfish leaders are foremost served (Gur: 1994). The objective of the state should not be that of serving the vital interests of one ethnic group (as in minority-ruled Rhodesia or apartheid South Africa or Shiite-ruled Iraq) but to promote national development that can lead to a higher collective standard of living for everyone in the nation as generally happens in developed nations. However, ethnic leaders and their followers or their organizations (including ethnic political parties) often lose sight of this important fact, and they tend to pursue a narrow (ethnic) agenda that is not in the best interests of the nation and or at times not even in the interest of the group but of their own apparent self-interest (Hechter: 1987). In some cases, it appears the mission of ethnic leaders or their organization is simply to capture the state (peacefully or violently) regardless of the socio-economic consequences (such as destruction of infrastructure and loss of lives) on their supporters or on the nation at large – a grab for power by ethnic leaders who exploit ethnic conflict without concern for the resulting fallout. In ethnically polarized states, groupings (including

political parties) tend to be (willfully or strategically or organically) organized along ethnic lines or become ethnically oriented. The leaders of these groups (political parties, in particular) advocate the interests of their own groups often to the exclusion of other groups. The preoccupation by ethnic leaders and or their support group and or their parties and or ethnic organizations to focus on the interests of their own groups in national politics inevitably lead to antagonisms with other groups and or their ethnic leaders (Laguerre: 2013 & 1984). This tends to lead to tension and pitched battles between members of groups and or between organizations and or parties representing other ethnic groups for state control (based on ethnic demands) or for ethnic predominance in the country to access or control resources for the group (LaGuerre: 2013). Ethnic tensions and animosity are often followed by violent ethnic conflict (leading to political instability) (Bonacich: 1972) as has been witnessed in so many countries, especially in recent years.

To the extent that political parties or organizations in a state are ethnic in nature, the competition for political control of the state between or among the parties may often mirror the ethnic conflict. That is to say, distinct ethnic groups within a nation have political parties or organizations representing them (as in Libya or Iraq) and they are in conflict with other ethnically based parties or organizations for control of state power and domination (over economics, resources, culture, politics, etc.)(Geertz: 1973). These ethnically based political parties tend to mobilize support, covertly if not overtly, based on ethnicity (Dew: 1989). Once in power, the leaders (of the party or group in power) tend to reward their (or its) own supporters in a client-patron relationship in order to maintain the support of their base, often to the exclusion (or neglect) of members of other ethnic groups, with the goal of perpetuating political and economic control over the state as well as over the group. The

neglect and marginalization of other (subordinated) groups by the dominant group (in control of the state) solidifies and even exacerbates the ethnic conflict (that may lead to violence and destruction). Challenges are mounted against the dominant group by other (out or subordinate) groups furthering the conflict. Also, the competition for control over the state and or for resources along ethnic lines is bound to lead to violence and instability especially when there is inequitable distribution of resources (Geertz: 1973). As observed in so many societies, serious ethnic conflict often leads to physical violence. And once there is violence and political instability, especially over a prolonged period, the economy suffers and with it the standard of living declines (Hechter: 2000, 1995).

In short, in several of these multi-ethnic nations, groups are in conflict with one another or with the state (government) leading to political instability that tend to disrupt economic activities impacting on the development (projects) of the state as well as on social change (Horowitz: 1985). Ethnic competition (conflict) tends to lead to physical violence between and or among groups and or protests that feed socio-politico instability which can negatively affect investment, productivity, tax revenues, food and other commodity production, growth and development, infrastructure, standard of living, etc., as have been observed in so many countries. Instability often leads to economic problems. Investors tend to be reluctant to pour money into societies where there are political (or ethnic) troubles that would make recovery of financial investments or assets very difficult if not impossible. In such troubled societies, as businesses withhold investment, the economy will not grow, economic progress becomes stymied and the standard of living inevitably suffers (stagnate or decline) as observed in many societies. Even state owned corporations are not exempt from the effects of conflicts; they also experience problems during periods of political

instability resulting in reduced productivity and loss of revenues. Several countries suffer from this syndrome (ethnic conflict leading to political instability that impact on the economy). The causes (of ethnic conflict) need to be addressed (and resolved) by policymakers so that conditions can be established for the diverse groups of people (in conflict) to live peaceably allowing the societies to maximize their economic potential resulting in an improvement in the collective standard of living of all irrespective of ethnicity and (positive) social change (Bonacich: 1972; Barth: 1969; Despres: 1967).

One society where ethnic conflict has severely impacted development is Guyana in Northeast South America. It is a pluralist, racially polarized and politically unstable state. Guyana is an artificially constructed society in the sense that except for one ethnic group (indigenous Amerindians), all the others were imported from Europe, Africa, and Asia to service sugar plantations during the colonial era (Rabushka: 1972; Cross: 1971; Young: 1975). The ethnic groups were historically divided and segregated by race living in separate communities after their importation and settlement in Guyana with very little co-mingling. Segregated residential patterns have affected all aspects of relations among the diverse groups to the point where the society is ready to racially explode at any time that would wipe out whatever little economic gains it has made over its short history as a nation.

The ethnic groups in Guyana have been at each other's throats ever since they came into contact in the 1840s. There was serious racial conflict between and among the groups (Amerindians, Africans, Indians, Portuguese, Chinese, and Mulattoes or Mixed) with some incidents involving physical violence including loss of lives since that time (Samaroo: 1987; Despres: 1967). The two major races, Indians and Africans<sup>5</sup>, represented by their respective

---

<sup>5</sup> Indians (the majority race) and Africans (the minority race) are the major racial groups in Guyana. There are also a few ethnic minorities – Whites, (Portuguese, British, and Europeans),

race (ethnic) dominated political parties, Peoples Progressive Party (PPP) and Peoples National Congress (PNC), have competed for control of state power since the mid 1950s (Glasgow: 1970) resulting in almost a perpetual state of instability. As a result of this acute (at times often violent) ethnic conflict, the country has experienced serious difficulties in nation building and in attaining socio-economic development<sup>6</sup> (Bartels: 1977).

### **Section A: Ethnic Conflict in Guyana:**

There are numerous heterogeneous societies with their social, political and ethnic conflicts. But Guyana's represent an extreme case of ethnic division where almost every aspect (union affiliation, occupation, politics, economics, religion, education, among other social constructs) of life is linked to ethnicity and or is viewed in ethnic terms<sup>7</sup>.

---

Coloreds or Mixed races (product of inter-racial parents), Chinese and Amerindians. Indians constitute approximately 51% of the total population and tend to support the PPP while Africans, who make up about 31% of the population, tend to identify with the PNC (Table p ix). The other races make up the rest of the population of approximately 750,000. The Indians and Africans have been the primary groups involved in ethnic conflict over control of the state. They are the main contenders for political power. And since 1955, the two major ethnic groups, as indeed the others, have supported a political party or organization or political force that they have perceived to represent their interests or ethnic group. Two major political parties have shaped and dominated Guyana's political development since adult suffrage was granted in 1953, the **People's Progressive Party**, founded by Cheddi Jagan (an Indian who considered himself to be a Marxist), and the **People's National Congress** (PNC) founded by Forbes Burnham (an African who viewed himself as a moderate socialist but who was an ally of Britain and the U.S).

<sup>6</sup> Social scientists view development from their respective disciplinary perspectives and there is disagreement on what constitutes development – whether it should include life expectancy, infant mortality rate, fertility rate, GNP per capita, GDP growth rate, socio-politico role of women, political and economic freedom, nutritional intake, among other indicators. Development is used here in generic terms to include all aspects of human conditions and living. But the focus is on growth rates and GDP per capita and various aspects relating to the economy and life.

<sup>7</sup> With regards to the distribution of career employment, occupations have also been shaped by ethnicity with Indians mostly employed in agro related jobs and Afros employed in civil service or state jobs as well as in the security forces. Some fifty years after independence, most Indians are still employed in agriculture, growing sugar and rice and engaging in the retailing sectors of the economy. On the other hand, most Africans have lived in urban areas and are largely dependent on the state for employment and their economic survival. “Until the 1930s, Afro-Guyanese, and those of mixed African and European descent, comprised the bulk of the nonwhite professional class. Beginning in the 1930s, as Indians began to enter the middle class in large

There is spite and hatred among the members of a group for members of other groups. Ethnic tension has been running continuously high, a holdover from colonial times after the groups were imported into the colony during slavery and the indentured period. They could not be bothered by deeper meanings of life like freedom and human rights, of a social contract, of peaceful co-existence, of appreciation of other peoples' culture, of living together and in harmony, and of live and let live. People have been willing to sacrifice their own higher standard of living on the altar of social division arising out of petty ethnic jealousies, prejudice, stereotyping, ethnocentrism, and racial politics. The population has allowed themselves to be manipulated by ethnic leaders

Ever since the election of 1957, the first in which racially based parties contested, racial tensions have been running very high. The groups have exhibited a feeling of ethnic insecurity when their ethnic party lost an election. They have also displayed jealousy especially in seeing members outside of their racial group making economic progress and or controlling the state (government) and or aspects of the economy. They have voted to keep the other race (party) out of office and for their race to govern rather than for which party or political force is most capable of governing (with better policies and programs) that would lead to socio-economic progress. Race relations have gradually worsened since universal suffrage (in 1953 when the races formed a multi-racial alliance) with the country experiencing sporadic periods of violent Indian-African racial disturbances post 1957 (as it did during the indentured era between African and Portuguese and African and Chinese) including loss of human lives, large scale destruction of infrastructure and property, and reduced productivity (including farm

---

numbers, they began to compete with Africans for professional positions exacerbating ethnic conflict". (<http://www.mongabay.com/history/guyana/guyana-health.html>).



produce) that resulted in negative economic growth rates for most of those years.

([http://www.guyana.org/govt/From\\_Autocracy\\_to\\_Democracy\\_in\\_Guyana.pdf](http://www.guyana.org/govt/From_Autocracy_to_Democracy_in_Guyana.pdf)).

Leadership feuds<sup>8</sup> between Dr. Cheddi Jagan (leader of the Indians) and Forbes Burnham (leader of the Africans) driven by sentiments of ethno nationalism (among supporters of each racial group) have shattered the dream of inter-ethnic labor solidarity, national unity and political stability, thereby severely impacting on the country's ability to realize its economic potential with its vast supply of resources. The economy experienced a downward spiral between 1966 and 1992 not seen in any other country during that period (<http://countrystudies.us/guyana/53.htm>). And during this period, politics was polarized along ethnic lines with political parties largely coinciding with members of one race (Laguette: 2013; Alahar: 1996). With virtually no tradition of unity during the colonial era except briefly between 1950 and 1953, the new nation formed in 1966 has been severely weakened by serious ethnic conflict including physical violence that has impacted on development and social change (GC Jul 10, 2012, KN Feb 26, 2010). Under the tyranny of the PNC ethnic dictatorship, between 1968 and 1992, Guyana experienced the worst form of racial politics and governance with non-supporters (Indians, Whites, Chinese, Amerindians) being victimized and discriminated against primarily on account of their race and politics (supporting other parties). Guyana suffered significant psychological, political, social, and economic ills with too many victims (SN Jul 8, 2011; GT Jan 21, 20 2015). During the 1970s and 1980s, racial animosity intensified to the extent that there were bold, malicious daylight robberies that targeted Indians and Indian-

---

<sup>8</sup> Neither Dr. Jagan nor Burnham was willing to yield to the other for the top post of leader of the multi-ethnic movement and or to cooperate for the betterment of the working class. They were driven by political egos and self-centered ambitions and by racial distrust among their followers for the other groups (SN June 4, 2011).

owned businesses. During the nights, there occurred what came to be known as *kick down door banditry* (against Indian homes), some allegedly carried out by forces allied with (and some even sent by) the PNC regime (*Guyana Times* Jan 24, 2015; Aug 2, 2014; Jul 5, 2014; *KN* May 1, 2011) ([www.guyanaundersiege.com/Leaders/Burnham2.htm](http://www.guyanaundersiege.com/Leaders/Burnham2.htm)).

It was alleged by Dr. Jagan and Indian leaders that the PNC government was behind (supported, aided and abetted) or at a minimum closed its eyes to the crime spree against Indians committed by individuals allied with the government (Ibid; *KN* May 4, 2011; Feb 21, 2010). “Fear gripped the land and no one dared question the government (or the *kabaka* ruler as Burnham was called) of the day - from 1966 thru 1992” (Rampertab: 2001). For 28 years, the ruling PNC was accused of discriminating against Indians, Whites, Chinese and other groups and openly patronizing Africans at the expense of all other groups (Ibid; *KN* Nov 4, 2014; *GT* Nov 14, 2014). Scholars noted that politics in Guyana under Burnham and the PNC was associated with “murder, mayhem, starvation, financial scandals, election rigging, unprincipled calculations of self-interest, fraud, racism and corruption” (Rampertab: 2001). The ruling PNC (December 1964 to October 1992) practiced intense racism and interfered in every aspect of peoples’ lives from food consumption (telling them what to eat and banning imports) to housing and transportation (outlawing private buses from plying the road). It interfered in the judiciary, media, state corporations, union, military and the public service. It even blocked appointments of people it deemed as opponents as happened to Dr. Walter Rodney (as Professor of History) at the University of Guyana (Erriah: 89). Burnham also compromised the independence of labor unions forcing Black unions to affiliate with the PNC (*GT* Jun 4, 2014). “Labor strikes were regarded as subversive activities and striking

workers were beaten and often jailed. The judiciary was politicized with independent judges removed and or coerced into following government dictates. The constitution was amended to the extent that the President was not answerable to any court. Trial by jury was infringed". (<http://www.guyanaundersiege.com/History/wismar/wismar%20page.htm>) (see also *SN* Mar 10, 2007; Nov 10, 2012; Jan 18, 2007). The PNC wanted absolute control of the society and adopted repressive measures to acquire total control with little concern for the economic, political or social consequences of its policies. The PNC was unconcerned about how it was viewed by the population at large – the ends justified the means. Not surprisingly, political support for the PNC regime fell to an all time low as reflected, as an example, in only a 12% turnout at the 1978 referendum to amend the constitution to make Burnham de facto President for life although Burnham claimed 80% turnout (Rampertab: 2001; *SN* Mar 16, 2014; *SN* Feb 14, 2013; *SN* Oct 6, 2010).

After independence, Guyana had become a lawless state, and, for all practical purposes, a fascist one party state that intimidated, beat, harassed and killed opponents who threatened the ruling PNC's hold on power (Thomas: 1984). Opposition political figures were often picked up and charged for crimes without evidence and on trumped up charges like what happened to University of Guyana Profs. Omowale, Walter Rodney and Rupert Roopnarine when they formed a political party, Working Peoples Alliance (WPA) (Pierce: 1984). A fugitive from justice, Black American David Hill, led a team of thugs that frequently used violence, at the behest and instruction of Burnham, to beat workers, break up labor strikes and disrupt political and union meetings in the presence of the police who would make no effort to stop the thugs from unleashing terror on workers and innocent citizens (*GT* Jun 4, 2014; *KN* Jul 27, 2013; *SN* Jul 18, 2010, Sep

11, 2009). So violent and feared was this group, called House of Israel (no connection to the state of Israel and not recognized as Jewish by any other Jewish organization) led by a Black American fugitive (David Hill who called himself Rabbi Washington) who Burnham refused to extradite back to the US, and Black Guyanese (many former criminals), that police refused to take actions against them for criminal acts including for murders. For example, on July 14, 1979, some of its members armed with staves, cutlasses and knives, viciously attacked and murdered Catholic priest Father Bernard Darke in the presence of police who looked on and did nothing, fearing the loss of their jobs, to protect the priest (KN Jul 27, 2013; SN Jul 31, 2009). The police did not charge the murderers as they had enjoyed state protection (GT June 26, Jun 6, Jun 4, Jun 3, May 17, Apr 30, 2014). It is widely known that the group's 10,000 members acted as a paramilitary wing of Burnham's PNC terrorizing people and demanding protection money or face the wrath of its thugs (KN Jan 10, 2013). They carried out criminal acts with impunity (Ibid). Father Darke's killers were only charged after Burnham's death (in 1985) on order from Burnham's successor Desmond Hoyte after sustained pressure from domestic and international human rights groups (Harry Gill KN May 17, 2011) to bring the culprits to book. Political and ethnic crimes decreased after David Hill (self proclaimed Rabbi or Jewish priest) was put away in jail and several violent members of his group executed for capital and other serious offenses (SN Oct 13, 2009).

The PNC's ties with criminal outfits and underlings and its authoritarian and racist policies led to the mass migration first of the wealthy class (Portuguese, Chinese and Indian entrepreneurs) and then the middle class (professionals and skilled Guyanese) and even the poorer class (under employed and unemployed and low skilled workers)

looking for any type of work (*GT* Jan 25, 2015; Nov 17, 2014, *KN* Nov 4, 2014) to earn a living. Human rights abuses, food shortages, high unemployment, political victimization, and racial discrimination under PNC rule caused large numbers of Guyanese to migrate. Some 2% Guyanese emigrated annually during the 1970s and about 4% annually since 1980 as compared with less than 1% during the colonial era prior to 1966) (*KN* Apr 14, 2014). They migrate legally and illegally (what is called backtrack in Guyana) to North America, the United Kingdom, South America, and throughout the Caribbean. Some migrated as refugees and were granted refugee status in Canada and many sought the same in the US (Erriah: 91; *KN* Oct 6, 2009). Some visited other countries with the intention of not returning to Guyana. As a result of such huge migration waves during PNC rule, Guyanese are found in every corner of the globe (*KN* Apr 15, 2014; Oct 11, 2009) and the country has had negative population growth post independence (*SN* Aug 6, 3, Jul 1, 2014; *KN* Aug 31, 2011). As a result of the brain drain attributed to the ill-advised policies of the PNC regime, the economy slid to unbelievable levels with no country experiencing the kind of decline Guyana experienced after it obtained independence in 1966 (<http://countrystudies.us/guyana/55.htm>; <http://www.country-data.com/cgi-bin/query/r-5417.html>)

### **Section B. Economic Decline of Guyana:**

Data shows that from 1966 onward, there was a downward slide (including falling revenues, declining economic investment, etc.) of a once-booming and stable economy as a consequence of racial instability and the failure to adhere to common sense fiscal management guidelines and democratic governance (*KN* Sep 1, 2014; Aug 10, 2012; May 29, 2011)(*World Bank Annual Reports*). Foreign investors had played a key role in the

expansion and growth of the economy all throughout the colonial era. But after independence, they have been kept away by social instability, rising prices, adverse terms of trade, economic nationalism, the devaluation of the once high Guyana dollar (that traded in the 1960s at around two to one for the US dollar and now around two hundred to the US dollar) and other socio-economic and political factors. As a result of the ethnic conflict that impacted on all aspects of the economy, people have not been able to enjoy the economic potential of the nation and or experience a relatively reasonable standard of living as compared with other countries that became independent around the same time as Guyana (SN Jan 25, 2010). And worse, there has been a climate of social and economic gloom and uncertainty about the future because of frequent threats of racial violence that frighten away investors and that even discourage local investment (SN Sep 9, 2011; Apr 10, 2009). Ethnic conflict had triggered capital flight and a brain drain with migration of the country's best brains affecting development (GT Jan 25, 2015; SN Aug 4, 2014; Jun 22, 2013; Mar 3, 2012; KN Aug 7, 2011; Apr 18, 2011; Jul 7, 2010).

Guyana was in terrible shape during the 1970s and 1980s with crumbling streets, collapsing infrastructure, mass starvation, unruly gangs attacking people, criminality, beggars, kids with bloated bellies roaming the streets, animal carcasses on the roads, among other aspects of social malaise (KN May 24, 2011; Apr 4, 2011; Jun 5, 2010). Guyana looked no different from say depressed African economies during the 1980s (<http://monthlyreview.org/2009/07/01/sub-saharan-africas-vanishing-peasantries-and-the-specter-of-a-global-food-crisis>) (SN Nov 28, 2010; Aug 30, 2008). Guyana, in the 1980s, resembled a poverty-stricken, starvation-prone depressed country in the throes of civil war as was observed in Central America (SN May 17, 2013; Jan 13, 2012; Dec 4, 2011;

Jan 24, 2011; Aug 7, 2009). Evidence of poverty and depression was everywhere: malnourished bodies, horrific social conditions, declining educational standards, and garbage strewn around in the streets (*SN* Dec 30, 2010; May 5, 2009). Most of the country was ramshackle with dilapidated buildings as in depressed African countries that were affected by severe drought in the 1980s (*SN* May 31, 2012; Dec 29, 2011; Oct 30, 2011; Jul 22, 2011; Aug 13, 2008). But Guyana was/is actually not a poor country in terms of its natural and human resources and potential and strategic location for trade and investment (*SN* Jul 22, 2012; Aug 7, 2011; Erriah: 2011, Manley: 1984, Mandle: 1978).

By any measure of development<sup>9</sup>, such as economic growth, GDP per capita, standard of living, among others, Guyana should have been a very prosperous country because of its vast assets in natural resources and its skilled, qualified and talented personnel with sound managerial capacity (Ibid). However, because of political instability and race riots during the early 1960s impacting on productivity, the country's growth and development began to stagnate after experiencing a slight rise in its standard of living during the late 1950s. But political stability had returned to the colony at the time of independence in 1966, and the economy had begun to make a turn around with slight growth. The colonial rulers had left the country with a relatively decent infrastructure, a disciplined workforce (including bureaucracy) and legal structure (respect for law), and democratic institutions to facilitate development. But the country began to experience a rapid deterioration in all aspects of life right after independence. The two major political parties inherited the leadership mantle from the exploitative

---

<sup>9</sup> Guyana has been considered underdeveloped because of the poor quality of roads and other infrastructural aspects of the economy, limited availability of skilled personnel, low level of technology, a few industries, high unemployment, extreme levels of poverty, frequent electricity blackouts, limited running water, and stagnant or negative growth, among other measurements.

bourgeois imperialist British, but they have failed in effecting significant social change such as reducing impoverished conditions and in developing the nation with the result that between 40% and 60% of the nation have lived below the poverty level between 1960 and the present (<http://www.ruralpovertyportal.org/country/home/tags/guyana>; Standing: 1979; Gafar: 2004; *KN* Mar 16, 2014; *SN* Jul 3, 2010; *SN* Mar 21, 2009). Very few benefits have trickled down to the poor or to the rural and hinterland areas where the Amerindians, Indians and poorest of the Africans are concentrated (*SN* Sep 17, 2010; *KN* Jul 15, 2012). The big wigs in the PNC filled their bank accounts while the poor were neglected (*SN* Jul 5, 2012; Aug 3, 2009). In this socialist economy, really a state capitalist economy under the PNC (Pierce: 1984), the rich were getting richer (through their affiliation with the ruling party apparatchik) while the poor were getting poorer (*SN* May 16, 2011; May 25, 2010; *SN* Mar 28, 2011; Dec 14, 2008; Aug 31, 2008).

Guyana should never have been a poor, underdeveloped country. It is a state rich in mineral resources (including gold, diamond, bauxite, and manganese) and abundant agricultural land that can grow food to feed the entire Caribbean region. Also, it has not experienced major climate issues or natural calamities that would impact on development. There were unlimited amounts of water from its fresh water rivers to sustain agricultural development in the vast expanse of arable land like what took place in nearby Brazil and Argentina. There have been unlimited resources essential for agro growth to fuel industrial growth and development to be the Singapore or Taiwan or Malaysia or New Zealand of the Caribbean. Agriculture, for example, could have raised significant capital to finance industrial development similar to what took place in Australia, New Zealand, Argentina, Chile and Brazil in their early phase of development



subsequently becoming industrial giants and self sufficient in food production. But the governing ethnic PNC regime, from 1966 onwards, moved away from agricultural development and other successful small-scale private industries that were predominated by supporters of the other parties (<http://www.sjsu.edu/faculty/watkins/guyana.html>; <http://www.guyana.org/features/postindependence/chapter5.html>).

The PNC focused instead on state-led import substitution and industrialization (ISI) by invitation and bureaucratic expansion (hiring more state workers who were supporters of the party – a policy of patronage and *clientelism*) that led to disastrous economic consequences (SN Jun 13, 2009). Most of the state owned industries as well as the bureaucracy (some 95%) were under the control of (African and Mixed) supporters of the PNC. Agriculture, the mainstay of the economy, historically dominated by Indians was neglected and undermined; the Indian-backed PPP government committed significant resources to agricultural expansion during its term in office between 1957 and 1964 leading to modest growth (SN Oct 27, 2010; Nov 12, 2009). However, after the PNC came to office, Burnham shifted resources away from agriculture and towards ISI to punish Indians for supporting the PPP and to benefit his ethnic supporters. The PNC government undermined the productive sectors of the economy such as agriculture and fisheries because the workers in those industries supported the opposition PPP (SN Jun 5, 2009). Growth took a turn for the worse (GC Sep 14, 2014) hurting even PNC supporters in the process. The PNC government was not so much focused on economic consequences of its policies but of retaining its support base (from among the African workers in the civil service, security and mining sector) and weakening the PPP base. The PNC did not want to pursue policies that would aid supporters of the PPP even if the

neglect of agriculture and fisheries would undermine development and the general welfare of the entire population (Africans included) – a case of political decision trumping the economic good of a society (SN May 31, 2014; Oct 13, 2009; Aug 17, 2009; Jan 5, 2009). Similarly, private industries, dominated by the Whites, Mixed, and Chinese – all of whom the PNC considered as its opponents because they supported other political parties – were marginalized. Analogous to Indians who were punished for supporting the PPP, members of other groups (Whites, wealthy Coloreds, Chinese, Amerindians) were punished for supporting the UF party. Burnham government’s policy was to shift control of the commanding heights of the economy (controlled by wealthy Portuguese, Coloreds, Chinese and other non-supporters of the PNC) away from those not supportive of the PNC and put them under state control (that would now be under the absolute control of his African supporters who had almost total control over the state after 1966) (SN May 27, 2012). In so doing, Burnham felt he would undermine the political strength of the PNC’s political opponents (PPP and UF) while simultaneously he would appease its own African supporters to remain loyal to him and the PNC (SN May 16, 2013; Aug 17, 2009). Burnham transformed the liberal democratic state into an autarchic repressive dictatorship (controlling the courts, media, and parliament) with supporters providing full backing (SN Apr 12, 2014). Although under colonial control, Guyana was one of the most progressive and liberal-minded societies prior to independence, and it was always open to the world for intellectual interaction as well as for trade. Parties and politicians advocated a variety of political ideologies. And books and products could be found in the country from all over the world. People were relatively free to criticize the government prior to independence. But once Burnham assumed power in 1966, the country was held

under his sway and basic freedoms disappeared. Basic imports (including food staples) were banned and people were forced to accept Burnham's policies or pay with their lives in defying them. Electoral fraud, denial of civil liberties and civil rights, political assassinations and killing of priests, and economic underdevelopment characterized PNC rule from 1966 thru 1992 (GC Oct 28, 2014; SN Nov 22, 2007). Elections in 1968, 1973, 1980 and 1985 and the referendum in 1978 were rigged ([www.gina.gov.gy/](http://www.gina.gov.gy/)). Civil liberties were eroded ([www.guyana.org/](http://www.guyana.org/); SN Oct 30, 2011) and the government nationalized all foreign owned businesses as well as clamped down on the free press (GT Nov 5, 2014; KN May 17, 2011; SN Nov 12, 2009; Nov 4, 2008). ([www.stabroeknews.com/.../education-policy-changes-and-economic-crisis-in-guyana-1970-1985/](http://www.stabroeknews.com/.../education-policy-changes-and-economic-crisis-in-guyana-1970-1985/); [countrystudies.us/guyana/17.htm](http://countrystudies.us/guyana/17.htm); <https://nacla.org/.../after-34-..>)

Burnham had become a despot wielding enormous power in an oppressive way abusing and terrorizing everyone not supportive of his regime and party (Ibid). The security forces kept watch on everyone's activities ([www.mirrornewsgy.com/](http://www.mirrornewsgy.com/) Jun 28, 2014). Labor strikes and opposition gatherings were broken up with violence at the behest of Burnham. Freedom of the press was abolished; non-government media was denied newsprint paper (Ibid; GC Jun 30, 2014). In 1973, Burnham sent his secret agents to seize paper stocks from the opposition PPP political organ, *Mirror* newspaper (<http://www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15>). Burnham acquired control of most of the economy (over 80% of economic activities) leaving virtually no avenues for his opponents to launch a challenge to his rule and for private businesses to prosper (SN Dec 15, 2008; Jan 17, 2007). Burnham brought out the troops against striking workers, hired scabs to break strikes and used soldiers with inappropriate technical skills

and virtually no business management background to run state owned enterprises.

Opponents of the government were cruelly beaten by party thugs, some hounded out of the country, and a few assassinated including Jesuit priest Father Bernard Darke (*KN* May 17, 2011) and the world respected historian Dr. Walter Rodney, the leader of the opposition Working People's Alliance, who was boldly assassinated in broad daylight. Fear stalked the land with people becoming passively submissive to the regime ([www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15](http://www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15); *KN* Mar 19, 2014; May 2, 2014).

After independence in 1966, with Burnham and his PNC in total control of the government, and ruling with fear, Guyana has failed to make meaningful economic progress (Grenade: 2011; *SN* Oct 31, 2012; May 27, 2012; May 20, 2012; Nov 3, 2010). Guyana's per capita income and growth rate from 1960 thru 2010 was among the lowest for underdeveloped countries when just a few years earlier it was among the highest for Caribbean countries and way above most African countries (*World Bank Annual Reports/Tables*; [countrystudies.us/guyana/53.htm](http://countrystudies.us/guyana/53.htm)). Whatever else may be said about Guyana, virtually no improvement took place in the quality of life after independence. ([https://www.google.com/?gws\\_rd=ssl#q=economic+decline+in+guyana+during+1980s](https://www.google.com/?gws_rd=ssl#q=economic+decline+in+guyana+during+1980s)).

And little structural transformation of its largely poverty-stricken economy has occurred after independence ([www.guyana.org/](http://www.guyana.org/)), and what is even more striking, none seems likely in the immediate future because of the large amounts of time the government and the opposition have spent on addressing ethnic matters rather than on substantial issues of development. Some 48 years after independence, Guyana has not been able to realize its economic potential as a nation with unlimited resources. Today, about half the population still have to eke out a living with just one 1970 dollar with an official poverty rate of around 40 percent. According to the *World Bank Report (2009)*,

47% of the Guyanese population is classified as poor (having a nominal income of less than US \$240 a month with 29% classified as ‘extremely poor’ (less than US \$100 monthly), figures that put Guyana just above Haiti in terms of standard of living in the western hemisphere. As the World Bank report (2011) concluded, some 45 years after independence, Guyana seems unable to eradicate poverty, lift peoples’ income and standard of living, and at times it could not even grow enough food for them to meet domestic needs (SN Jul 23, 2011; Nov 12, 2010, Standing: 1979).

World Bank data show that countries worse off than Guyana in the 1950s and 1960s have utterly transformed themselves in various forms of social and economic measurements for the corresponding period between 1960 and 1990 whereas Guyana did not (SN Sep 27, 2012; Apr 21, 2011). The country’s economic ranking slid spirally downward after the PNC took office with the economic slide worsening each year between 1965 and 1992; the slump was worst after a one race dictatorship was established post 1968. Life became so miserable in the country that it prompted the eminent economist Prof. Clive Thomas of the University of Guyana to say “life was worse under the PNC than under slavery and *indenturedship*” noting that under slavery or *indenturedship*, the slaves and indentured laborers still had food but under PNC rule, food was hardly available (SN Dec 5, 2008). When Guyana obtained its independence in May 1966, it had the potential of being the most developed country in the English speaking Caribbean because of its skilled human and limitless natural resources. But in less than two decades, the economy declined significantly placing it at the bottom among 13 *Caricom* regional countries and way below par of poor African countries and the Asian miracle economies. In 1960, for example, Guyana had the fourth highest per

capita income (*World Bank Country Report*) separated by just a few dollars from the top three (Jamaica, Trinidad, Barbados) (see tables in appendix) among the 13 English speaking Caribbean Community (*CARICOM*) countries, a very educated labor force, and exhaustive raw materials to fuel development to make Guyana like that of an East Asian giant in the Caribbean region. But since independence, instead of the economy growing and peoples' lives becoming prosperous with a rising standard of living as in the rest of the Caribbean region or as happened in the East Asian miracle economies like Singapore or Malaysia, fellow Commonwealth nations (*SN* Aug 21, 2014), Guyana's economy has declined precipitously making it the poorest nation in the Commonwealth and second poorest in the Western hemisphere (*SN* Dec 30, 2013; *KN* Jun 19, 2013; *SN* Aug 31, 2011). The data showed that Guyana's GDP ranking slipped from 50<sup>th</sup>. in the world in 1965 to 133<sup>rd</sup> in 1992 (*SN* Apr 21, 2011). And during this period, as well as since 1992, racial strife has worsened often experiencing physical violence ([http://www.guyana.org/features/conflicts\\_indiansandblacks.html](http://www.guyana.org/features/conflicts_indiansandblacks.html)). Since the 1960s, Guyana has not experienced much real economic growth compared or significant improvement in its global rankings or in its economic and social indicators or in its quality of life as well as standard of living (*SN* Dec 30, 2013; *KN* Oct 5, 2013).

It was only in the 1960s that Guyana's standard of living was way above most developing nations and close to that of the East Asian tigers (*SN* Aug 21, 2014; *World Bank Annual Tables*). During the 1980s and even today, on every economic indicator, Guyana has lagged miserably behind such island nations as Singapore, Malaysia, and Hong Kong (ex-British colonies like Guiana) and Taiwan that had lower levels of 'education' and standard of living than Guyana at independence in 1966. In 1960, for

example, Guyana's GDP per capita was almost US \$300, relatively high for that period of time when most of the then developing world's GDP per capita was less than US\$150.

[http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_past\\_and\\_projected\\_GDP\\_%28nominal%29percapita](http://en.wikipedia.org/wiki/List_of_countries_by_past_and_projected_GDP_%28nominal%29percapita). A similar trend was observed when compared with *Caricom* (grouping

of Caribbean) countries (Ibid). For example, Belize's GDP per capita was \$308 in 1960

but by 1980, it was three times Guyana's (Ibid). In 1960, St. Vincent's GDP per capita

was just over half of Guyana's, but by 1990, St. Vincent's was three times Guyana's

(Ibid). In 1960, Guyana's GDP per capita was almost on par with the three larger

economies (Trinidad, Barbados, Jamaica) of CARICOM and just below that of the Asian

miracle economies, while Sub-Sahara Africa was about US \$150 or half of Guyana's.

But in 1990, Guyana's GDP per capita climbed to only US \$550 (nominal dollars) while

other *Caricom* countries were ten times that of Guyana's GDP per capita and historically

poverty stricken Sub-Sahara Africa went past Guyana to \$900 – an indication of how

badly Guyana's economy had declined or stagnated while others progressed. Guyana's

GDP in 1992 was US\$371 million (*SN* Feb 11, 2013) for a per capita of about \$560 while

Sub-Sahara Africa hit almost \$1,000. Countries such as Malaysia, Singapore, Thailand,

Taiwan and the Maldives, which had been behind or at par with Guyana in development

and GDP/per capita during the 1950s and 1960s, had surpassed it by the 1970s (*World*

*Bank Country Report; Tables p ix-x*). While these and several other countries were

experiencing positive growth, Guyana's economy was growing negatively or not at all

and or experiencing a declining quality and standard of life as measured by any reliable

social indicator. Guyana was fast going downhill without economic brakes. South Korea,

Taiwan, Singapore, Hong Kong, and Malaysia, to mention a few prominent Asian Tigers,

went from largely poor, illiterate and agrarian societies in the 1950s, similar to Guyana, to middle class, literate, urbanized, industrialized, and developed societies with standards of living vastly superior to Guyana's by 1990. And they were able to create jobs for their population whereas Guyana could not even provide basic jobs for its small available workforce with unemployment of over 50% in 1990. They almost wiped out poverty whereas poverty rate increased in Guyana to about 60% by 1990 (SN May 23, 2010).

It is noted that government's revenue in 1992 was only US\$141 million while countries (like Singapore, Haiti, Somalia, etc.) with less resources than Guyana in 1960 collected many, many times the revenues of Guyana in 1992. Also, it was noted that Guyana's revenue to debt (almost fifteen times) was extremely high compared with other countries, several (over five) times that of other countries. Guyana's debt was about US \$30,000 per person in 1992 as compared with less than \$100 in 1960 (SN Dec 16, 2009). Caribbean countries' per capita debt is only a minute fraction (less than 10%) of Guyana's by 1992. Singapore and other Asian tigers and poverty stricken Somalia's debt per capita was a fifth of Guyana's around 1992. The debt for the size of Guyana's population and its income and GDP was unsustainable during the 1970s and 1980s causing the economy to slide downwards and standard of living to tumble. Guyana's public debt to GDP ratio in 1992 amounted to over 600 percent (SN Feb 11, 2013) as compared with Caribbean countries whose debt to GDP ratio was less than 50%, substantially less than Guyana's. It took, for example, 94% of the revenues just to sustain the debt (pay the interests) of Guyana during the early 1990s as compared with just a tenth of the national revenues of other *Caricom* countries to meet their debt obligations (*Ibid*; SN Feb 11, 2013; Aug 21 & Nov 19, 2011; May 27, 2009).



By way of a specific comparison with CARICOM partner Barbados, to show how badly Guyana lagged in progress behind similar countries, the two nations had about the same GDP per capita in 1960 of about \$300. But by 1990, when Guyana's GDP per capita was about \$550, Barbados, with no natural resources to build an industrialize base, was almost \$7000 or twelve times that of Guyana's (*DaCosta in World Bank Development Indicators, 2003; Tables p x*). The December 2013 World Bank Report lists Guyana's Gross National Income as less than a fourth of fellow Caricom nation Barbados when in 1966 Guyana was slightly ahead of Barbados. Other Caribbean countries were more than ten times Guyana's GDP per capita income and the East Asian miracle economies were some twenty times that of Guyana's (*World Bank Report 2003*).

By way of another example, during the 1960s, Guyana was way above Haiti (less than US \$100) in terms of per capita income and other features in being a poor country. But some twenty years later by the mid 1980s, Guyana's GDP was just a little above Haiti's. Also, during the 1960s, Guyana was way above Haiti in terms of being the poorest country in the hemisphere and way above on various social and economic indicators. But during the mid 1980s, Guyana just bettered Haiti on the list of the poorest countries in the Western Hemisphere, with high levels of unemployment, double-digit inflation, declining currency value, extreme poverty of over 40% of the population living below the poverty line (65% overall), and a decline in all social indicators including infant mortality and maternity deaths. International reports noted that Guyana was declared the poorest of the poor countries in the western hemisphere and hope for a better future was non-existent (*Guyana Chronicle* May 2, 2011). The devastation of the country by the end of the 1980s (some 25 years after the British left) included a bankrupted

economy, lowest standard of living in the region (SN Aug 31, 2011), and a crippling debt burden (that sucked some 94% of revenues to service the foreign debt alone during the 1990s) (*see Tables p x*) that for years “inhibited any pretence to stability and/or growth in the economy, indexed as poorest in the world, even for some years below Haiti, the poorest country in the hemisphere” (GC May 25, 2011).

Looking at countries by GDP per capita (according to the IMF, World Bank Report 2009), Guyana was in 126th place, one place ahead of overpopulated India with its 1.2 billion people – a substantial decline since 1960 when it was ranked 45<sup>th</sup> and India 150<sup>th</sup>. Clearly, India went up in development index whereas Guyana went down. A similar trend is noted when Guyana is compared with poverty stricken countries of Africa (*Ibid*). Even adjusted for purchasing power parity<sup>10</sup> (GDP or GNP based on what one can actually buy in a country, as living on a dollar a day is very different, for example, in Guatemala and the United States and in other countries), in 1990 Guyana was only two places ahead of poverty stricken Congo (in Africa) that was nearly 100 place behind Guyana during the 1960s. Guyana was and still is far behind in GDP per capita in what were once hopelessly destitute African countries like Angola, Ethiopia, Mali, Somalia, Malawi, and Swaziland – these are very poor countries which were way behind Guyana in national development (per capita) during the 1960s thru the 1970s. According to World Bank data (*Ibid*), during the 1976–88 period, real GDP per head fell by 31 percent, inflation soared eightfold, foreign exchange reserves dwindled, and government debt rose from 31 percent of GDP to 475 percent – figures that were worse than those for poor African countries. In 1984, for example, real

---

**10** PPP measures the GNP or GDP not in absolute dollar terms but in the quantity of goods and services the money can purchase in the country under question for a particular year.

GDP fell to its lowest level since 1955, and the size of the informal underground economy was estimated at 40 percent of the formal economy and by the end of the decade the informal economy was larger than the official economy. Indeed, for most of the 1980s and the first half of the 1990s GDP per capita in U.S. dollars was substantially lower than in sub-Saharan African countries (Ibid).

When the ethnic PNC dictatorship was toppled from power in October 1992, the economy was in shambles though on the mend with the return of an open economy and a relative improvement in ethnic relations. Instead of building the economy during its period of governance, the PNC wrecked it. A government that promised to ‘house, clothe and feed’ the citizens of Guyana in just a few years, left people homeless, virtually naked, starving and penniless by 1992 (Rampertab: 2001). Between 1966 and 1992, infrastructure became dilapidated with roads and bridges collapsing and telephones hardly working. There was virtually no water in the pipes that had rotted away with people depending on rainwater for home use including cooking and drinking. State owned utility companies generated inadequate electricity, less than half the country’s needs, while the government outlawed the sale of power from private generators (*SN* Nov 11, Jul 3, 2010; *KN* Jul 21, 2009). Transportation was at a standstill with virtually no fuel to run vehicles. The closure of the rail system (condemned as a symbol of imperialism) affected commuting. Roads were in total disrepair with huge potholes all over the country that were left unfixed for years because of a lack of funds. Schools (that were seized from their owners) and hospital buildings were literally collapsing having been neglected for two decades (*KN* Nov 29, 2014). Hospitals lacked basic supplies such as plaster and anti-septic liquid. Many students stopped going to school because of a lack of food, books and

other educational supplies, and transportation preferring instead to peddle goods to support families. The lone university was badly neglected with desks and walls of buildings crumbling and students hustling to earn money so they can acquire a meal or provide for their families. People were virtually starving under PNC governance (*GT* Oct 13, 2013). Food was virtually unavailable similar to what occurred under the oppressive communist Pol Pot regime in Cambodia during the 1980s or North Korea in the 1990s (*SN* Aug 14, 2009). People became almost completely dependent on families abroad for barrels of used clothing, basic foods, medicine, and cash handouts (*SN* Dec 15, 2008). Destitute children and adults foraged garbage heaps for food and clothing similar to what was seen on TV as taking place in sub-Sahara Africa, parts of Central America and Haiti during the drought stricken years of the 1980s.

So why have other poor countries done so much better than Guyana after independence even though Guyana was/is better endowed with natural resources and an educated work force? The answer may lie in “ethnicity” (ethnic conflict that leads to instability affecting development). It is noted, for example, that while other multi-ethnic countries (Singapore and Trinidad, for example) were experiencing political stability, Guyana was experiencing serious ethnic conflict and racist governance, sabotage of industries, politically motivated strikes, and inappropriate policies. A US Aid report ([http://pdf.usaid.gov/pdf\\_docs/PNADK761.pdf](http://pdf.usaid.gov/pdf_docs/PNADK761.pdf)) hinted that social (ethnic) and political tensions were responsible for the poor state of the Guyana economy. Dacosta (2005), in his study of Guyana, noted that while fellow *Caricom* member country “Barbados was experiencing political stability and growing, Guyana was experiencing serious ethnic conflict and malignant racist policies stifling industries and development”. Some of

Guyana's poor growth performance can be attributed to occasional natural disasters (e.g., severe flooding from time to time), poor economic policies, mismanagement and *etatist* policies, and international conditions. But it is my view that ethnic conflict (ethnic riots, strikes in ethnically dominated sectors, etc.) also played a significant role in the stagnant growth or contraction in GDP and low productivity between 1960 and 1992 and for the failure of the country to realize its full potential. The Black supported PNC government pursued racially discriminatory policies that led to the exclusion of Indians other ethnic groups (like Portuguese, Amerindians, and Chinese) that were non-supportive of the PNC, from most aspects of the economy and even seizing their assets without fair compensation (KN Nov 4, 2014; SN Oct 1, 2013; Jan 13, 2011; Jul 16, 2009; Jan 18, 2009).

It should be noted that after political independence in 1966, the African PNC government refused to work with or to consult the opposition forces (that represented the 60% majority of the population) for their input on economic, political or social policy to reduce ethnic conflict (KN Jun 19, 2012). There was no consultation with representatives of other ethnic groups on the distribution of resources or the nation's wealth in an equitable manner that would benefit everyone and help to reduce conflict. There were no talks with religious leaders or others on policymaking and implementation that would not be based on ethnicity (KN Jul 28, 2011). And there was no consultation or discussion with opposition forces on how to grow the economy so that people can enjoy a higher standard of living and workers can experience better conditions and higher salaries. The post independence period was also a time when the government refused to consult with the business community (KN May 10, 2013) for ideas on how to promote investment and development, foster growth, expand operations, create jobs, or support development

initiatives so standard of living can increase or promote social change. This was a period when the government pursued a policy of nationalization of foreign owned assets and institutionalized racism that drove away large numbers of people (not supportive of the African PNC) who felt discriminated against based on their ethnicity. It was also a period of electoral riggings and the rise of a fascist, racist authoritarian state to prevent the other races from capturing political power (KN Jun 12, 2013). It was a period when the government rewarded members of its own ethnic group of virtually all the government's resources in a client-patron relationship and victimized other ethnic groups who support the other ethnic parties (KN Feb 9, 2009). It was also a period that saw the rise of the ethnic dictatorship and minority apartheid like rule (KN Apr 4, 2013; Aug 16, 2009). It was also a period of Soviet-type collectivization of economic production that discouraged entrepreneurial activities (KN May 22 & 13, 2014). The period also corresponded with negative real growth rate and declining GDP per capita that resulted in a sharp decline in the quality of life (Grenade: 2011, Dacosta: 2005, Gafar: 2012). Caribbean economists (Dacosta, Grenade, Mandle, etc.) and analysts feel that Guyana should have been much better developed than her fellow CARICOM states and other developing nations and far more prosperous than it was during the 1990s instead of barely staying ahead of Haiti in GDP per capita. Recent figures from the World Bank Report (2011) also show it has not improved significantly since the 1990s. The quality of life in Guyana relative to other countries tells the world that there has been something seriously amiss in that nation.

A trend is observed that after every period of ethnic violence in Guyana – such as late 1950s, early 1960s, early 1970s, mid 1970s, most of 1980s, early 1990s, mid 1990s, early 2000s, etc. – economic growth was affected, GDP/per capita impacted and the

standard of living declined. In analyzing the political situation in the country and looking at economic data, it seems whenever there was a rise in ethnic conflict (prolonged period of violence), the economy suffered jolts resulting in a decline in growth. Consider, for example, that between 1950 and 1957 when the races united against colonial rule and there was societal calm, the economy experienced real annual growth of 2% (*World Bank Report*; *SN* Apr 21, 2011). In contrast, for the next three years, 1958-1960 when racial conflict intensified with Africans defying government policies and African state (public sector) workers refusing to cooperate with the PPP government, and calling for the regime's downfall, there was no real economic growth under the Jagan-led Indian PPP administration<sup>11</sup>. And for the period 1960-64, when Guyana experienced deteriorating race relations including riots that led to extended period of instability, the economy grew negatively (declined in real terms) by an average 0.8% per annum. After 1964, when stability resumed, the economy began a turn around but remained largely stagnant growing a few years and then registering negative growth for several years. During this same period of time, race relations in the nation, buttressed by feelings of racial insecurity and an all out racial competition for political power, worsened. This was accompanied by increasing political instability seriously impacting economic growth and productivity (*World Bank Report* 1989; [www.worldbank.org](http://www.worldbank.org); *KN* Feb 20, 2014; *SN* Aug 31, 2011). A *World Bank Report* on Guyana (May 6, 1994) was scathing in its commentary on the deterioration of quality of life. It noted:

“The period following independence (1966) to mid 1988 was, on the whole, characterized by economic and social decline caused by misdirected government policies and an over-extended role of the state. Real GDP grew at less than population growth. Economic performance worsened significantly during the

---

<sup>11</sup>World Tables 2nd. ed. Washington: IBRD 1980

1980s. Demand management policies were expansionary. The economy lost competitiveness. External balances came under pressure, and the government relied increasingly on price controls and quantitative restrictions on trade. Notwithstanding the rapid economic recovery, poverty prevails. The government's capacity to deliver essential services has virtually collapsed. Infrastructure remains severely dilapidated. The supply of potable water is limited to a small proportion of the population, drainage and irrigation systems have deteriorated to the point that they are no longer useful, and health and education services have become so inadequate that social indicators for the country have fallen to among the lowest in the Caribbean”.

([http://www.worldbank.org/en/region/lac/whats-new?docty\\_exact=Pre-2003+Economic+or+Sector+Report&qterm=&lang\\_exact=English&country\\_exact=Guyana](http://www.worldbank.org/en/region/lac/whats-new?docty_exact=Pre-2003+Economic+or+Sector+Report&qterm=&lang_exact=English&country_exact=Guyana)).

In analyzing Guyana's economic growth from the 1960s onwards, it is observed that when there was political and or racial stability, the economy grew; and when there was instability, the economy declined and with it the standard of living (Tables p x). As data on Guyana reveals (Ibid, *World Bank* annual tables), during the period between 1960 and 1992, especially for those years (1961-64, 1992, 1998, 2001, 2005, etc.) when there was violent competition for political power between the two major races and the politicization of state employees, Guyana experienced very low per capita income, especially in the violence prone years and an overall negative growth rate unlike anything seen for any other developing country (*Guyana - Public Sector Review Vol. 2 of 2*; May 17, 1993; [http://www.worldbank.org/en/region/lac/whats-new?docty\\_exact=Pre-2003+Economic+or+Sector+Report&qterm=&lang\\_exact=English&country\\_exact=Guyana](http://www.worldbank.org/en/region/lac/whats-new?docty_exact=Pre-2003+Economic+or+Sector+Report&qterm=&lang_exact=English&country_exact=Guyana)).

It is noted that ethnic violence and political instability raised its ugly head at every election (1957, 68, 73, 78, 80, 85, 90, 92, 97, and 2001) and the economy then suffered during that period of time. And when stability returned, the economy expanded and grew. There was also racial violence between 2003 and 2005 as well as in 2008 that was accompanied by political instability and stagnant economic growth. (see *World Bank Reports*) (<http://www.cepal.org/en/publications/economic-survey-latin-america-and->



[caribbean-2003-2004](#)). When stability returned, the economy rebounded and per capita income rose. It seems that whenever there were racial disturbances from rallies, marches and impractical demands made by ethnic groups on the state, productivity was affected because people didn't go to work out of fear for their physical well being. It seems the extent of the shrinking of the economy was largely tied to the loss of manpower time when workers were off the job, which in itself was influenced by the period of political instability. When normalcy and political stability returned, people resumed work and their routine activities with the result that productivity increased. So it is no coincidence that deterioration in the economic condition and in ethnic or race relations occurred simultaneously. It seems that as race relations have worsened over time (accompanied by violent ethnic conflict), so has the per capita income and as race relations have improved with a lull in violence and protests (extended stability), the per capita income rises ([http://www.guyana.org/govt/From\\_Autocracy\\_to\\_Democracy\\_in\\_Guyana.pdf](http://www.guyana.org/govt/From_Autocracy_to_Democracy_in_Guyana.pdf)).

***So what has gone wrong in Guyana since the 1960s that led to negative growth, stagnant development, significant decline in standard of living and a near total collapse of the economy during the 1980s that eroded quality of life?*** It is my contention that the ethnic conflict (in the form of a struggle by the two major races for state domination and the attendant power that flow) in Guyana has most significantly affected economic development, and it has been a major hindrance to a rise in the standard of living from the country's lower middle income status (ranking) in the 1950s and 1960s).

## **Chapter 2: Purpose of Study, Rationale, Hypotheses, & Methodology**

### **Section A Purpose:**

The purpose of this study is to explain why Guyana has failed to develop after independence in spite of its abundant natural resources and skilled human resources. It is my contention that the decline in the economy and standard of living cannot be attributed solely to colonial economy, economic policies like nationalization of major foreign owned corporations, acquiring state control of the commanding pillars of the economy, and downturn in the global economy, or on “economics” issues alone. Rather, it is my view that an investigation is needed regarding the impact of the ethnic conflict on development (particularly standard of living and social change) and on government policy making that also shapes economic development. Social scientists must not neglect the effects of a sociological issue like ethnic conflict on a society’s economy.

The paralyzed state of ethnic relations or ethnic conflict between the two major racial groups in Guyana has had a significant effect on the economy. Ethnic conflict has been neglected by social scientists in seeking to explain negative growth rates and an overall lack of development in Guyana. In order to fully understand why Guyana's development is still born resulting in declining economic growth and declining standard of living, one must examine the complexity of Guyana's peculiar race relations as it has impacted on politics, economic planning, and policy-making. I believe that in order to fully comprehend why Guyana has sunk economically, academics need to examine issues and their effects relating to the struggle for political power between the two major ethnically based parties representing their race groups. In addition, researchers need to look at the socio-politico and economic policies of the government particularly between

the years 1965 and 1992 especially as they relate to the state of race relations and the policies' effects on national development or on social change. This was a period of time when race relations between the ruling African race (represented by the PNC) and the others (represented by the Indian PPP and European UF) worsened (at times even becoming violent) with non-supporters (Indians, Whites, Chinese, Amerindians) being completely marginalized in all aspects of life in the society including in the economy (SN Aug 31, 2010; Apr 28, 2008). Local investment was curtailed through cumbersome bureaucratic red tapes causing businesses to lose money (SN Jan 26, 2011; Jun 9, 2010). The PNC's policies caused large numbers of Whites, Chinese, and Indians to migrate, capital flight, and a brain drain that devastated the economy (SN Apr 3, 2010).

Utilizing empirical evidence, like what is happening in Ukraine, Syria, Iraq, Afghanistan, etc., one can say that the basis of most economic, social and political problems in many ethnically polarized nations like Guyana is ethnic conflict that is often accompanied, as is also the case in Guyana, with physical violence. Ethnic violence in any society invariably results in political instability preventing the effective functioning of the state (government) as well as impacting businesses from conducting normal operations, scaring away investors, and affecting factories, farmers, construction workers, and other productive workers from producing at maximum capacity. In short, ethnic conflict (with its attendant political instability) causes a reduction in economic activities, productivity and revenues collection with the result that government operations are short of funding and various activities cannot be fully sustained. As such, development cannot occur. The economy cannot grow (decline in GDP) and the standard of living will inevitably fall as it did for Guyana during those periods (1961-92, 1997-2001, 2002-05,

2008), when there was extreme political instability and ethnic violence.

The political conflict (which in the Guyana context is really ethnic or racial in nature because two ethnic groups are competing for political power represented by their respective political parties) impacts on productive capability and capacity of the country. What has existed in Guyana since colonial times (from the mid 1800s after the abolition of slavery) is a perpetual state of ethnic jealousy and conflict. Related to this is a desire among the different groups to be isolated from one another and to maintain an almost ethnic exclusivity in matters of business, employment, friendship, sports or other forms of entertainment, as well as in political and religious affiliation (Swan: 1957, Robinson: 1970, Smith: 1962). In short, the different ethnic groups prefer or want to retain their own culture, to live in separate communities, and engage in segregated activities, and they have even spoken (to the point of taking actions) of having their own ethnic states (Young: 1975; Williams: 1991). This ethnic separation and the conflict that arises from this social schism seem to have had an adverse effect on the economic and political development of the nation. Whenever there is ethnic conflict, business operations become limited and workers as well as producers are unable to maximize their output for various reasons (unable to get to work, sabotage, threat to their safety, transportation issues relating to movement of goods and workers, etc.) with the result that the economy grinds to an almost standstill (Richardson: 1996; Hechter: 1974). Guyana has experienced an extended period of racial strife including race riots since 1955 – a long period of political instability that has been tied almost exclusively to ethnic conflict and that has brought destruction to the economy. The two ethnic groups have sought political dominance through their party preventing the country from achieving its full potential (Tennessee:

2010; Spinner: 1984, *GT* Dec 7, 9, 2014). Thus, in order to fully understand why Guyana's development was (has been) stultified and or its economy unable to take off and grow, academics must examine how the country's peculiar race relations (ethnic conflict with their attendant behavior of groups and government's policies) impact on economic matters particularly as they relate to the decline in national growth and standard of living. There is need for a conclusive sociological (ethnic) explanation on the decline of Guyana's economy and standard of living with an accompanied proposal on resolution of the ethnic conflict can lead to political stability to facilitate national development.

### **Section B: Rationale, Importance and Relevance of the Study:**

The rationale for this study revolves around the need to explain why a resource-rich developing nation like Guyana, which is not afflicted by natural disasters, which had one of the highest literacy rates among developing nations when it obtained political independence (1966), and which has had a large pool of educated people since the 1960s, experienced prolonged years of negative growth rates after independence and was unable to achieve its economic potential lift standards of living. Racial conflict has been the obstacle to development and therefore it will have to be addressed by policy makers to allow for development to proceed in polarized nation states like Guyana. It is my view that a long-term sustainable improvement in the economy or national development in Guyana depends on some kind of a solution to the intractable racial problem. The two variables (ethnic conflict and development) are inextricably linked – development cannot take place unless the racial conflict is ameliorated or lessened and the racial conflict cannot be reduced unless there is some kind of peace and understanding between the two groups. There seems to be a symbiotic relationship between the two variables (conflict

and development) and both involve a catch 22 situation -- stability is needed for growth and development (rising standard of living) and in order for there to be stability there must be growth to generate resources to distribute to the competing groups to appease them against challenges to upset the status quo. Thus, one of the two variables (ethnic conflict or development) must give way (preferably by way of a reduction in ethnic conflict) to the other one. This will allow for social peace and political stability allowing for investment, economic expansion (and development) that can lead to growth, economic prosperity and rising standard of living. Any improvement in lifestyle and or quality of life will go a long way to appease those challenging the status quo (to put down their 'arms') and in so doing help to bring relief to the ethnic conflict.

This case study has historical and contemporary relevance for the study of socio-economic and political development of Third World nations that are seriously affected by communal conflict or ethnic discord. Guyana is just one of dozens of nations that has experienced violent ethnic conflict. It is, therefore, important to understand (to theorize) the reasons for how and why this ethnic conflict developed, its impact on the development (as well as democratization) of the state, and what can be done to reduce its effects on society as well as to reduce ethnic tension to preserve the state and bring about political stability so as to allow for the nation to maximize its economic potential. A framework for understanding the emergence of ethnic conflict in Guyana and pragmatic proposals to resolve the conflict can help scholars and policymakers to understand the rise of ethnic conflicts and what can be done to reduce conflicts that stunt political and economic development in so many other states.

This case study on Guyana is important as it helps readers (as well as domestic

policy makers, international organizations and actors, among other agents) to understand the nature and effects of ethnic conflict from a practical perspective. This study is also relevant in that it proposes solutions to ameliorate conflict so as to prevent the kind of violent clashes that have recently sprung up in so many societies resulting in wanton economic destruction, economic regression, countless loss of lives, negative development and lower standard of living. Understanding ethnic conflict and its consequences in Guyana and proposing measures to solve or ameliorate it can help international institutions, diplomats and political actors to take measures to prevent or reduce their recurrence and likelihood of happening in other polarized societies.

### **Section C: Why a Need to investigate Ethnicity & Economic Decline:**

Generally speaking, the poor economic performance of Guyana (a GNP real per capita of about US \$400 for the year 2010 using the value of 1960 purchasing dollars) (SN Dec 30, 2013, Mar 6, 2013) is ascribed to the constraints that political and economic institutions have placed on the development process and its legacy of colonial domination and imperialism. But it is my view that the nature of ethnic conflict in Guyana is primarily responsible for negative growth and the slow process of development. Ethnic or racial (in terms of Guyana) conflict negatively impact on economic development in terms of its effect on investment, GDP per capita, growth, unemployment, level of literacy, production units of agricultural and manufacturing sectors, immigration, infant mortality rate, racial composition of the armed forces and bureaucracy, and other socio-economic indicators. A keen researcher needs to **explain why economic development has failed to occur in the state and assess how "race" (ethnicity) impacts on**

**economic indicators (or the economy as a whole) and** – to determine the extent (if any) to which the negative growth rates and poor economic progress that followed independence are related to the said ethnic conflict and or to other (political, social, economic) issues that impacted on national development.

A major theoretical contention among many social scientists in seeking to explain the socio-economic and political problems experienced by Third World nations and their contemporary subordinate status vis-à-vis the advanced nations is to blame almost every development problem on their colonial past (imperialist economic exploitation). There is no disputing that the current socio-economic position of most Third World nations is largely the making of their colonial economic history during which time they were exploited to enrich the imperial metropolitan nations (Jagan: 1972, Thomas: 1984, Daly: 1975). As explained by Thomas (1984), Jagan (1972), Galtung (1971), and other writers, the colonies became impoverished and structurally dependent on the metropolitan countries for almost everything while the empires developed expansively. A legacy of dependency was established from which the societies, even after independence, have found it difficult to break off. Colonies, like British Guiana and others in the Caribbean or Latin America, became dependent appendages to the rich imperialist nations supplying the latter with cheap primary commodities and purchasing from the wealthy countries expensive manufactured goods (made from primary resources that the colonies supplied) (Thomas: 1984, Frank: 1978, 1974). Even after acquiring their independence, the new nations have remained dependent on the wealthy imperial countries and are still mired in poverty and underdevelopment lacking technology to manufacture basic goods and even finding it difficult to raise enough revenues to finance imports or pursue lofty



development goals (Erriah: 2011, Frank: 1974). But are nagging effects of colonial exploitation, dependency, policy mismanagement, adverse terms of trade and other economics related issues and politics the only or the dominant reasons for the impoverishment or lack of development of Third World countries? Could (other) social issues like ethnic conflict and discrimination been factors in the still development or negative growth or unrealized potential of Guyana?

Many developing nations have experienced similar problems to those of Guyana's especially in regards to political and economic development (Dacosta: 2007, 2005). But virtually none underwent the drastic economic decline that Guyana experienced after independence. The question that social scientists may ask, rhetorically, is what caused this resource-rich nation to experience such a drastic decline in its standard of living so as to become the poorest country in the Western hemisphere even behind Haiti (during the 1980s) or "a basket-case" in the words of a World Bank report? Is there a direct relationship between the state of race relations and Gross National (Domestic) Product per capita or standard of living? The answer to these questions cannot simply be found in restricting one's investigation to the subject of economics alone. One has to try to find answers utilizing other academic disciplines (like sociology, politics, etc.) of research as well. A simplistic answer to the questions lie in the country's peculiar combative race relations (a sociological explanation) among the two major groups, as represented by their race-based parties and their competition for control of the state. The government has been (PNC government in particular was) ethnically structured with its policies and programs (beholden to its ethnic supporters having been elected largely by supporters of that group). It has attended to the needs of its supporters and has been guided in its exercise

of power and distribution of resources as well as in its implementation of policies – directing resources towards members of its ethnic group. The data suggests that whenever the ethnic groups cooperated with the government or the regime treated them well and there are (were) no outbursts of conflict (period of calm, peace and stability), the economy grew. But whenever the groups engaged in violence, in reaction to policies perceived as unfavorable towards them, the economy suffered (Gafar: 2003, Hintzen: 1989, Premdas: 1973, Glasgow: 1970, Stavenhagen: 1991). The two ethnic groups have prevented cooperation (through their representative political parties) in policymaking and have sabotaged each other's policies when either one was (is) in the political opposition as neither party wants the other to succeed in government and each seeks to replace the other in office and as such undermines each other. Also, each ethnic administration's development strategies and or its ethnically biased public policies shutting out the opposition group (s) from resources can also exacerbate ethnic tensions leading to worsening conflict further adversely impacting on development and (by extension) standard of living.

One can also cite many factors that contributed to declining growth in Guyana such as mass nationalization, poor management, failed and useless government projects (Sanata Textile, Mahaicony Mahaica Abary agricultural scheme, the Guyana Marketing Corporation, among others), international economic climate, adverse terms of trade, farcical elections, shortage of foreign currency, price controls, and the unavailability of basic and critical transportation, among others (*GT Oct 15, 2013*; *Guyana Journal Oct 2007*; [www.guyana.org/](http://www.guyana.org/)). While not discounting the effects of each of these and other factors as well, the fact is ethnic conflict (ethnic favoritism) in Guyana was tied to virtually all of these policies, programs and projects, and they have shown to impact on

development. It is noted that ethnic conflict has resulted in perennial disruptions (work stoppages) in economic activities of Guyana (Doherty 2012: 121; Horowitz: 72-79). Such disruptions have curtailed investment opportunities and affected productivity, and ultimately have impacted development, growth and standard of living. And this trend of ethnic conflict accompanied by economic disruptions has been occurring since the mid 1950s when the conflict became more pronounced over competition for political power.

Once the colonial rulers decided during the 1950s that they would grant self-rule and independence to the colony, it became a free for all among the leaders of the ethnic groups vying over control of the state on behalf of their ethnic group. From 1955 onwards, race became deeply embedded in virtually all affairs of the state including politics, economics and social relations in Guyanese society (Spinner: 1984; Tennessee: 2010) impacting development. There was serious racial rivalry and tensions between 1957 and 1961 when politics descended into a racial contest. The country experienced a traumatic racial civil war between 1961 and 1964 and near civil war like situations at sporadic intervals right before and after this period and continuing during the entire period of Afro ethnic PNC authoritarian rule that ended in 1992. Ethnic tensions, strikes, sporadic violence and threats of racial violence continued after 1992 when democratic rule was restored under Indian backed PPP rule (*SN* Jan 9, 2010). The ethnic tensions, violent social events and ethnically driven policies in Guyana after 1955 that led to stalled or negative growth has illustrated how racial conflict is integrally related to the prospects for development.

Researchers need to look at the country's social (racial) relations and what the government was doing politically and otherwise in terms of the handling of the racial

conflict that had/had hurt the economy. For example, given a history of ethnic tensions from early colonial times, one would wish to study how the PNC government handled sensitive race relations, especially with regards to its allocation of scarce resources among the different groups to promote development and lessen feelings of alienation and discrimination and encourage economic participation from all groups. An explanation is warranted on how and why people continue to view each other as well as state policies in terms of ethnicity four and a half decades after political independence. It is found that racial conflict and competition for control of the state have prevented the social cohesion of the nation and has rendered nearly impossible the two dominant races co-operating with each other towards the goal of national development. The ethnic conflict influences and shapes how people view government development policies depending on whether they are supportive of (affiliated with) the government or the opposition. Such political support based on strong ethnic affiliation leads to heightened ethnic competition between the groups (parties) to the point where combatants sabotage development when in opposition (Dew: 1994, 1989). As such, there is a need for scholars, researchers and academics in sociology and other social science disciplines to investigate and explore the relationship (theoretical framework) between ethnic (racial) conflict and development in multi-ethnic societies like Guyana.

#### **Section D: Developing a Theoretical Framework: Ethnic Model & Development:**

My contention is that ethnic conflict has impacted negatively on economic progress and the overall development of a society and unless the racial conflict is resolved in an amicable solution, growth and or development will be adversely affected. The impact of ethnic conflict on development has been amply illustrated (with bloody

experiences of so many societies where infrastructure and industries were destroyed negating development) and is a very important model that cannot be ignored (Hechter: 1974). But it appears to be neglected (as exemplified by a paucity of case studies) in academic literature by sociologists and other social science scholars (Hechter: 1987, Bell: 1975, Glazer: 1975). There is a need to develop a framework that links the two variables – ethnicity and development (Bonacich: 1972). Since ethnicity is tearing apart nations and disrupting development, there emerges a pressing need for a macro-analysis and explanation of the relationship between these two phenomena. A case study of a Third World developing country like Guyana helps to illustrate this relationship. A serious inquiry is done into the possible connections between ethnic prejudice (discriminatory practices) and government decision-making impacting on development and changes in social and economic behavior in multi-ethnic Guyana. Many of these connections can be explained through empirical observations and these in turn can be tied together into a theoretical framework.

Social scientists generally tend to attribute problems with economic development to class conflict (Marxist analysis) (Marx: 1998) or some other economic or political phenomena rather than on social (ethnic) relations. Not unexpectedly, there has been a dearth of alternative theoretical models (away from Marxism, class, economics and the like) to account for the hostile political or social behavior of different races towards each other in Guyana and other similar ethnically divided societies and their impact on development. But given the ethnically plural composition of as well as ethnic conflict in Guyana and so many societies around the globe, class conflict as the major reason for problematic political (and economic) development of states needs to be modified to take

into account the rise of ethnic consciousness which shape human behavior and that could lead to actions to negate development. Besides a Marxist perspective of class relations which may unite people (workers in particular) based on status or poor working condition so as to improve their depressed living conditions, peoples' behavior may also be conditioned by their ethnic identity uniting or dividing them for a variety of reasons especially in polarized multi-ethnic states (Patterson: 1975, 1983) to gain better access to resources or power. That is to say, people are loyal to their own ethnic group and their behavior is so conditioned or influenced vis-à-vis other groups and such loyalty may transcend working class solidarity (Dennis: 1977, Brass: 1976, Bartels: 1977). They are united through ethnicity rather than by class (Doherty: 2012). This is particularly so in Guyana and so many nations including current and former socialist states where ethnicity has a very strong pull. Such ethnic alignment would disappear in time, according to Marx's theory, as these countries experience development. Marx did not put a time frame when ethnicity would be replaced by unity around working class consciousness (Ibid). But so far, some 150 years after Marx, ethnicity has not disappeared, and in fact it has been strengthened even in so called (former) working class socialist states like China and Soviet Union. The inadequacy of Marxist and other left analyses, for decades the main paradigm or dominant world-view, to explain the persistence of ethnicity as well as the slow pace of economic development in many Third World countries has not led to a corresponding increase in alternative theoretical models to explain lack of development or negative growth rates in multi-ethnic third world nations. Hence, the development of this "sociological theoretical model" to buttress the well argued Marxist model to explain the failure of development in an underdeveloped ethnically divided state.

It is my contention that in order to fully understand why Guyana's economy has declined from being among the third most prosperous Caribbean country in 1960 to a level lower than that of Haiti during the 1980s (and now just barely threading above Haiti today), or why a resource barren Singapore with a lower GDP per capita than Guyana during 1950s or slightly above Guyana in 1960 was able to make greater strides by 1980 (KN Jul 18, 2014; dataworldbank.org), one must examine how ethnic conflict influence government policies and impact development. This necessarily requires taking a look at the complexity of Guyana's peculiar race relations to investigate (empirically or otherwise) any relationships (including official policy driven directives based on ethnic considerations) linking race and economics in Guyana and explore their implications for development in this society.

This dissertation, therefore, applies a mostly sociological model (racial conflict) as part of an effort to explain the poor economic performance of Guyana and the wide disparity in growth compared with other developing countries that are less endowed than Guyana in resources. The model is linked with other underlying social science factors including economic, historical, and political. In fact, this kind of study necessarily requires an inter-disciplinary mode of inquiry in an effort to produce as comprehensive a treatment as possible of the subject matter. **The model suggested here holds that economic decline in multi-ethnic societies are partly to be explained by ethnic (racial) conflict existing in these countries.** This so called “*ethnic model*” or sociological model (as developed from a largely sociological perspective) utilizes a combined empirical and theoretical approach to diagnose the link between the two variables (ethnic conflict and development). It explores why there has been such a wide

divergence in income level and national growth between Guyana and other developing countries by looking at the impact of racial conflict on economic development. In other words, it seeks to investigate why there are wide differences in measures of human development and or national growth for Guyana and other similar developing countries when Guyana was/is better endowed with natural resources (as compared with Singapore, for example), and was better placed for take off and development than most other colonies (Barbados, Jamaica, etc.) at the time of independence (1966) – why a country's economic indicators declined precipitously after independence, and the study also attempts to propose a model of governance that can lead to stability allowing for growth and development. This topic ought to be a matter of public interest to social science researchers, think tanks, policy makers in third world nations, policy makers of donor nations, and supra diplomats of international organizations to address societies facing similar ethnic problems. The cautious hope is that they may take precautionary measures to avoid the development pitfalls that plague such a resource rich nation like Guyana and guide those societies towards economic growth.

To summarize, the central aim of this research is to explain and analyze the role of racial conflict in the (lack of) economic development of Guyana. From the investigation, one can develop an appropriate model to explain why this nation has failed to make significant economic progress since independence (1966). The theoretical framework should enable social scientists to describe and explain the nature of the relationship between the two variables (ethnic conflict and development) so as be able to utilize the framework to probe, assess, and even predict the state of the economy of other nations with similar ethnic problems as Guyana and or how to reduce the conflict and in



so doing lessen the impact of ethnic conflict on development and on other aspects of life in a multi-ethnic conflict ridden society.

The primary goal in the study is to improve on theoretical models that address issues pertaining to development as well as related to ethnicity by developing a theoretical model that shows and explains how ethnic conflict affect development. The theoretical framework constructed is also intended to offer ideas (proposals) to solve pressing issues involving hostile relations between and among ethnic groups battling for power in states or sub-states or other defined political units. As a proposed solution, the model argues for some kind of a grounded theory based on an equitable distribution of political power as well as economic resources among groups and respect for cultural pluralism granting groups cultural autonomy. The study's ultimate theoretical goal is to suggest how methodologically and analytically, ethnicity can help guide the study of other issues impacting on multi-ethnic societies with the goal of helping to eliminate conflict. So, in conjunction with this quest for improved methodology and theory in studying ethnic relations and development issues, the overarching goal is to elucidate and pronounce a formula for reducing conflict (such as sharing resources and power) in multi-ethnic nations so as to avoid or reduce violence that leads to loss of lives and disrupted development.

#### **Section E: Why a Sociological or Ethnic Model to explain lack of Development:**

One of the questions readers or critics of this study may pose is whether this seminal proposed "sociological" (ethnic) model, as employed here, offers a better explanation than others (such as those from a purely "political" or "economic" or a "Marxist" perspective, etc.) that seek to explain negative economic growth or lack of

development? No one can dispute the claims and theories of Marxist and left leaning writers that centered around the theme that colonialism witnessed the foreign penetration of distant lands making them territories under European control and domination to provide resources to help fuel growth and development of the European empires to the neglect and underdevelopment of the colonies. The objective is not to discredit those theories or to determine which model is superior in explaining the lack of growth in Guyana or in a former colonial society. Rather an attempt is made to examine the role and impact of non politico-economic explanations like **sociological factors** (with one of them being the nature of ethnic relations within the nation) in the lack of economic development in many of these nations.

But in focusing on the effects of ethnic conflict, it in no way negates the other (economic or political) arguments (such as the **Marxist-Leninist** approach or the **World Systems** approach) that seek to explain persistent underdevelopment in the Third World. In fact, it is widely accepted that imperialist forces, as posited by Marxist or left leaning writers, have had lasting negative effects on development strategies of third world countries and their role in the persistence of underdevelopment should not be belittled (Marx: 1998, Bonacich: 1980). Western imperialist or capitalist countries colonized Guyana and other third world countries launching them into the orbit of dependence and backwardness rendering them servile agents of the major imperial powers in the world capitalist system with devastating consequences. But much has already been written on this **so described dominant Marxist explanation** of why countries like Guyana have failed to develop (see Marx nd). Scholars need to look afresh at other so-called "non-economic", "non-political", and "non-Marxist" explanations why these countries have not

prospered since becoming independent from their mother countries (Nagel: 1985, Olzak: 1985). Hence, this is a reason for undertaking this (largely, though not exclusively) sociological examination (and construction of a theory) of the ethnic conflict to illustrate its effects on overall national development (limited social change, etc.) in Guyana.

It is accepted that no single factor or theory can fully explain the socio-economic and political malaise that has befallen Guyana. Many factors are responsible for the state of economic setbacks, widespread unemployment, abject poverty, the overall lack of development and all the consequences that these entail. References are made to some of these factors from a multi-disciplinary approach because it is felt that economic or social theories alone do not adequately explain the lack of development or underdevelopment in or the serious economic difficulties faced by many Third World nations. By focusing on purely economic (policies and theories) or political or social theories alone, one cannot fully explain why Guyana or other developing economies have failed to develop (Barro: 1997). A variety of factors help to explain the inability of poor countries to develop. No doubt, factors such as limited domestic technical skills, lack of industries, scarcity of capital, small size of the economy, imperialism, centuries of colonial domination, dependency relations, conspiracy among Multinational Corporations or among developed economies to keep developing countries poor, US and Western or Soviet interference, cold war, left wing political ideology (Marxism-Leninism), nationalism, and politico-economic isolation, etc. have all contributed to Third World nations' perennial problems associated with negative growth and poor development or a low standard of living (Alesina: 1994). But economic problems are by no means the only explanations why several Third World nations, especially multi-ethnic resource-rich countries with

excellent industrial potential, such as a Guyana, have not been successful at developing (Collier: 1998). One also needs to examine political and social factors (like racial conflict) to explain such a problem.

It is this study's position that lack of development and the economic decline or growth of the country cannot be explained in a void or vacuum in terms of economics alone. At any rate, much has already been written on the economic reasons (colonial exploitation, imperialism, dependency theory, inadequate capital, wrong and misguided economic policies, etc.) for the lack of growth in Guyana. And economic issues tend to be conditioned by the political environment including such a factor like ethnic conflict (a major topic in sociology) impacting on political and social life and on development in general. Thus, besides economic reasoning, political and sociological analyses become essential tools in social science studies on issues (like growth and development) especially in multi-ethnic societies. In Guyana, open violent ethnic conflict had occurred at various periods in its recent history and inevitably affected the economy. So when studying the economy of Guyana, one cannot ignore or belittle the importance of ethnic conflict, a major subject in sociology. As the Guyana case suggests, the effects of ethnic conflict on political and economic development should not be underestimated or dismissed by academics or politicians as being irrelevant to development or that it will disappear over time or with a rising standard of living. In fact, ethnic conflict impacts on national growth especially in severely divided societies like Guyana affecting rising standard of living and impacting on quality of life.

So applying an exclusive Marxist or economic explanation to lack of development does not do justice to the topic. A sociological perspective is also relevant since the

focus in the study is on ethnic relations (conflict) and its impact on the economy, including on discrimination against groups based on ethnicity and the withdrawal of ethnic groups in economic activities. It is important to stress that the sociological explanation is but one model that explains failure of development in Third World societies. The theory does not seek to dispute or negate Marxist or left oriented theories about the effects on development of a dependency status. This sociological model does not undertake to disprove other models or to prove the “ethnic model” is better than other models or that the other models are inapplicable in explaining negative growth rates and a declining standard of living of the nation. Rather, this study offers a supplementary or an alternative model to dependency theory to explain lack of development. It proposes to show a strong relationship between ethnic conflict and economic decline and in so doing breaks new ground for understanding ethnic conflict, social change, and economic development. The racial or ethnic conflict from a sociological perspective is merely one factor that is being utilized to explain the economic decline in Guyana. The study also suggests why it is imperative that pluralist (ethnically polarized) nations manage ethnic conflicts so that their economic development is not seriously affected by instability.

By no means is this study exhaustive on the causes of racial conflict or of economic underdevelopment in Guyana or elsewhere. Rather it touches just the tip of the iceberg on issues pertaining to ethnicity and its effects on development. At any rate, no one theory (be it economic, Marxist, sociological, World Systems, cultural pluralism, dependency, political, etc.) or simply addressing one social phenomena can do justice in explaining the broad subject of ethnic conflict. And no specific theory can explain a lack of economic development that pervades so many (primarily Third World) countries

around the globe. What this study attempts to do is to examine and bring together several related issues tied to ethnic conflict in the construction of a broad theory linking the two variables (ethnicity and development or its lack thereof). These issues include, but are not limited to, pre-colonial social norms and forms, stereotyping, racism, different modes of production, economic exploitation, residential settlements, color, class, social status and ethnic stratification. The issues are also linked to the struggle for political independence of the colony as well as to models that facilitate economic development in other third world societies that were way behind in Guyana at the time of independence.

**Section F: Argument of Study and Questions posed:**

This study utilizes a variety of explanations by posing several interrelated questions for the relatively poor growth of a third world nation based on its ethnicity, culture, political governance and on other aspects of its society. Some relevant questions are: Is democratic practice and economic and political development too conditioned or controlled by ethnic conflict to allow for peace and cooperation so economic development can proceed? Was ethnic violence politically inspired in Guyana? Can economic development occur under conditions of political turbulence caused by ethnic conflict? Why is economic (and or political) development so often accompanied by violent ethnic conflict? How can economic (or political) development in multi-ethnic nations be better managed, so as to reduce the potential for violent ethnic conflict and vice versa?

This case study on Guyana attempts to answer the preceding fundamental questions though not in the order posed. The study will attempt to show: how ethnic conflict started right after Indians (and other ethnic groups) arrived in the colony in 1838

(after end of African slavery) and gradually decided to settle down in the 1870s; how ethnic conflict became institutionalized; how conflict has defined virtually all aspects of life (politics in particular) in the society and continues to evolve and impact on the society; how it has become consolidated and exploited by politicians and has been reinforced by various facets of life; how and why it remains very strong; and what measures can be taken to address ethnic concerns to reduce conflict.

In attempting to answer the questions posed at the beginning of this section, the study traces the arrival of the ethnic groups in Guyana and the societal divisions that followed (including the division of labor based on ethnicity, color, class, occupations, and geography). It explains how a British colonial divide and rule strategy developed and became institutionalized to exploit the working class to maximize profitability. This colonial divide and strategy emerged out of a need to keep the groups apart so they would not unite to demand high wages on the plantations or overthrow the bourgeois exploiters. Divide and rule was executed with skill and cunningness to depress wages and to maximize profit. It was a political and social policy of expediency for economic profit. The research in this study shows that one of the unintended functions of British policy in Guyana and indeed in other societies was to divert attention away from the capitalist labor exploitation of the workers by shifting focus towards their racial differences. This encouraged animosity and conflict to divide the ethnically diverse workers so as to prevent them from becoming class conscious of their exploitation by the plantation bourgeoisie and colonial administrators appointed by London at the behest of the planters (Jayawardena: 1963: Rodney: 1981, Sandhu: 2009, Frieden: nd).

The study argues that hostile relations and mutual animosity between the major

racism, exacerbated during the immediate pre-independence period when the races fought a civil war over who (which ethnic group) would replace the departing British as masters of Guyana, have laid the foundation for economic stagnation and disaster and a politically unstable state that have found it virtually impossible to get its house in order. The study concludes by arguing that a solution to Guyana's racial problems (resulting in harmonious social relations) will have a major positive effect on growth and development in the nation. As it is, the racial groups, directly and or through their leaders, are locked into a competition over the scarcity of jobs and resources for members of their groups and do not wish to see the other group prosper. They will do whatever it takes to see that their group triumphs and the other group fails even if it means destruction of the economy and failure of the state and its institutions. Thus, there cannot be serious development unless the racial conflict is solved. This can be done through a fair formula of power sharing (multi-party/multi-ethnic governance) suggested by University of Guyana Professor Rishi Thakur (Thakur: nd) – including of resources, wealth and office titles. In addition to groups potentially flourishing as a result of such a type of power sharing, there may be social integration that will encourage groups to respect for each other's differences and understanding each other's culture leading to political stability. As a result, investment can proceed leading to economic growth and higher standards of living for all.

Once the nation finds a reasonable workable solution (some sort of multi-ethnic governance or multi-ethnic power sharing formula) to its racial problem, there is no question that the ever-present social (ethnic) issues impeding political stability will be removed allowing for economic development. This will lead to growth and prosperity resulting in benefits for all regardless of ethnicity. And as economic growth keeps pace



with surpasses population growth, and the standard of living increases resulting in social change, the racial conflict is also likely to further ebb encouraging more investments that should result in even more growth and prosperity. Any ethnic power sharing formula that helps to resolve Guyana's social conflict will resonate well with the dozens of developing countries that are grappling with their own ethnic problems and underdevelopment.

It should be stressed that an emphasis on analyzing ethnic problems does not in any way take away from other more traditional modes of analyses for determining underlying factors in the country's malignant economy. Thus, this study simply provides a supplemental paradigm to the broad literature available in economics and politics, using ethnicity, to look at Guyana's dilemma in the way it has approached national development. In so doing, this study **becomes seminal in that such a hypothesis has not been previously offered relating to Guyana. The argument advances towards somewhat virgin territory** because no major study has dealt systematically with the massive economic problems that have been brought about by ethnic conflict in Guyana. This work has a very important historical and contemporary relevance for the study of development of Third World nations, which must not only contend against outside domination (being dependent appendages in a world system controlled by a few major capitalist powers) but by internal dynamics (such as ethnic conflict) as well. The study shows not only the contours of communal conflict but points to some of the political and economic effects that ethnicity tends to generate on the development efforts of Guyana and similar multi-ethnic states facing perennial conflict.

### **Section G. Hypotheses:**

This dissertation will test the following hypotheses based on information collected (from

primary and secondary sources) on a case study on Guyana, interpretation of selected theories on development and ethnicity, and my personal analyses and empirical observations:

A. **Negative** (and poor) economic growth rates and relatively low level of development of Guyana are primarily, though not exclusively, the results of non-economic factors and policies (based on ethnicity, social relations, and political instability); and

B. **Racial competition** for political power, leading to ethnic-inspired violence and political instability, was/is a major cause for economic downturn and the decline of the standard of living in Guyana.

**Section H: General Queries relating to Hypotheses:**

The study examines how:

1. The need for cheap labor by British colonizers to exploit the colony of Guiana led to the establishment of a multi-ethnic colony/state to serve the interests of foreign imperial interests -- a plural society made up of a mixture of cultures, ethnicities, and religions that would severely impact on its development.
2. The White planters promoted a Black/Indian interracial conflict, strife, rivalry and competition that served their economic interests.
3. An ethnic divide and rule strategy was promoted by the British colonial class through various forms of stereotyping leading to ethnic segregation among the different groups to facilitate economic exploitation of plantation life.
4. In-group cohesion and social ethnic solidarity emerged among the diverse ethnic groups that also began to develop feelings of ethnic insecurity from perceived threats from other ethnic groups leading to the rise of intra-group ethno-

- nationalism and open ethnic hostilities.
5. Racial violence and competition for power developed out of petty jealousies among the groups and the desire for racial domination.
  6. The desire by the exploited ethnic groups for national equality (in a White controlled and privileged colonial society), self-rule and freedom from foreign (imported British planter class and their imported staff) domination and subjugation gave rise to racial consciousness and political solidarity among the different groups in British Guiana.
  7. The British colonial authority and expatriate planter class and bourgeois forces promoted and encouraged conflict and competition between the two major racial groups as they competed among themselves to replace the departing British during the anti-colonial nationalist struggle.
  8. The exacerbation of the ethnic conflict allowed the British to postpone independence and extend their stay and domination of the colony when other British colonies were obtaining their independence.
  9. Racial solidarity transcended what was being (falsely) promoted as a utopian socialist working class movement for independence.
  10. Racial competition resulted in violent conflict between two major races inevitably delaying the colony's independence and stultifying political development in the state years after independence.
  11. The country thrived during periods of ethnic calm and stability and contracted during periods of ethnic tensions, violence and instability.
  12. Racial insecurity has prevented the two races (as represented by their respective

- political parties and ethnic leaders) from cooperating with one another preventing the nation from achieving its full economic potential of its citizens and as such a rising standard of living and growth.
13. Racial conflict can be managed if the groups are willing to share political space and resources and cooperate with one another to allow for nation building as well as economic growth, higher standards of living, and social change. And as a corollary, unless the conflict is managed and reduced, the country will not achieve its economic potential and the standard of living will continue to be low lagging behind other third world countries adding to its list of woes.
14. This study has implications for other ethnically divided societies as a model to address their conflict so as to allow for peace and political stability and a willingness to share resources that will facilitate investment leading to growth and expansion that will drive positive social change.

**Section I: Method of Study:**

The methodology adopted for this research of study is historical, empirical and interpretive. Using a descriptive historical methodology, the research draws economic, social and political data from existing studies, institutional reports, and literature on Guyana as well as from the mass media. The study is based generally on various primary (documents, etc.) and secondary sources (books, articles, scholarly publications, newspapers, magazines, internet websites, etc.).

This study traces the rise, evolution and institutionalization of 1. ethnicity and ethnic conflict in the colonial Guiana state; 2. the struggle for self rule and national independence that led to a politically open ethnic conflict between Indians and Africans;

3. the rise of the authoritarian (one party ethnic) state that emerged out of the ethnic conflict; and 4. the decline of the economy that occurred as a result of ethnic conflict and authoritarian rule. Where appropriate, the study uses a historical account to explore the social, economic and political development of the colony of Guiana. The historical framework highlights important changes in the development of the state particularly its politics and economics. The study analyzes the role of the political superstructure – the state and political struggles – in shaping and influencing the economy.

The study also offers an empirical analysis applying the Guyana case to illustrate several theories on ethnic conflicts have emerged, developed, and manifested themselves as well as how ethnic conflict has affected economic development. In addition to using empirical validation, interpretive analysis of the literature and statistical information, the study employs content analysis to show how ethnic policies have affected development in Guyana. And where helpful, the study uses a comparative approach of different time periods in trying to explain why economic growth and development occurred or failed to occur during three different time periods – the immediate pre-independence (1955 thru 1966), immediate post independence authoritarian (1966 thru 1975) and the fascist (1976 thru 1992) periods, and thereafter (1993 - now) when democracy was (has been) restored.

The study also utilizes brief comparisons of success development of other relevant countries with characteristics similar to Guyana's to illustrate the reasons for Guyana's failed development extent of its economic decline. The study points to the failures of economic policies and the role of the ethnic conflict in those failures. It is hoped that this study will influence other multi-ethnic countries to undertake a sober assessment of their own problems. This may guide to steer clear of the perilous abyss

into which Guyana has found herself as a result of ethnic groups engaging in conflict for political supremacy that resulted in a downward economic spiral and standard of living.

**Section J: Shortcomings of this Research Study:**

The study has its analytical limitation especially in acquiring data but it also breaks new ground in putting forth an innovative approach to studying development by looking at non-economic factors. One major shortcoming in this study is access to research materials relevant to the study. There was serious difficulty in obtaining documents within Guyana as they were not readily available given the shabby condition of academic, library and government institutions that are repositories of (supposed to be holding) documents. Guyana was a closed society from 1966 until the collapse of its authoritarian order in 1992 with the restoration of democracy. It is difficult to get accurate figures on poverty, inflation, growth, health and other social matters (letter SN Nov 25, 2011) during that period. Materials were off limits to the public, especially for critics of the regime during the authoritarian years. Any materials that made the regime looked “bad” or shameful in the public eye were removed from research shelves. Also, anyone found in possession of such materials was treated in a hostile manner by state security and considered as an enemy of the state, hounded, intimidated, beaten, jailed and even eliminated (GC Feb 7, 2012, Mar 6, 2010).

History (social, political, and economic) under the PNC dictatorship was rarely recorded or accurately documented. In the post-colonial era, leading up to 1992, the then PNC government controlled and manipulated the media and inundated the press (the arm of the state) with lies, fabrications and distortions. All data provided by the regime was suspect (GC Aug 5, 2014). One has to be careful in using PNC released data when

analyzing the past, especially the dark, dismal days of the PNC regime that was involved in several atrocities including eliminating political opponents and critics, even dissident priests. Recordings of government activities, including of parliamentary meetings and budgeting, were carried out in accordance with the whims and directions of the ruling PNC government. The dictatorship did not bother to keep proper records and terrorized those who queried its illicit expenditures of funds. Government buildings and their holdings were badly neglected and official documents were in tatters after being exposed to rain and sun. Documents frequently went missing when there were queries of expenditures. Agents of the regime often destroyed and it was not unusual for fires to suddenly break out in government buildings and important records destroyed (*Caribbean Contact* June 1980, *GC* Jul 22, 2013, Mar 27, 2011). Also, documents held in the archives often disappeared or became non-available to the public. Therefore one is forced to fit conjectures, rumors, allegations and assumptions into perspective of events and conditions that prevailed in the society and lend credence to them with anecdotes. Even some twenty years after the restoration of democracy, the nation is still in a very painful transition to freedom with documents from the authoritarian period still very hard to find and slowly being made available to the public for research purposes. Also, data for Guyana frequently went missing in international reports. That absence of data from official reports tell its own story, and one might well ask whether it suits the government that there is no systematic account of social indicators that would give the world a fuller picture of the true state of affairs of the nation during the PNC Afro ethnic dictatorship.

The democratic PPP government (post 1992) has also come in for some severe criticisms from International Lending Institutions for data quality and the format in which

they were/are released ([http://pdf.usaid.gov/pdf\\_docs/PNADK761.pdf](http://pdf.usaid.gov/pdf_docs/PNADK761.pdf)). Data has not been updated and was not available for many years. According to an AID report, the breadth and quality of economic data available for Guyana are relatively poor and appear to be steadily worsening. For example, the World Bank gave Guyana an overall score of 50 percent in its 2006 Statistical Capacity Indicator Index, down from 58 percent in 2005 in its preparation of socio-economic data. This is well shy of the present median scores for Low Middle Income (LMI) countries generally (66.5), and for Latin America-Caribbean LMI countries (73) specifically. The report adds: “Of particular concern are the lack of recent poverty and agricultural survey data and uneven statistical practices used in the collection of national account, price, and government finance accounting data. Some statistics on education and health are also lacking or inconsistent. Such data problems complicate our analysis. Data development in this area could help in planning and targeting poverty reduction” ([http://pdf.usaid.gov/pdf\\_docs/PNADK761.pdf](http://pdf.usaid.gov/pdf_docs/PNADK761.pdf)).

Because of data problems and limited access to primary sources, for this study, most research materials are gathered from secondary sources, lending institutions data, empirical observations, the *internet*, and newspaper reports. This study draws its conclusions more on institutional data, empirical and anecdotal facts relating to ethnic conflict in Guyana and their attendant effects on development rather than on abstract theories as a basis of social analysis.

### **Section K: New Vistas or Findings of this Research:**

The argument made in this study is new in that studies on ethnicity (socio-politico and cultural consciousness of ethnic groups) have not made a compelling case on the negative



impact of ethnicity or ethnic conflict on development in former (multi-ethnic) colonial societies that are plagued with developmental problems. Also, studies have not proposed solutions (policies) on how to manage ethnic conflict or suggest models of governance that will reduce, if not eliminate, violent conflicts among competing ethnic groups in a state. Scholars on economic development in third world nations tend to utilize a Marxist theoretical analysis on class conflict to explain underdevelopment and or the rise of ethnic conflict. Marxist scholars surmise ethnic conflict will disappear in a short period after independence. But that has not been the case in most ethnically polarized societies including Guyana where ethnicity has been solidified and institutionalized instead of disappearing over the last sixty years during self-rule and political freedom. And with the end of the Cold War in 1990, ethnic conflict in former socialist countries has become even more pronounced as people embrace ethnic loyalty rather than class allegiance. At the same time, a left wing Marxist-Leninist (or socialist) ideology seems to have lost its lust on working class people as well as on left leaning social scientists seeking to explain the persistence of ethnic identity. With the collapse of communism, ethnicity has come to the fore of former communist countries (Soviet Union, Yugoslavia, other East bloc, China, etc.) and even former Marxists themselves have turned inwards appealing to basal ethnic instincts (as in Serbia, Russia, Czech, Slovak, Bosnia, Ukraine, Georgia, etc.) ([en.wikipedia.org/wiki/Effects\\_of\\_the\\_Cold\\_War](http://en.wikipedia.org/wiki/Effects_of_the_Cold_War); [en.wikipedia.org/wiki/Ethnic\\_conflict](http://en.wikipedia.org/wiki/Ethnic_conflict)).

As this case study on Guyana argues, ethnicity is a primary reason for the failure of national (economic, social, and political) development of the state with each ethnic group seeking to capture (and or exploit) the institutions of the state for its own members' benefit – caring only for the growth and advancement of its own constituents (members of its group) rather than of the entire state. The study also has another unique feature

compared to others in that it not only identifies the development problems posed by ethnic conflict but it proposes a solution (sharing of political power and resources in some form of equitable disposition a la South Africa, for example) to reducing conflict so that development can take place leading to a rise in standard of living and or the quality of life or social change. How Guyana manages and resolves its ethnic conflict could be very instructive for other countries affected by communal strife (that triggers political instability) as they seek ways to ease ethnic tensions in their nations so as to make available the conditions to further development. Thus, the model proposed herein not only theorizes on the reasons for potential underdevelopment in Guyana and similar multi-ethnic societies, it proposes what can be done to reduce conflict and enhance stability that facilitates development. In so doing, it sheds light on causes of and offers solutions to ethnic conflict and political instability in the nation and many other countries experiencing problems similar to those of Guyana.

Also, the Guyana case can offer insights into the workings of ethnic conflict generally and can contribute to the forging of public policy aimed at controlling the adverse effects of ethnic strife in other countries. The theoretical framework developed here for understanding ethnic conflict in Guyana and proposals for reducing it can be applied to similar ethnically bifurcated societies. Also, this effort is undertaken in the belief that the information, conclusion and data derived from this case study can offer important building blocks towards constructing a wider theory on the relationship between ethnicity and other social issues (including economic and political development). In sum, ethnicity is an extremely decisive topic that cannot be neglected in analyzing development in ethnically polarized conflict ridden (third world) societies.

### **Chapter 3: History of Ethnicity in Guyana:**

#### **Section A: Need for Cheap labor & Ethnic Mix of Guiana:**

Guyana's multiethnic composition is a result of colonization and immigration tied to the need for labor to extract resources or to produce food and or other products for colonizers. The colony's ethnic mix is the direct product of the colonial economy – colonization of the land and bringing in free or cheap foreign labor to extract the resources for the benefit of the colonizing empire (Daly: 1975, Nath: 1950; Rodney: 1981). The European acquisition of new vast territories necessitated their settlement by people (colonizers, planters, investors, industrialists, etc.) from the metropolitan centers and or by other colonized peoples brought from India, Asia and Europe to provide a cheap source of labor needed to extract resources or grow food to meet the insatiable appetite of the empires. The colonial rulers brought people of diverse ethnic origin to these far off colonies to serve their capitalist interests (producing with cheap or free labor). Where necessary, the colonial rulers manipulated ethnic relations (promote ethnic tension) to keep the diverse groups in conflict to redirect attention away from their own exploitation as well as that of the colonies while the rulers carted away the wealth of the colonies for trade with the metropolitan countries or for their own self enrichment (SN Sep 23, 2010; Jan 29, 2009; Oct 23, 2008). Guiana, like other colonies, existed to serve the interests of the metropolitan empires with its resources needed to develop the latter at the expense of the former (Adamson: 1972, Mandle: 1973). But to extract resources from or grow food in the colonies required vast supplies of cheap and or free labor. In fact, it was determined that the colonies could not be profitable for the colonial powers without

large quantities of cheap or free labor. Thus, labor had to be recruited from elsewhere because of a domestic shortage (Nath: 1950, Manley: 1984, Daly: 1975, Samaroo: 1987).

The native Amerindian population in Guiana was not in sufficient numbers and did not prove to be very reliable as a source of cheap labor to do the job of extracting resources and or growing crops (SN Jun 24, 2010) to sell abroad. At any rate, they were not found to be dependable for plantation work and were often running away into the hinterland. They could not be held down on the land by the imperial forces for cultural and other reasons (Williams: 1991). So workers had to be imported (Galenson: 1984). Thus, Africans, Portuguese, Indians, Chinese and other ethnic groups were brought to Guiana and other parts of the Caribbean to meet the needs of cheap labor to grow sugar cane, cotton, tobacco and other crops for export to work. The immigrants were forced to work for free or very cheaply on the plantation estates set up by the British plantation owners (Ruhomon: 1947; Mohabir: 2005) in order for the owners to be profitable and to maximize profit. This settlement of the diverse ethnic groups first from Africa as slaves and subsequently from Asia and Europe as indentured laborers, and the racial mixture of the Africans and Europeans to produce the new Colored or Mixed race (*mulatto*) phenotype would establish the social fabric of the colony and the region (Stavenhagen: 1991, 1989; Shibutani: 1965; [en.wikipedia.org/wiki/Afro-Guyanese](http://en.wikipedia.org/wiki/Afro-Guyanese)). Such a social-racial pattern would also define social (stratification based on ethnicity) and economic relations on the colony as well as throughout the Caribbean region till this day (Robinson: 1970, Ramsarran: 2008, Laguerre: 1984; <http://www.everyculture.com/Ge-It/Guyana.html>).

### **Section B: Slavery & Indenturedship – of Africans, Portuguese, Indians, Chinese**

As historians have asserted, it was the profit motive (acquiring capital for

economic expansion and creating more wealth) and a total disregard for the humanity of non-Caucasian people that was behind the move by the United Kingdom and several other Western European nations to introduce slavery bringing in large numbers of Africans into Guyana and other colonial plantations in the Caribbean (Rodney: 1981). Even after emancipation of the slaves (in 1838), a new form of slavery developed which was euphemistically termed indentured servitude (Erriah: 2011). Academics such as Eric Williams (1966), Alan Adamson (1972), Walter Rodney (1981) etc. have well documented how capital (money for investment in Britain and other European empires) was obtained from the brutality of slavery and indenturedship to fuel their own national development to the neglect of exploited colonies. And it was the German philosopher & economist Karl Marx (nd) who determined that "without slavery, North America, the most progressive of continents, would not have been transformed into a patriarchal society". Marx (nd & 1998)(socialistworker.org/2011/01/.../race-class-and-marxis) asserted that if slavery were wiped off the map, there would have been economic anarchy with the complete decay of 19th century commerce and civilization severely stunting growth in the imperialist metropolitan countries. The need for slaves (free labor) brought the Africans to Guiana and to the rest of the region to labor on the plantations.

After the abolition of slavery in 1838, without a very cheap, and slave like source of reliable labor (based on coercion), the plantations could not be profitable or remain in production. "Indentured slavery" was introduced on the colonies of virtually all of the empires after the end of slavery to rescue the plantations from bankruptcy. The British turned first to the Portuguese, as indentured laborers and when they proved limited for the task of working on plantations, the planters turned to Indian labor, and later Chinese

when there were restrictions on Indian laborers (*SN* Jul 24, 2009; Oct 23, 2008). Trading in indentured labor, similar to trading of slaves, was a profitable business for recruiters, sailors and others involved in the trade and for growing crops primarily sugar cane. Most of the indentured laborers imported into Guiana and the other colonies were Indians (*indiaempire.com/v1/2011/January/coverstory6.asp*; *SN* May 9, 2010).

After the abolition of slavery, the British planters in the colonies appealed to the government in England that “a suitable labor force was needed, one that was cheap, accessible, *replenishable*, controllable and acclimatized”, according to University of Guyana Prof. Tota Mangar (*Guyana Chronicle* May 6, 2011). In 1835, Britain turned to its other colony India for a ready supply of the aforementioned cheap docile labor force to save the unprofitable sugar plantations in the Caribbean. The British were in control of India as well as the colonies of the West Indies. They ruled with an iron fist and could get away with any act that served their personal or the empire’s interests. In India, the majority of poor peasants were laboring for starvation wages literally existing under extreme and dehumanizing conditions and often close to starvation. Concerned about the plantations' shrinking labor pool and the potential decline of the sugar sector, including its unprofitability, British authorities, like their counterparts in Dutch Guiana and French colonies began to contract for the services of poorly paid indentured workers from India. This new form of contracted slave like labor was introduced first on an experimental basis in Guiana, and later fully throughout the British held Caribbean and later the Dutch, French and Spanish Caribbean. <http://www.mongabay.com/history/guyana/guyana-health.html>; Adamson: 1972; [http://www.cariwave.com/East\\_Indian\\_Indentureship.htm](http://www.cariwave.com/East_Indian_Indentureship.htm))

The introduction of Indian *indentureds* into the sugar plantation in 1838 was a highly successful venture for the white plantation owners as the system turned around their plantations making them profitable, and it enriched the colonies. The initial group of *indentureds* was described by leading colonial officials as “conservative, docile, simple and able-bodied”. The officials added: “An Indian labour force with such characteristics was quite naturally considered as *sine qua non* to the survival and prosperity of the sugar industry” (Ibid; see also *Guyana Chronicle* May 6, 2011) and recruiters, who were paid a lucrative fee per head, were encouraged to send more indentured laborers. [www.cariwave.com/East Indian Indentureship.htm](http://www.cariwave.com/East_Indian_Indentureship.htm)).

As Gulcharan Mohabir and other writers have noted (<http://gulcharan-mohabir.sulekha.com/blog/post/2005/10/indian-indentureship-a-forgotten-episode-of-history.htm>), what emerged in Guiana and other colonies after emancipation from slavery was a very complex society that changed the nature of social relations. Africans emerged as wage earners who would bargain for their salaries and whose economic welfare was no longer the responsibility of the planters. New indentured immigrants from diverse cultures and backgrounds (Portuguese in 1835, Indians in 1838, African *Indentureds* in 1840, and Chinese in 1853, all of whom were influenced to migrate by significant economic downturn in their home countries) changed the social organization of the Guianese society. With the settlement of these groups, there was a new social pecking order that retained the British in control over the society and influencing social relations. The Africans found themselves competing with the contracted indentured laborers for jobs and bargaining with the British planters over wages. The indentured laborers had been openly recruited in their home countries with promises to better their economic

situation by migrating to other territories while their home countries were suffering from poverty like conditions. The attraction for Portuguese Madeirans, East Indians and Chinese as low skilled laborers was the wage levels, which were rejected by the freed slaves as too low, but which were higher than those in the native lands of the indentureds (<http://www.guyana.org/features/guyanastory/chapter47.html>). The attitude of the indentured was to work as hard as they could to accumulate as much money as possible so as to return “back home” with a bounty of wealth (to improve their lives) they could not accumulate in their home countries that was undergoing starvation like conditions (<http://www.mongabay.com/history/guyana/guyana-health.html>). However, the importation of indentured laborers in Guiana would fuel labor discontent and protests as well as some very violent ethnic clashes on the colony between and among the varied groups – Africans and Portuguese, Africans and Chinese, Africans and Indians (see [en.wikipedia.org/wiki/Chinese\\_Guyanese](http://en.wikipedia.org/wiki/Chinese_Guyanese)). When slavery was abolished, many former slaves in the Caribbean were reluctant to work full time or at all on the estates of their former slave owners as they wanted to break from that bitter experience of human misery that brought back terrible memories of cruelty and abuse they suffered on the plantations. Thus, they started their own settlements away from the bonded plantations (Hookumchand: 2006; Mohabir: 2005; Samarro: 1987). The freed Black slaves established their own free holdings and began to develop economic independence (started retail shops) away from farming and towards other line of work and took to education especially that they were facing eviction from their plantation residences (Prof. Wazir Mohammed, SN Apr 2, Jan 5, 2009; Jun 13, 2008; and Parbatty Ramsarran (2007) (<http://pi.library.yorku.ca/ojs/index.php/ijcst/article/viewFile/18030/16797>). Prof. Prem



Misir of the University of Guyana noted that “planters, such as John Gladstone, father of the former British Prime Minister, masterminded the creation of the indentured system of labour, with the strategy being not to replace the entire (freed) labour force, but to diminish the bargaining power (over wages) of the free slaves” (*Chronicle* May 17, 2011). In time, more indentured laborers were brought to meet the growing needs of the plantations abandoned by the Africans ([moia.gov.in/pdf/guyana.pdf](http://moia.gov.in/pdf/guyana.pdf)).

*Indenturedship* would be described in the United Kingdom Parliament as “slavery in a new form” (Tinker: 1993) because it had most of the features of slave labor. Lord John Russell, the then U.K Secretary of State for the British Colonies, so advised the Governor of British Guiana in an official despatch dated February 15, 1840 that indenturedship was slavery in a new form (*Chronicle* May 6, 2011). Indenturedship was known for its inhumane abuses, many of which practices were not different from slavery. Prof. Bertrand Ramcharan of the Geneva Graduate Institute of International and Development Studies stated that “the circumstances that led to the importation of indentured Indian laborers were far from pleasant and they suffered indignities and humiliations – even if not on the same scale as that of the slaves” (*SN* Sep 3, 2010).

The indentured system would shape social relations among the competing ethnic groups in the society (Rodney: 1981; Jagan: 1972; [encyclopedia.jrank.org](http://encyclopedia.jrank.org)). Prof. Ramsarran (2007) of the Geneva Institute argued that, “the indentured contract severely impacted emerging social relationships”. He pointed out that “it legitimized exploitation of labor, led to ethnic conflict among the imported ethnic groups, divided people by ethnicity, segregated residential settlements by ethnicity; and it institutionalized restrictive labor practices like wage rise and labor negotiations, etc.”

(<http://pi.library.yorku.ca/ojs/index.php/ijcst/article/viewFile/18030/16797>; also adapted from *International Journal of Criminology and Sociological Theory*, Vol. 1, No. 2, December 2008, 177-188; *SN* Jun 6, 2009, May 28, 2009, Jan 5, 2009).

### **Section C: Emergence of Ethnic Division & Racial Stratification**

The historical presence of and the relations among the several ethnic groups within Guiana have been described by commentators as “very tumultuous with each disparaging the other and the White planter class setting the tone of relations among the groups – being dominant and in charge of the society exercising power through the colonial Governor appointed by London” (Seenarine: 2006). People saw and reacted to each other in terms of their racial or ethnic affiliation. Social commentators asserted that the colonial power engaged in what can be described as a social engineering of the society by importing different ethnic (national) groups (from several nations) to serve the labor interests of the plantations on the colony. A multi-ethnic society was created and a classic divide and rule scheme was institutionalized to prevent ethnic cooperation ([www.guyananevnewsday.com/divide and rule](http://www.guyananevnewsday.com/divide-and-rule)).

Right after the indentured laborers arrived on the colony, there emerged rising ethnic tensions and even physical violence between them and the Africans. From the time of the arrival of the different groups, there was very little interaction among them because of the nature of life on the plantation and its social structure as well as the de facto segregated residential settlement established by the plantation owners to reduce contact and labor solidarity movement. They were largely geographically divided with the Afros mainly settling in urban areas to be joined by the Portuguese and Chinese after indenture, Indians in the rural areas, the Amerindians in the hinterland interior of the

country, and the Coloreds in the urban areas (Bisnauth: 2000). Each group had its own settlements, or neighborhood enclaves and social as well as religious institutions. People were expected to stick to their own ethnic group and communities. Also, there were social taboos and prejudice regarding inter-ethnic interaction. The cultural development of the diverse population took on what was described as a distinct character in which people from each ethnic group socialized and interacted amongst their own group and establishing their own unique culture (Despres: 1967, Daly: 1975).

There developed a history marred by ongoing racial competition and racial tensions and at times open violent conflict among the different groups (first between Africans and Portuguese beginning in 1841 and subsequently between Africans and Indians and Africans and Chinese) (Ruhomon: 1947). The competition for space and wealth among the ethnic groups would define the social, cultural, economic and political landscape of the colony right after emancipation continuing till the present time (Seenarine: 2006). There were also contradictions rooted in growing inequalities among the various segments (ethnic groups and the classes among each) of the segregated society resulting in uneven economic development around the society with preference given to certain ethnic enclaves or communities. (As for example, Whites and Colored neighborhoods were privileged with resources during colonial rule and African communities were favored in the post-colonial period under the PNC). In light of this kind of segregation and ethnic favoritism, Africans, Indians, Portuguese, Chinese, Coloreds, etc. constructed distinct and separate identities. Each group also established ethnic enclaves and residencies that found them in perpetual racial conflict (for resources and for domination of the state) with each other (KN Jul 29, 2013; Apr 8, 2013; Nov 24,

2013; Jul 31, 2009); SN May 31, 2010).

The groups were pitted each against the other so that they could be manipulated all in the interests of capital accumulation. Guyana was divided by race after the new ethnic groups were brought to the colony to replace the freed slaves (Rodney: 1981; Jagan: 1972; Despres: 1967). A society was established that was culturally and ethnically mixed with a medley of groups competing against one another for resources and economic survival after the end of slavery (late 1830s) and continuing thereafter (SN Feb 14, 2007; May 28, 2009). The plantation owners encouraged ethnic competition and conflict to keep the groups divided to divert attention away from their miserable lives. By the mid 1850s, the colony of Guiana was characterized by extreme divisiveness that impacted on all aspects of life, including ethnic competition for work on plantations that drove down the price of labor to the great dissatisfaction of newly freed Afro-slaves. The former slaves blamed their low wages and depressed living conditions on cheap imported labor and this became a source of (at times violent) conflict between them and the other racial groups. There developed an uneasy relationship among the groups that only worsened over time as they competed for jobs, resources and the attention of the colonial authority (SN Sep 3, Jul 29 & Jun 17, 2010; May 28, 2009).

The British played one against the other in a classic divide and rule strategy. Cultural differences, inter-ethnic violence, and other factors strengthened features of separateness among the groups leading to self-constructed social and political boundaries among the population. Ethnic conflict was instigated by the white planter class that capitalized on ethnic tensions and jealousies among the groups and their relationship with the ruling class. The British recognized that ethnic strife pitting one group against

another (divide and rule), as successfully used in India and elsewhere (Sandhu: 2009), was an effective way of controlling and continuing the domination of the groups. It must have been calculated that once they fought among themselves, they would have less time to focus on their own miserable conditions and exploitation. The British planter class encouraged such strife and rivalry among the groups to keep them divided.

There emerged intensive conflict between the Africans and the other race groups often played out in physical violence. For example, because the Portuguese and Chinese had not developed an affinity to plantation work, they moved into other parts of the economy, especially retail business and government jobs, after completing their indenture (SN Jan 12, 2009). They soon found themselves in competition with the emerging Afro-Guyanese middle class and this led to repeated clashes and physical violence between the Africans and Portuguese and Africans and Chinese (SN May 11, 2012; Dec 19, 2011; Aug 1, Jun 27, 2010; Jul 29, 2009, Oct 23, 2008; [www.guyanajournal.com/how\\_ishm.html](http://www.guyanajournal.com/how_ishm.html)).

Aside from job competition, cultural differences, including language, work habits, traditions, and customs were used to label and define the different groups of people so as to bring out their differences to encourage conflict among them (SN Feb 18, 2011; Jun 17, 2010). Ethnocentrism and stereotyping by members of each group of the other helped fuel the conflict (SN Mar 25, 2014; Jun 9, 2012; Aug 6, 2009). Clothing, diet and religion were also used to further the divide between the Indians and Africans and other groups (SN Dec 16, 2011; May 9, 2010; Feb 18, 2007) with traditional Indian garb, food habits, and religious practices being put down by Blacks. Geographical settlements were also used to add to the ethnic division between Indians and Africans with living in rural areas, where Indians predominated, being equated with uncivilized behavior (Seenarine: 2006;

SN Jul 10, 2012; Dec 20, 2009; [www.guyana.org/features/conflicts\\_indiansandblacks.html](http://www.guyana.org/features/conflicts_indiansandblacks.html)).

The White planters promoted a Black/Indian interracial conflict to redirect focus away from their economic exploitation. The racial competition (fighting for economic turf and special benefits from the colonial authority) served British economic interests; the British colonial authority and or the local *plantocracy* (in control of the society's wealth) were the referees of who and or which community gets what and when and this strategy was used effectively to promote jealousy and competition between the groups for state attention as a means of controlling their behavior (SN Jun 27, 2010).

The British also used racial and color differences to institutionalize division among the groups ascribing status based on color and ethnicity to create jealousies among them in their aspirations for "higher status". To the British, race was the primary social determinant of society and a hierarchy of racial stratification was institutionalized in the society. The belief in the superiority of one race (Whites or Europeans) over other races was practiced and encouraged by the British colonial authority (SN Jun 17, 2010). And the British colonials (and indeed everyone on the colony) institutionalized this belief that Whites (and people closest to being Whites) were superior to non-Whites (SN Sep 3, 2008). The British created a ladder of superiority of the groups based on a theory of racialism that established racial and Color stratification that was also tied to "Britishness" (Seenarine: 2006). The Anglos and other Europeans (Portuguese) were at the top and other racial groups below with social ranking based on their proximity as closest to being European (defined by color as well as by Christian values and English literacy). The Indians, having retained their culture, unlike the other groups that had absorbed European culture, were categorized as an ethnic group opposed to every other group and almost at

the bottom of the social ladder (Seenarine: 2006). The Indian masses were mostly illiterate (could not communicate in English) and non-Christians. With social status dependent on English literacy and embracing of Christianity, the Indians found themselves at the bottom of the social pyramid (Ibid) with the African masses slightly above them and the Mixed or Colored groups sandwiched between the Chinese and Portuguese who were just below the British Anglos (SN Sep 26, 2010). The Amerindians, shut out in the hinterland, were at the bottom (SN Apr 1, 2014; Dec 21, 2010).

The social structure of the society (Despres: 1967; Robinson: 1970, Jagan: 1972; [Encyclopedia.jrank.org](http://Encyclopedia.jrank.org)), with its ethnic division and social stratification, was a perfect setting for colonial rule – divide and rule -- with different ethnic groups competing against each other at first for jobs and livable wages and later for land, resources, business, social status and political influence (see Sandhu: 2009). In addition, the groups found themselves in physical conflict with one another over jobs, resources, and perceived favoritism from the ruling class -- all promoted and abetted by the British rulers and local planters (KN Nov 11, 2012).

Even after independence, the inherited ethnic structure of social inequality among the groups largely remained in place as the former colonies found it difficult to shake them off or to effectuate a new social order based on relative equality among the ethnic groups (KN Sep 2, 2013; Feb 17, 2013; Dec 1, 2010). The historical structure of the society made it difficult to dole out rewards and appointments based on merit rather than on the established past practices of ethnic or party preference (KN Dec 31, 2008). Also, there continued the lopsided development favoring one geographic region (urban areas) over another (rural) as well as an inequitable system of distribution of resources based on

such socially constructed factors as ethnicity, color, class, political connections, favoritism, party affiliation, and geography – all serving to promote rather than reduce ethnic conflict. The (dominant) ethnic group in charge of the state decided which region (or ethnic group) would be developed and or favored and or rewarded with resources. It was so during colonial rule and remained as such after independence. After the imperial rulers freed the colony, the ethnic conflict has remained unresolved and the policy of ethnic preference has persisted (though the benefactors changed hands right after independence to the Africans). Development is guided and directed by the dominant ethnic group in control of the government favoring those residential areas where its supporters are settled or where it obtains political support (Hookumchand: 2006).

#### **Section D: Causes of Ethnic Conflict**

There are numerous causes and reasons (Richardson: 1996, Patterson: 1983, 1975; Hechter: 1995, 1987, 1978) for ethnic conflict as expressed in verbal and or physical forms in multi-ethnic states. As in the case of Guyana, the chief reason for ethnic conflict is the desire of the leader of an ethnic group or members of groups to capture the state or acquire more resources for its members and to correct what it perceives were historic wrongs committed against the group (Ibid). As gleaned from the literature, generally speaking, ethnic conflict comes about when ethnicity (identifying with and displaying loyalty to one's group) is used to organize and mobilize ethnic groups of people to compete against one another for resources and or for the attention of the state and or even to capture the state. Members from an ethnic group rally around each other to give each other support on an issue impacting on their group or for (more) resources for the group or for political or economic power (Ibid). The groups are usually organized with the goal



of influencing or capturing state power and or making demands on the state to address a perceived (real or imagined) grievance (typically discrimination based on uneven distribution of resources or obtaining greater state recognition of their culture or equitable participation in the government, etc.). Ethnic conflict (verbal or physical clashes and the like) inevitably develops when expressed grievances of the group are not satisfactorily addressed in multi-ethnic societies or where the state ignores the groups (Richardson: 1996, Patterson: 1983, 1975; Nagel: 1985).

Theorists have identified some of the proximate causes of ethnic conflict including allegations of discrimination against and neglect and or marginalization of the group by the (leaders of the) ruling (dominant) group and or a demand for equitable distribution of resources and or proportional representation in the composition of the government of the state (Ibid; [www.gsdr.org/go/conflict/...1...conflict](http://www.gsdr.org/go/conflict/...1...conflict)). Also, conflict ensues when ethnically divisive strategies are invoked by political actors to mobilize political support to capture power and or to make demands on the state and or to gain control of the state (Hechter: 2000, Horowitz: 1985) as happened in Guyana after 1957 and in so many other ethnically divided countries (Bartels: 1978). In multi-ethnic conflict ridden societies, often, the state is dominated by an ethnic group and other ethnic groups become subordinated feeling left out of decision making and or left behind believing they are not getting a fair (or “their”) share of resources leading to all kinds of complaints based on ethnic discrimination (persecution) accompanied by demands for restitution. These complaints can be (and often are) used as a basis for open conflict or political mobilization based on ethnicity (*SN* Feb 28, 2007). Long-standing beliefs and attitudes held by members of the ethnic group are used to support the claim of

discrimination against the group and the accompanied militant response (protests, boycotts, demands, and even violence, etc.) against the state. Among these attitudes and beliefs are: historical legacies of mistrust (as, for example, between Africans and Indians in Guyana when Indians first arrived during the late 1830s and their subsequent settlement thru 1917 when *indenturedship* ended) (SN Jul 2, 2009; Apr 30, 2009; Feb 2, 2008), a mentality of victimization (as for example the thinking among Africans that Whites victimized them during and after slavery) (SN Feb 15, 2010), feelings of shared deprivation (as for example the impressions by Africans that the Indian PPP government (between 1957 and 1964) neglected them in favor of their own group or expressions among Indians that the African government abused them (between 1965 and 1992), or memories of some kind of injustice (as for example during slavery or *indenturedship* or PNC misrule against Indians that denied them access to their cultural diets) (KN Jun 11, 2011, SN Aug 24, 2010; May 14, 2009; Aug 8, 2008; Oct 31, 2007).

Researchers have asserted that ethnic conflict could be peaceful (rallies, protests, marches, petitions, picketing, etc.) or violent (insurrection, arson, physical attacks against property and people, etc.). Violent conflicts between rival ethnic groups sometimes break out spontaneously or at times are planned and pre-meditated (Richardson: 1996, Patterson: 1983). Also, members across ethnic groups are known to form alliances in conflict against other groups (as the Africans, Portuguese, Amerindians, Mixed, etc. did in Guiana during the 1960s against the PPP and Indians) (Ibid). When peace is restored, conflict between former alliance members can take place as happened in Guyana between Africans and Amerindians and Africans and Portuguese once the Indian threat was removed (Bartels: 1978, Glasgow: 1970). Generally speaking, once there is political

peace, the groups get along. But conflicts between or among groups can easily resume for the least provocation or misunderstanding as happened between Africans and Portuguese in 1967 when the Portuguese leader protested against acts of corruption involving its senior partner, the PNC. Conflict is often encouraged and or induced by de facto leaders (ethnic entrepreneurs) of the group to maintain the legitimacy of their leadership over followers (*KN* Aug 29, 2010). Once the conflict ends, their leadership could be challenged and or they could lose their status as leaders of the group. Ethnic conflict in polarized societies like Guyana, Trinidad, and Surinam has been ongoing to serve the selfish interests of ethnic leaders to retain their status as leader of the group (Dew: 1989). It does not take much to trigger ethnic conflict as was experienced in Guyana during the 1840s, 1850s, 1880s, 1950s, 1960s, and during election campaigns ever since. The losing party and their ethnic supporters had refused to accept the outcome of democratic elections and appealed to their kinship supporters to attack the supporters of the winning party (as happened in 1992, 1997, 2001, 2006, 2011) (*KN* Sep 22, 2011).

Sociological research on Guyana has revealed that ethnic leaders have been known to mobilize and manipulate gullible followers to support issues based on ethnicity playing on old feelings of prejudice. It has been found that some of those (like Burnham in Guyana) who organize or mobilize the members of an ethnic group for conflict or to challenge the state may have their own personal political or economic agenda and motives (as for example to serve political ambitions like acquiring power). However, they may not make their personal agenda quite obvious to supporters. Group members are found to be receptive to appeals from ethnic leaders or other co-ethnics who level charges that group members are victims of discrimination. This in turn encourages leaders to

make such appeals (whether real or imagined) creating an ongoing symbiotic relationship between leaders and group members for ethnic mobilization (KN Apr 13, 2014; Jun 4, 2013). The gullible masses of the group tend to fall victim to the claim (whether real or perceived) of ethnic discrimination allowing themselves to be manipulated by ethnic leaders (or ethnic entrepreneurs) to intensify the conflict (Richardson: 1996, Patterson: 1983, 1975; Hechter: 2000) – as was the case of Forbes Burnham during the 1950s and 1960s in Guyana (KN Jan 6, 2013; Apr 26, 2011; Sep 26, 2010; Bartels: 1978).

The ethnic conflict could be peaceful (rallies, protests, marches, petitions, etc.) or violent (insurrection, physical attacks against property and people, etc.) and it is often encouraged or induced by leaders of the group to maintain the legitimacy of the leaders over their followers. It is known that violent conflict between rival ethnic groups sometimes breaks out spontaneously. It does not take much to trigger ethnic violence as was experienced in Guyana during the 1960s and during every election campaign ever since. This is true especially when ethnic losers refuse to accept the outcome of elections or if an ethnic group loses a court case as happened in Guyana in 1998 and in 2001. Those who organize or mobilize the members of the group may have their own personal political or economic agenda, but they may not make their personal agenda quite evident to supporters telling them their group survival is under threat if they don't support him (KN Oct 28, 2012). For example, Forbes Burnham, who mobilized Africans against Indians in Guyana after 1956, wanted power for power sake (and self enrichment), according to his sister Jesse Burnham who told Guyanese to “beware of the political ambitions of his brother Forbes” (Jagan: 1972; KN Nov 14, 2012). Africans fell for his racial appeal of a perceived threat from Indians. Burnham was not seriously committed to

developing the state for the welfare of the country or even for his own ethnic group but for political self-aggrandizement and acquisition of power (*KN* Aug 23, 2014; Jan 21, 2010). Burnham encouraged inter-ethnic violence and animosity to serve his own purpose ([www.guyananevnewsday.com/divide and rule](http://www.guyananevnewsday.com/divide%20and%20rule)). Burnham was hardly an altruistic leader or a benevolent dictator with a primary interest in development of Africans or others. He had no genuine concern for the welfare of the nation as reflected in his actions of murdering political opponents and denying the country access to basic foods and treating them like his imperial subjects. He was obsessed with power and self-enrichment (*KN* Feb 3, 2013). For him, as his sister, Jesse Burnham, wrote, “the ends justified the means” (Jagan: 1972). He even used violence against members of his own racial group when they rebelled against his tyranny or threatened his hold on power (*KN* Jan 5, 2010).

As history has shown, once ethnic conflict has started, there is usually no end. It degenerates into a vicious cycle of endless violence. Groups seek to do to others what was done to them with the once oppressed group becoming the oppressor when it captures power. When the leaders of an ethnic group or the group itself gain office and become the dominant political force, they tend to use state institutions to distribute economic and political benefits preferentially to their ethnic brethren while neglecting and oppressing the other groups. Such actions serve to exacerbate the conflict and affect development (Alahar: 1996). It inevitably leads to discrimination against those from the subordinate group who themselves may have previously been the dominant group and now seek to return to its position as the dominant group. Often repressive force is used to impose discriminatory practices and or to quell resistance of subordinate groups as exemplified in the case of Guyana between 1968 and 1992. As Prof Cynthia Enloe (1980)

noted, force is generally exercised by police officers and soldiers recruited almost exclusively from the dominant group (Africans in the case of Guyana). These recruits often view themselves as "ethnic soldiers" to protect their group or what they view as their government against the other group that is seen as a threat to the governing group or the government acting on behalf of their group (*Ravi Dev in KN* May 18, 2008).

When a dominant group is from a minority ethnicity, as was the case in Guyana or South Africa or Rhodesia (Zimbabwe) before the racist governments fell, the government typically imposes discriminatory policies and uses repression to maintain political order as it is the only way for the dominant group to hold power and keep the other groups in check. Cosmetic democratic institutions may legitimize discrimination as happened in post independent Guyana until 1992 or during apartheid in South Africa and White minority rule in Rhodesia. From 1992 to the present, democracy alone has not been able to ensure ethnic harmony in Guyana because the minority race has refused to accept governance by a majority Indian government. Analogously, suppressing free expression or imposing authoritarian rule does not guarantee the end of ethnic hostility as experienced under the PNC dictatorship from 1966 till 1992. In fact, the opposite has happened in multi-ethnic authoritarian states (like USSR, Yugoslavia, Guyana, etc.) where the ruling regimes suppressed the rights of ethnic groups only to find an intensification of ethnic conflict once the countries became free from authoritarian rule. The survival of ethnic nationalism (whether Soviet or Russian or Serbian or Croat or Afro Guyanese or Bosnian or Indo-Guyanese) in the face of repression (by the state which is controlled by a dominant group) against other national groups illustrates the tenacity with which ethnic groups cling to their identities (ethno nationalism) in solidarity against

ethnic abuses from the ruling or other groups. As Richardson (1996) points out, when subordinate group members endure discrimination, a sense of shared deprivation strengthens identification with their group leading to a nationalistic fervor. This ethnic identification and nationalist feeling provides a basis for solidarity and political mobilization along ethnic lines with the hope of overcoming their hardships and to one day avenging their abuses (Patterson: 1983). In Guyana, for example, ethnic identity has been strengthened with every change in government. With all the persecution and genocidal policies of the PNC regime, Indians became more immersed in their identity after democracy was restored and are fearful of the PNC to government. Also, ethnic animosity has worsened since the restoration of democracy in 1992 consolidating group solidarity – Africans against Indians and vice versa with the groups clinging to their ethnic parties for protection against the other ethnic parties and their representative stronghold in government (Seenarine: 2006; *KN* Oct 5, 2013; *SN* Apr 7, 2010).

In polarized societies, ethnic insecurity, distrust and victimhood (perceived or real) also promote group solidarity and pit groups against one another (Jayawardena: 1963). Members and leaders of contending ethnic groups, whether they are presently discriminating against a subordinate group or are themselves objects of discrimination, often portray themselves as victims of state policy to gain sympathy. A "victim" mentality helps unite group members behind their leaders or within their ethnic organization and justifies the sacrifices they make for their group to improve its status or position and gain benefits (Ibid). Members of a previously victimized group often feel justified in victimizing others outside of their group when they become the dominant group or capture political power; they tend to judge and treat others (seeking revenge)

based on their own victimization (Horowitz: 1985, Patterson: 1983, 1975).

The literature on Guyana shows that very often, ethnic political (and religious) leaders play a divisive role in multi-ethnic society, appealing to ethnic-nationalist sentiments and promoting scapegoats of rival ethnic groups in order to enhance personal standing within their group (and by extension political power) and or to gain political office (through democratic or undemocratic means using their followers in that goal) (Despres: 1967). "Ethnic-bashing", as this leadership strategy is sometimes labeled, serves to reinforce in-group identity by emphasizing the common ties that bind group members to each other while stressing the differences that distinguish the group as a whole and its individual members from other groups and their members. The members of the other group are described as enemies. The social cleavages that result from such tactics to unite members of a group and in expressing detest of members of the other group as well as measures to prevent another group from winning office only add to ethnic tension (Patterson: 1983). Burnham appealed to African nationalism and prejudice against the Indians conjuring up images of Indian dominance of the society and spreading fear of Indians among the Africans (*KN* Jun 11, 2011). Burnham told the Africans that the Indians want to take over the country to the detriment of the Africans whose economic survival has been increasingly tied to state control (with government jobs, etc.) (*SN* Feb 18, 2011, Sep 4, 2010, May 12, 2007). Such an ethno-nationalist and racially divisive campaign by Burnham was/is not unusual or restricted only to a poor society like Guyana but present in virtually all ethnically polarized states, including Trinidad and Surinam, even such developed ones as the US, Canada and England.

As the preceding examples demonstrate, ethnicity is often consolidated when



members of a group are exhorted to support their group through emotional pleas or because of a perceived ethnic threat from the state or from another group (Horowitz: 1985; Rothchild: 1996). To bolster their pleas and pressure potential supporters to back them, members of ethnic groups are often reminded of experiences of abuses and discrimination they or their people had (have) suffered, whether real or imagined, based on their ethnic background. For example, during the late 1950s, Burnham repeatedly told Africans the PPP was developing rural Indian areas at the expense of urban African areas and the PPP was pouring money into growing rice to benefit the Indians at the expense of the Africans (GC March 11, 2014). Analogously, Indians are constantly reminded of how the PNC ill-treated them (KN Mar 6, 2014) neglecting agriculture and encouraging goons to attack them during the period of “kick down door banditry” in the 1980s (GT Jan 24, 20150; SN Apr 29, 2008; Apr 7, 2008; Feb 8, 2008). These "recollections" of (the) past injustices are stressed and repeated time and again by ethnic entrepreneurs or race baiters. The objective is to sow fear among members of the group to support co-ethnics or the group as well as to consolidate ethnic identity and cohesiveness in order to right historic wrongs (Patterson: 1975). Such emotional appeals have had the potential of eventually leading to ethnic conflict among contending groups as the case of Guyana has illustrated.

### **Section E: Role of Minorities in Ethnic Conflict:**

The minority ethnic groups (Portuguese and other Europeans, Chinese, Mixed and Amerindians) had largely excluded themselves from the ongoing Indo-Afro racial (political) conflict that began in 1955 except briefly when the minorities, through their party the United Force (UF), sided with the capitalist PNC against the communist PPP between 1957 and 1966 (SN Jul 29, Jan 21, Apr 29, 2010). Prior to and after

independence, there was limited social integration among the groups. Each had limited connection with the other group so much so that Guyana was hardly one nation but several nations (a reference to the six ethnic groups living in their own secluded communities). This was not new as Guyanese have been divided by ethnicity since the 1840s right after indentured groups were imported into the colony.

Since the 1840s, Guyanese have historically been supportive of their own race and tied to their own ethnic communities and lived among their own ethnic kin. People of different ethnic groups may live next to one another but hardly got (get) along or socialized together (except with those of their own group) even in church (SN Dec 29, 30 2014). The racial groups have lived in largely de facto segregated communities, similar to those in the US, that were initially established by the British planters' class since the mid 1800s. The segregated settlements have been reinforced during the immediate pre and post independence periods as a result of race riots. The minority groups were supportive of the PNC against the PPP during the riot torn years although they did not partake in the murderous rampage against Indians. The minorities were not attacked during the 1960s race riots and they retained their residencies among members of the larger groups. However, Indians and Africans who were minorities in various neighborhoods were displaced after being brutalized in the worse forms of violence imaginable between members of the two groups – rape, robbery, chopped, burnt alive – forcing the living to seek shelter and security among their own ethnic communities (kith and kin) in other communities (Rampertab: 2001). People abandoned homes and other properties to seek shelter and protection among their own kith and kin (of their ethnic group).

Since the 1960s race riots, members of the groups have stuck to their own

community preferring to live among and be supportive of their own group for physical security, and they competed with other groups for resources and political dominance of the state. They also formed organizations among their own ethnic group. It was (is) not common for people of different ethnicities to belong to organizations or worship at churches comprising multi-ethnic groups, and when they did, they rarely got (get) along (SN Dec 30 2014). Virtually all sports, cultural, social, religious, labor and political organizations tend to be constituted of or are overwhelmingly dominated by members of one race. People even established and worshipped in separate ethnic churches that subscribe to the same faith and don't mix when they worship at the same church (SN Dec 29, 30, 2014). For example, there were separate Black, Portuguese, Chinese, and Mixed Catholic Churches and the same held true or Anglican churches, etc. not much different from the segregated communities or ethnic enclaves in the U.S with separate Black, Hispanic, Korean, and White Churches. And as in the U.S, as happened regularly between Whites and Blacks, and Blacks and Asians, there were (are) also inter-ethnic violence in Guiana between Africans and other groups in frequent scuffles (SN May 6, 2011, Glasgow: 1970; [www.guyana.org/.../conflicts\\_i...](http://www.guyana.org/.../conflicts_i...)).

However, while there were several incidents of racial confrontations (including violence) between Africans and each of the other minority racial groups (first with the Portuguese and later with Chinese) ([www.stabroeknews.com](http://www.stabroeknews.com) Jul 29, 2010; May 4, 2010; May 28, 2009; Oct 23, 2008; Sep 3, 2008) from the 1840s right through the 1960s, it was the conflict between Africans and Indians during the 1950s and thereafter that had the most devastating and telling impact on the economy and politics of the nation and on social change. Almost from the time of the first arrival of Indians in Guyana (1838) until

now, there have been conflicts and rivalry between them and Africans with the latter viewing Indian indentured servants as cheap coolie labor and as being responsible for the Africans being paid low wages for their labor and their depressing condition. As one article put it (<http://www.everyculture.com/Ge-It/Guyana.html#ixzz1DzDYgOvA>), “in spite of (violent) conflicts in the 1860s between the Africans and the Portuguese and Africans and Chinese immigrants, it was the Indians with whom the Africans had the biggest quarrel” because of their larger number and the threat for power.

For years, the minority groups lived, socialized and worshipped within their own communities staying away from the rivalry between the Indians and Africans for ethnic control of the state. The Chinese, (*SN* May 10, 2013; Feb 5, 2013; Aug 5, 2010; Jul 3, 2008) for example, had their own Anglican and Catholic Churches and sports clubs and political organization, and they did not mix with the Africans or other groups. Politically, they supported the U.F out of ideological consideration and also because they did not have enough numbers to launch their own party though they had their own political organization, *Chinese Association*. The Mixed, Portuguese and Amerindian groups also had their own organizations and Churches and supported the UF that represented the status quo (*SN* May 4, 2010; Dec 10, 2008; Dec 5, 2007). Because of their small composition in the population, the minority ethnic groups did not pose any grave political threat to the Africans and Indians. As such, the minorities were not involved in any significant violent racial conflict with the two larger groups during the immediate pre and post independence periods although they were involved in repeated violent clashes with Africans in the immediate post-slavery period. That violence was attributed largely to competition for British influence and for scarce jobs with the Africans viewing the

Portuguese and Chinese as competitors who were favored by the British. The Indians were never involved in direct violent conflict with Portuguese, Chinese or Mixed as the Indians were not competitors for state jobs or posed any serious economic threats to them (SN May 28 2009; [en.wikipedia.org/wiki/Portuguese\\_Guyanese](http://en.wikipedia.org/wiki/Portuguese_Guyanese)).

Since the 1950s onwards, the small minority groups have not been serious contenders for political power, and as such they were not targeted for violence. However, members of the larger groups resented the minorities, and they competed for jobs and resources. The major groups largely ignored the minorities with the British directing the minorities to support the European controlled capitalist party (United Force) that advocated for their interests (SN Feb 24, 2009). Thus, the minor ethnic groups were not very active participants in the struggle for control of the post-colonial state although they (Whites, Chinese and Amerindians) supported the UF, and they did back the PNC against the PPP based on economic ideology (SN Aug 21, 2008). Indeed, the PPP was a socialist party intent on controlling large businesses and the Whites and Chinese were pro-business. Since they could not bring themselves into supporting a Black PNC party, they rallied with the bourgeois Portuguese UF against the PPP (SN Feb 27, 2014). The White Christian missionaries indoctrinated the Amerindians that the PPP was a communist outfit that would outlaw religion, and they were successful in winning them over to support the European (Portuguese) based U.F in elections in 1961 and 1964 (SN Apr 29, 2010; [www.guyanajournal.com/race1\\_pt.html](http://www.guyanajournal.com/race1_pt.html); [www.guyana.org/.../guyanastor...](http://www.guyana.org/.../guyanastor...))

The minority-backed U.F supported the PNC in a coalition government in December 1964. But right after the PNC consolidated its power, the minorities were excluded from power and marginalized economically following the dumping of the UF;

the minorities also became victims of PNC misrule (Ibid). The UF and the minorities informally sided with the PPP to oppose the PNC ethnic dictatorship (SN Dec 10, Oct 22, 2009). After the rise of the dictatorship, those minorities (the small numbers who did not migrate) informally joined the opposition PPP struggle (though not becoming supporters of the PPP) for free and fair elections and respect for human rights. Unlike during the colonial era, they saw the PPP as the lesser of the threat to their physical survival, and as such they were not unduly concerned if a socialist PPP were to replace the fascist PNC. On the whole, the ethnic minorities largely kept to themselves. However, in recent years, they have become more closely interlinked with the two larger racial groups seeking to make deals for their groups for greater access to state resources, handouts, and political patronage jobs in the large state sector. For example, the native Amerindians, since 1993, have been trading their support and cutting deals with the PPP for greater amounts of handouts, representations and other resources for their communities in the hinterland (SN Sep 7, Feb 5 2011; Aug 9, 2010). And there are very few Whites and Chinese in the society today with most of them been driven away by the PNC dictatorship following the break-up of the UF-PNC coalition (GT Jan 24, 2015; SN May 29, 2008). The Mixed races have divided up their support among the competing parties with the PNC receiving the bulk of that support through ethnic ties. The “Mixed” or Colored races, who historically worked in banks, the civil service, and prestigious position in the private sector, and who supported the UF, gravitated towards the PNC where they feel they have greater racial affinity ([www.guyanajournal.com/race1\\_pt.html](http://www.guyanajournal.com/race1_pt.html)). At any rate, the Coloreds were never attracted to the Indian-based PPP and the UF had shed its character as the representative of Europeans and Coloreds ([www.inthesetimes.com/article/6309/guyanas\\_post-colonial\\_plight](http://www.inthesetimes.com/article/6309/guyanas_post-colonial_plight)).

## **Chapter 4: Review of the Literature:**

### **Section A. General Overview of Ethnicity & Development:**

Ethnicity and social division have defined and shaped relations in Guyana since the end of slavery. It is well established that race-based policies of a government (like that of apartheid South Africa or minority ruled Rhodesia or Guyana) do have critical effects on development (Wilson: 2012, Louw: 2004, Winant: 1994, Wolpe: 1984). Yet, a general review of the literature does not reveal significant studies directly linking economic development or its lack thereof with ethnic conflict in Third World developing societies. A vast amount of studies on the subject of ethnicity, not only on Guyana, but in other heterogeneous societies as well, show that ethnic groups have been (are) defining their interests in mutually exclusive terms (practicing or advocating racial hegemony and domination over other groups) with reference to control over the state and allocation of its economic resources. The leaders of the groups tend to pursue policies that would benefit their “own group” and often the group tends to act like a state (within a state) among its members by addressing their concerns. Instead of pursuing actions that would enhance the interests of the entire state, leaders pursue group interests much to the neglect of the state. In such a context, inter-ethnic cooperation is not a priority and in fact leaders tend to appeal directly to group interests in order to retain their support. This, inevitably lead to ethnic competition and rivalry because other groups echo similar interests that put them in conflict with each other. And that has been the hallmark of ethnic relations in Guyana – each group makes demands for resources that put them in competition and conflict. Such conflict, in Guyana (and many other nations), has become a serious impediment towards nation building, cultural integration, and economic

development. This has had a negative impact on national cohesion, social progress and standard of living. The ethnic conflict in Guyana has made it extremely difficult for the society to develop and for the standard of living to rise because political instability tied to ethnicity has made investors wary about committing capital that is necessary for economic expansion and growth and by extension development of the society. Yet, the literature on Guyana's economy does not tie economic stagnation and decline to racially biased government policies and racial conflict.

The general literature on ethnicity and social change as well as the effects of ethnic conflict on economic development on Guyana is very sparse. A review of the literature does find numerous general studies and commentaries on ethnicity, ethnic conflict, politics, culture, and ethno nationalism as well as on the economy. The emphasis in most of the literature on Guyana's economy has been on the institution of colonialism and the capitalist mode of production as the root causes of lack of development and as obstacles to economic progress and growth. A focus on social aspects of the colonial legacy (especially aspects of life in colonial society, social relations and ethnic conflict) is essential in constructing any theoretical framework that links ethnicity and economics (national development) because ethnic division was introduced by the colonists, reinforced in official policy, and institutionalized during the colonial period. It is noted in the literature that during the early colonial period, different ethnic groups were brought to Guiana and settled in segregated communities with each group having little contact and social relationship with each other, thus setting the stage for ethnic division and conflict. The literature points to occurrences of violent ethnic conflict throughout the colony's history and the British planter's role in the conflict.



Also, the literature notes that a colonial social order was established based on a structural hierarchical order that was based on race (ethnicity) and a strategy of divide and rule that pits groups against one another. British Whites were at the top of the hierarchy and dominant over all other groups with ethnic Portuguese second in the pecking order; color and a group's 'Britishness' (speaking English and subscribing to Christianity) defined the status of the other groups. Mixed and Africans followed next in line with Indians below. The ethnic conflict defined social relations in the colony and subsequently after it gained independence. The conflict was used a divide and rule strategy to exercise control in the new social order (*SN* Jun 17, 2010), much as class exploitation and class conflict became fundamental to social relations in capitalist societies as illustrated by Karl Marx (1998), Frank (1985), and other Marxist analysts.

The literature and mass media reveals that ethnic-based conflicts are very common in former colonial pluralist societies like Guyana. Thus, ethnic conflict simply cannot be ignored when explaining any aspect of political, social or economic life in multi-ethnic developing societies like Guyana. But a perusal of the literature reveals there is virtually no scholarship on ethnic conflict and development with regards to Guyana or other third world societies. There is virtually no direct discussion on ethnicity and economics nor is there any serious attempt to show how Guyana's poor economy is influenced by the terrible race relations among the diverse groups. There are ample studies on ethnicity and political development but there are virtually no (political) proposals to ameliorate ethnic (party) conflict so development can occur without impediments. Also, studies have not sufficiently examined the impact of ethnic or race conflict on development although it is well established that race-based policies of a

government (like that of apartheid South Africa or Guyana) do have critical effects on development like limiting investment, trade, growth, national participation in the economy, etc. Numerous studies confirm that ethnicity has become an increasingly relevant focus for peoples' socio-political attitudes and behavior in nation after nation. Even nations that have not had ethnic issues (conflict) suddenly find themselves having to confront protests for all kinds of ethnic demands (Horowitz: 1985). And there is hardly any effort to link the lack of economic growth and development with ethnicity or racist policy of a government.

### **Section B. Section Review of Literature on Ethnicity & Guyana**

Ethnicity, as gleaned from the literature, refers to a sense of collective consciousness with a shared sense of identification with a larger group that see themselves as having a deep commonality (kinship, religion, language, caste, race, nationality, etc.). The ethnic group consists of those who see themselves as being alike by virtue of their common ancestry (Indians or Africans or Portuguese or Chinese, etc. in the Guyana context) and are so regarded by others (Shibutani and Kwan, 1965: 47). For example, all non-Indians view and define who is an Indian who in turn accepts that description of himself or herself as belonging to that ascribed group. The same holds true for members of other ethnic groups who define themselves or as viewed by those not from the group. An ethnic group includes such categories as tribe, nationality, race, and other identity). The group is generally defined in terms of language, religion, region, tradition, customs, or other cultural aspects or a multiple coincidence of several social traits which together or even separately have contributed to deep divisions in a state by group categorization with each making demands on the state (Ibid). Geertz (1969)

described the preceding several factors or social traits as primordial (p 109) (or tribal as an easier understood term) pointing out that they facilitate a collective consciousness that will not disappear (forever identify members of that group). *Primordialism* holds that group attachment and identity, especially in traditional societies (like Guyana or Africa or China's control of Tibet) are natural traits that are imbibed from a very young age and difficult to eliminate even with a process of repression. The strength of these bonds is subjective and varies with person, time, place, and modernity. They lead to what the German sociologist Max Weber described as a sentiment of "oneness" or a consciousness of a kind (1978: 387) that stems from sharing a common geographical space or common ancestors or some other common linkage like that of being a Portuguese or Chinese or Indian. And they result in what Frederick Barth (1969) describes as ethnic boundaries that are socially constructed and reproduced in relation to how the group members see themselves and are also seen by others. Barth (1969) points out that these boundaries tend to be subjectively held categories of ascription and identification by the group members. The boundaries merely serve to differentiate members in terms of "we versus them". So there are Africans against Indians and vice versa or Africans versus Portuguese and vice versa. As Prof. Donald Rothchild (1981) posits, people want to belong within and identify with their group because membership confers symbolic ethnic solidarity as well as material advantages especially if the group captures or dominates the state. So, for example, Indians in Guyana rallied around their group when their ethnic leadership (Dr. Jagan and the PPP) captured political power in 1957 and they benefited from the dispensation of resources disbursed by the state in farming (*KN* May 14, 2011). Similarly, Africans in Guyana rallied to the defense of their group (represented by the

PNC) when it captured power from 1964 thru 1992 in spite of the many wrongs their leadership committed (such as the assassination of political opponents, priests, journalists and others, stifling of dissenting voices, and the establishment of an ethnic apartheid like dictatorship). The Africans identify with their party and expressed support for it because of the many rewards and benefits they received from their political ethnic leadership who were in charge of the affairs of the state (KN Oct 25, 2012).

Generally speaking, ethnic identification becomes a politically charged phenomenon in ethnically polarized states as it is primarily used to mobilize political support for leaders when seeking office. Prof. Drummond (1974) finds that “ethnicity is the ideological focus of Guyanese life and the mainspring of Guyanese thought” with political leaders relying on it for power. As the Guyana case exemplifies, ethnic political mobilization is amplified by inter-group competition, by decolonization struggles in a pluralistic divided society, by efforts of the state to eradicate or marginalize a group’s (Indian) culture, by an uneven pace of modernization and of urbanization of (Indian and Amerindian) communities, by discriminatory policy choices from the state (against non supporters), and by ethnic marginalization (of groups non-supportive of the PNC) (Ibid). This in turn precipitates groups without power to mount defensive quests for survival and or counter measures to protect the group from attacks as well as to make demands for material gains for its members (Ibid). Such offensive and defensive measures could descend into a cycle of ethnic violence and counter violence for dominance or for equality as illustrated in the Guyana case. As Drummond (1974) notes, once there is ethnic favoritism, as practiced by the PNC, there will be a political battle for ethnic equality and or ethnic supremacy and or counter-predominance over the state inevitably

leading to ethnic tensions that may degenerate into violence. This makes peace very fragile as ethnic groups in these nations can easily succumb to the least provocation throwing the societies into serious conflict and turmoil and impeding development (Ibid; Geertz: 1969). It leads to the practice of politics on a primordial (or group tribal) level as opposed to an individual level (of self-interest) as addressed by Geertz (1969). Geertz (1973) advises that states must not wish away primordial (loyalty) attachments or belittle them or even deny their reality. He argues that states "must reconcile primordial attachments with the emerging civil order by divesting them of their legitimizing force ... by neutralizing the apparatus of the state in relationship to them, and by challenging discontent out of their dislocation into properly political rather than para-political forms of expression" (Geertz: 1973: 277). In other words, the state must engage all groups and attempt to reach a solution to ethnic grievances to avoid conflict by addressing their legitimate concerns. The state must pursue policies that are neutral – that do not favor any particular ethnic group but offer rewards to individuals (not groups) based on merit, skills, ability, qualification, and achievements and their contributions to the state. When diversity is celebrated and groups are not persecuted, social and economic growth and the reduction of poverty can follow as more resources can be committed to productive and social welfare sectors of the economy rather than on security apparatuses. Failure to respect diversity and treat all groups equitably lead to ethnic tension and violence, which becomes an impediment to social stability and by extension, economic growth, especially when particular groups are given preferential treatment by a government or a national leader, a situation that has been endemic in virtually all multi-ethnic countries, particularly in Africa. And it has been amply illustrated in Guyana where the PNC gave

preference to its African supporters over all other groups resulting in the other groups withholding their productivity and leading to a decline in growth.

As the Guyana case study has shown, *primordialism* (loyalty to the group) is inescapable and parties tend to address group needs by articulating their concerns and demands. People generally want to see their own race "on top" even if they themselves (individually) don't rise in status or to "the top" position of their group or make economic advancement. As such, they take measures to promote the interests of their race or of those whom they see as their own (belonging to their group) against outsiders, a concept that Van den Berghe (1981) refers to as "ethnic nepotism". And they do so because they believe ultimately everyone in the group, including themselves, will rise in status and or receive a fair amount of benefits as long as they are in control of the state. They may support their group or party even when such support may result in the loss of their own democratic rights as happened in Guyana (with Africans supporting the PNC) with the rise of the ethnic dictatorship from 1966 until its demise in 1992, even when Africans themselves had their individual rights violated along with those of others.

Such ethnic support, according to Van den Berghe (Ibid), appears to be natural or inherent in human interaction as observed in Guyana and other ethnically bi-furcated nations. In Guyana, for example, Africans gave tacit support to the PNC dictatorship (1966 to 1992) because their failure to do so would mean the inevitable rise to power of the Indian-based PPP, a possibility Afro-Guyanese abhor. Africans supported the PNC even though the Black dictatorship oppressed not only Indo-Guyanese but also Africans who faced similar difficulties as Indians in obtaining basic necessities for survival. The regime violated the dignity and self-respect of the entire nation and almost everyone's

standard of living declined precipitously. Most Africans, like Indians and people of other ethnicities, faced a most difficult time in making a living, getting food, and providing for the well being of their households under a depressed economy faced with shortages of basic necessities. Yet the Africans supported the oppressive PNC in government and in opposition just to keep the Indians out of government. Analogously, Indians are not pleased with the governance of their party and claim that the government has neglected and discriminated against them since it came to power in 1992. Yet the Indians remain supportive of the PPP giving it over 90% of its votes. Over this period of time as well as between 1957 and 1964, African Guyanese never saw (and still do not view the PPP) as acting in their interests, and they responded negatively to almost every policy of the PPP that they perceive does not directly favor them including “non-ethnic policies” that were/are geared towards national development. And when the PNC was in office, Indians never saw the party as legitimately elected (as it rigged elections) and or serving their or national interests and as such was not supportive of it and in fact pursued actions to undermine the PNC regime.

Clearly, political behavior in Guyana lends credence to the “ethnic nepotism theory” propounded by Prof. Van den Berghe (1981) above in which people support a government that is of its own kind (however that is defined) and the government in turn is biased towards its supporters. In Guyana, there was the near total absence of a cohesive nation building process ever since self-rule was granted in March 1953, suspended because of a perceived communist threat in October 1953, and restored in 1957. The Marxist Indian-backed PPP government was sabotaged by the PNC and its African supporters from 1957 thru 1964 and again from 1992 till now. And the Western-

imposed, African-backed PNC government was undermined by Indians between 1965 and 1992 thru economic and politically inspired labor strikes and sabotage (arson) of production in export crops and destruction of government properties (SN Apr 29, 2010; SN Oct 8, 2009; [motherearthtravel.com/history/guyana/history-8.htm](http://motherearthtravel.com/history/guyana/history-8.htm)). From 1993 thru the present, the Africans took measures (occupying Georgetown, blocking roads, violent protests, engaging in labor strikes, etc.) that have disrupted economic activities preventing the country from realizing its economic potential (Ibid).

The PNC government (1965 thru 1992) neglected and left to decline the productive sectors (agriculture, in particular which had accounted for over half of the GDP all throughout colonial rule and till this day) (GT Dec 29, 2014) of the economy that were dominated by Indians and other ethnic groups not supportive of the PNC (GT Nov 14, 2014; GC March 14, 2014). Forced collectivization of farm produce discouraged Indians from working the land. Private enterprises (almost all in the hands of Whites and Chinese) were squeezed out of existence. Agriculture and the business sectors collapsed. With nationalization of major private owned economic enterprises, some 80% of the economy fell under government hands. But the state enterprises became very inefficient unprofitable. Guyana's products, including bauxite, rice and sugar, which at one time were marketed in western countries on a preferential basis because of Burnham's initial opposition to communism, began to lose its status for preferential prices abroad (during late 1970s) or were often sold at very low prices to punish Guiana for its nationalization of foreign owned industries. Unable to find markets for surplus agricultural produce or primary resources, the government engaged in a system of bartering with the Socialist bloc countries and even applied to become a member of the Moscow established Eastern



Trading bloc (SN May 21, 2009). But the products from the Socialist bloc did not find much favor in Guyana. People sought other illegal (underground) means of acquiring basic goods to satisfy their tastes thus leading to a flourishing black market trade with neighboring countries (SN Jan 13, 2008; [www.guyanaundersiege.com/Leaders/Burnham1.htm](http://www.guyanaundersiege.com/Leaders/Burnham1.htm)).

When the PPP took charge of the government (1957 thru 1964 and again since 1992), those sectors of the economy (agriculture in particular) that were dominated by Indians received favorable treatment to resuscitate a collapsing economy that needed life support and the economy saw a dramatic turnaround. But the Africans and their party, the PNC, continuously complained that the PPP was just assisting its own supporters instead of developing the society at large. While it was true that the Indian government directed resources (such as building infrastructure to assist with rice and sugar production) to those sectors of the economy where Indians dominated, it did so for pragmatic, and not ethnic reasons -- those sectors of the economy happened to be the most productive contributing the largest chunk of the GDP and that were not a drain on the treasury. They were the main foreign exchange earners providing employment for most Indians and contributing tens of millions of dollars in tax revenues to the state to meet the huge salary payments for African workers employed in the public service. The infrastructure for farm production needed rehabilitation (from their collapsed state) because they were neglected by the Black government and the PPP administration made the wise decision to rescue it and save thousands of jobs not only for Indians but for Africans as well – over half the population dependent on farming for their livelihood (GC March 15, 2004; GT Mar 15, 2014). However, the African opponents of the Indian government vehemently complained that the PPP government (1957-64 & 1992- present) was aiding their own

supporters and neglecting the Africans (KN Jul 27, 2014; Sep 2, 2013; Nov 6, May 19, 2011; [www.kaiternews.com](http://www.kaiternews.com)) not dissimilar to when Indians complained that the African PNC government was servicing its own supporters and neglecting them during its 28 years rule (KN Apr 21, 2013; Jun 16, 2011; Apr 3, 2009; GC May 20, 2014; May 1, 2012; Nov 3, 2011; May 17, 2010; [www.guyanachronicle.com](http://www.guyanachronicle.com)). The African labor unions complained that the PPP aided their Indian affiliated workers and neglected African union workers when the PPP was (is) in office (KN April 18, 2013). The Indian affiliated unions complained that the PNC assisted African affiliated workers at the expense of Indian workers when the PNC was in office (GC, Apr 6, 2014; SN Feb 5, 2013). Analogously, the African union of the bauxite workers accused the PPP of aiding Indian sugar workers during the PPP's two stints in office and Indian unions accused the PNC of financially aiding and servicing bauxite workers and the government bureaucracy (over 90% Africans) during its 28 years in office (KN May 6, Apr 30, 2013; Aug 15, 2010; SN Jul 21, 2010; GC Apr 5, 2004).

As the preceding examples reveal, people view government policies not in terms of their merit of what is in the best interests of the nation or how a given policy will aid development, or is in the national interest, and or will even benefit themselves (the complainants) (KN Aug 26, 2012). But rather people view policies through an ethnic lens regarding whether a given policy is good (provides resources) for their larger group or disadvantageous to them or how a policy can be exploited to build support for an ethnic cause or of building political support for a party or leader who advocates for their interests. In conflict ridden societies, people tend to feel (real or imagined) that their ethnic group that is out of power (out group) is made to suffer by the ruling group in

power (in group) and is at a disadvantage for resources, jobs, etc. while claiming that the group favored by the government tends to receive a disproportionate amount of benefits dispensed by the state at the expense of the out group which has been made “to suffer” because of the (alleged) biased policies of the regime. Very often, this charge cannot be substantiated with factual data. But members of out groups hold on to it like the gospel truth (*GC* Jun 6, 2012; Aug 24, 2011). Members of in groups and out groups constantly make charges and counter charges of neglect, marginalization, abuse, and the like. That has been the nature of ethnic relations and responses to policy making in Guyana since 1957 with the introduction of self-rule.

### **Section C. Review of Literature on Economy & Guyana:**

The literature has concentrated on economic factors in explaining lack of development. As the literature noted, the British controlled and dominated the colonial economy as well as its political system throughout the colonial era and shaped its development or lack thereof to the benefit of England. The economy of the Guianese colony historically (has) centered on the production of primary products with the mode of production being largely primitive (mostly manual labor with hardly any mechanization) during most of the period of colonial control and thru this time. The productive forces (mode of production) were also not advanced in the colonial era and the colonial authority determined the relations of production without input from the workers. The working class entered into relations with the colonial state and the plantation owners independent of their will. The laborers were completely dependent and subservient to their colonial masters and were in no position to influence wages in their demands. The totality of the mode of production and the forces and relations of production constitutes

the economic structure of the society – that of being a society geared towards producing wealth for the plantation owners and the empire that controlled the colony (Frank: 1978). Very little effort was made by Britain and other empires to modernize their colonial possessions although they did build railroads, roads, bridges, hospitals, schools, some factories and communication systems that benefited the colonies – but they were established with the general objective of facilitating their profitable exploitation (extraction of resources) of the colonies (and creating plum jobs for Europeans) (Galtung: 1971) and not necessarily to develop the colonies which benefited little from these investments. The colonies remained underdeveloped. In spite of large amounts of foreign aid, and indeed all the efforts of existing institutions and structures, the former colonies have remained largely underdeveloped.

As the literature reveals, the modus operandi of the rulers of the colonial powers and their planter class was profits flowing from the exploitation of the colonies (Mandle: 1973; Rodney: 1981). Thus, they colonized territories and brought different peoples to exploit the resources of the colonies for the benefit of the empire. The colonists did not give a hoot about whom (different ethnic groups) they brought to toil the fields or about the welfare of the imported slaves or indentured laborers, or about the well being of native people who were displaced, or about those who were kept in bondage, or about the colony that was being exploited. They were only concerned about the welfare of their metropolitan center (Frank: 1978, 1966). Colonial possessions were highly prized as they added to the empire's wealth. The colonies were a source of important raw materials that helped to drive development in the empire. The empires, located in Europe, made virtually no effort to develop or industrialize their colonies to improve the living standard

of the locals (Galtung: 1971). Developing and enriching the European motherland took precedence over investment and economic progress in the colonies (Mandle: 1973). They took almost everything, but primarily raw materials, from the distant colonies that would be beneficial to and aid the development of the mother country. In addition, the empires needed the colonies to grow food and other crops to feed their burgeoning population in Europe where climatic conditions restricted food production. The colonies also provided a source of employment for the metropolitan empires' large pool of unemployed (in England, Spain, France, Holland, etc.). Colonization helped to create employment for the swollen population in the metropolitan country sending many of them to work in the colonies. Also, the mother countries benefited with employment of their nationals for the construction of ships and hiring of sailors and crew and for the bureaucracy and security personnel needed to administer the colonies. The colonies also helped to feed the population in the mother country where land was in short supply by growing food that could be shipped back to Europe (Ibid, Frank: 1978, Rodney: 1981 b).

The colonial masters dominated and exploited the colonies often destroying the original socio-economic and political structure that they found especially in Caribbean and Latin American societies (Galtung: 1971). Over a long period of time, the colonists transformed the colonies into subordinate partners or dependent appendages of what came to be described by left economists as a new backward looking capitalist structure and as satellites of the capitalist metropolis to advance the development of the mother countries at the expense of the poor local societies (Erriah: 2011). A center-periphery type of relationship was developed and became a model to explain lack of development in poor countries (Galtung: 1971). This model states that colonies were deprived of

technology and locally educated personnel leading to a dependency situation in which the mother country always had to provide succor to them – referred to as center-periphery dependence (Ibid, Frank 1978, 1966, Beckford: 1972).

As the so-called dependency theorists have argued, the colonies existed for the benefits of the metropolitan centers (European countries that owned the colonies) and the colonies were deliberately kept on the periphery of development. The center-periphery relationship is unequal because the developed nations control prices and terms of trade. The colonies merely existed as suppliers of raw materials and as markets of finished products from the developed European centers and long after independence, this source of dependency remained (Galtung: 1971) and has not changed significantly since the 1970s. Guyana, for example, exported raw materials, though on a preferential basis to England and the European countries, while importing industrial goods from the metropolis. In general, developing nations export raw materials and commodities to the developed nations and import capital and technology (Mandle: 1973, Rodney (1981 a, b).

While the developing countries would have liked to build industries, they were limited in their financial and technological capacity. It was found that many of the newly independent countries were forced to borrow capital from the rich countries to finance local development often at high usury interests which they could ill afford and would never be able to repay and very often the poor countries pursued inappropriate development strategies. Over time, they acquired huge debts making them even more dependent on the rich countries for more borrowing and handouts (Ibid, Erriah: 2011). These poor countries often pursued wrong headed development objectives and in many instances, they were instructed or advised by the metropolitan countries to pursue

development policies (with borrowed capital from the rich) that were inappropriate for their new nations neglecting their comparative advantages such as agriculture and small industries that utilize low skill labor to create employment for the large pool of unemployed. The structure of the colonies became severely distorted so much so that they began to import food and other basic products that they could have grown or at one time produced themselves. Thus, the former colonies became even more dependent appendages to the North countries, shaking off any economic self-sufficiency they once had or aspired to achieve (Galtung: 1971, Mandle: 1973, Erriah: 2011). Also, in several newly independent countries, with Guyana being an example, the new (ethnic PNC) rulers worked in association with the imperialist exploiters they replaced to oppress (exploit) their own people or to pursue self-enrichment for a selected few while encouraging their supporters to engage in conflict (Ibid) (*SN* Oct 13, 2012).

On the above dependency paradigm, some economists felt, especially after Guyana's independence, the country, externally, has been at the mercy of the international capitalist system on trade and foreign aid that has not been favorable (low prices for exports and higher prices for imports) to Guyana or other poor countries. But independence barely changed such a condition as the newly independent countries continue to depend on the former mother country for trade and handouts (Beckford: 1972). Also, Guyana's underdeveloped internal capitalist structure was (is) continuously being reinforced by the nature of Guyana's external relations, namely her dependence on the world economy, particularly the Western economies with which it conducted the bulk of its trade. Instead of being economically independent that should have resulted from a break from the mother country, political independence has resulted in an increase in

political and economic dominance of the former colonies like Guyana by the metropolitan imperialist nations. No one can dispute that current problems had their origins in colonial rule with a certain mindset and exploitative economic institutions. Guyana's external relations and internal conditions, like those of so many other third world countries, as many economists argue, combine to keep the nation within a cycle of dependence on the capitalist countries and persistent underdevelopment. So dependency theorists argue that both colonial practices and economic policies (poorly thought out) have affected development. Economists (Dacosta, Beckford, Galtung, Grenade, Gafar, Erriah, Thomas) have noted that the economies of the region have been under the control of a small dominant (petit bourgeois) class with a dependency on the larger external markets for survival. The late Lloyd Best referred to the Caribbean as “plantation economies” that depend on the economic system lay down by the colonial rulers and unable to transform their economies from the dependency of their former colonial rulers to attain development (Erriah: 2011). He claimed that Caribbean leaders for the most part have been myopic and unable to liberate themselves from a mindset attached to their former colonial masters. Like the colonial rulers, they have perpetuated exploitation of the societies instead of pursuing radical policies to break their new nation’s cycle of dependence and exploitation on the European nations (Ibid).

However, Guyana, like most former colonies, found it difficult to break out of the dependency relationship even some 45 years after independence from England and has remained poor and backward prompting economist George Beckford (1972) to describe it and similar societies as being in persistent poverty. Beckford’s study on Caribbean Economies, *Persistent Poverty: Underdevelopment in Plantation Economies* (1972)



described Guyana and the other plantation economies of the region as agents of “persistent underdevelopment” because of their inability to obtain a reasonable level of development to meet the basic needs of their population. Prof Beckford posits that Guyana and other governments of the Caribbean region have denied their people a meaningful role in managing their economy, have created a dependence of decision making on outside forces in the metropolitan centers rather than accept domestic talent or train local talent, and have not motivated people to pursue self-sufficiency by producing to meet local needs or realize developmental goals. Beckford states that the social and political obstacles of the societies (party competition and race and class institutionalization) as inherited from the plantation social structure do not make it easy for development to take place. He notes that the rigid class structure (defined largely by one’s race and color that may also be tied to occupations and that largely define social hierarchy) had inhibited social mobility. Beckford also chastises the powerful central government for not allowing for popular lower level participation in the developmental processor decision-making. Beckford asserts that there is a strong correlation between race and class (with the Whites and Mixed/Colored ethnic group controlling most of the wealth) that creates a kind of caste system (in which people are born into wealth or into poverty or through inheritance unable to extricate themselves from it) that puts serious constraints on development. Beckford said that the dependency syndrome, political issues, social structure (ethnic stratification) and the denial of people of a meaningful role in governance, when added to the ethnic conflict, have made it even more cumbersome for a poor country like Guyana to achieve development (see also Grenade: 2011, Dacosta: 2007, 2005, Spinner: 1982).

On the difficulties of development in newly independent countries, Prof. Walter Rodney in his classic, *How Europe Underdeveloped Africa*, (1981 b), exposed the insidious nature of European rule in its colonies of establishing a dependency structure to render them “underdeveloped” and making it very difficult for them to attain development even when they broke off from the empire and pursued socialist development. He argued that the European empires, through their capitalist agents, extracted wealth from the colonies and enriched the metropolitan countries leaving the newly independent countries impoverished and dependent on the former European empires with virtually no local capital to pursue development. Other academics before Rodney also discussed the debilitating role of colonialism and imperialism on development (Frank: 1978, Galtung: 1971; Williams: 1966). But Rodney went further than others in making the claim that the empires so exploited their colonies that they left the societies in an “underdeveloped state” (an institutionalized structure) from which the colonies found it almost impossible to extricate themselves from dependency and underdevelopment (Pierce: 1984; Rodney: 1980; *GT* Jan 7, 2014; Jun 12, 2013).

Rodney and other left wing economists (like Frank, Galtung, Thomas) who have shared this viewpoint claim that there was a deliberate strategic decision by the empires to bypass the colonies as sites for adding value (an early process of industrialization) to the primary products they were producing – necessary for industrialization and expansion of the capitalist mode of development. Instead value was added to the products (raw materials) after they were shipped to the metropolitan centers where they were processed and sold (sometimes back to the colonies in the form of new products). Rodney argued that through this strategic maneuver of the rulers of the empires, the colonies could not

and would not be in a position to compete in trade with the colonial power for generations, even long after the colonies were granted “independence”. Thus, they remain underdeveloped. Also, he pointed out, the structure and position of the former colonies rendered them dependent on the metropolitan centers for trade, and at any rate, they lacked the necessary capital to finance development of local industries and the technology to manufacture products at prices that would enable them to compete with multinational companies in the metropolitan centers (Erriah: 2011). Thus, the colonies would remain in an “underdeveloped” state (*GT* Feb 12, 2014). Some of the constraints of underdevelopment identified by Rodney, extant in Africa, however, were overcome by several countries. The economic success stories in Africa like Kenya, Ivory Coast, Senegal, Gambia, Botswana, among others, and the development of what were once backward places like Singapore, Malaysia, Barbados, Trinidad, Brunei, Taiwan, etc. expose some flaws of this *Rodneyite theory*. All of these countries produced goods and or services cheaper than and successfully competed against counterparts in the former empires. Also, while Guyana has remained largely underdeveloped, as have Trinidad, Senegal, Ghana, among others, some of their industries, under private multinational control, were (and still are) relatively competitive globally. They were successful at job creation under colonial rule and remain so today. And under MNCs, the economy grew and industrial production expanded. Guyana, and indeed most of Africa, has remained largely underdeveloped though it is questionable whether this was so because of the thesis put forth by Rodney or because of other factors (Manley: 1982; Mandle: 1973).

No doubt, colonial rule impacted on Guyana’s lack of development as Rodney and other (labeled the colonial) theorists posited. The economic problems of sluggish or

negative growth are linked to the inherent nature of the capitalist system that tends to favor the wealthier countries to the disadvantage of the poorer countries. The poor countries help the wealthy countries by supplying them with cheap raw materials to manufacture higher valued products that benefit the economies of the wealthy countries – the very essence of colonialism. Stagnant development resulted from the capitalist productive and distributive processes that characterized Guyana internally as a producer of raw materials and that was supported externally by the imperialist countries (US and Britain) (Thomas: 1983). These imperial powers foisted the PNC government (December 1964) upon the nation to keep it within the imperialist orbit and out of the hands of the eastern bloc although the PNC government had proclaimed the nation as “socialist” (*KN* Mar 14, 2014). As anti-PNC critics pointed out mere words don’t make one a socialist. As Pierce (1984) pointed out; the PNC facilitated capitalist (mis) adventures within Guyana that led to a severe distortion in trade and greater dependency on the imperialist countries and their banking and international institutions. In fact, Burnham and the PNC became dependent on the US (CIA) for funding and frequent financial bailouts in order to keep the Jagan socialists out of power (Ibid; Manley: 1982; Mandle: 1973).

The country’s trade deficits during the 1970s and 1980s were tied to international prices for commodities, etc. which are imposed from outside by the former colonists and or by market forces. Declining demand for Guyana’s primary products resulted in low prices and helped to explain the acute trade imbalance for Guyana (as well as other third world countries). There had been no lack of explanation for the collapsing state of the Guyanese economy, especially during the 1970s and 80s, with commentaries coming from all sides of the political spectrum in the country and the Caribbean region. Such a

plethora of reaction and commentary is not surprising given how fed up people were of the regime and their declining quality of life (Erriah: 2011). Commentaries also focused on how bad government policies led to the country's economic collapse. That goes without saying but it does not go into the reasons that caused the government to pursue wrong-headed policies that impacted on development.

Dependent type industrialization or industrialization by invitation has not brought about social transformation to societies like Guyana. They largely have remained poor. Overall, Guyana and other poor countries of Africa did not experience any noticeable change in their economic situation, and in fact, in the case of Guyana the economy actually deteriorated. So countries like Guyana and a few in Africa decided to experiment with *non-capitalist path development (NCPD)* confident it would transform their society. The Guyana government pursued a non-capitalist to development (or what was essentially state sponsored capitalism) that was a complete failure. There is a relative dearth in research on non-capitalist development in Guyana and its failure. Pierce's (1984) work on non-capitalist development in Guyana is a major contribution to the theory and practice of socialist transformation. Non-capitalist development, or nationalization of major privately owned industries resulting in government ownership of the means of production, was a growing trend in the Third World during the 1970s as the way to experience social revolution. The assumption behind non-capitalist path to development is it would lead to economic and social liberation and that there would be only one class (emulating Marxism) – the working class in charge of the society.

Non-capitalist development was an effort in the long struggle against imperialism and the dependence of poor developing countries on the wealthy countries for economic

liberation and for the socialist transformation of the underdeveloped countries. These countries were not in a position to undergo the various stages of development, as propounded by Marx (1998), to attain communism or socialism (equality, utopia, class society) because they lacked a developed bourgeois class and a true working class like the developed countries of Europe to carry out the revolution. In Third World countries like Guyana, there is little social consciousness among the working class about their conditions. Thus, they could not be counted upon to make revolution as envisioned by Marx and they lacked an advanced capitalist class to promote development. They need an intervening force a la the state to assume control of the economy. It is, therefore, left to the state to carry out development. But since the state lacks capital, it is forced to pursue a non-capitalist path of development and towards a socialist construction of the society. Under this theory, there is no need for the bourgeoisie or capitalist development of the society because the state is playing the role of the bourgeoisie and is pursuing capitalist development in transition to socialism. As Pierce explained, nationalization of foreign owned industries is a manifestation of the non-capitalist path to development that will help to usher in the revolution and the classless society. The theory is based on the potential that a successful transformation of nationalized industries will serve as an engine to growth and development for the nation.

Pierce correctly asserts that non-capitalist development, and, a fortiori, socialist transformation cannot be established without democratic transformation of the society. In short, non-capitalist development cannot be obtained without democracy. Political tyranny does not help a country to develop. And if it is an ethnically diverse society, tyrannical rule would not motivate various groups to support national development

policies especially non-capitalist development. If democratic practices are not institutionalized, then the task of constructing a socialist society or pursuing non-capitalist development is almost impossible. There must, therefore, be a consolidation of the democratic transformation of politics and all aspects of life in the state. Only then will there be working class gain. Working class participation in all aspect of national life is key to success of nationalization of any industry. Mass mobilization and mass involvement in support of the non-capitalist socialist policy are critical for success. Also, as the Guyana case points out, simply nationalizing industries does not make a ruler or a regime progressive or socialist. Actions empowering the working class and involving all progressive forces in decision-making on a socialist model of development actually determine whether a ruler or government is genuine about building socialism. In such a society, there should not be class or ethnic inequality or ethnic or political favoritism and prejudice. Everyone is treated fairly irrespective of race. Unless there is equitable distribution of resources among the ethnic groups and an end to racial discrimination, there can be no ethnic harmony and by extension no non-capitalist development; discriminated personnel will not cooperate in national development plans.

Pierce (1984) examined the nationalization of Guyana's sugar industry as an application of the theory of non-capitalist development, dissecting the failure of a non-capitalist path to development. As she concluded, non-capitalist development is very difficult and virtually no state (Zambia, Tanzania, Kenya, etc.) that tried it has achieved development although some of them had made limited progress and seen slight increases in the standard of living of the working class. In recent years, all of them, including Guyana, has denationalized their industries and are achieving higher rates of growth and

rising standard of living. Pierce noted how ethnic conflict, labor division, lack of democracy, political persecution, and international forces (conspiracy over pricing of exports from the third world) led to the failure of the non-capitalist path to development in Guyana during the 1980s. Guyana was very underdeveloped and lacking basic capital. It was not ready for non-capitalist development and reeks of many internal contradictions, not the least of which were authoritarian rule and ethnic conflict. Non-capitalist development has a better chance of success in a homogenous society or one where there is limited internal contradictions and conflict among groups. Guyana experimented with non-capitalist development but the chances of success were limited given that it did not allow for democratic development and widespread participation.

Aside from Prof. Pierce's study, there are no other works on non-capitalist development in Guyana. Thus, credit goes to Prof. Pierce for what is an excellent case study on the objective possibilities of socialist advancement in Guyana or other countries through nationalization of foreign owned industries. Dr. Pierce's book illustrates the typical move of many failed third world countries in their pursuit of socialism with non-capitalist path of development being a transition to attaining national development and establishment of an equitable classless society.

As Pierce noted, economic development is affected by many factors. Economists emphasize economic factors. But was it bad economic decision making alone that caused the economy to collapse or to grow negatively? Don't social and political factors also affect development and growth. Besides economics, were other factors (like political policies) also responsible for declining standard of living? One needs to look at non-economic factors that have an effect on an economy. One such non-economic (social)



factor is ethnic conflict that is present in almost all multi-ethnic societies. Were ethnicity (conflict and social discord among the racial groups) and or racially motivated policies important factors in the relative decline of the economy?

#### **Section D. Review of Literature on Ethnic Conflict & Development**

The literature has concentrated on economic factors in explaining lack of development. But since these economic factors do not appear to significantly hurt the economy of other countries that have similar characteristics like Guyana, one has to look at some other non-economic factor (s) that affected development. One such non-economic factor is ethnic conflict that is present in almost all multi-ethnic societies. But in the models of economic and political development from which strategies have been adopted for transformation of third world societies like Guyana, ethnicity has generally been neglected or underestimated as a factor in development. Scholars are more prone to examine the lack of capital, entrepreneurial and organizational expertise, infrastructure, limited potential, etc., all of which have been rightly identified as serious problems undermining economic development in the third world. Problems associated with participation in government, democratic governance, power relations, party politics, mobilization, etc. have been identified as the political problems preventing political and by extension economic development. The focus on institutional structures, minimum standards of education, inadequate nutrition, poor maternity care, class conflict, limited housing, are problems identified as impacting social development. But few scholars or studies have sought to make a deep, thoughtful, penetrating connection between ethnic conflict and socio-economic development (Bartels: 1978, Premdas: 1978). Sociologists,

economists, historians and other social scientists writing on Guyana have not adequately explored the correlation between ethnicity and economic development in any significant detail. Some scholars explored ethnicity and political development (Singh: 1988; Premdas: 1973, 1974, 1978). But most of the scholarly interest on ethnicity as relating to Guyana has tended to focus overwhelmingly on ethnic discrimination, racism, social stratification, and social mobility and on the implications of ethnicity on social relations and domestic politics (Hintzen: 1989). There is a paucity of literature tying economics (lack of development) with ethnicity although there is a significant amount of literature on post independence economic policies and on the colonial economy of Guyana and on the Caribbean region as a whole (societies that have similar economic history and modes of economies) (Erriah: 2011).

Ethnicity is at the center of politics in divided societies and can lead to serious economic problems especially when there is ethnic violence. In the literature the study of ethnic conflict and its effect on the economy has not attracted much attention. Low investment, low education, lack of resources, scarce capital, lack of technology, and political instability explain why some countries have problems developing or growing. But ethnic conflict affects all of the preceding factors. How does ethnicity become intertwined with or linked to economics and development? According to the so-called ethnic competition model advanced by Olzak (1982) and Nagel (1984), “ethnic mobilization is a calculated, rational response to the challenges of modernity to access economic resources and national attention”. These two scholars argue that life in modern society revolves around competition for scarce resources (jobs, rising income, credit, housing, education, market, and other opportunities) that are highly in demand.

Competition occurs along ethnic lines (because the society is historically divided along ethnic lines) thereby facilitating the process of ethnic mobilization and open ethnic conflict. Olzak writes: “To the extent that ethnic populations compete with the majority or other minority ethnic groups for jobs, the resulting niche overlap leads to ethnic competition. Under conditions of stable or shrinking resources, this competition leads to ethnic collective action (an us versus them syndrome)” (1985:76). This description aptly describes economic and job competition and even the political situation in Guyana where there is stiff racial competition in all spheres of life (SN Mar 29, 2013).

The recent resurgence of ethnicity (conflict, civil war) around the globe has made a shambles of development plans and social peace in many third world countries and even in several countries in the so labeled second world of the former socialist countries in Eastern Europe where “ethnicity” should not even be an issue in those utopias. Ethnic assertions and ethno-nationalism have devastated all promising plans for social change and development that are built on various economic models. The ethnic variable, neglected by development economists and other scholars, has emerged as a very important force of change in many third world societies and cannot be dismissed as an unimportant or non-factor in social change (Young: 1993; Stavenhagen: 1991; Smith: 1981). The ethnic variable must now be incorporated in explanations on lack of development and in the design of new strategies for development (SN Aug 4, 2014).

A general examination of the limited literature on economic development and ethnic conflict identifies two broad schools of thought about the relationship between these variables. One school, identified with and attributed to the left, prevalent during the decolonization struggle of the 1950s and 1960s and immediately after independence, held

that economic development would inevitably reduce the potential for violent ethnic conflict – my description of it as *ethnic conflict reduction through development*. The argument of this model was based on the belief that colonial rule held back development and growth, and with independence, economic growth would be rapid with the resulting benefits diffused throughout all levels of society benefiting everyone regardless of ethnicity. As quality of life gets better over time, ethnicity would disappear since people are concerned about their own and their family's well being rather than their ethnic background. People would be more interested in raising their standard of living rather than focusing on issues relating to ethnicity and culture. This school of thought -- *ethnic conflict reduction through development* -- argues that the rise in standard of living would shift focus away from ethnic issues and ethnic consciousness and towards their own progress to attain a better quality of life (Hope: 1985). Also, economic development and ever-rising standard of living would cause people to see issues in (country) nationalist terms (what is best for the nation) and not from a more insular ethnic (ethno-nationalist) perspective. Proponents of this school of thought (ethnic reduction through development) included radical Marxist scholars as well as mainstream political thinkers and developmental economists and even politicians who sought office to replace the departing British and who did not want to upset the status quo with new ideas to address ethnic conflict (Hintzen: 1989). However, during the first decade of independence (1960s thru mid 1970s), empirical observations and economic data reveal that most new states did not experience a burst in economic activities although they did experience some growth (SN Aug 20, 2009). In addition, ethnic conflict did not subside as expected over time and in fact worsened because the group in charge of the states hogged most of

the resources for its members (Glasgow: 1970). While the new multi-ethnic states did not immediately explode in ethnic conflicts, as the theoreticians predicted, ethnic tensions did remain high and the groups made demands for equity and respect (Hope: 1985), Hechter: 1995). Also, in virtually all of the multi-ethnic states, political movements in the post-independence period have remained largely racially polarized with ethnically based parties and or ethnic organizations placing unreasonable demands on the state. Rising ethnic tensions in many of the new nations, especially in Guyana, and full-blown ethnic civil wars in some, raised doubts about the arguments made by advocates of this school of thought (*conflict reduction through development*). Since independence, there has not been adequate development or decline in ethnic rivalry or an end to race based political mobilization as argued by the so-called radical or Marxist theorists. If anything, the states have become more ethnically polarized with an even more ethnically intense competition for power by the political parties that remain almost exclusively ethnic (*SN* Oct 23, 24, 2013; May 22, 201)(see also [www.systemicpeace.org/conflictrends.html](http://www.systemicpeace.org/conflictrends.html)).

A second and more relevant school of thought on ethnic conflict and development is the opposite of the ethnic reduction model discussed above. It is what is labeled as the ethnic *persistence model* constructed by the Guyanese scholar and popular newspaper columnist Dr. Ravi Dev ([www.kaieteurnews.com](http://www.kaieteurnews.com) Apr 21, 2013; Aug 26, Mar 25, Jan 15, Jan 13 2012; Dec 18, Dec 4, Nov 27, Sep 25, 2011; Nov 23, Jun 25 & May 18, 2008). He posits that ethnicity would not disappear even if there were economic growth, rising standard of living and expanded development – what is termed as the ethnic persistence model. It is noted that when the economy grew, or has grown, competition between the groups did not (or has not) decrease (d). Rather demands on the state for more resources

increased and even when the resources were given, through ethnic appeasement or otherwise, the antagonists (the ethnic group opposed to the government) found excuses to engage in violence. The advocates of this ethnic persistence school of thought note that ethnicity provides people with an identity that they are not willing to easily trade for benefits from the state or for higher standards of living or for selective perks. They are committed to cultural autonomy and an equitable share of the patrimony of the state. The model suggests that ethnicity actually transcends other goals and people are not prepared to lose their identity just for small material benefits. Ethnic or cultural identity is very important to people and they are not so easily willing to dispense with their ethnic background that is tied to their history as a people. They are more interested in the well being of the entire group (in addition to themselves) and not just themselves.

Consequently, they do not feel fulfilled with self-gratification, self-benefits and state handouts (ethnic tokenisms) unless those benefits are available to the entire group. They want state policies that allow for self-perpetuation of the group and cultural autonomy enabling them to hold on to their cultural practices and identity and not just individual benefits. They live for the overall welfare of their group subscribing to a concept of ‘all for one and one for all’ not themselves (Rothchild: 1996). People would like to see their own individual position improve but they also hold a sense of loyalty to their group.

Thus, people will or tend to rally behind political organizations that (or leaders who) they perceive to be advocating for or representing the interests of members of their own ethnic group or delivering resources to their group (Richardson: 1996). People support the “survivability” of their group tying their personal fate with that of the entire group and thus rally behind ethnic leaders or organizations (ethnic parties like PPP, PNC, UF in

Guyana) for solidarity and or protection (Hechter: 2000, Gurr: 1994; Patterson: 1975).

The literature on ethnicity shows that the possibility of inter-group conflict is greater when groups view their position in society in structural (systemic) as opposed to individual terms – the group is more important than the person. And as this “Ethnic Persistence” school of thought suggests, the entire ethnic group will have to be appeased with handouts in order to silence the bulk of the membership of the group and not just a few of its members (labeled as ethnic tokenism) as politicians learn the hard way by attempting to buy out a few ethnics to quiet the rest of their kin. And no amount of ethnic brutalization repression, as the world learn from the experiences of Stalin and Hitler, regarding the persecution of minorities in the USSR and Germany, can wipe out the ethnic and cultural persistence of a group (Patterson: 1983). Even fascist Japanese repression of Koreans and other ethnic groups in Asia could not succeed at getting groups to abandon their ethnicity. As experiences have illustrated in so many societies, ethnicity has persisted everywhere through wars, genocide and ethnic cleansing (Hechter: 2000).

Advocates of this *ethnic persistence* school of thought argue that economic development policies alone would not pacify an ethnic group or encourage its members to subsume their ethnicity to the state. The group has to directly benefit from the policy, accept it as beneficial to them and share in its implementation. The advocates of this school argue that policies relevant to "maintaining political stability" (democratic and inclusive governance and not repressive policymaking) must be delicately executed in multi-ethnic communities especially where one group dominates the society. The other (subordinated) groups must be treated with special care to appease their members so they do not feel they have been deliberately hurt (neglected or marginalized) by state policies.

Efforts to liquidate them or to force an alien culture upon them will not work (Hechter: 1995). Once satisfied that they have not been marginalized or hurt by state policymaking, members of an ethnic will not partake in or give support to activities that breed ethnic conflict with other groups (Ibid). Thus, political stability will ensue allowing for investment that promotes economic development leading to rising standard of living.

This second school of thought (ethnic persistence), as opposed to the first one (*ethnic reduction through development*) that suggests that ethnicity will disappear over time, says ethnicity will not disappear even if peoples' income and standard of living rises because of ethnic loyalty. This second school of thought offers a more relevant explanation of the persistence of ethnicity and ethnic conflict in developing countries like Guyana, Trinidad, Surinam, Sri Lanka, Sudan, Iraq, Liberia, Rwanda, among others ([www.ethnonet-africa.org/pubs/p95emeka.htm](http://www.ethnonet-africa.org/pubs/p95emeka.htm)). This phenomenon relates to many other nations even developed ones such as Belgium, Turkey, Spain, Canada, and former or current socialist countries like the former Soviet Union, Yugoslavia, Ukraine and China. Ethnicity has persisted in many of these countries in spite of higher income or rising standard of living or in spite of repressive measures (like *Russification, Chineseization, Serbianization, Turkishization, Burnhamization, Baathization, Japanization, etc.*) including genocide (wiping other large numbers of people) or to strip entire ethnic groups of their cultural and ethnic identity (as for example what the Japanese did to Koreans by seeking to erase the Korean language, names and ethnic identity or attempted to do in Indonesia and other East Asian societies). As such, ethnicity cannot be lightly dismissed or be swept under the carpet as if it will disappear on its own over time or with *Burnhamization* (repressive, racist genocidal and ethnic cleansing policies of the PNC



dictatorship particularly under Burnham to suppress dissidence and ethnic groups opposed to the illegal PNC regime). Instead, ethnicity must be addressed and understood to find a workable solution so that diverse groups in a society can live and work in harmony. And in Guyana, although the conflict has been confined largely between the two major ethnic groups, Indians and Africans, there are several minorities, all of whom were at one time or another victims of ethnic domination by the ruling dispensation (PNC or PPP) and at times had to choose sides for their own survival (*SN* Aug 19, 2009). Ethnic consciousness has persisted among all the groups and they are clamoring for (more) resources and a (significant) role in governance. They are even prepared to sabotage the economy to get a fair share of the resources. Thus, officials cannot pretend that ethnicity will disappear with time even among small minorities.

### **Section E. Impact of Ethnic Conflict on Guyana's Development:**

Does ethnic conflict affect Guyana's (or any other nation's) ability to develop? Guyana obtained political independence in 1966 but not before the colony experienced violent racial conflict between Indians and Africans<sup>12</sup> (*SN* Jun 22, 2013, Dec 10, 2009) that left thousands dead and wounded, with psychological trauma, and huge amounts of

---

<sup>12</sup> Indians (the majority race) and Africans (the minority race) are the major racial groups in Guyana. There are also a few ethnic minorities – Whites, (Portuguese, British), Coloreds or Mixed races, Chinese and Amerindians. Indians constitute approximately 51% of the total population and tend to support the PPP while Africans who make up about 31% of the population tend to identify with the PNC (*Table p ix*). The other races make up the rest of the population of approximately 750,000. The Indians and Africans have been the primary groups involved in ethnic conflict over control of the state. They are the main contenders for political power. And since 1955, the two major ethnic groups, as indeed the others, have supported a political party or organization or force that they have perceived to represent their interests or ethnic group. Two major political parties have shaped and dominated Guyana's political development since adult suffrage was granted in 1953, the **People's Progressive Party**, founded by Cheddi Jagan (an Indian who considered himself to be a Marxist), and the **People's National Congress** (PNC) founded by Forbes Burnham (an African who viewed himself as a moderate socialist but who was an ally of Britain and the U.S) ([www.inthesetimes.com/article/6309/guyanas\\_post-colonial\\_plight](http://www.inthesetimes.com/article/6309/guyanas_post-colonial_plight)).

financial losses due to damage of private and government property, infrastructure and crops, among other effects. It also triggered capital flight and stifled investment causing the economy to contract instead of expanding as other nations did. In examining the data and applying empirical observations, it would seem that ethnic conflict has directly affected economic development. Consider as an example, a labor union comprised of members of one particular race like GAWU (an Indian sugar workers union) or BGLU (An African industrial union) or GPSU (an African Public Service workers union). Such an ethnic union can and in fact did engage in political strikes designed to bring down (SN Aug 13, 2010) or embarrasses the government of the day controlled by members of the other race. Such political or racially motivated labor strikes will inevitably affect productivity and as such economic growth and standard of living (KN Jun 26, 2013; Sep 26, 2010; Horowitz: 1985; <https://books.google.com/books?isbn=0810879883>).

Consider as another example, a government (controlled by members of one race) denies or limits resources to a particular industry (say like sugar or rice or bauxite) critical to the economy in order to effect political (or racial) retribution because it is controlled by members from the other race (sugar and rice are controlled by Indians and bauxite by Africans) or because this industry employs mostly individuals from a race (Indians do not support the ruling PNC and Africans do not support the PPP) that does not support the ethnic party in power (KN Jul 7, 2011, Nov 9, 2009). As in the example above, such an ill-conceived state policy will have a negative impact on productivity as the ethnic group (Indian) may withdraw their labor and therefore such an act will have serious effects on growth rates, development and every aspect of the standard of living of the country (Ibid; SN Jul 29, 2009)( see also [en.wikipedia.org/wiki/History\\_of\\_Guyana](http://en.wikipedia.org/wiki/History_of_Guyana)).

Or consider yet a third example of a racially-polarized country like Guyana, in which a government allocates most of its resources in areas where its supporters (Africans) live and neglects the infrastructure development of areas (Indian communities) which tend to support the opposition. Again, as in the preceding two examples, the affected group will not be motivated to contribute to work hard towards development and may withhold labor and productivity. This will result in negative impact on revenues, foreign exchange, growth, development, etc. As another example, consider if the bureaucracy of a nation is of one ethnic group (African in the case of Guyana) and the government of another ethnic group (Indian). The bureaucracy may not wish to cooperate with the perceived Indian government (Lutchman: 1972). The result would be stagnation and lack of development. All of the preceding examples characterize the direction of policy making in Guyana over the last five decades (KN Feb 22, 2013; SN Jul 29, 2009).

In Guyana, there has been the near total absence of a cohesive nation building process. Self-rule was granted briefly in 1953 with the coming together of the races for national development. But the government was toppled later that year because of a perceived communist threat to the status quo colonial order, and as such development was stymied. When the constitution was suspended, the newly installed government was unable to effect any meaningful economic change or bring rival ethnic groups together to build a nation of shared prosperity because the dominant British kept them divided to serve its financial interests. Constitutional rule was restored in 1957, but the society became more divided. Since 1957, with the British granting self-rule, the groups have been at each other's throats ready to cut down each other. Since 1957, policymaking seems geared (with charges from both major groups) to benefit primarily the ethnic group

that backs the party in office while the opposing group has been doing everything to undermine the success of the policies of the government. The Marxist Indian-backed PPP government was sabotaged by the PNC and its African supporters from 1957 thru the end of 1964 and again from October 1992 till now. And the Western-imposed, African-backed PNC government was undermined by Indians between 1965 and 1992 thru economic and politically inspired labor strikes and sabotage of production in (primarily) export crops and destruction of government properties to weaken its hold on office. From October 1992 thru now, the Africans, led by the PNC, at various times, have undertaken measures (such as occupying Georgetown, blocking roads, engaging in violent protests, attacking Indians and others, committing ethnic murders, among other depraved acts) at various periods that have disrupted economic activities preventing the country from realizing its economic potential (KN Dec 22, 2013).

The PNC government (1965 thru 1992) neglected and left to decline the productive (*commodified*) sectors (agriculture, in particular which had accounted for over half of the GDP between all through colonial rule and till this day) of the economy that were dominated by Indians (KN Jun 30, 2010). When the PPP took charge of the government (1957 thru 1964 and again since 1992), those sectors of the economy (agriculture in particular) that were dominated by Indians received favorable treatment to resuscitate a collapsing economy that needed life support and that were vital for the economic recovery of country. When in opposition, the Africans and their party, the PNC, complained that the ruling PPP was assisting its own supporters by favoring agriculture. While it was true that the Indian government directed resources (such as building infrastructure to assist with rice and sugar production) to those sectors of the

economy where Indians dominated, it did so for pragmatic, and not ethnic, reasons -- those sectors of the economy happened to be the most productive and that were not a drain on the treasury and they were the sectors where Guyana enjoyed a comparative advantage. Also, they were the main foreign exchange earners providing employment for most Indians and contributing tens of millions of dollars in tax revenues to the state to meet the huge salary payments for African workers employed in the public service. In effect, Africans were the direct beneficiaries of government intervention to rescue agriculture. The infrastructure for farm production needed rehabilitation (from their collapsed state) because they were neglected by the Black government and the PPP administration pursued a wise policy to rescue it to save thousands of jobs not only for Indians but for Africans as well because many Africans were employed in the service sector of the agro industry (GC Mar 16, Mar 12, 2014; KN Aug 8, 2011).

So although Africans were actually beneficiaries of assistance under PPP governance (1957-64) on farming of low cost food production (SN Oct 1, 2013), the African opponents of the Indian government vehemently complained that the PPP government was aiding its own Indian supporters and neglecting the Africans (GC Mar 14, 2014; Feb 11, 2010). This is similar to the instance when Indians complained that the African PNC government (December 1964 to 1992) was servicing its own supporters and neglecting the Indians during its 28 years rule (SN Sep 10, 2013). Analogously, leaders of African labor unions constantly complained (SN Jul 23, 2014; Dec 17, 2009) the PPP aided their Indian affiliated union workers (sugar industry) and willfully neglected African union workers (in bauxite industry) when the PPP was (is) in office. Specifically, the African union of the bauxite workers accused the PPP of aiding Indian

sugar workers during the PPP's two stints in office, and analogously, Indian unions accused the PNC of aiding bauxite workers during its 28 years in office and neglecting farm workers. Analogously, the Indian affiliated unions of the PPP complained that the PNC assisted African affiliated workers at the expense of Indian workers when the PNC was in office (SN Feb 5, 2013; Nov 27, 2009).

As the preceding examples reveal, people view government policies not in terms of their merit but in terms of ethnicity. Groups don't view policies according to what is in the best interests of the nation or that a given policy will aid national development, is in the national interest, and will even benefit them (the complainants). But rather the ethnic groups view every policy through ethnic lens – members of a group are convinced that a given policy is disadvantageous to them and beneficial to their ethnic nemesis. In these conflict ridden plural societies (Rabushka: 1972; Cross: 1971), people feel their ethnic group (out group) is made to suffer by the group in power (in group) and is at a disadvantage for resources while claiming that the group favored by the government tends to receive a disproportionate amount of benefits dispensed by the state at the expense of the other groups (Bonacich (1980, 1972; SN May 22, 2010).

Ethnic conflict in Guyana has become a political dinosaur that has been difficult to tame much less to defeat or lay to rest because of outrageous (far-fetched and at times unsubstantiated) ethnic claims. As many writers on Guyana have noted, virtually every Guyanese is involved in the vortex of race – that is, they are living, breathing and thinking race with many crying racism and racialism for almost everything they feel is against them even when, objectively speaking, no racism or racialism exists or is intended (SN Oct 8, 2013; Sep 10, 2013). Empirical observations reveal that many

individuals and some ethnic organizations and the two major political parties, the PNC and PPP, have been engaged in racism (racialist practices) because of their hatred for members of other ethnic groups who are supportive of another party than theirs (SN Oct 1, 2013). They have engaged in these practices even when these are against the interests of themselves or their groups or organizations or party (SN Aug 10, 2010; Nov 22, 2007). The PNC, for example, practiced racism between 1965 and 1992) even when it recognized such policy would negatively impact on the economy and severely hurt its supporters. But the PNC was obsessed with punishing and repressing Indians regardless of the consequences (SN Oct 25, 2007).

So embroiled and conscious is the population in race matters that people see nothing but “*a racial tint*” in virtually every endeavor and they often make incredulous claims and statements about matters they feel affect themselves or their group (SN Oct 8, 2013, Oct 1, 2013; KN Jan 18, 2012; SN Sep 24, 2010) (see also SN Sep 10, Apr 20, 2013). Even the issuance of a parking ticket, a police detainment or an arrest of a criminal, simply purchasing goods at a market, a civil servant dispensing service, or some other routine activity can lead to charges of racial discrimination and prejudice depending on the background of the persons involved and the event -- the consumer, vendor, traffic officer, vehicle owner, and police officer, civil servant, among other personnel – whether they are of different ethnicity. With the attendant and the recipient of service, each being of different ethnicity, it can and often leads to charges and counter charges of discrimination.

Racial talk is inescapable in Guyana and is often encouraged by ethnic leaders. And the leadership of every group feels its complaints and demands have merit and are legitimately made and should be resolved its way with no or little compromise. Relations

are extremely poisoned with racial divisiveness so much so that people view “the other” with suspicion and they fail to recognize or acknowledge the decency and humanity of someone who is of a different ethnicity. The other race is (or their members are) of little worth in their eyes. People tend to despise and disrespect members of the other races. This renders the state almost *ungovernable* as people from one ethnic group do not want to be governed by members of another ethnic group and take measures to create political instability until they get their way. This obsession with race and actions relating thereof have posed a serious impediment for nation building and economic development of Guyana since the mid 1950s when a multi-racial political movement attempting to unite the working classes from among the various ethnic groups against British colonial exploitation colonialism collapsed. Racial problems had always been part of the society ever since different racial groups were brought in to work on the sugar plantations post slavery (late 1830s). But racial conflict was never as pronounced as it was after the collapse of the multi-racial movement of the mid-1950s during the initial struggle for political independence.

Political discord and ethnic turmoil have reigned supreme since the mid 1950s after the (British-American) toppling of the multi-ethnic government (SN Apr 3, 2008; Rabe: 2004). From then onwards, the nation has failed miserably to realize its economic potential as the different ethnic groups have competed to dominate the state rather than to cooperate with each other for national progress and development. Since the collapse of the multi-ethnic movement of 1950s, there have been perennial ethnic squabbles often accompanied by ethnic violence. As a result, growth and development have been stymied resulting in a relatively low standard of living compared with similar developing countries that are not plagued with such deep ethnic conflict (SN Apr 21, 2011).



Ethnic conflict will impact on the ability of almost any society to develop or transform itself economically or socio-politically. In the Guyana context, and indeed in many multi-ethnic states, politics and economics are interrelated and indeed revolve around ethnicity. In these types of societies, economics cannot be divorced from politics because the two subject matters are intertwined and policy makers are cognizant of how their economic decisions can impact on political support and vice versa. Politicians in Guyana (as well as in other heterogeneous societies) are hell bent on pursuing policies that tend to consolidate their base (directing resources to benefit their followers) and or to increase their support. At the same time, they may be seeking to weaken support of their ethnic competitors (other parties) and or to punish members of other ethnic groups so as to discourage them from supporting a competing party or to attract some members (ethnic tokens) of the other group (SN Nov 17, 2009). In the Guyana case, ethnic or racial groups are in conflict over control and dominance of the state with the ruling party (especially the PNC between 1965 and 1992) penalizing members of the other ethnic groups who also are members of opposing ethnic parties (GT Mar 14 & 15, 2014).

Burnham failed to recognize that his nationalization policy limited his ability to keep promises made to his political base to reward them with resources and a higher standard of living. He wanted to teach the other ethnic groups a lesson for not supporting him in elections and governance and was unconcerned whether his racist policy would result in the wrecking of the economy. Productivity and revenues declined after nationalization and Burnham was not able to provide a higher standard of living to his supporters beyond what they enjoyed during colonial time or fulfill his promises to provide higher paying jobs to all of his people. Every White, Indian and Chinese

(Amerindians did not support Burnham because he used soldiers against them) and some of the wealthy Coloreds who joined Burnham during the pre-independence era to keep out Jagan from office expressed regret and abandoned Burnham within his first term in office ([www.guyanaundersiege.com/Leaders/Burnham1.htm](http://www.guyanaundersiege.com/Leaders/Burnham1.htm)). They complained he was a racist whose policies were designed to benefit only his supporters and calculated to hurt others by taking over their properties and marginalizing their culture. And as the non-PNC supporters withdrew their participation in economic activities, productivity and revenues needed to sustain jobs for PNC supporters declined. Burnham and the PNC failed to understand that business is the “engine of growth” and one has to create wealth before you can redistribute it. Government owned corporations were not creating wealth and in fact were sucking wealth out of the country hurting PNC supporters as well. In Economics, it is well established that as wealth is created, the business tide would help to lift the boats of the working class and poor, government supporters included, to a higher level thus spreading prosperity not realized under the PNC’s nationalization policy. Economic statistics (*World Bank Annual Tables*) (*SN* Jun 25, 2009; Aug 19, 2010) revealed huge losses under government ownership of businesses (mid-1970s thru 1992) in contrast to what occurred to the same corporations under private ownership prior to their nationalization. The PNC policy of ethnic favoritism had a significant impact on the economy in which groups withdrew their labor when discriminated. As the Guyana case has illustrated, politics and economics are intertwined and they need to be explained in terms of racial conflict (that has been taking place over the struggle for political control of the state) (*SN* Aug 9, 2013; Dec 10, 2009) ([www.en.wikipedia.org/wiki/Political\\_economy](http://www.en.wikipedia.org/wiki/Political_economy); [www.safehaven.com](http://www.safehaven.com); [oll.libertyfund.org/quotes/350](http://oll.libertyfund.org/quotes/350); *KN* May 5, 2009; Feb 4, 2013).

## **Chapter 5: Ethnic Domination and Decline in Standard of Living:**

The leaders and members of the two major racial groups, Indians and Africans, have advocated for control and domination of the state and attendant economic benefits that follow for their group – not the sharing of power via an inclusive government and the distribution of resources in a manner that would benefit all relatively equitably (Spinner: 1980). Politics in Guyana since 1957 has been contested over the capture and control of the organs of the state. This led to intense political competition between the two major parties, PPP and PNC, with intermittent violence especially during elections time between members of the two major ethnic groups. The political battle has had serious ramifications on the economy. Political competition in Guyana is in reality a competition for ethnic control of the state irrespective of the consequences of the conflict on the economy and well being of the society. As such, nation building and development has been a total failure primarily as a result of the ethnic conflict (SN Aug 31, 2011).

The different ethnic groups have been locked in battle since early colonial times and have looked at each other on every issue through the prism of race with jaundiced, prejudiced eyes and with deep feelings of mistrust unwilling to work together for national development in the united effort to take the nation forward (SN Nov 9, 2013; Sep 3, 2010; Jan 20, 2010). And in many instances, the groups pursued measures that would hold back development such as sabotaging industries or engaging in strikes or remaining unproductive at state agencies because they did not want the “ethnic” government to succeed in its economic policy which might benefit the opposing ethnic group (Hintzen: 1989; KN Jan 9, 2013).

Just before independence, when Indians were in control of the state (1957-64),

Indians were committed to and worked productively for the development of the nation to help their hero Dr. Jagan succeed in his socio-economic and political goals. In contrast, Africans undertook actions to disrupt and undermine the economy staging strikes and violent protests and engaging in arson to sabotage industries and bring down the PPP government (Seenarine: 2006). After independence, in opposition, Indians (and the other ethnic groups that were marginalized by the PNC) gradually withdrew their full participation in economic activities at the urging of their political parties and leaders. The Indians did not want to assist a Black PNC regime especially since Blacks conspired with external powers to force their Jagan government out of office in 1964 (Ibid, KN Jan 4, 2010). As the PNC government consolidated its power through electoral fraud in 1968, it no longer needed the support of the ethnic minorities aligned with the United Force party to govern. The PNC jettisoned the Whites, Chinese and Amerindians with whom the PNC had formed an alliance (through the UF) to topple the Indian communist PPP from office. Upset with election rigging that denied them political representation, and dumped by the PNC, the minorities (Chinese, Portuguese and Amerindians) turned against the PNC regime. The Amerindians rebelled in the hinterland (Rupununi region) in an effort to form their own nation but were crushed by the Black army (GC Sep 24, 2009; Sep 30, 2011; SN Feb 15, Jan 18, 2009).

The PNC, supported by the military and police, and the PPP (though in less oppressive ways) with its ethnic majority ruled like medieval dictators undoing many of the gains made during colonial rule. The PNC took away the peoples' voting rights reversing ballot gains made earlier from the colonial masters. The PPP had an in built majority of parliament by virtue of the racial arithmetic of an Indian majority, and as

such, it did not need to engage in election chicanery to retain power as the PNC did. The PNC usurped the peoples' right to vote forcing them to sign a proxy authorizing party agents to vote for them; when the people refused to authorize a proxy, the PNC voted for them anyway (KN Sep 10, 2012). The working class was treated like medieval peons while the governing Afro-Saxon PNC elite behaved like medieval European overlords. The PNC used the security forces to deal harshly against those who advocated political demands for gender and ethnic equality, cultural autonomy, and freedom of the press. The PNC crushed all efforts at reform. Reformers were harassed and intimidated and some like Prof. Walter Rodney and Father Bernard Darke (SN May 2, 6, & 7, 2014) were even killed; dissidents were frequently picked up by police and kept in dungeons or beaten by goons to accept the government line. Many Guyanese migrated to escape extreme hardship and turmoil at home and to benefit from better economic opportunities in other societies. The country became almost depleted of skilled personnel to work in industries or to service the population. And not surprisingly, there was very little or negative economic growth whereas those countries where Guyanese migrated grew (KN Jul 28, 2014; Jul 7, 2011; SN Jan 20, 2010)

The Portuguese and Chinese contributed significantly to growth in Guyana. But the PNC decided to hit the Chinese and Whites where it would hurt them the most – their business operations as they had controlled the bulk of the economy (GC Nov 14, Mar 15, 2014; KN Nov 4, 2014, GT Nov 14, 2014) and dominated trade (imports as well as exports) as well as the distribution of goods within the country. The PNC decimated the private sector (KN Jan 7, 2015). The PNC decided to take over foreign owned businesses as well as to regulate and control virtually all aspects of the economy including trade and

foreign currency transactions, bringing almost the entire economy under state ownership. The Chinese and Whites, who had historically dominated most of the manufacturing, big mining operations, trading and local business activities, became powerless as their economic power withered under the PNC which they had trusted to protect them against the threat of a communist PPP takeover (KN Sep 26, 2010). Gradually, the Chinese and Whites reduced productivity output and business operations resulting in retrenchment of workers and inevitably a decline in revenues to the state. Most of the wealthy Chinese and Whites would eventually pack up during the 1970s and migrate with their capital, thus depriving the country of their management skills and money for investment. Not long after the Chinese and Whites emigrated, the Indians (who had dominated the retail and other small business activities and agriculture) would follow suit. The Indians cut back on their farming and economic activities and began emigrating in large numbers during the 1970s resulting in a reduction in food availability, investments and management staff crippling the state controlled economy (KN Dec 22, 2013). The state sector had become top heavy and inefficient and was a debilitating drain on the economy. The state sector was such a monstrosity that it never inspired profitability (Mandle: 1978; KN Apr 17, 2011). The business and managerial (professional and educated) classes felt they could not stay in the country because they could no longer profit from their traditional skills and were forced to compromise their integrity to serve political masters so they can remain in business (KN Dec 10, 2013; Dec 1, 2013). Those who were at one time contributing productively to the economy migrated taking their capital and skills with them (KN Jun 18, 2009). This has hurt the entire economy as jobs could not be created and wages fell drastically leading to a dip in GDP. This resulted in a sharp

decline in capable managerial staff to run the economy and there were not sufficient government supporters to fill the void. The middle and working classes, feeling the pinch of lower salaries, and having to compromise on professionalism, also began to migrate in the late 1970s to be followed later on by even the lower class (1980s) to escape a life of poverty thus drastically reducing the pool of labor for economic activities to engender growth and development (KN Aug 2, 2013; Aug 6, 2009; Jun 13, 2009).

On the issue of migration, almost everyone with some kind of productive skill gave up on the country and migrated – teachers, lawyers, nurses, doctors, engineers, electricians, masons, plumbers, & other professionals (KN Apr 15, 2014; Jul 7, 2011). For example, during the early 1970s, out of a population of less than 800,000, some 5,000 were migrating annually (KN Aug 31, 2011). But in the late 1970s, the number doubled to some 10,000 migrating a year. During the 1980s, the number zoomed past 20,000 a year and the 1990s saw 30,000 migrating annually. The new century has seen a further 35,000 migrated annually (KN Feb 12, 13, 2013). That means the country was losing about 3% of its population annually and helps to explain why Guyana's population growth was negative or constant during the 1980s till the present at about 800,000. Prof. Simona Vezzoli, a Research Officer attached to the University of Oxford, found that in 1960 Guyana had a meager migration rate of six per cent – 6% of the population born in Guyana lived overseas mostly in England. But by 2010, a whopping 56 per cent of people born in Guyana lived overseas, mostly in North America (KN Apr 15, 2014). This trend was not surprising. The US Embassy reported that during the 1980s thru 2000s, Guyana used up its maximum of 20,000 resident visas a year that did not include visitors, students and back trackers (migrating illegally). Large numbers estimated at over 10,000 annually

also migrated to Canada where many (particularly Indians) applied for and received refugee status during the 1980s. These numbers in the family reunification or professional class categories did not include the thousands of illegals who made their way to North America every year or those thousands who escaped to neighboring countries (Venezuela, Brazil, Surinam, French Guiana) and the Caribbean islands annually. (St. Lucia, St. Kitts, Antigua, St. Martin, Aruba, etc. are reported to have over 12,000 Guyanese. And Trinidad has over 40,000 Guyanese). The CIA Fact Book (2009) stated that net emigration (leaving Guyana) in 1998 was estimated to be about 1.4 percent of the population, and in 1999, this figure totaled 1.2 percent – a brain drain with the best talent seeking foreign shores contributing to the development of those countries (*see Table p ix*). The World Bank statistics in 2010 revealed that 84 percent of Guyanese with tertiary education migrated (KN Feb 12, 13, 2013). It also noted that birth rates have not been keeping pace and with rising death rates, the population has been growing negatively since the 1980s. Due to heavy emigration, Guyana’s population is barely growing (or is growing negatively). With heavy emigration of Guyanese tertiary graduates (89 percent of who work in OECD countries, not the home economy) technology development is lagging”. (*Source: World Bank, World Development Indicators and computation using IMF Public Notice no. 07/53 CAS Code: 11S2*) (KN Jul 9, 2013).

In Guyana, the ethnic groups showed that they were not and have not been prepared to work collaboratively to help develop a country under the control of an ethnic group that political opponents have felt discriminated against them. Members who claimed to be victims of discrimination during PNC rule between 1966 and 1992 chose to migrate rather than subject themselves to the humiliation of constant persecution by a



racist regime. In Guyana, clearly, the ethnic groups (in opposition) or their leaders have not shown much interest to support activities or policies that would benefit the overall nation unless their members are direct beneficiaries of such activities; instead, they pursue measures to undermine the group in control of the state to improve their chances of capturing the state whenever they exposed the ruling group as unfit to hold office. Ethnic leaders are not concerned about the possibility that their actions could impact not only the economy but also their own support base that is affected by economic contraction. Rather, they seem hell-bent on bringing the economy to a standstill, and then conjure up all manner of excuses to blame the ruling dispensation to score points in their desire to capture political power. Also, the opposing groups are reluctant to accept any arguments or advocacy of policies that show benefits would accrue (trickle down) to them (and all groups indirectly if not directly) through benevolent government programs. Rather, they are more interested in direct benefits for their groups crying ethnic cleansing and discrimination when they don't get their way even when government is pursuing (neutral) policy that is in the best interests of (all groups in) the state and even they get special benefits from the state (KN May 8, 2010).

The members of ethnic groups have shown partisanship towards their group interests being overly supportive of any policy or program that they felt would benefit members of their groups other and opposed policies benefiting members of other groups. The two major ethnic groups did not want to be governed by the other group or to jointly share political power refusing to yield a political inch to the other side. Studies by anthropologists (Jayawardena, M.G Smith, R.T Smith, Despres) revealed the negative attitudes of both groups towards each other. Africans repeatedly stated they don't want to

be governed by Indians -- “*Meh na want to be governed by Coolie*”, in Guyanese parlance – don’t wish to be ruled by an Indian party (KN Jul 15, 2012). And with regards to political office, one group does not want to share power with other groups or parties (except briefly when Africans, Portuguese, Mixed, Chinese and Amerindians between December 1964 and 1967 collaborated to topple a left wing Indian-based government. This is not to say, the ethnic group in control of the state does not have members of other groups in its administration, but they are mere token appointments (who have no standing in their own group and who accept jobs in order to live) to give a deceptive appearance of a multi-ethnic government (KN Jan 8, 2014; May 29, 2011). One group (Africans) had no qualms about supporting fraudulent elections to capture and retain political power (to secure jobs, resources, and other benefits) for members of its group while the other groups tirelessly toiled against undemocratic institutions and launched a campaign for the restoration of democratic rule (KN Jan 23, 2014). In winning a democratic election, the dominant group refused to form a coalition with the group that rigged elections for 28 years (KN Apr 29, 2008). The ethnic antagonisms that resulted from electoral frauds and the refusal of one group to back democratic election would lead to the rise of an ethnic dictatorship right after independence (1966) during which everyone (including ethnic supporters of the dictatorship) suffered by losing basic freedoms and experiencing declining standards of living. But the minority ethnic group did not want to yield state power to the majority ethnic group fearing its loss of perks and privileges that come with being in control of the state (KN Jun 6, 2009). Thus, the members of the minority African group backed the ethnic dictatorship that remained in office till 1992 (KN Oct 5, 2012).

The establishment of an ethnic dictatorship impacted on the political and

economic development of the country resulting in a serious decline in standard of living (KN Apr 4, 2013). The PNC ethnic dictatorship pursued policies (like nationalization of businesses and controlling all trade as well as imposing price controls, and withholding business licenses making it virtually impossible for members of other ethnic groups to conduct business) that geared to benefit their supporters at the expense of the other ethnic groups (KN Sep 6, 2009). Non-supporting ethnic groups (Indians, Portuguese, Chinese and Amerindians) were precluded from participation in political affairs. They were made victims of racially discriminatory policies and suffered from economic squeeze of their businesses and agricultural farms. These groups largely withdrew from involvement in national development and the business and professional classes began to migrate. This had a telling effect on the economy (KN Jul 7, 2011).

During the late 1980s and early 1990s in the aftermath of the collapse of socialist rule, democratic movements began to sweep the world providing hope that there would be a restoration of democratic rule and an opportunity to remove the ethnic dictatorship. But the racially polarized nature of Guyanese society made it difficult for a democratic transition as the dominant (African) minority ethnic group was opposed to the restoration of democracy sensing that democratic rule would end their control of Guyana losing the perks and opportunities that come with such control (KN Oct 23, 2013). Unlike other Socialist societies that gave their population freedom, Guyana underwent a painfully slow process to restore democratic rule because the ruling party and its supporters were opposed to a change in the status quo and free and fair elections. And when democratic elections were introduced in October 1992, the defeated African group refused to accept the concept of free and fair elections challenging the legitimacy of the other major

(Indian) ethnic group to govern the country (Ibid; *KN* Jun 3, 2012). Members of the defeated ethnic group pursued violent confrontations. The ethnic violence that arose out of Guyana's transition to democratic rule during the early 1990s and thereafter seriously affected growth and other aspects of the economy as growth rate declined (*KN* Oct 22, 2010). Ethnic violence and political instability frightened away new businesses towards investments in the economy or expansions of those already involved in operations. Investors withheld their hands waiting for the political climate to stabilize and for the new government to guarantee their right to export their profits. When it comes to investments and entrepreneurial activities, in general, businesses tend to look for stability to carry out their operations unimpeded in order to maximize profits. Once there is political (ethnic) violence, businesses guard their investment options cautiously. Investors have been wary of pouring money into Guyana. And every time there was political (ethnic) violence in Guyana, investors adopted a wait and see attitude (and even cut back on production and planned investment or expansion) and the economy suffered with declining growth (*KN* Oct 22, 2010). Race conflict has hampered Guyana's progress. One can observe a trend that after every period of violence in Guyana – such as late 1950s, early 1960s, early 1970s, mid 1970s, most of 1980s, early 1990s, mid 1990s, early 2000s, etc. – growth was affected, GDP/per capita impacted and the standard of living declined ([countrystudies.us/guyana/55.htm](http://countrystudies.us/guyana/55.htm); [countrystudies.us/guyana/53.htm](http://countrystudies.us/guyana/53.htm)

Guyana's economy was stagnant during the late 1950s during the ethnic competition for power and when the Indian party was in charge. Growth went down from 1960 thru 64 when there were rising animosity and race riots, looting, damages to infrastructure as well as to properties and crops, and when factories were unable to

produce because of sabotage and non-reporting of workers (KN Jan 9, 2011). Guyana's economy started a downward trend under the Indian-supported PPP government with the institutionalization of the race conflict in 1960 that impacted on Jagan's socialist development plans. Economic demise continued under the African PNC that took power in December 1964. As any winning party does, the PNC rewarded its supporters (with the spoils of office) after winning elections removing Indian professionals from top positions in the army, police and bureaucracy and shifting resources away from those sectors of the economy where Indians historically predominated (KN Jan 8, 2014) towards areas where Africans resided and dominated. The result was Indian and Amerindian (rural) areas became increasingly neglected and destitute while African areas were built up and modernized (Gafar: 2003; SN Jul 25, 2011).

During the period between 1965 and 1990, the economy declined substantively because of the PNC's establishment of an ethnic state. The beneficiaries of almost all jobs, services, facilities, loans and housing were the African masses who supported the ruling PNC party, not very different from what was obtained in apartheid South Africa with almost all the state benefits going to members of one race. This policy discouraged Indians and members of other ethnic groups from being a willing participant in developmental activity. Under the PNC dictatorship, the bureaucracy and the armed and police forces were almost 95% Africans. Some 80% of the economy was under government control and it was used to institutionalize what academics described as an African dependency syndrome (client-patron relationship between an African party and its supporters) on the state employing some 80% of working Africans. In this way, more than half of the entire African population became dependent on the state – 95% of the

armed forces, 90% of the police and the security services, 95% of the bureaucracy, 98% of the National Service, 95% of the para-military wings, among other service sectors, were African party supporters (Ibid; *GT* Jan 25, 2015; *KN* Dec 16, 2010; May 15, 2011; Jun 12, 2011; *SN* May 15, 2012; see also Gafar: 2003; Rabe: 2005). (See also [www.fao.org/docrep/007/ae392e/ae392e00.htm](http://www.fao.org/docrep/007/ae392e/ae392e00.htm)). As another example of racially inspired policy, the PNC regime seized lands on the outskirts of Georgetown that Indians had used to grow rice and vegetables and rear sheep, goats and cattle (*GC* Nov 30, 2013) resulting in a decline in cultivation and animal husbandry – affecting the lives of everyone in the process because of reduced food output that led to higher prices. This led to charges of racism by Indians exacerbating ethnic conflict resulting in the gradual withdrawal of Indians and other non-Africans from economic activities triggering an economic collapse.

So in response to the questions posed earlier on whether race conflict affects development, the evidence proves such a correlation. Going back to the early 1960s, Guyana was described as the breadbasket or the jewel of the Caribbean because of its economic potential and middle-income status. Periods of relative ethnic peace and political stability, as for example, between 1966 and 1968 and between 1975 and 1978 were enjoined with moderate growth and prosperity and so were the period between 1993 and 1997 and between 2006 and 2011. The period around independence in 1966 saw growth when there was ethnic peace for the year preceding it. But Guyana would become a basket case in just a decade after decolonization (*SN* Aug 28, 2008) with its economic decline attributed largely to ethnic and political conflict in addition to government mal-administration ([journals.sta.uwi.edu/cd/index.asp?action=downloadArticle...60...](http://journals.sta.uwi.edu/cd/index.asp?action=downloadArticle...60...)).

As analysts have commented, one cannot simply brush aside the role of racial

conflict in the economic decline of a nation, or dismiss its potential economic effects, or disregard its importance in impacting development, or simply pretend that it does not exist as many politicians often tend to do (SN Dec 30 & 31, 2014; GC Feb 12, 2013;). In fact, researcher Mark Dacosta (2005) suggested racial conflict, among others, as one reason for Guyana's economic regression after independence. In a cross-country analysis of Guyana's economic performance with fellow *Caricom* country Barbados (SN Aug 31, 2011), both of which became independent in 1966, DaCosta (2005) stated that ethnic conflict affected economic growth of Guyana. While Guyana regressed after independence, Barbados made tremendous economic progress (SN Apr 21, 2011). In contrast, Guyana struggled to take off and in fact its economy regressed – because of political instability and ethnic conflict. During the 1950s, for example, there was some convergence of per capita GDP in both colonies (between US\$180–\$190) with Guyana's slightly higher. Also, during the early 1960s, the GDP per capita for both colonies was about the same (slightly under \$300). However, by the mid-1960s the figure for Barbados had risen to US\$469 while that for Guyana remained stuck at US\$295. It happened that Guyana was plagued by racial conflict and this affected investment and growth whereas Barbados was very stable politically as overseas capital poured in expanding the economy and creating jobs that added to revenues and fueled growth. Comparable GDP per capita figures in 2004 showed a similar trend as in the late 1960s with Barbados's GDP per capita rising rapidly while Guyana failing to make progress. The GDP per capita for Barbados in 2004 was US\$10,000 but less than US\$1,000 for Guyana during the same period, a tenfold difference in a mere 40 years. Dacosta (2005) pointed out that based on a UN Report, Barbados was ranked 30 out of a total of 177 countries in the

UNDP's measure of human development whereas Guyana's ranking was 107 – a substantial decline when forty years earlier both nations' standard of living was at par.

Dacosta (2005) suggested that policies related to identity politics (resulting in ethnic conflict, instability, labor issues, and lack of democracy) impacted on development in Guyana whereas traditional political issues (competition between political parties and absence of ethnic conflict) were not an impediment to developmental goals and objectives in Barbados (Dacosta: 2005). In contrast to Guyana, Barbados did not experience any serious racial conflict and international political conspiracy (as happened in Guyana during the 1960s and early 1950s) to topple a legitimately elected government (SN Feb 20, 2014). Also, Guyana experienced race riots with the result that businesses were afraid to invest in Guyana because of political instability. Barbados, on the other hand, experienced peace and calm with no major ethnic issues and had all the institutional qualities (democracy, press freedom, political competition, opportunities to invest, etc.) to promote growth whereas Guyana did not. Barbados did not have major ethnic and party bitterness. In addition, in Barbados political parties were not ethnic based, and there was not any serious lack of cooperation among parties towards development whereas these differences were very pronounced in Guyana (SN Oct 31, 2012) ([en.wikipedia.org/wiki/Barbados-Guyana\\_relations](http://en.wikipedia.org/wiki/Barbados-Guyana_relations); see also [competecaribbean.org/.../1-Measuring-the-Competitiveness-of-Selected-...](http://competecaribbean.org/.../1-Measuring-the-Competitiveness-of-Selected-...)).

A US government report, (<http://countrystudies.us/guyana/>), *Library of Congress website, 2003*, stated that Guyana's economy was in dire condition from 1966 thru the early 1990s. It noted: "When the country gained independence in 1966, it was among the least developed areas in the Western Hemisphere. In looking at economic stats on Guyana (see appendix), there was little (if any) improvement in productivity and social



change after the British departed in 1966 from where they left off the economy”. As a sociologist, in looking at the country’s aggregate economic data, it is shown that Guyana was not experiencing development and positive social change during the two decades after independence in 1966. Both hard statistical numbers and on-the-ground observations suggest that in terms of social and economic development, the standard of living in Guyana was down and below that of most poor countries in just one decade after independence and worsened thereafter to trail other developing countries that were behind Guyana during the 1960s (KN Feb 25, 2011; Oct 5, 13). As economic reports asserted, while most of the third world countries were developing post independence (1966) and progressing, Guyana was regressing. This sprawling country with unlimited resources had seen limited development from 1966 (year of independence) for the kind of resources it possesses and the small size of its population of just three quarter million. It had not been able to generate successful economic activities during the 1970s and 1980s from its own natural resources to provide jobs for the large pool of unemployed or substantially raise the standard of living from the colonial era that remained stagnant or declined significantly. Every aspect of Guyana’s economy was in shambles and every measurable index declined just a few years after independence in 1966. There was hardly any social or economic progress after independence.

In terms of *commodified* productivity, for example, during the 1970s, rice, sugar and bauxite production, the three export pillars of the economy, declined significantly right after the British granted independence. For most people, including Afros who were in control of the government, and Indos who were in opposition to the regime, life did not improve after independence. Real income declined (for example, police earned around

US \$45 monthly in 1965 but by 1990 it dropped to around US\$25 because of the fall in exchange rate and not mentioning the decline of purchasing power due to inflationary pressures. Teachers' salary also went down from US \$50 monthly in 1965 to \$30 a month) (SN Aug 21, 2011; Feb 5, 2011). Inflation ballooned from single digits in the 1960s to triple digit during the 1980s. Overall, standard of living deteriorated impacting on social change with women in particular seeing little improvement in their lifestyle. Conditions for women also deteriorated and they were still treated in a secondary subservient role under the PNC. Poverty rate increased to around 75% of the population by 1990 (SN Dec 4, 2011). Amerindians, for example, lived in absolute desperate grinding poverty as most rural people (SN Apr 21, 2014). Social divisions continued to separate the wealthy from the poor and the urbanites from the rural dwellers in much the same way life was during British colonial times (SN Jul7, 2011). Also, much of the wealth remained in the hands of a few (the elite, party henchmen, and hierarchy of security organizations) who were connected to the PNC government (SN Apr 18, 2011).

In 1966 (year of independence), about 70 per cent of Guyana's population subsisted on less than a US dollar a day, and that percentage did not decline substantially by 1990 or even by 2010 using the constant 1970 dollar (in terms of purchasing power) as a measuring tool for one's income. In 1992, for example, the nominal monthly wage (not adjusted for inflation or purchasing power) for a public servant was a mere US \$170 which worked out to less than \$6 dollar a day (SN Apr 21, 2011) and when measured against the purchasing power of a dollar in 1970, with inflation running at over 600% from then to now, a public servant wage worked out to less than a dollar a day in constant value. As a 1990 US Country Report on Guyana noted, "conditions were harsh for the

roughly 764,000 people living in the country, much of whom lived in poverty. In 1990, an estimated 40 percent of workers earned the minimum wage, equivalent to only US\$0.50 per day. Three factors -- the flourishing illegal economy, the cash remittances that Guyanese citizens received from relatives living abroad, and the country's near self-sufficiency in food production in 1990 -- were all that kept the economic decline from becoming a disaster" (*US Library of Congress Website* 2003; [www.factmonster.com](http://www.factmonster.com); <http://countrystudies.us/guyana/>).

Guyana's economy deteriorated after the government nationalized foreign-owned companies and took control of almost all economic activities in the country – 80% of the economy fell into government hands. Output of bauxite, sugar, and rice -- the country's three main products -- fell sharply from when they were under private ownership. Guyana's gross domestic product (GDP) reflected the decline in national output (Ibid). (Real GDP fell by an average of 2% a year during the early and late 1970s, and it decreased by an estimated 6% per year during the 1980s with the overall growth rate being negative since 1960.) The fall in GDP in terms of U.S dollars was even more dramatic because of repeated devaluations of the Guyanese dollar. (The value of Guyana dollar slumped from G\$1.60 in 1966 to the US dollar to G\$2 to US\$1 in 1976 to G\$120 to US \$1 by 1990 and G\$200 to US\$1 by the year 2000). With regards to national income, in 1990, for example, the GDP was a mere US\$275 million. Per capita GDP in 1990, not adjusted for inflation, amounted to less than US\$369 (a marginal improvement in the per capita income of less than \$100 from that of 1965 not factoring in inflation and purchasing power of a 1965 dollar), making Guyana one of the poorest countries in the hemisphere" (Ibid) (see also *SN* Sep 27, 2012; *World Bank Global Tables*).

The real GDP for the 1990s was substantially less than what it was in the 1960s when using the value of Guyana or American dollar of 1960 as the comparative base year in terms of its purchasing power amidst double-digit annual inflation (*Indo Carib World* Sep 19, 2012). This led to the description of Guyana as “an economic basket case” in the region. The US report (Ibid) added: “Declining GDP was but one symptom of the malaise that had overcome Guyana's economy in the 1980s. Other indications were the nation's crumbling infrastructure, especially the electrical power supply; the high level of external debt (one of the highest per capita debt in the world) and payments arrears; and the emigration of professionals and skilled workers”. (*US Library of Congress Website* 2003) *see also SN Feb 13, 2009; Aug 18, 2008 & (<http://countrystudies.us/guyana/>)*.

On further evidence of economic decline, reports show that Guyana has regressed on many fronts. For example, Guyana's ranking in terms of the Human Development Index (HDI) has remained very low for decades with Guyana's ranking slipping behind poor African countries and not showing signs of improving. In fact, HDI declined from the 1950s thru the 1990s (40<sup>th</sup> in 1960 to 133<sup>rd</sup> in 1990) while poorer countries than Guyana improved during the 1960s went past Guyana by 1990 (Ibid; *SN* Mar 15, 2013; Nov 2, 2011; Nov 5, 2010; Dec 5, 2007). Also, while Guyana ranked third in 1960 within the Anglophone Caribbean societies (just behind Trinidad and Jamaica of 13 poor nations) on most yardsticks such as life expectancy, GDP/capita, debt/capita, female and overall literacy, infant mortality, maternal mortality ratio, improved sanitation, child immunization, and mean years of schooling, Guyana was ranked last on these very same yardsticks during the 1980s and thereafter. Ironically, a country like Haiti did better than Guyana during the 1980s on several yardsticks and in terms of translating its limited

resources into growth and improving the quality of life for its poor, seniors and youth. Also, on many of the above yardsticks and other economic indicators, poor sub-Saharan African countries now outperform Guyana as revealed by annual *World Bank Reports*. (see also *SN* Aug 31, 2011)(see also [countrystudies.us/guyana/53.htm](http://countrystudies.us/guyana/53.htm)).

Independence hardly resulted positively on social change (*KN* Dec 28, 2014) with workers, women and children suffering tremendously as a result of poor health condition (*SN* Jan 1, 2015). Since independence, Guyana has had the highest suicide rate in the region and in the world in recent years (<https://www.youtube.com/user/ab10460/feed>). Malnutrition among children and infants was abnormally high for a country with so much agricultural land to feed the entire Caribbean region. Infant mortality and the number of mothers dying during childbirth were on the rise and were the highest in the Caribbean (*SN* Jun 7, 2012; Aug 13, 2010). Some 60 to 70 women died during child birth every year in the 1985 to 1990 period – numbers that were much higher than similar countries like Guyana (*Chronicle* May 17, 2011). Infant mortality was also the highest in the Caribbean region and higher than countries with similar features like Guyana during the 1980s. Also, the infant mortality and maternal deaths for Guyana were much higher in earlier years of the 1970s and significantly higher than those countries that are similar to Guyana (*GC* Jan 28 & Feb 1 2014). It is noted that between 1985 to 1990, more than 2,500 babies (infant mortality numbers resembling those of sub-Sahara Africa) under five years old used to die each year compared to just over 200 per year in 2010. It was noted that hospitals lacked drugs and doctors were in shortage (most left for overseas) resulting in a serious rise in neo-natal and maternal deaths. For example, maternal mortality ratio was a high 80 per 100,000 in 1991 and much higher in the preceding years – and higher

than all countries in the region. In 2013, there were 18 maternal deaths and 25 in 2012. Under 5 years old mortality rate was also a high 75 per 1000 in 1990 – with the numbers much higher for preceding years and the highest in the region for all nations. Infant mortality rate was 45 per 1000 in 1990. The preceding years saw much higher infant mortality rates that just barely beating out Haiti (GC Jan 28, 2014; see *Tables section p x*; [www.inewsguyana.com](http://www.inewsguyana.com); SN May 10, 22, 2014). In the year 2000, it was estimated that 170 Guyanese mothers died per 100,000 live births. It is much higher than rates for all comparative countries like Guyana, which ranged from 110 maternal deaths for Suriname to the average of 150 maternal deaths for Lower Middle Income (LMI) and Latin American (LAC) countries (LMI-LAC) (Ibid). In 2000, it was estimated that 13.6 percent of children were underweight for their age and significantly higher in earlier years. This rate is much worse than the average for LMI-LAC countries (7.6 percent) during that period. In every health measure, Guyana was performing below that of all other countries in the western hemisphere or the Americas or countries with similar characteristics. ([http://pdf.usaid.gov/pdf\\_docs/PNADK761.pdf](http://pdf.usaid.gov/pdf_docs/PNADK761.pdf); US Aid Guyana Economic Performance Assessment 2007). See also (SN Jun 21, 2010; Dec 9, 2008); & ([www.ppp-civic.org/wpo/14thcongresswpo.htm](http://www.ppp-civic.org/wpo/14thcongresswpo.htm)).

A serious bout of malnutrition in Guyana during the 1980s was not surprising as there was a severe shortage of food with children foraging dump heaps or begging for a meal (SN Sep 19, 2008). There was a serious reduction in the intake of food over the banning of importation of basic items after independence resulting in malnutrition, scurvy and rickets (GT Jan 3, 2015). Food was simply unavailable. The banning of basic goods created shortages and higher demands triggering higher prices that resulted in higher

profits (SN Apr 17, 2014; Jan 10, 2008). Since people could not do without the goods, like flour, potatoes, lentil, canned milk, split peas, toilet paper, oil, onion, garlic, and other essentials that were banned (SN Jul 25, 2008), these goods were brought in through the underground (black market) economy (SN Mar 6, 2007). The macroeconomic aspects of the underground (parallel) black market economy (SN Mar 22, 2009) resulted in inefficiencies and higher than market prices putting a strain on the family's budget causing them to consume less and affecting consumption habits. It also led to poor quality of goods and services and higher costs to consumers because of the added costs of transporting goods and paying bribes to the food police to close their eyes to the sale of illegal goods (<https://www.imf.org/external/.../longres.cfm...>). It caused wastage and loss of labor hours. Since so much time was spent trying to secure basic goods for consumption or to acquire the goods for sale, many labor hours were wasted. This reduces productivity and by extension the rate of growth of the economy much below its potential, leading to missed or negative development (SN Nov 14, 2010; Apr 6, 2003).

Children were also educationally neglected by a terrible state-driven policy tied to the ethnic conflict (SN Apr 9, 2013). The state of education in Guyana suffered severely after independence. Guyana was ranked the lowest in the region in educational achievements during the 1980s as compared with the 1960s, when it had one of highest ratings in passes in secondary school exams. Prior to the mid 1970s, private educational institutions, almost all of them owned by Whites and Indians, flourished; they often bettered performances at government schools. The government nationalized all private educational institutions in 1976 but lacked resources to adequately maintain them or to pay staff and provide materials for basic education (SN Apr 9, 2013). Burnham outlawed

private educational institutions. When private schools were allowed to operate during colonial era and right after independence, Guyanese students did competitively well against nationals of other Anglophone countries winning scholarships at elite British universities (SN Feb 5, 2011); Burnham himself was a recipient of a British scholarship. After government asserted control of all schools, educational achievements rapidly declined. Textbooks books and teaching resources as well as notebooks were virtually unavailable in classrooms or in bookstores. The government controlled the sale of virtually all books that had to be imported through government-controlled agencies. Trained (university educated) teachers left for other shores that paid higher salaries resulting in largely unqualified educators instructing classes resulting in declining education passes at British (Cambridge, Oxford, London University) or regional (CXC) exams (SN Aug 10, 2012). Unlike under private ownership of schools, in the government-controlled schools, students were short changed in obtaining basic skills to lead a productive life. Much of the educational training focused on political propaganda praising the political leader and the ruling party rather than on useful skills (SN Oct 28, 2007). It was noted that during the 1980s, half of the school age children was not in school. In fact, these absentees were peddling goods in the streets or foraging garbage heaps when they should have been in school. They were away from schooling in order to help secure food and a future for themselves and their families (GC Mar 11, 2013). Although students were and still are getting free education, performance at state schools were/are worse off than those of private schools. Private schools over the last two decades since they were granted licenses to operate have been turning the best exam results in the country far surpassing public schools (SN Mar 30, 2014).



So when during the 1960s, life should have improved in Guyana by 1990 with each passing year following attainment of nationhood, it simply got worse. When during the 1960s, Guyana was much better off than most Latin nations (as, for example on measurements relating to maternal deaths, infant and child mortality, education, GDP, and several other indices), by early 1990s, it was worse off than every country in the region (*SN* Apr 21, 2013; May 27, 2012; Sep 22, 2008). It was not until the last decade (2000s under democratic rule) that Guyana was able to recover and achieve the standard of living and quality of life of the 1960s (*GT* Jan 1, 2015).

Some 47 years of independence has left Guyana competing with Haiti and the poorest countries of Africa to get out of the lowest places of the world tables on GDP and in terms of social indicators like relative poverty (some 40%), malnourished children (around 35%), and infant mortality (30%) (*SN* Jun 21, 2010)(Table p x; *World Bank Tables*) – What a sad socio-economic state of this country after gaining freedom from England? Around 1960, Guyana's GDP per capita was ranked very high as a middle-income country. For example, its GDP was US\$299.41 for 43rd place in the world. By comparison, Jamaica's was US\$429.14 (31st), Trinidad's was US\$635.43 (25th) and Barbados' was US\$378.84 (37th). By 1964, at the end of PPP rule, Guyana's per capita GDP grew to US\$308, a shocking US\$10 in four years at US\$2.45 per year and its world ranking slipped to 50<sup>th</sup> position. The other countries' GDP per capita and global ranking steadily improved while Guyana's steadily dropped. One factor that may have led to this contrasting situation is the presence of ethnic conflict in Guyana and its absence in the other countries. This conflict impacted on any favorable investment climate affecting any potential economic gains. Between 1960 and 1964, for example, an ethnic civil war

devastated infrastructure and uprooted settlements affecting Guyana's productivity and by extension its development and growth. Jamaica saw her GDP increased by almost US\$89 between 1960 and 1964 to US\$518 (36th place in global ranking), Trinidad's by almost US\$170 to US\$805 (28th place) and Barbados by US\$84 to US\$463 (41st place) (SN Jan 26, 2013) (IMF, World Economic Outlook Database, Washington D.C).

The economic situation steadily declined as ethnic relations worsened after 1964. When the PNC took office in December 1964, Guyana was struggling economically but it still enjoyed a relatively high standard of living compared with the rest of the region or other developing nations. But the economy began a rapid descent. The newly installed Afro-dominated PNC regime (with its 42% support comprising mostly of Africans and Mixed race descent) did not take enlightened measures to grow the economy to lift standard of living or to ameliorate conflict (SN Aug 12, 2011; Apr 21, 2011). Instead, the PNC focused on ethnic and political consolidation of its supporters and victimization of non-supporters (from the other groups that made up some 60% of the population) leading to the establishment of an ethnic dictatorship that was accompanied by mal-administration (SN May 10, 2013). The regime preyed on ethnic rivalry that pit the Africans against Indians (vice versa) further aggravating historically tense relations between the two groups and between Africans and other races (KN Feb 17, 2014; Nov 14, 2012). The PNC played the ethnic groups against each other exacerbating animosity and racial hatred between Africans and all the other ethnic groups. The PNC was more interested in consolidating its power and ethnic base of supporters rather than in winning over Indians with sound policies that would build the economy (KN May 29, 2011; Oct 20, 2012; Jul 1, 2010). Such a destructive policy severely weakened the social fabric as

distrust spread among the populace (KN Jan 18, 2012). This had a telling effect on economic performance (KN Dec 21, 2013; Aug 10, 2012).

Under PNC rule, the rate of economic decline accelerated (KN Apr 12, 2014; SN Sep 9, 2011). As an example, the country's GDP per capita went from US\$308 in 1964 (50th ranking), when the PNC came to political office, to US\$506 (\$250 when adjusted for inflation) in 1992 (133rd ranking), when the PNC left office. The GDP per capita in 1992 was smaller than it was in 1970 or in 1964. Clearly, Guyana's economy shrunk between 1964 and 1992. In fact, it was the only country in the Caribbean with a zero or negative growth for that period. Between 1964 and 1992, there was an increase of US\$198 in per capita in some 28 years that worked out an average of less than US\$4 per annum, but when factoring in inflation, the growth was negative (SN Jan 26, 13 & Apr 21, 2011). This compares with a growth of about US\$50 for the period between 1957 and 1964 or about US \$7 per annum. Real income was declining as the years passed by. So Guyana experienced negative growth. In contrast, the GDP grew in Barbados by 1,100%, Trinidad 400%, Jamaica 260% and even poor Haiti 400% (KN Aug 30, 2011).

An examination of other indicators also showed an economy in deep trouble. For example, interest rate in 1965 was around 7%. But by 1992, the lending interest rate had reached an incredible 30% for businesses or individuals making it virtually impossible to fund businesses (expansion or new investments) or home improvement on borrowed funds. The significant economic indicator, inflation, also showed an economy in bad shape. Inflation during the 1950s and 1960s was in the single digits but during the 1980s inflation was running at triple digits although by 1991 it had dropped to 70% (GC Sep 27, 2011). As a result, people were unable to satisfy basic needs because their salaries

remained stagnant, prices went up, and the dollar had lost its value as the government kept printing more money fueling even higher inflation. Another economic indicator, poverty, was at 70% of the population in 1992, down from a third of the population in 1965. Official unemployment was 33% (in reality over 50% given that many adults were assisting their parents on the farms) way above the single digits of the 1960s; many (married) adults relied on parents for an income on farms. Foreign reserves were non-existent as compared with several million dollars that were left in the reserve in 1965 (SN Jan 26, 13 & Apr 21, 2011) to support imports. Black marketing, virtually non-existent during the 1950s and 1960s, became pervasive from the 1970s through 1990s (when government banned imports of basic goods) and the underground economy was the only means to obtain necessities like toilet paper or soap or milk (KN Oct 11, 2014). With a miniscule debt during the 1960s, by 1985, Guyana became a highly indebted poor country (unable to make payments on its loans). By 1990, the debt reached a staggering US \$2.2 billion (seven times its GDP or national budget) for a population of only 700,000 for an average debt of about around US \$30K per capita as compared with less than \$100 per capita in 1965. Guyana's 1990 debt per capita contrasted sharply with about US\$2000 per capita for the rest of the Caribbean region in 1990 (some one fifteenth of Guyana's per capita debt) (KN Jul 26, 2013; Apr 13, 2012). Using the standard public debt/GDP measure (see Table p x), the debt/GDP ratio was some 600 percent in 1992 (see also KN Nov 13, 2011). The GDP was only US\$371 million in 1992 (KN Aug 30, 2011). Revenues was only US\$141 million in 1992, substantially less in real value from the 1960s and 1970s though somewhat more than it was in 1980s when the country was in dire financial straits unable to pay public service workers or meet debt obligations (KN

Mar 2, 2011; Apr 15, 2009). *See also* ([www.nationsencyclopedia.com/economies/.../Guyana-OVERVIEW-OF-ECONOMY.html](http://www.nationsencyclopedia.com/economies/.../Guyana-OVERVIEW-OF-ECONOMY.html)); [countrystudies.us/guyana/55.htm](http://countrystudies.us/guyana/55.htm); *SN* May 13, 2009; ([www.iadb.org/res/publications/pubfiles/pubCSI-156.pdf](http://www.iadb.org/res/publications/pubfiles/pubCSI-156.pdf); *World Bank Annual Tables*).

As the data has revealed, economic indicators and the overall performance of the economy since the 1970s showed a country in serious economic difficulty resorting to deficit spending. Guyana continued to suffer from economic trauma and was in the midst of its worst financial crisis during the 1980s. An IMF report on economic management during the PNC period in office stated: “Following the 1973–74 crisis and throughout the late-1970s and early-1980s, Guyana’s political climate was marked by continued instability, the absence of dialogue and consensus-seeking, and a further weakening of key institutions, such as the rule of law. Production of all the major commodities declined sharply; public utilities and social services barely functioned; and real wages fell sharply (by 40 percent between 1976 and 1986). During the period 1976–88, real GDP per head fell by 31 percent, inflation soared eightfold, foreign exchange reserves dwindled, and government debt rose from 31 percent of GDP to 475 percent. In 1984, real GDP fell to its lowest level since 1955, and the size of the informal economy was estimated at 40 percent of the formal economy” (*GC* Sept 27, 2011).

As noted by many academics and commentators, the PNC centrally managed and directed economy (under their leaders Forbes Burnham and Desmond Hoyte) had completely collapsed by 1988. This was a direct result of the gross mismanagement (a policy of *ethnic clientelism* and patronage appointment of supporters many of whom were unqualified and incompetent) and racially inspired policies of the PNC designed to hurt Indians, Whites, and Chinese who had dominated the economy prior to 1975. Such discriminatory policies backfired by damaging the entire economy affecting the Africans

as well (GC Feb 11 2012; Mar 22, 2012). Under PNC's misrule, there were missteps after missteps or square pegs in round holes in a woeful series of political and economic management. Rampant corruption, nepotism, racism, and ethnic patronage demoralized workers in the productive sectors (agriculture and factories) and in government sectors (state agencies and the bureaucracy) of the economy. Many workers in privately owned factories and on the farm preferred to stay home or just do the basic for survival rather than engage in productive work that benefited a regime that oppressed them and with little financial benefits accruing to them (GC Sep 15, 2011; KN Mar 15, 2014).

The 1980s became a hard grind for survival. There were numerous examples to illustrate this point. Basic food (including of bread) was scarce and had to be smuggled into the country because of the ban on the consumption of flour made from wheat; the government ordered that people eat rice and cassava. Farm production declined substantially. There were long lines of people at government owned food (KSI) stores to purchase basic goods including of rice for which there was a shortage (KN Oct 26, 2012; Apr 2, 2010; Erriah: 2011). During the 1980s, homeless people were rising in numbers all over the country. Also, there were mysterious murders (SN Jul 31, 2009) and reports of human corpses being found at abandoned locations – victims of runaway crimes or political terror (GT Aug 28, 2014; Jul 5, 2014; Jul 3, 2014; Jun 30, 2014; GC October 22, 2013; SN Jun 3, 2013). People were disappearing after being picked up by security agents never to be heard from again because of their political dissent or public criticism of the regime and opponents were savagely beaten and terrorized (GT Jun 4, 2014; GC Sep 24, 2013; Jul 14, 2013; Caribbean Contact March, April, September 1984 and editions in 1979). (see also <http://www.guyana.org/features/postindependence/chapter23.html>;

[www.en.wikipedia.org/wiki/Forbes\\_Burnham](http://www.en.wikipedia.org/wiki/Forbes_Burnham); *SN* Jun 5, 2014; May 24, 2009; Nov 11, 2007; [guyana.org/govt/declassified\\_documents\\_1969\\_1976.html](http://guyana.org/govt/declassified_documents_1969_1976.html); *KN* Jul 1, 2013).

There were many other social problems. Jobs were difficult to get with over half the population unemployed under a tottering economy forcing people to pursue any activity for survival (*SN* Feb 21, 2010; Oct 28, 2009). The dispossessed and needy got no help to overcome their financial decline. Prostitution was on the rise. Suicide had also increased with Guyana having the highest suicide rates in the region (*GC* Mar 2, 2014). Many homes were placed in jeopardy as people lacked money for repairs or payment of mortgages. Large areas of the country, including urban areas, were neglected and squalid during the 1980s. Government buildings including schools and hospitals were ramshackle and dilapidated. Self help commissions foisted on the nation during the late 1960s as a means to socialize production were no longer in a position to help people during the 1980s as people just looked after themselves and their families; it became a battle for self-survival by beating out the other person – a new definition of socialism and collectivization (*KN* Apr 2, 2014; Oct 1, 2013; Oct 19, 2012; Nov 14, 2008). Also, infrastructure had collapsed -- water, sewage, drainage, road and transport facilities were in a pathetic state. Roads and bridges were in shambles with no money for repairs. Drainage was even worse as drains were filled up with all kinds of garbage and silt leading to flooding of residential areas even after brief periods of rainfalls and is still so today (*KN* Jan 13, 2014). Crops were frequently lost because of occasional flooding or from drought (in a country whose name means land of many waters) and with no assistance forthcoming to farmers from government thereby discouraging farming. During the 1980s, one could see garbage, dead animals and miasma on the streets and

major roadways or in waterways. Waterways were not routinely *desilted* (dug) for years were (and many still are not) and became clogged with the slightest rainfall leading to flooding of large swaths of the city and an eerie fecal stench (KN Jan 15, 2013). The garbage pathology was so ubiquitous that people cover their noses when walking in certain areas of the country. Even today, newspapers carry numerous reports of garbage dumping and about pollutants in the waterways and mounds of garbage in the capital city of Georgetown and environs (KN Nov 8, 2011; Jul 9, 2011; Dec 31, 2008). The poor state of the environment caught the attention of foreigners visiting the country. A visitor from Mauritius in July 2012 asked me “Why is the capital city so dirty” for which there was no response (SN Jan 23, 2013; KN Nov 16, 2014; Feb 20, 13, 2009).

As the data revealed, since the 1960s, the government did not undertake any serious effort to promote national development that will lead to a better environment, rising standard of living and social change. Instead, the government focused on acquiring control over the economy and political institutions. The sweeping changes in government finances, banking systems, manufacturing and nationalization of the economy and collectivization during the 1970s were designed for government control of the commanding heights of the economy. Prof. Paulette Pierce (1984) studied Guyana’s attempt to acquire control of the economy from foreign owners through a process of nationalization describing it as a struggle towards a non-capitalist path to development. It failed primarily because of the way it was carried out and because of the (ethnic) division in the country among the working class as well as among the political forces. The PNC’s nationalist and discriminatory economic policies led to serious structural reforms that would ultimately bankrupt the entire economy. As a result of the new policies that



stressed state and PNC party control and domination of the economy, local businesses were curtailed discouraging investment. At the same time, foreign businesses pulled out of the country proving that global capital markets, a powerful economic force, can function independently of politics or of government's attempt to control the market or of government's ability to control such large multi-nationals like Reynolds Aluminum, Bookers (Sugar) and Royal Bank of Canada or Bookers (Pierce: 1984). Clearly, in the Guyana case, capital markets (MNCs) showed that they can effect changes beyond the capacity of political processes or of a government to enforce controlling regulations (to rein it in) (Ibid). The MNCs simply moved their operations elsewhere and the country is left high and dry with limited opportunities to sell its resources or fetch "good" prices. As economists assert, capital chases after markets where profit is highest and risks lowest; investors are not in business to lose money. Once government interferes with the flow of capital or its ability to earn profits (the lifeblood of corporations), businesses leave with their scarce capital with the results that societies suffer with loss of jobs, declining revenues, and terrible reputation to attract new investors and the entire economy suffers. With MNCs gone, Guyana was facing a serious capital shortage to pump up the economy with new or expanding investments. Its only hope was agriculture that had also experienced serious decline under the PNC (*KN* Dec 14, 2009; Oct 17, 2008).

Agriculture had always been the locomotive for economic growth in Guyana all throughout its history but the PNC government could not bring itself to support farming simply because it would benefit Indians, who the PNC had viewed as its enemy because of their link with the opposition PPP; understandably, one cannot support or empower one's enemy and as such agriculture was neglected to teach the Indians a lesson for their

unswerving loyalty to the PPP. The Agriculture sector was in a total mess during the 1980s as every effort was made to miniaturize it as a way to marginalize the role of Indians in the economy. The budget allocation for food production (Agriculture) was miniscule compared to the budget for the service sector and of other Ministries, none of which was contributing as much to the growth of the economy when compared with agriculture. In fact, agriculture was the only positive aspect of the economy contributing over 50% of GDP and employing over 50% of the population (GC Aug 26, 2009; Oct 27, 2010; Mar 12, 2014). The neglect of agriculture and the racial abuses of Indians who comprised the bulk of the farming sector pushed the Indians off the land resulting in food shortages (Ibid, GC Apr 6, 2013).

When a government assumes legitimate power, it should seek to take care of all the people, not only its supporters and it should not discriminate against people based on ethnicity or political affiliation. As the Guyana case illustrates, the PNC government's goal was to punish the Indian farm belt because of its support for the opposition PPP with the hope of getting Indians to abandon the PPP. The PNC's aim was to destroy the PPP political base by destroying the communities that formed that base (Rampertab: 2001). Indian investments in agriculture and other sectors of the economy created jobs and helped to lift standard of living for all including Africans. The PNC calculated that once it destroyed the PPP stronghold, the sugar and rice belt from where the PPP derived the bulk of its support, and forced Indians to migrate, the PPP will be doomed politically as it would not be able to win a majority of seats in elections (GC Oct 27, 2010; Jan 28, 2011; Feb 22, 2011; Rampertab: 2001). The PNC did not care if women and children starved to death or if the economy collapsed. The PNC's political agenda was to uproot and destroy

all opponents regardless of the effects. Such a nihilistic policy even punished their own members who often depended on Indians for economic opportunities. Despite its totalitarian drive, the PNC could not break the Indian support for the PPP as the Indians remained loyal to its founder Dr Jagan until his death in 1997 (Ibid) and they have remained loyal with the PPP till now (Tennessee: 2010; Rampertab: 2001).

As the PNC was trying to break the Indians in business and in farming, at the same time, it directed funds to Africans in various facets of life as well as in farming (KN May 19 2013; May 6, 2013). But the Africans indicated they wanted nothing to do with tilling the land which they largely abandoned after their emancipation from slavery and sought public service jobs (KN Oct 9, 2012). The Africans took the government funds and land but did not invest heavily in farming. Instead, most rented the farms to Indian farmers and sold their government subsidies of seeds, equipments (tractors, combines, bulldozers, plows, transport vehicles, etc.) and fertilizers to enterprising Indians (GC Oct 27, 2010 who were more willing to till the land. Governmental neglect of agriculture and its anti-Indian bias led to palpable suffering not only of Indians but Africans as well (KN Mar 25, 2012; GC May 26, 2010). Both these groups as well as others could not get adequate food supplies because the Indians opted to reduce their output leaving land fallow in retaliation against the government for their ill-treatment (KN Oct 5, 2008). Reduced production in agriculture (especially rice, sugar and cash crops) (KN Aug 21, 2012) meant a reduction in revenues for the government which in turn meant inadequate revenues to meet the payroll demands for African workers employed by the state or to acquire materials. The PNC also could not acquire materials to give as handouts to appease its base. This depressed syndrome led to a cycle of bad policies and ever

increasing political and racial oppression (GC May 26, 2013; Aug 9, 2009; Oct 27, 2010).

It should be noted that the large state labor force had become a drag on the economy burdening taxpayers – the state sectors provided jobs for government supporters with one of every two Africans employed by the state (KN Oct 5, 2011; GC Oct 7, 2011). But revenues were not coming in to sustain such an unproductive labor force or to give them a decent livable wage (between US\$20 and \$30 monthly) (GC Mar 20, 2014). And when revenue was short to meet budgetary allocations to appease its supporters, the government simply printed more Guyana dollars fueling inflation and further reducing the standard of living for all (GC Aug 14, 2010). So in seeking to victimize Indians and other ethnic groups (not supportive of the regime) by damaging their entrepreneurial spirit and their livelihoods and productivity, the government's support base of African workers was also hurt because the contributions of other groups to the tax coffers had declined creating a shortfall to pay the state workers (95% of whom were Africans) or funding activities that would benefit them. The PNC Government's policies were socially corrosive as they further damaged race relations when the PNC turned the screws on Indians and other racial groups. The Indians decided not to cooperate with the PNC and listened to (followed directives of) the PPP that advocated a boycott of government programs and withholding of their labor. Fearing a rebellion by Indians regarding its policy of ethnic victimization, the PNC turned to a policy of racially inspired violence directed and financed by the state. The government turned to violence to force Indians to toe the line destroying what little ethnic harmony had remained in the society when the Indian-based PPP was ousted from office. The PNC policy of ethnic persecution of non-supporters served to accentuate the economic crisis as Indians and Whites decided they

would not work towards raising revenues for an oppressive racist ethnic regime (GT Jan 3, 2015; GC Apr 15, 2012; Aug 27, 2011; Aug 29, 2010).

A reduction in state revenues resulted in the poor, farmers, working class and businesses being bombarded with a heavy burden of taxation to raise revenues to fund the state's many unaffordable programs and pay the huge foreign debt. In addition, people were forced to endure extended periods of power outages that lasted weeks or longer. The scarcity of basic goods was apparent everywhere as stores had empty shelves even for basic needs. In addition, workers were subjected to poverty wages and high rates of crime with some even directed by the state (GC Feb 14, 2014). Corruption was rampant and crime was out of control as people were robbed in the presence of police who turned the away when crimes were committed. People lived in fear even during daylight hours (GC Dec 14, 2013). Also, by the decade of the 1980s, the government, which took over all private schools in 1976, failed to do enough to nurture good schools. Schools had virtually no supplies (not even paper and stores were restricted with paper supplies because the government feared it would fall in the hands of political opponents to print news letters). Also, schools lacked books. Educational standards declined with Guyana receiving the lowest pass ratings among Caribbean countries in the regional standardized tests as well as in the high school entrance exams (SN Aug 15, 2011; KN Oct 28, 2013).

The health system was also a victim of misrule and ethnic conflict. As an illustration, in 1950, the life expectancy for a Guyanese citizen at birth was 47 years. This increased significantly to 60 by 1964, a gain of 13 years. The increase in life expectancy between 1950s and up to 1964 stagnated. In 1970, the life expectancy was 60 years but stagnated through 1990 (KN Aug 30, 2011). Guyana made no gains in life expectancy for

the period 1964 to 1990 when the PNC was in power. This was not surprising because of the collapsing nature of the health sector and the shortage of basic medical personnel and supplies to attend to the sick and disabled. The PNC government pursued ethnic discriminatory policies (GC May 26, 2013; KN Aug 26, 2012, Aug 11, 2011). Medical personnel, most of whom were Whites, Chinese and Indians, were denied basic supplies and many migrated to practice their profession in other societies where they were welcomed. Hospitals were in decrepit conditions with no funds for maintenance; also, drugs and basic medical supplies (including of bandages and plasters) were largely unavailable because of foreign currency shortage to purchase them from abroad. Also, medical personnel at government health (as well as other state) institutions were not motivated to attend to peoples' needs because of the declining purchasing power of their low salary (due to high inflation and currency devaluation) (GC Mar 20, 2014). The Guyana dollar that stood at about G\$1.75 to US\$1 in 1964 declining in value to G\$2 to US\$1 in 1970 to G\$3 in 1985 and declined rapidly to \$G125 to by 1992 -- over 3,000 percent depreciation during his time period. Also, real wages during this time was reduced and in 1992, real wages (in \$US) for public servants (average \$25 monthly) was lower than they were in 1964 (US \$40) (KN Aug 20, 2011).

Overall, the PNC government could not point to any clear, identifiable achievements (KN Nov 11, 2012). Surely, there was hardly an improvement in race relations as Indians and Africans drifted further apart with Indians accusing Africans of supporting an oppressive PNC regime (GC Oct 25, 2013; Dec 14, 2013). The overall political, economic and social conditions in the country led to a feeling of hopelessness and despair with many turning to migration as the last hope for survival. Their

preference was to North America and or Europe. People were and still are overjoyed to leave the country because of better lifestyle and quality of life abroad. They migrated to any Caribbean Island or across the border to Brazil, Venezuela, Suriname and French Guiana that would take them if they could not make it to North America or Europe, their desired destinations. (The economic situation was so bad that by the mid 1980s, more Guyanese lived abroad than within Guyana) (GC Oct 18, 2011).

As the local Guyana media noted, after independence, the country had (has) become an international embarrassment because of the poor state of its economy, sluggish growth, and dependence on foreign aid so much so that the Prime Minister of Jamaica, Mr. Bruce Golding, described Guyana as “a begging country” in a public spat with the leader of Guyana President Bharrat Jagdeo (KN Mar 5, 2011). Also, the Prime Minister of Barbados, Mr. David Thompson, was critical of Guyana’s economic problems especially high unemployment, its poor standard of living, and its inability to address its development problems that have forced many Guyanese to seek economic fortunes in Barbados and other countries thus taking away jobs from nationals of those countries. Prime Minister Thompson said that Barbados “was too small for Guyanese to keep running to his nation to seek jobs and good living standards”. He felt the situation should have been the other way around given Guyana’s huge size and vast supplies of natural resources (SN June 2, 2011). In fact, the other Caribbean territories had expected Guyana to bail them out with its huge resources and economic potential. Instead it has been the other way around. Barbados and all of the smaller (less resource rich) countries of the Anglophone Caribbean have been more economically stable. They have not experienced the same kind of socio-economic problems as Guyana, and have had better

growth rates, lower unemployment, and a higher standard of living than Guyana since its independence ([www.google.com/search?q=Comparing+Guyana+with+other+caricom](http://www.google.com/search?q=Comparing+Guyana+with+other+caricom)).

As Caribbean social commentator and diplomat Sir Ron Sanders noted, “few would dispute that the two decades between 1976 and 1996 were ‘lost’ years for Guyana – a period when, despite its vast natural resources, the country experienced high debt, collapse of social and physical infrastructure and large-scale migration of its best educated people – most of whom now settle in North America, the Caribbean and Europe sending remittances home to feed their family” (*KN* May 29, 2011). Guyanese were denied full opportunities to contribute to the development of their country when living in Guyana but once settled abroad they contributed meaningfully sending cash and materials to loved ones. Since the 1970s, without foreign cash remittances and clothing and food sent from overseas, Guyanese may very well have starved and remain naked as virtually everything was in short supply in Guyana. Cash remittances sent by relatives mostly from North America provided sustenance to most of the population and kept the economy going. Almost every Guyanese has had at least one relative abroad since the 1980s sending them cash or other handouts (in barrels and boxes or in suitcases when they visited Guyana). Guyana has been the second largest recipient of remittances (behind Jamaica) among Caricom nations and the largest recipient of remittances (leaving out material goods) in terms of a proportion to its gross domestic product (anywhere from 10% to 50% depending on the year and amount) or even of its national budget (*Ibid*). The government received tons of money in fees and duties of goods sent from abroad and for financial transactions all helping to boost revenues for government operation (*KN* Jul 12, 2011) (<https://sta.uwi.edu/.../Roberts%20D.pdf>; [www.jstor.org/stable/27866601](http://www.jstor.org/stable/27866601)).



With regards to cash transfers, Sanders (KN May 29, 2011) penned: “Foreign remittances averaged over half of the country’s budget since the early 1980s and was very significant in the composition of the country’s GDP (over 40%). Therefore, without foreign remittances, Guyana’s GDP growth would have declined even more since the 1970s. It is noteworthy that Guyana’s budget during the 1970s and 1980s averaged about US \$300 M (millions) and during the 1990s it reached US \$400 M with remittances averaging US\$200 M annually. For the first eight years of this century, the national budget averaged U.S \$400 M and the last four years saw it hit \$500 M with remittances averaging US \$350 M annually” (Ibid). So remittances averaged between fifty percent and two-thirds of the country’s national budget and as Sanders posited “would have accounted for almost half of the Guyana’s GDP revealing the extent of the country’s dependence on overseas funding and its inability to generate enough domestic revenues to lift standard of living or significantly raise GDP – a far cry from the 1950s and 1960s when overseas funds, foreign aid and deficits were not as significant in the colony’s national budget and in their contributions to the GDP” (KN May 29, 2011). As Sanders noted, “since the 1970’s, the economy of Guyana has been described as the sick man of the Caribbean ... as the poorest country in the region” (KN May 29, 2011). But the economic decline of Guyana started well before the 1970s, even before independence, during the early 1960s with the overt rise of ethnic conflict. The decline accelerated during the 1970s with the PNC government’s racially discriminatory policies and wrong-headed economic policies such as the state nationalization of the main productive sectors of the economy (GC Apr 4, 2004). The 1970s saw such industries as sugar, bauxite and banking come under state ownership. The government pursued *etatist* (state) policies,

state control of marketing, pricing, and controlled production of the agro sectors of the economy. It also neglected the farming sector that was dominated by Indians, and practiced racial victimization of Indians who supported the PPP opposition party, who constituted the majority of the population and who also controlled large amounts of wealth in the country (GC Apr 22, 2009). For its nationalization policies, the country was severely punished by the industrialized nations that cut off aid and restricted trading with Guyana. Institutions such as the IMF and the World Bank (and its affiliate Inter-American Development Bank), which were also controlled by the industrialized imperialist nations, as well as private banks and foreign governments tightened the noose around Guyana's neck, reducing loans (justifiably so because Guyana was unable to meet interest payments) and demanding outstanding interests on which Guyana had defaulted (GC Oct 17, 2010) ([www.imf.org/external/pubs/ft/.../hilaire.htm](http://www.imf.org/external/pubs/ft/.../hilaire.htm)).

During the 1980s, the economy imploded. Borrowing was closed off to Guyana afflicting the entire economy that was dependent on deficit financing. GDP was shrinking annually. US AID had closed its office in Georgetown during the 1980s because of harsh conditions imposed by the regime on its work. US Aid was forced to cut off its handouts to the population with the poor and working class feeling the pain the most. Also, around this time, two foreign banks, Barclays (England) and the Royal Bank (Canada) (SN Dec 23, 2012), with large amounts of deposits, handed over their demand deposits (customers' money) and sold their buildings to the government for G\$1. They were forced to lend money to the government at government offered rate and at the same time the government was not allowing the bank's foreign currency to leave the country (SN Sep 2, 2009). The banks were also heavily taxed and regulated making banking

extremely difficult (SN Jul 19, 2009) (see [www.imf.org/external/pubs/ft/.../wp0073.pd...](http://www.imf.org/external/pubs/ft/.../wp0073.pd...)).

The 1980s also revealed that revenues were unavailable to pay state workers or to buy basic supplies for government use. The country was really insolvent. Private companies were forced to loan the government money to pay state workers. And when private companies stopped lending, the government resorted to intimidating tactics threatening to take over their businesses and sent thugs to harass and intimidate them. When all other measures failed to raise money for government operations, the government resorted to the wholesale printing of money to pay workers shrinking the value of the Guyana dollar even more. Government offices had become largely dysfunctional with people just showing up for work and then leaving after spending a brief period at the office and not performing any meaningful tasks. Many had second jobs to boost their low income and they left the state office to perform their other job (GC May 14, 2011). As one government worker put it to this researcher during a visit to Guyana in July 1986, “We pretend to work and the government pretend to pay us”. Government workers, supporters of the regime, received full pay for virtually no work (GC Dec 14, 2010; Jul 6, 2013, Sep 26, 2013). But their salaries were virtually worthless unable to cover basic groceries for a month as skyrocketed inflation ate away the value of the local currency. The Guyana dollar had become worthless and no country wanted it in exchange for goods or services. From US\$1= G\$1.80 (convertible abroad) in 1972 to G\$4 (1980) to US\$1= \$115 (1992) and unacceptable outside of the country since 1980 (GC Aug 18, 2011; Nov 16, 2012). At one time, even local businesses did not want to accept the Guyana currency and in fact, at one time during the 1980s, the government had opened a store selling foreign goods in hard currency similar to those in China and the

eastern bloc countries in order to generate foreign currency to pay for imported government supplies. Access to foreign currency was so bad that by 1980, the government had restricted the amount of money anyone could take out of the country to G \$50 which no one wanted anyway because it amounted to only about US \$6 and one had to file cumbersome paper work and wait for a lengthy time for government approval in order to get the US \$6. The cost of filing the application was more than the actual foreign currency (US \$6) granted by the government and thus not worth peoples' time, effort, energy and all the frustration and angst that come with it. People lost hope in the government as the economy steadily worsened (SN Sep 2, 2009).

The economy continued to face strong head winds in the early and mid 1980s growing negatively. But the PNC did not expect its Western sponsors to pull the economic rug under its feet given the history of the PNC serving as a bulwark against the establishment of any communist government in Guyana. And the economy began to decline rapidly during the mid 1980s. After its fall out with western countries over its nationalist economic policies (Pierce: 1984), there was a sharp reduction in aid from western countries and a severe imbalance in trade that triggered shortages in basic goods and mass starvation. The reduction in revenues led to a severe economic decline by an average of 5% a year for most of the 1980s. The PNC's "tightening of the belt" policies placed severe economic pressure on the working class, the middle class and the poor (KN Feb 8, 2009). They did not earn enough to meet basic needs and prices were rising rapidly as a result of scarcity of goods. Every item within the country was scarce and expensive as goods had first to be purchased with foreign currency overseas and then shipped (for some goods through an underground network) to Guyana where it was

almost impossible to obtain foreign money through official government channels. Hard currency was bought on the black market at extremely high rates and it meant therefore that goods had to be sold at exorbitant prices in order to recover costs and profits of selling goods (GC Feb 16, 2013). Not surprisingly, many basic goods (for housing, laundry, etc.) needed in a modern society were unavailable.

In addition, the government had instituted a list of banned items including basic foods (like bread, beans, potatoes, cooking oil, canned goods, etc.) leading to mass starvation and a vibrant smuggling of goods across the porous border to meet basic needs (GT Jan 5, 2015). Not only were foods in short supply, basic construction materials like nails, cement and paint were unavailable. Houses were not repainted for many years and looked awful with fading exteriors and peeled paints. Steel was rusting without paint. The construction sector was dormant for years without basic supplies putting carpenters, masons and painters out of work. Also, petrol was scarce and insufficient to run factories or vehicles or electrical generating plants or for shipping. Blackouts were a fact of life and lasted for extended periods – weeks and months. People returned to hand, bottle and gas lamps as used in earlier times (GC Jun 11, 2011). No foreign institution would lend a dollar to Guyana to purchase imports of petrol or spare parts or electrical turbines to address the blackout or other problems the country faced because the country defaulted on repayments to every local or foreign borrower.

Under the PNC of the 1980s, life had frozen in time or regressed by several decades in terms of goods and other basic needs and services. The country turned to bartering with neighbors and socialist bloc countries for basic goods. Hucksters or small traders sustained the economy in black marketing. Suitcase traders plied the market

traveling to Trinidad and other Caribbean islands and returned with goods that were traded at high prices to keep the economy alive (SN Jan 26, 2013). Although it was against the law to trade in certain goods like bread, canned goods, potatoes, cheese, onions, cooking oil, etc. the government closed its eyes to the illegal trade to allow people to simply eat and survive. Food was virtually unavailable leading to the foraging of garbage dumps as seen on TV in Latin American *favelas* or in destitute countries of Africa as well as to mass starvation similar to the situations in North Korea, Cambodia, Somalia, Ethiopia, etc. as occurred during the 1980s (KN Jun 21, 2014; SN Oct 4, 2009; ([http://humanscience.wikia.com/wiki/Food\\_Scarcity\\_in\\_Africa](http://humanscience.wikia.com/wiki/Food_Scarcity_in_Africa); GC Feb 14, 2013; Jun 5, 2011; Apr 24, 2011; [www.wfp.org/countries/cambodia/overview](http://www.wfp.org/countries/cambodia/overview)) GT Jun 3, 2015; <http://www.kaieteurnews.com/guyana-the-land-of-shortages/>; [en.wikipedia.org/wiki/North\\_Korean\\_famine](http://en.wikipedia.org/wiki/North_Korean_famine)).

Guyana's future development when looked at or evaluated during the period of the 1980s appeared uncertain. Recovery and development seemed almost impossible without some kind of quick reform and restructuring in order to avoid further economic calamity. The regime was forced into implementing austerity measures by international institutions to stave off collapse and mass starvation. The dictator Desmond Hoyte subjected the country to IMF conditionality as a requirement for a temporary economic bailout (SN Sep 17, 2009). In the face of economic collapse, Hoyte had agreed to abandon the PNC strategy of *Guyanization* (government control) and “*cooperative socialism*”, modeled after Tanzania's *ujamaa socialism* (state control based on its own cultural and economic conditions), in which the ruling party becomes the state and acted as a cooperative owning over 80% of the economy (KN Jan 7, 2005; Aug 23, 2014; Oct 1,

2013). Hoyte rebuked *cooperativism* and turned to the IMF for a bailout that was conditioned with restructuring of the economy that included selling out state owned corporations. The economy was essentially handed over to the IMF during the late 1980s and early 1990s with policies directed, guided, and controlled by the IMF and World Bank and supporting agencies (SN Feb 27, 2011). Guyana's economic policies (cutbacks, laying off state workers, denationalization, etc) converged with those generally required by the IMF to obtain financial loans (Erriah: 2011). The *conditionalities* placed more pressure on the working class and the poor to pay higher taxes with some 94% of gross revenues (during late 1980s and early 1990s) being required to pay just the interest of the debt of US \$2.2 billion (SN Feb 11, 2013; Aug 21 and Jul 23, 2011; May 20, 2010). (see also [www.guyanajournal.com/economic\\_decline\\_1985-91.html](http://www.guyanajournal.com/economic_decline_1985-91.html)).

Under the IMF program, tail winds began to blow in Guyana's economic direction resulting in a turn around of business fortunes with modest gains in growth during the late 1980s continuing into the early 90s. With a lull in the ethnic violence, Hoyte's concessions to Indians, and the gradual economic opening up to the outside world, the economy began to recover in late 1988 but the economic gains were quickly wiped out with renewed racial violence in 1992-93 resulting in a dip in economic fortunes and a return to negative growth. Racial violence caused much of the country's economy to shut down in 1992/93 and for extended periods of time thereafter especially during 1997, 2001, and from 2003 thru 2005 resulting in economic regression (SN Jan 20, 2010; Nov 29, 2009). In 2011 or during this decade, and indeed since 1992, Guyana's economy has performed much better than say during previous decades. But it still has not been realized full potential. It has not improved substantially from 1992 when

democracy was restored (KN Mar 21, 2014). As an illustration, in 2011, Guyana was ranked 115th in GDP per capita, an improvement from 133<sup>rd</sup> in 1992 but still a far way off 40<sup>th</sup> in the 1950s, the 43<sup>rd</sup> ranking in 1960 and 50<sup>th</sup> in 1965. Guyana is still ranked as the second poorest nation in the Western Hemisphere behind Haiti (SN Apr 21, 2011, KN Jan 5, 2014) and the poorest in the Anglophone Caribbean of 13 nations. This contrasts sharply with the early 1960s when Guyana was ranked number three in the *Caricom* region and way above Haiti (SN Feb 19, 2014; KN Sep 15, 2013).

As the preceding chapter illustrated, the precipitous decline in the economy was attributed primarily to economic policies that were/are related to the nation's ethnic conflict. Ethnic violence, discrimination and persecution as well as when one's party is not in control of the government tend to preclude and or de-motivate people from producing to their full ability. This inevitably results in economic decline. For example, between 1957 and 1965, racial conflict (including race riots) affected productivity preventing the country from attaining significant economic growth. Between 1966 and 1992, the rise of the one party (one race) ethnic state, (GT Nov 17, 2014, KN Jun 23, 2014; Thomas: 1980) when there was intense racial conflict, the economy contracted by a fifth in 25 years. For a short period, between 1988 and 1992 when the regime eased up on ethnic discrimination, the economy began a turn around. Between 1992 and 2005, there were ups and downs in growth depending on the state of ethnic relations – growth during relatively peaceful period (1993 and 1997) and decline when there was instability (1997 to 2005). Since 2006, there has been relative ethnic peace and the economy has seen sustained growth and rising standard of living (KN Dec 23 and 25, 2013).



## **Chapter 6: Guyana's Political Development**

Guyana did not experience any meaningful political development until after WW II when most former colonies acquired self-rule. Political development occurred in a piecemeal manner with some sections of the population allowed to engage in political activities based on wealth, status, recognition and appointment from London. The colony was governed directly by the British Colonial Office in London all through the establishment during the 1700s of plantations based upon slavery, the system of indentured labor after emancipation in 1838, and the development of a peasantry that proceeded during and after the *indenturedship* period (1838-1917). London appointed (White, British born) Governors to manage the political affairs of the colony. The political forces in the early period prior to the two world wars were largely pro-capitalist and were controlled by London. Radical labor movements were not successful or were sidelined and the labor movement was badly fractured by race that was an important component of labor, religious and cultural organization. The subjects were hardly consulted on how they would be governed and rarely did policies benefit the subjects leading to rising dissension during the 1900s. However, just prior to, during and after WWII, the colonies became restless with rebellions and protest movements for an improvement in their quality of life and for a greater say in the affairs of their colony. In short, the subjects wanted self-governance. Also, after the war, the US pressured the former empires to grant self-rule and to prepare their colonies for independence. Britain, in exchange for support from ethnic leaders for the war effort, allowed the subjects in Guiana and her other colonies to engage in political activities leading to a political movement and the formation of political organizations.

## **Section A: Rise of Parties & Indian-African Political Rivalry (Competition):**

Party politics did not come to Guyana and the Caribbean until the 1950s when the British allowed self-governance with veto exercised by the Colonial Governor. Party formation was experienced in Guyana in 1950, and the *two parties* political system did not materialize in Guiana until 1955 after the racial split (Indian versus African) in the PPP that led to the formation of two parties. Political parties did not emerge in Guiana prior to 1950 because the British authority had placed restrictions on political mobilization, political participation and the rise of parties throughout the colonial era. There were also restrictions on voting rights based on property and income qualifications making the rise of parties unnecessary since only a handful of people could exercise the franchise. Only those of the elite class (primarily Whites and Coloreds and a handful among the Africans, Indians and Chinese) were qualified to contest positions (*KN* Jun 7, 2014). The bourgeoisie had historically monopolized the colonial legislature since voting rights were restricted by property and income requirements. Also, most Indians were not focused on political issues as they had planned to return to their native India and were more directed towards acquiring money that they could take back to their homeland. And politics was not a major concern of the lower class as they were busy eking out a living for survival or trying to have some savings to acquire a basic shelter and or to acquire land for self-farming (Seenarine: 2006; Ramsarran: 2008; Adamson: 1972). The labor movement was very fragmented along ethnic lines. The labor movement was left open for the rise of a middle class figure like Jagan to unite them. The poor masses had no interest in politics until their interest was peaked by Jagan and other nationalist and working class leaders discussing their distressed economic and social conditions and educating

them that life could be better if they were to unite against the British (Seenarine: 2006).

Dr. Cheddi Jagan, who studied in the U.S, returned to Guiana (virtually deported for refusing to fight in WWII on the side of the US) in 1943 and allied himself with the working class movement. He joined the British Guiana East Indian Association (BGEIA) and also became an advocate of an Indian labor union (Man Power Citizens Association). He also became President of the Indian saw millers union. Having observed the conditions of the working class, he felt a calling of a need to unite all the different forces struggling on behalf of the working class into one movement. Having been schooled about Marxism, Jagan used his knowledge of working class struggle in America and other societies to educate the Guianese working class masses about their economic deprivations and class exploitation making them politically and economically conscious of their miserable conditions and poor quality of life (Ibid). He implored them to unite and take actions to improve their working and social conditions and wages (Jagan: 1972). Jagan felt the labor unions acted irresponsibly in not making demands on management for better working conditions. He was critical of unions that failed to provide effective labor representation to their members or those leaders that betrayed the working class and were in bed with the bourgeois class. He organized Indian sugar workers and mounted a challenge for the leadership of the MPCA that represented the sugar workers. He urged African leaders to effectively organize bauxite workers, and he called upon Black employees of the state sectors to demand higher livable wages (Pierce: 1978). Jagan's activities in helping to organize workers into effective unions, his political activism within Guiana, and the post WW II movements of decolonization in other colonies led to an awakening among working class Guyanese of all ethnic groups to seek self-rule,

higher pay and a better quality of life. Although people were divided by ethnicity with each labor union and organization comprising of members of one ethnicity, a successful effort was made by Jagan to bring together prominent leaders of the ethnic groups and labor movements in the formation of a multi-ethnic Political Affairs Committee (PAC) in 1946. This organization became the vehicle to advocate for self-rule and universal adult suffrage that Jagan felt would lead to an improvement in peoples' standard of living and politically unite the working class. The working class (of all ethnicities) sounded their willingness to be led by Jagan; they wanted to give him a chance to improve their lives under his leadership (Hookumchand: 2006; Tennessee: 2010; Glasgow: 1970).

By this time, the decolonization process had started with India, other parts of Asia, and expanded into Africa. The US had urged Britain and the other empires to free their colonies after their contributions in the war effort to defeat the axis powers (Erriah: 2011). The British had recognized that they had to grant concessions for home rule in Guiana and her Caribbean colonies or they would face violent protests. Besides, they had promised the nationalist political figures a greater say in governance if they would support the war effort in Europe. And the ethnic nationalist leaders were demanding a role in the governance of the colony forming organizations, building alliances with each other and even launching political parties. The British allowed mass based political movements in Guiana and across the Caribbean (Erriah: 2011).

The early phase of Guiana's political development saw Dr. Jagan and left leaning ethno-nationalists and labor leaders launching the Political Affairs Committee (PAC) in 1946 to raise political consciousness among the working class (Jagan: 1972). Jagan became its chairman. This group, as opposed to the upper class elite of each ethnic

group, was interested in the general welfare of the entire population and pursued mass political mobilization activities irrespective of ethnicity in contrast to narrow ethnic mobilization of each group by their elitist ethnic leaders. This PAC group helped Dr. Jagan when he contested a seat to the colonial legislature in 1947 in the Central Demerara Constituency just outside of Georgetown. Although each labor organization was largely of one ethnic group, a result of the dominance of the labor activity by one ethnic group (sugar by Indians or bauxite by Blacks, for example), the leaders of the unions came together to support the PAC in the struggle for self rule and subsequently the first mass based political party, PPP (US *Army Area Handbook Program*, adapted from *The U.S Library of Congress, Washington D.C; 2004*). Virtually all of the union leaders, regardless of ethnicity, appealed to their members to support the PAC. This was the first time in the colony's history that working class leaders were united in a goal to benefit everyone. Jagan and the PAC advocated for the expansion of welfare benefits for the poor and the working class and free education for all and was successful in winning cross racial support. The bourgeois class, however, resisted those demands from Jagan and the PAC (and later PPP) fearing the burden to fund increased welfare for the population would fall on them through higher taxes (Premdas: 1973, Spinner: 1982). Jagan won the seat comfortably with voter support from all races but primarily from support among the working classes in contrast with the upper classes among the ethnic groups that voted for the other ethnic candidates. In 1950, Forbes Burnham, a prominent African barrister, also contested elections winning the Mayoralty of Georgetown with support from the African voters who dominated the city's population (Ibid; Seenarine: 2006).

Using his new status as a parliamentary legislator, Dr. Jagan joined with union

leaders and the leadership of the Political Affairs Committee (PAC) to agitate for universal adult suffrage and the removal of income and property qualifications as a requirement for the vote. The leaders of the PAC took on the task of educating the masses about the importance of universal adult suffrage so they would be prepared and ready to exercise their franchise to advance their own interests by voting for the nationalist leaders who championed their cause and independence for Guyana. On Jan 1, 1950, the PAC was transformed into the first mass based multi-racial political party in the form of the PPP, led by Jagan with Burnham as Chairman (*KN* Jan 1, 105; *GT* 1, 2015). The combined Afro-Indo leadership of the party and Jagan's championing of unity brought the divided races together for the first time in the history of the colony. Its multiracial and multi-class character had a mass appeal (Seenarine: 2006). The PPP was organized along the lines of a left working class party that transcended ethnic cleavage; the party's towering personalities included Indians, Africans, Mixed, Amerindians, Chinese and Whites. The political figures of this new political movement campaigned for radical change to dismantle the colonial structure that granted privileges to the planter class and the colonial elite (Erriah: 2011). The PPP espoused a program of social welfare measures, collective bargaining for workers, secularization of the denominationally (Christian) controlled schools that were funded by taxpayers, replacement of the foreign controlled civil service with locals, land reform for the poor, and housing settlements for the working class, etc. These programs were very appealing to the poor masses among the Indians and Africans who lived in wretched conditions. The PPP received mass support at its public meetings (Burrowes: 1984; Glasgow: 1970; Tennessee: 2010).

## **Chapter 6, Section B. PPP Victory in 1953 & Challenging the Status Quo**

At the first election held under universal suffrage in 1953, the masses voted overwhelmingly for the PPP. The PPP received near unanimous support from the various ethnic labor unions – some fourteen of sixteen trade unions were affiliated with the PPP. The party won by a wide margin taking 18 out of 24 seats up for grabs. The ethnic profile of the 18 winners showed six Indians, five Africans, three Mixed, two Chinese, one Anglo White, and one Portuguese. Amerindians were not elected from among the PPP candidates because the Amerindian voters, confined largely to the interior regions, had remained loyal to the Catholic Church and voted for the European oriented party and candidates who were tied to the colonial establishment. (Erriah: 78; Seenarine: 2006) (see also [en.wikipedia.org/wiki/Forbes\\_Burnham](http://en.wikipedia.org/wiki/Forbes_Burnham)) ([www.sjsu.edu/faculty/watkins/guyana.htm](http://www.sjsu.edu/faculty/watkins/guyana.htm)).

Dr. Jagan was appointed as Chief Minister and he proceeded to appoint a multi-racial cabinet comprising all of the ethnic groups drawing heavily from individuals tied to the labor movement. He committed to govern in the interest of the working class as opposed to the previous regime that governed in the interest of the ruling and the bourgeois classes. The new administration set about to radically change social and political relations and the ethnic and class status in the colony, passing sweeping laws to end ethnic exclusivity and exclusion of certain groups from facets of social and economic life. New laws provided for free education, recognition of Indian owned and managed schools as a counterbalance to government owned schools managed by the Christian churches, old age pensions for the poor, workers right to form and vote for their own trade unions, affordable housing, land reform, raising levels of social consciousness, building a national ethos that encouraged a sense of community; agrarian reform to

benefit small farmers and farm workers, promoting literacy and adult education, fostering child and youth development, enacting social justice; establishing low income housing, improving physical infrastructure, among other progressive acts. Jagan wanted to break the church's monopoly on education by bringing schools under government control but the church viewed his proposal as a move to provide Indians with state funded education and resisted the changes. Heretofore, Indians were forced into attending Christian schools or private schools owned by Indians; only those who could afford to pay fees went to school. Africans, Mixed and Whites attended state funded Christian schools. Since many Indians could not afford the tuition for a private education or were fearful of the proselytizing in Christian schools, they did not get a formal education. Jagan aimed to change that policy to provide for universal education. The British clearly did not expect the PPP would plan for such a massive restructuring of governance and of labor, ethnic and social relations and universal education. The radical program of the PPP frightened the British-favored elite and the upper class of the various ethnic groups that felt threatened by the proposed radical changes and called on the colonial authority to take actions against the PPP to stop the impending changes that would impact on their exclusive lifestyle (Hookumchand: 2006).

Foreign companies operating in Guiana and around the region also feared the radical policies of the new government and pressured the authority to take action against Jagan's administration. Foreign investment generally yielded enormous profits for American and British companies throughout the history of Guyana and they did not want to alter the status quo (of a lucrative arrangement of earning high returns) or be made to pay higher taxes. Foreign investors and the local British elite pressured their imperialist



governments to take actions whenever political events or reform movements threatened their financial interests (Erriah: 2011). This would happen very often in Guyana during the 1950s and 1960s (Jagan: 1972). Jagan was moving too fast in seeking to bring about social change in the society after becoming Chief Minister. And he made a tactical mistake in seeking assistance from the Soviet Union that drew the attention of the US that would play a role in the toppling of his government. He began praising Stalin and the Soviet Union and pledged solidarity with the Soviet bloc countries, which in return expressed support for the PPP at international forums calling on the British to grant the colony of Guiana independence. This worried the British government as well as the Eisenhower Administration as the cold war was taking root (Erriah: 2011). The British and the Americans considered the PPP policies too radical and accused the government of wanting to transform Guyana into a communist outpost for the Soviet Union that had backed the PPP nationalist movement. According to the British appointed Governor, Sir. Alfred Savage, “the Jagan-led PPP government had a continuous program of strengthening links with the communist countries, with a view to making Guiana a servile state” (Erriah: 78; Rabe: 2005) and that was untenable to the U.S and U.K. (See also *GT* Jan 20, 2015; <https://books.google.com/books?isbn=0807899615>).

### **Section C. Toppling of the elected PPP Government**

The British did everything possible to unseat the democratically and popularly elected Jagan and PPP from office because he and the party empowered the working class and threatened the exclusive privileges enjoyed by the elite as documents recently released by MI5 revealed (*Indo-Caribbean World* Apr 4, 2012). Jagan’s government began to shift resources from the wealthy elite towards the lower and working class. The

PPP movement's advocacy on behalf of the working class was inconsistent with the status quo in a third world society where nationalist leaders generally supported the imperial rulers and didn't take actions to frighten the dominant elite. Thus, the British, with American blessings, suspended the Jagan government. Political commentator Hyder Ally pointed out that the 1953 PPP victory put an otherwise insignificant colony on the political map of the world (GC Jun 2, 2009; [en.wikipedia.org/wiki/Forbes\\_Burnham](https://en.wikipedia.org/wiki/Forbes_Burnham); [home.uchicago.edu/~rts1/guyanese.htm](http://home.uchicago.edu/~rts1/guyanese.htm)). Ally noted that British Guiana became the first colony in the Western Hemisphere where a Marxist government gained political office through constitutional means. "The historic suspension of the constitution and the forcible ejection of the popularly elected government put the colony at center-stage in terms of international focus" (Ibid). Because of her subservient political status as a colony to England, British Guiana was hardly known beyond the shores of the South American continent. It was not until the British toppled Jagan from office that the colony began to attract world attention. The Soviet Union condemned the British action to topple Jagan's elected government, but Jagan's government did not get much support from the Labor Party in England (Ibid; KN Aug 30, 2011; [www.guyana.org/govt/leaders\\_i](http://www.guyana.org/govt/leaders_i), [www.guyana.org/.../guyanastor](http://www.guyana.org/.../guyanastor)). British troops were rushed in to Guyana to quell any disturbances over the overthrow of the PPP government (Ibid; KN Mar 10, 2013; [www.theguardian.com/World/Guyana](http://www.theguardian.com/World/Guyana)). A state of emergency was imposed with all political meetings and public gatherings banned. A nominated government, which was in charge of Guyana's affairs throughout most of its history, was restored (KN Oct 14, 2014). The nominated government historically favored the *White plantocracy*, the dominant elite and the continuation of the status quo. Several of the leaders of the PPP

including Dr. Jagan and his wife Janet were jailed for various periods of time for violating emergency laws. And the British also began a policy of partisanship and favoritism granting privileges to selected leaders (like Burnham) of the ethnic groups during 1954 and 1955. Jagan accused the British of engaging in divide and rule tactics to break up the PPP (Jagan: 1972; Seenarine: 2006).

As many historians and journalists have observed, the PPP regime became one of the earliest (if not first) victims of the Cold War as the US took an active role in the *decolonization* process. The US government expressed serious concerns to British Prime Minister Harold MacMillan of a Guiana under British control that had friendly relations with the Soviet Union, which had advocated for independence for Guyana at the UN and other forums (Hookumchand: 2006; Erriah: 2011; Jagan: 1972). Jagan had expressed a romanticism regarding the USSR and praised the leadership of Joseph Stalin during the cold war (KN Nov 8, 2014). President Dwight Eisenhower's administration began to take a keen interest in Guyana at a time when the cold war between East and West had just started for influence in the third world in places like Guiana (Jagan: 1972). Although the US publicly supported independence for the colonies, it was adamant that the newly independent countries, especially those in the American backyard, tow the U.S line. Jagan defied American hegemony pursuing closer relations with the Socialist bloc countries (Erriah: 2011; Hookumchand: 2006; Jagan: 1972). Secret documents recently declassified by MI5 ([www.guardian.co.uk](http://www.guardian.co.uk) - British Guiana; also *Indo-Caribbean World* Apr 4, 2012) reveal in detail how in 1953 and subsequently the UK under then Prime Minister Winston Churchill overthrew Jagan's elected government because he feared "Jagan and his American wife would lead the British colony into the arms of the Soviet

Union”. (*KN* Nov 27, 2009; <https://books.google.com/books?isbn=0807876968>; Rabe: 2005) (see also [www.guyana.org/features/guyanastory/chapter133.html](http://www.guyana.org/features/guyanastory/chapter133.html)).

#### **Section D. Collapse of United Working Class Movement: Jagan-Burnham Fallout**

Although the outcome of the 1953 elections saw a multi-racial coalition winning a landslide victory, it would have tragic socio-politico and economic consequences for the society. Inter-ethnic working class solidarity collapsed as the ethnic groups drifted apart and became embroiled in violent ethnic clashes. Instead of a consolidation of racial unity, there emerged a widening of the country's racial divide and deterioration of race relations that negatively affected the working class movement. This in turn affected governance impacting economic development (with the economy beginning to slide) (*KN* Jul 31, 2014; Apr 13, 2010; <http://www.sjsu.edu/faculty/watkins/guyana.htm>)

After the suspension of the constitution, leading members of the PPP were either imprisoned or had their freedom of movement restricted. Among those imprisoned were Dr. Cheddi Jagan and his American born Jewish wife Janet Rosenberg, both of who were jailed for six months on separate charges and kept under house arrest for three years (*KN* Aug 30, 2011). Jagan and a few other radical politicians were jailed for defying curfew laws and for being found in possession of radical literature that was also banned. Burnham was spared prison because the British had an important role for him to play in dividing the working class and multi-racial movement. Burnham was not viewed as a genuine working class proponent and the British viewed him as an opportunist who could do the British bidding. The British and the Americans He was referred to as a political opportunist who can do the bidding of the Anglo-American alliance (Jagan: 1972). The British felt they could work with him to undermine the self-rule movement by granting

him certain privileges and allowing him to move around to build political support by keeping him out of jail (Ibid). So Burnham was not put behind bars and was encouraged to pursue a course of action independent of Jagan that would undermine the independence movement. Burnham would pursue measures to emasculate the militant PPP thus destroying the working class movement and removing any chances of the working class replacing the upper class as the rulers of Guyana. (KN Mar 14, 2014; [www.guyana.org/.../declassified...](http://www.guyana.org/.../declassified...) ; [www.guyana.org/.../robertson...](http://www.guyana.org/.../robertson...) ; [www.theguardian.com](http://www.theguardian.com) › World › Guyana; <https://books.google.com/books?isbn=1134264909>)

The British colonial authority made it known that Burnham was more amenable to them because he was not pro-Soviet and pro-communist. Had Jagan not been pro-Soviet, the British would not have removed him and the PPP from office (KN Jun 29, 2014; May 19, 2013. They stated that if Burnham were to become leader of the PPP, the British would be inclined to restore self-rule and even grant Guiana independence. They considered Jagan as too far to the left to be acceptable to the British and viewed Burnham as less dangerous than Jagan in protecting their own interests. They encouraged Burnham to break with Jagan and to seek control of the party (Jagan: 1971). The British and Americans played on the ethnic divide and on ideological divisions within the PPP. Although Burnham and Jagan came together to form the PPP in 1950, the two had conflicting economic policy views with Jagan being a doctrinaire hard line Marxist loyal to the USSR and Burnham a moderate “socialist” with no Soviet ties but leaning towards the capitalist US and England. The British, recognizing Burnham was not driven by communist ideology, encouraged and supported him to challenge Jagan for the PPP leadership. This strategy would lead to the end of cooperation among the races and the racially diverse working class and their unions that began in 1946 with the formation of

the multi-racial PAC and subsequently the PPP on January 1, 1950 (Ibid, KN May 26, 2013; Sep 26, 2010: GT Jan 1, 2015). The British rulers felt less pressure that the working class movement was broken up into racial components. The ruling class was more comfortable with separate ethnic entities competing for political power than having to confront a multi-racial united working class movement.

### **Section E. Racial Division and Rise of Mass Based Racial Parties**

In 1955, while Jagan was in jail, Burnham made an effort at a party meeting to seize the leadership of the PPP. The effort failed with most of the Africans in the executive sticking with Jagan as the party leader. But a racial faction led by Burnham left the party and formed a rival faction of the PPP (Seenarine: 2006). In effect, this led to the presence of two political parties (Jagan PPP and Burnham PPP) and destroyed the multi-racial composition of the original party. The PPP shed its multiracial solidarity and each of the races went its own way. Two mass based parties resulted – one Indian and the other African. The split proved a major setback in the nationalist struggle for self-government and ultimate political independence. But even more damaging was the polarization of Blacks and the Indians along racial lines (GC June 5, 2009).

As historians noted, this racial split would leave a permanent ‘scar’ on the Guyanese social fabric in the pattern of voting in the 1957, 1961, 1964 and subsequent elections (KN May 6, 2013). In these elections, Indians supported Dr. Jagan’s PPP and Blacks supported Burnham’s PPP that was later renamed PNC (Ibid, Erriah: 2011). Following the split in 1955, there developed in the colony increasing separation in all national or local activities (including labor) along racial lines and a high degree of racial conflict in all endeavors up to this day rendering the country’s motto of "One People,

One Nation, One Destiny" a sham (KN May 9, 2014). Both Jagan and Burnham strengthened their influence over their particular ethnic groups as racial affiliation became the preeminent factor in organizing in virtually all spheres of life. By this time, Burnham had become President of the African British Guiana Labour Union (BGLU) to compete with Jagan who had become head of the Indian sugar and sawmill unions. The African labor leaders supported Burnham when the nationalist movement split along racial lines in 1955 and the Indian working class backed Jagan. After the racial split, the poor underclass and working class among the Africans were easily manipulated by Burnham and his cronies into opposition for Jagan and the Indians (Seenarine: 2006). Jagan was not able to ever unite the labor movement again as labor relations among the different ethnic groups became strained and never able to mend again. Till this day, this racial conflict has prevented labor solidarity and stymied economic development.

With a commitment from the British regarding impending elections, Burnham began to build popular support for his faction of the PPP while Jagan was still in jail. The colony was still under emergency rule but Burnham was allowed to campaign freely and hold meetings to win over popular support for his faction of the PPP – a clear political endorsement of Burnham by the colonial authority. Believing that Burnham, who was viewed as less “socialistic oriented” than Jagan and less of a threat to the bourgeois elite than Jagan, could win general elections and govern the colony to the liking of the imperialist British-American axis, the British ended the suspension of the constitution, restored democratic rule, freed Jagan from jail and announced new elections in 1957 (Jagan: 1972). In addition, the British proclaimed a new constitution allowing for a two Chamber legislature – an elected assembly and an appointed Senate. The British were

confident the new parliamentary system and the re-drafting of electoral boundaries would lead to Jagan's electoral defeat, put Burnham in control of the government, and reduce if not eliminate threats to British control over the colony (Ibid). Since the masses wanted self-rule, political independence and riddance of the British, they looked forward for a new date for elections and internal rule and the British responded approvingly.

Constitutional rule was restored and elections were announced in 1957 leading to much excitement among the population. There emerged a sense of nationalist pride amongst Guianese viewing it as an opportunity to govern themselves, elect a government of their choice, and ultimately to achieve independence (KN Jan 5, 2012). In fact, both the Jagan and Burnham factions of the PPP demanded and the British agreed that the victorious party would take the colony to independence. This nationalist position gained general support from among supporters of all parties. As Jagan (1972) noted, the British action of throwing the PPP government out of office in 1953 sensitized the masses about the importance of involvement in politics and gaining self-rule and independence. He had educated them about political issues and they became deeply involved in politics. Unfortunately, a shift away from "inter ethnic solidarity" towards inter-racial politicking became institutionalized when it became apparent that a winning party will take the colony to independence and exercise control of the state with the winning leader becoming Premier (Ibid; KN Sep 5, 2010; Jun 20, 2009). The races rallied around their political leaders to elect their ethnic party into the corridors of power (KN Apr 13, 2014; Dec 12, 2009; Seenarine: 2006; Glasgow: 1970).

The dynamics of mass-based politics was now formed along racial lines (ethno nationalism) as opposed to working class lines or nationalist feelings that existed prior to



1953. People rallied behind their parties primarily along race to get out the votes. The campaign was held in earnest with the Burnham and Jagan factions attacking each other (Seenarine: 2006). The campaign descended into a racial contest to capture office and govern the colony (KN Nov 13, 2011). Public meetings were composed of mostly one race as opposed to their multi-racial hue in 1953. The labor movement also split along race with African unions (from the bauxite and civil service) from the urban sectors backing Burnham while the Indian unions from among agro rural workers supported Jagan. As Prof. Erriah (2011: 78-82) commented, in the mad rush for race votes, development of the colony merited just a passing reference in political speeches. Jagan described Burnham as an agent of American and British imperialism while Burnham and his supporters described Jagan as a stooge of the communists. Unlike the campaign in 1953, the focus was no longer on why Guyana was backward and what needed to be done to move it forward or to gain independence and end exploitation and raise the standard of living. Instead, the appeal was on why “the other side could not be trusted to govern over your race” and why you should support your race and not the other group. As social scientists commented, the parties were eager to net maximum gains through their own method of racial appeals. They appealed to racial instincts instead of confronting the economic woes facing the colony and the poor quality of life for the masses (Ibid; Hookumchand: 2006; KN Sep 20, 2010).

Political campaigning for the elections reached a feverish level but it had descended largely to racial mobilization for votes (KN Mar 14, 2010). “*Apan Jhaat*” (a Hindi term) or vote for your own race was invoked during the 1957 election campaign with the result that both factions essentially became racial parties (KN Jul 29, Jun 13,

2009). Jagan's PPP was supported by the Indian agricultural workers and rural peasantry and Burnham's PPP was supported by the Mixed races and the African working class in the civil service and bauxite and urban mining areas as well as rural Africans and unemployed Africans. The racial polarization would permanently damage any chance of further interracial cooperation to acquire political independence or govern the country with multi-racial support (Seenarine: 2005; KN Apr 8, 2013).

#### **Section F. Restoration of Self-Rule, Ethnic Voting, and Formation of PNC:**

As writers noted, this struggle for political ascendancy between Burnham and Jagan would leave a legacy of racially polarized politics that would remain in place till this day thus making cooperation for economic, social or political progress virtually impossible (KN Feb 19, 2012; Dec 12, 2009). The two political leaders of their factions used race appeal to garner support in every election from 1957 in order to hold their base and win seats to parliament and capture the executive branch of the government. Once in power, the ruling party governed for the benefits of its own ethnic supporters because they were responsible for the party in office (Ibid, Jan 16, 2010; Glasgow: 1970; Seenarine: 2000; Tennessee: 2010). The 1957 campaign was on racial solidarity and loyalty to one's ethnic party to win the government. As other writers have noted, the parties and their leaders appealed to race and to vote *apan jhaat* (your own kind). Clearly, an ethno nationalism driven by racial identification superseded any ideological or working class-consciousness. And ideology or class played virtually no role on how they voted in 1957 or thereafter – it was a vote based simply on racial solidarity (Ibid; KN Jul 18, 2012; Jul 2, 2009; Erriah: 2011).

Ideology in the colony only assumed importance because of the Cold War

atmosphere in which the Americans were fearful of a Marxist Jagan establishing a Soviet presence in Guyana and developed an interest in Guyana in a conspiracy to keep Jagan out of government (*KN* Mar 1, 2011; Sep 26, 2010). The ordinary workers were not schooled in Marxist thought or on ways to assume control over the society or to replace the petit bourgeoisie rulers in the form of a Marxist class struggle (Premdas: 1973, 1978). Professor Percy Hintzen (1989) supported this viewpoint arguing that “ideological appeals to class solidarity during the early 1950s served more as an adhesive bonding the diverse groups together, rather than as a basis for a confederated mass movement to truly unite the races” and govern the colony. He stated that the leaders of the original PPP mass movement seemed more interested in taking the colony to independence and replacing the British as the masters of the peoples’ destiny rather than taking actions to build a genuine working class movement and or to narrow the differences among the racial groups and build a united society. The 1957 elections started the pattern of ethnic politics that exists till this day as Jagan (PPP) won virtually no African support and Burnham (PNC) no Indian support. Up till this day, the races still distrust each other and their representative parties. As Prof Hintzen (1989) commented about the 1955 split and the 1957 election campaign, “ethnic affiliation determined party preference, and a bifurcated African-Indian policy thus emerged, lacking unity and surviving on sectional legitimacy”. (see <http://www.sjsu.edu/faculty/watkins/guyana.htm>)

The outcome of the 1957 elections saw Jagan winning nine of the contested fourteen seats with Burnham capturing three seats. The White/Colored based United Democratic Party (UDP) won one seat (John Carter who had broken with Jagan) and an Amerindian, Steven Campbell, won the other seat on behalf of the conservative middle

class National Labor Front (NLF) in the hinterland region among the Amerindian voters who were under the control of the Christian church (Nath: 1950, p 193). The NLF was not very successful in the urban or rural areas because it lacked an ethnic base akin to that of the PNC and PPP to capture seats. Middle class Africans, Coloreds and Whites were not willing to trust their vote for a party with an Indian leader. The results showed the PPP won all the rural seats where Indians predominated while the other parties won the urban seats (where Africans, Mixeds dominated) -- Burnham won his 3 seats in G/Town and UDP won the New Amsterdam seat -- and the NLF the lone hinterland Amerindian seat. In addition to the ethnic alignment of the voters, another problem with the voting was voter turnout. In 1957, turnout slipped to 55%, a steep drop of 20% from 1953 when turnout was 75% - an indication that people had lost confidence in the leadership and the direction and division of the anti-colonial struggle that would have repercussions for the political future (Seenarine: 2006; Hintzen: 1989).

With the PPP victory, British Guiana became the first and perhaps the only country in the western hemisphere where a leftist regime had gained political power and re-elected through constitutional means (that is, winning an election in 1953 only to be overthrown and getting re-elected in 1957). Unfortunately for the PPP, this period coincided with the heightened state of the Cold war when both the Soviet Union and the U.S.A were actively competing for “spheres of influence” around the globe to out do the other (Ibid). The Jagan government developed fraternal relations with Moscow issuing statements praising Stalin and the USSR which sent aid to Guiana and backed the demands of the local PPP nationalists for Guiana’s independence (KN Nov 11, 2014; see also [www.guyana.org/.../declassified...](http://www.guyana.org/.../declassified...)). This prompted the Americans to take an active

interest in Guiana's affairs coming as it did after the rise of the Marxist Jacobo Arbenz government (1954) in Guatemala, in the American backyard. (*SN* Dec 20, 2011; Rabe: 2005) (see [en.wikipedia.org/wiki/1954\\_Guatemalan\\_coup\\_d'état](https://en.wikipedia.org/wiki/1954_Guatemalan_coup_d'état)).

Jagan was made Chief Minister after the PPP won the 1957 elections setting the stage for a permanent polarization of the society based on race as half of the population were now excluded from the governance of the state (Seenarine: 2006). Burnham proceeded to join forces with the conservative League of Colored People (LCP that represented the interests of Mixed races and the African elite) and the African United Democratic Party (UDP) comprising of middle class Africans to form the People's National Congress (PNC) in 1958 to distinguish his PPP faction from Jagan's PPP ([guyanacaribbeanpolitics.com/commentary/dalgety.html](http://guyanacaribbeanpolitics.com/commentary/dalgety.html)). The NLF, under the prominent Indian Sir Lionel Luckhoo's leadership disintegrated failing to win a seat as it could not compete with Jagan's PPP for the Indian votes. Luckhoo, one of the leading Indian lawyers, linked up with Burnham's PNC as a way to get back at Jagan for pulling the Indian support away from him and for attacking him as a bourgeois in bed with the oppressive colonialists (*KN* Aug 14, 2010; *Daily Chronicle* 01/08/57). An African nationalist, Sydney King, nee Eusi Kwayana, who broke with Jagan during the 1957 elections, also later joined the PNC to become its General Secretary (Ibid). Kwayana failed to win Indian votes when he ran as an independent candidate in 1957 hoping Indians would support him (*SN* Apr 3, 2013; Jan 21, 2010; *KN* May 14, 2010). Kwayana was subsequently expelled from the PNC in 1961 when he issued a call for power sharing between the PPP (Indians) and PNC (Africans) and the division of the country into three ethnic states – one for Indians, one for Africans, and one for mixed communities and

other groups (Ibid; KN May 29, 2013) (<https://books.google.com/books?isbn=0739104489>)

### **Section G. Jagan's Agro Policy & African Charges of Ethnic Discrimination:**

After Jagan was installed as Chief Minister following his victory at the 1957 polls, his government began to develop the rice and sugar industries, controlled by Indians, which provided the highest earnings, most hard currency exchange, and critical revenues to develop other parts of the economy and which accounted for 50% of national revenue and employment (<http://countrystudies.us/guyana/53.htm>). Rattle-snaked infested swamps were transformed into some of most flourishing agricultural schemes that the colony had seen and that the Caribbean had never experienced (Seenarine: 2006). Jagan had to fight Burnham and the colonial authorities tooth and nail to develop those lands (Ibid; KN Mar 31, 2009; GC Nov 25, 2013). The investment in and development of agriculture not only increased food production, but also created employment and stimulated the development of parallel commercial and other entities (KN Jun 10, 2013; GC May 26, 2012; Aug 14, 2010). But Burnham and PNC leaders accused Jagan of favoring his ethnic supporters with his agro-focused policy; Indians dominated the sugar and rice industries. The fact is Jagan distributed significant amounts of lands to Africans to pursue farming but they were not attracted to farming and the land was not farmed. Sugar and rice were the backbone of the economy providing over 60% of revenues to the state and agriculture accounted for over 50% of the GDP as well as over half of all employment. Even in 2006 and up till now, Guyana's GDP originating in agriculture remains remarkably large for a Lower Middle Income country and it has been that way for decades. It doubled (over 33%) the expected value of 16.6 percent for a country with Guyana's economic characteristics, and more than double her *Caricom* sister state

Belize's share (14.1 percent) and almost tripled its neighbor Suriname's share (10.8 percent). [http://pdf.usaid.gov/pdf\\_docs/PNADK761.pdf](http://pdf.usaid.gov/pdf_docs/PNADK761.pdf) As late as 1992, after acquiring ownership in 1976 and diversification, the state owned sugar company, *Guysuco*, provided employment for 24,000 workers remaining the largest industry in the nation. It produced 40% of export earnings, 87% of the profits of all state corporations (that made up 80% of the economy) combined and was the biggest contributor to government revenues (Stabroek News August 22, 1993). In 2007, the sugar industry remained the largest employer in the nation and contributing as much as 16% of government revenues (Chronicle May 11, 2011). Bauxite production (under the dominance of Africans workers) was for several years the second largest contributor to the economy in terms of revenues although rice production employed more workers. But the bauxite industry encountered serious management problems and almost collapsed. Rice became the second largest earner of foreign exchange, source of employment and contributor of government revenues during the 1980s and thru 2010. And altogether, historically, agriculture provided over half of the revenues for the state and employment for almost 50% of the workers (over 80% of Indians) of the society and contributed the bulk of the GDP in the country during the anti-colonial struggle and the two decades right after independence (GC Oct 15, 2012; May 14, 2011).

The fact that the base of his supporters came from the farming sector may have played a role in the Jagan administration pouring significant resources into farming. After all politics is about rewarding supporters and looking after their interests. But for Burnham and the PNC to claim that Jagan's agro policies were racially motivated was without merit as Guyana was a primary agro-producing economy without an industrial

base. The government had no choice but to invest its limited resources in agriculture as that was the base of its economy and where it enjoyed comparative advantage and where it had the greatest factors of production and sure ways to earn revenues. Income from agriculture was used to fund development and a budding industrial base. Unfortunately, Guyanese society was (is) so divided that any policy or action, even if non-racial in its objective, was (is) seen as racially motivated and Burnham was playing up to its base by accusing Jagan of discriminating against Africans when no evidence supported such charges (GC Mar 13, 2012; KN Mar 4, 2010)([www.landofsixpeoples.com/gypccciv.htm](http://www.landofsixpeoples.com/gypccciv.htm)).

Burnham and Afro leaders stirred up their followers telling them that Jagan was pursuing policies benefiting Indians at the expense of Africans (GC Jul 5, 2011; Feb 2, 2011). Indeed, Jagan did try to promote opportunities for all regardless of race in small business enterprises as well as in farming but inevitably Indians benefited more than Africans. This was because so few Africans were in business enterprises and in such farming sector as growing rice or sugar. In an article in Guyana Chronicle (March 31, 2011), an African, Oscar James, noted “how Jagan’s government helped many people of all races to start their small businesses. Jagan did not view people based on their race and instead saw good in people and helped them accordingly”. Jagan’s perspective on development was shaded by his personal ideology and his desire to bring change to the colonial order (SN May 25, 2011) to better peoples’ lives and not by ethnicity, as Burnham charged. However, Jagan did try to hire Indo-Guyanese to balance the racial composition in government positions (some 90% African in composition) and in the security services (forming a new Tactical Services Unit (KN Jan 8, 2014) which were overwhelmingly Afro Guyanese remaining so up until this time. This aggravated tensions



with the African community and many began to feel alienated from the Jagan government providing a source of anger that was exploited by the PNC leadership and the colonial officials to destabilize Jagan's government. Burnham succeeded in convincing his supporters that Jagan was anti-African bent on discriminating against them. He also told Christian community that Jagan would install pernicious anti-religious communism in Guyana. Burnham's PNC forces were determined to provoke confrontation with the Jagan government and his supporters to destabilize him from office. Burnham vowed to take actions to topple the Indian-based PPP government, and he instigated Africans into anti-PPP actions (Seenarine: 2006). He and the PNC threatened the peace and stability of the society with ethnic violence. This only served to widen the racial schism between the two major races (*GC* Feb 2, 2011; *KN* *May 16*, Mar 19, 2013)(Paul N. Tennessee in [http://www.guyanajournal.com/race1\\_pt.html](http://www.guyanajournal.com/race1_pt.html)).

#### **Section H. Cold War & Jagan's Left Politics; Launch of Liberal UF party**

While Jagan was in office as Premier of Guyana, the cold war was intensifying between the East and West and Guyana would become a pawn in the dispute as the USSR backed Jagan's quest for independence from Britain, much to the chagrin of the US and Britain. Jagan had belonged to and supported various left wing movements. In addition, he allied with the Eastern bloc and his rhetoric was strongly anti-West and pro-Soviet thus angering the Western powers. In 1959, the Cuban revolution occurred. The Jagan government quickly recognized the Fidel Castro regime defending it in various local and international forums. This complicated political matters for Jagan and his quest for Guyana's independence and the establishment of a socialist society (*KN* Aug 30, 2011). The rise of left wing governments in Guatemala and Guiana and the setting up of a

communist regime in Cuba in a region that the US perceived to be its “backyard” heightened U.S security sensitivity ([www.h-net.org/.../showre...](http://www.h-net.org/.../showre...)). Washington felt it could not take any chances in Guyana with the rise of left wing governments even if these were democratically elected. “This rendered the US even more responsive to, as it were, ‘nip in the bud’ any attempts at setting up communist governments in the region” ([www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html)) (Rabe: 2005).

Granting independence to Guiana was considered untenable although the parties and the colonial authority agreed that the victorious party at the 1957 general elections would take the colony from self-rule to independence. The US and Britain did not want to give independence to Guyana under a Marxist-led Jagan government fearing Jagan’s turn to the left and the rise of another Cuba. Instead, Britain suggested that independence be delayed to prepare the colony for nationhood and recommended another election be held to address the issue of which party would take the colony to freedom. The British and the US felt this would give them time to exploit the division in Guianese society to put “their man” in office. They noted the ideological differences between Jagan and Burnham and played on them to prevent any alliance between the two leaders as well as to further the racial division within the society given the serious racial tensions between 1957 and 1961 with the colony ready to explode in violence. Convinced they could not get Jagan to mend his doctrinaire Marxist way, the two western powers moved to co-opt Burnham offering him financing for his party’s election campaign. The US felt it could work with Burnham as he did not share Jagan’s radical vision on global socialism and a utopian socialist Guiana. With regards to their ideological positions, as Hookumchand (2006) pointed out, Jagan saw economic exploitation of the working class and of the colony’s natural

resources as the main obstacles to development and progress in Guyana, and he committed himself to expelling the colonialists. Jagan wanted to radically alter the socio-political and economic structure of the colony to benefit the poorer classes. In contrast, Burnham had no qualms with foreign exploitation of Guianese resources as he felt such exploitation was necessary for development, and unlike Jagan, he recognized Guyana was in no position to challenge British-American hegemonic control of Guyana or the region. Jagan was convinced socialism would triumph over capitalism in the world including over the Americas and British, and he worked towards that goal. In contrast, Burnham was a pragmatist recognizing the dominance of capitalism in the Western hemisphere and biding his time until the right time when the British would put him in office. Jagan was naïve about geo-politics whereas Burnham understood geo-political interests (Hookumchand: 2006; GC Jul 21, 2013; KN 16, 2014; March 14, 2014; SN Mar 15 & Jan 8, 2009) (see also [www.guyana.org/.../declassified...](http://www.guyana.org/.../declassified...); [www.lse.ac.uk/.../fiel...](http://www.lse.ac.uk/.../fiel...)).

The British and the Americans were not pleased with Jagan's socialist rhetoric and made no secret of their desire to oust him because they could not trust him with power and control over a state in the Caribbean region that could ally with Cuba (SN Sep 4, 2010). At the same time also, Burnham's African supporters were not comfortable with and were opposed to PPP rule that they labeled as "Indian" rule and wanted to replace it with their own African rule with their hero Burnham at the helm of the government (SN Sep 2, 2010; Seenarine: 2006). The Africans were committed to and rallied behind their local hero (SN Oct 16 & 8, 2013). And Burnham opportunistically jumped on the Western bandwagon to fight communism (SN Dec 28, 2014). He was not concerned about perceptions of his stance as pro-imperialist or that he was allowing himself to be

manipulated by the British and the Americans based on his self promoted moderate ideological position (Jagan: 1972). The US and Britain began to conspire with Burnham and his opposition PNC party as well as with labor unions to undermine Jagan's government while backing Burnham without showing any concern for the racial consequences that would result from their actions in supporting one party over the other (Seenarine: 2006; GC Mar 10, 2014; KN Oct 7, 2012; Oct 29, 2010, Sep 27, 2010)

The colonial governor dissolved the National Assembly in 1961 and scheduled elections with a promise for full internal self-government to be followed by independence. The year was significant in that the Portuguese based party United Force was formed under Peter D'Aguiar's (a business tycoon) leadership that would also appeal to Amerindian and the so called Colored or Mixed race voters (GC May 31, 2011). The UF represented the ethnic interests of the Portuguese, Chinese, Amerindian and the wealthy lighter skinned Mixed races. Peter D'Aguiar, a Guyanese-was a beverage tycoon who advocated for close ties with the capitalist powers and a continuation of British rule in the colony. D'Aguiar was avowedly anti-communist and favored the status quo governance of Guiana as well as continued colonial control of Guiana. However, Burnham and Jagan agreed that whichever party won the elections would take the colony to independence and got the approval of the colonial authority for that position that was opposed by D'Aguiar. The British Government expanded the legislature to 35 seats and gerrymandered the constituency boundaries in order to give the opposition parties an electoral advantage. The British were confident Burnham, with split voting (of the Indian votes) from the formation of the UF, and with D'Aguiar's help, would win the election and solve the communist "Jagan problem" rendering him insignificant in the politics.

However, the boundary manipulation did not prevent the PPP from winning the 1961 elections by a substantial margin. Jagan's party won 20 of the 35 seats (with 43% of the votes) with the PNC winning 41% of the votes and 11 seats and the UF four seats with 16% of the vote. The support for the parties pretty much corresponded with the geographical (ethnic) demographics of the constituencies. The PPP won the rural seats where the Indian voters predominated. The PNC won the urban seats where African voters predominated. And the UF won in Georgetown (wealthy areas) and the hinterland seats among Whites, Mixed and the Amerindian voters who were under the control of the White Christian missionaries; the latter supported and campaigned for the Portuguese dominated UF (KN Oct 10, 2012).

### **Section I. US Intervention & Second Overthrowing of Jagan**

Although Jagan won the 1961 elections convincingly, the British and Americans decided to break their promise of granting Guiana independence. It wanted to make life difficult for his left wing PPP government that persisted with its implementation of a radical pro-working class program that would alter power relations between the bourgeois forces and working classes. The PPP was unable to govern the colony as both the British and Americans, opposed to the party's declared communist ideology, carried out clandestine activities to destabilize the government. Opposition motivated violence, supported by external actors (British Intelligence, CIA, AFLCIO, etc.), led to acts of arson and looting that were carried out by supporters of the UF and PNC against supporters of the PPP (Erriah: 72). The two factions (parties) mobilized along racial lines to contest elections in 1961 amidst serious racial tension and animosity. This was followed by violent race riots in 1962 and 1963. After law and order was restored by British troops in late 1963, strong racial

tensions and sporadic race violence continued through December 1964 (KN Jan 6, 2013; May 13, 2012; Feb 21, 2010)([www.itnsource.com/shotlist/BHC\\_ITN/.../X10076301-0](http://www.itnsource.com/shotlist/BHC_ITN/.../X10076301-0)).

Jagan defied western hegemony at a time when (during the 1960s) superpower rivalry between the United States and the U.S.S.R. for spheres of influence was gaining momentum. Many third world leaders were either overthrown or forced to vacate office for pursuing policies that were considered inimical to the interests of the United States. Jagan received no sympathy when in October 1961 he met President John F. Kennedy at the White House asking for US aid for what was expected to be his new independent nation (KN Aug 28, 2009). Jagan described himself as a Fabian socialist who was only interested in income equality and improving the lot of the working class. But he made the mistake of praising socialist rule thus sealing his fate with JFK who concluded Jagan could not be trusted to keep Guyana from being an ally of the USSR. The US was very concerned that Guyana could become a beachhead for the Soviet Union in South America. Jagan failed to assuage JFK's concern. Arthur Schlesinger in his book, One Thousand Days (1965), as well as declassified US documents released by the State Department in the mid-1990s, reveal that following Jagan's visit to the White House, Kennedy gave the CIA orders to destabilize and topple Jagan's government. Burnham was felt to be a safer bet. Kennedy said he could not trust Jagan (because of his doctrinaire leftist position) leading an independent Guyana in the Western hemisphere to the detriment of US sphere of influence. Burnham, on the other hand won the US confidence, and he was described as "stoutly anti-communist" (Schlesinger 1965: 778-9; KN Jun 5, 2010; Nov 27 & Aug 28, 2009; Rabe: 2005).

President Kennedy's assistant, Arthur Schlesinger, using reports from the CIA for

his analysis of the Guyana situation, advised President Kennedy “an independent Guyana under Burnham would cause the US fewer problems than one under Jagan” (Ibid).

Kennedy urged Britain to withhold independence from Guyana until Jagan was removed from power and that Britain and US skilfully used Burnham, the PNC, labor unions, the Christian churches to make the country ungovernable (Jagan:1972). This was a strategy that PNC would use again and again during the last 21 years in Guyana under PPP rule (KN Aug 28, 2009). In a country where the racial divisions between African and Indian tended to coincide with the geographical divisions of urban-coastal (Georgetown) and rural-interior, respectively, as well as with the agricultural and industrial/service sectors (including control of the docks) of the economy, Burnham's political base in Georgetown and urban areas and in the strategic centers of government (bureaucracy and police force) gave him great strength to bring Jagan and the PPP to their knees. In short, he could wreck the economy. It is pertinent to note that Burnham was elected mayor of Georgetown in 1959 and again in 1964 and served as president of the Guyana Bar Association in 1959 – so he had enormous powers at his disposal to cripple the Indian government through his supporters. It was against a background of the Cold War between the USSR and U.S that internal political processes in Guyana assumed meaning and significance, particularly from the American perspective (KN Oct 20, Jun 30, 2012). The United States has long regarded the Caribbean as its natural and legitimate sphere of influence that has its genesis the Monroe Doctrine of 1823, but it assumed greater meaning and significance following the end of the World War II when Communism emerged as a world system threatening American hegemony (Seenarine: 2006). Guyana got caught up in the battle of the hemisphere between the Soviet and Western alliances

for ideological domination and hegemonic control of countries. The Cuban Missile crisis further complicated Guyana's situation (KN Jan 16, 2014). Harold Wilson had also described Guyana's communist situation as posing serious difficulties for him and relations with the US. President Johnson, in response to the Cuban Revolution and with specific reference to Guyana, stated explicitly: "The American nation cannot, should not, and will not permit the establishment of another Communist government in the western hemisphere" (Chronicle June 2, 2009; Erriah: 86-87). It was because of the Cold War and Jagan's rabid communist, anti USA, pro USSR position, that the US and UK decided to conspire against him to remove him from office and install Burnham and the PNC (Seenarine: 2006)([home.uchicago.edu/~rts1/guyanese.htm](http://home.uchicago.edu/~rts1/guyanese.htm)).

The communist bogey would hurt the PPP causing fear among the local business community, the Western powers, and the Christian forces. The US and Britain were determined to destabilize the left wing Jagan regime. The British-American axis played the races against each other using Burnham and other ethnic leaders (of business, churches, and labor) as puppets on a string. Burnham was willing to collaborate with the British-American axis to destabilize the Jagan government in exchange for their support to make him leader of the country. As Jagan and others noted, Burnham used his African support base in tactical violent racial skirmishes creating instability that devastated the economy while simultaneously undermining the ability of Jagan's government to impose law and order. There were politically driven strikes, demonstrations, arson and sabotage of factories and state offices by Africans, Whites and Coloreds against the PPP government (Ibid). As President of the African workers union (BGLU), Burnham led the public servants, dominated by Africans and Coloreds, in crippling strikes against Jagan's



working class friendly budget and a Labour Relations Bill that would empower trade unions (*KN* Mar 30, 2014). Burnham took to the streets, telling the nation Jagan wanted to make Guyana a communist state (with no truth to the claim) with this bill ([www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html).) urging them to join him in opposing it. The US CIA and the AFLCIO provided active, clandestine and covert support, as the *N.Y Times* reported (*GC* Jan 30, 13; *KN* Aug 28, 2009; Rabe: 2005), to fund the labor strikes and to help plan and execute the arson attacks (*KN* Dec 21, Feb 26, 2009). The Christian churches also played a role to destabilize the government. The objective was to cripple the Indians and bring down Jagan's government.

Striking workers were paid from funds provided by the American CIA through the national labor union AFL-CIO. Right wing Guyanese labor leaders and anti-Jagan opponents were flown to Panama and trained in destabilization tactics to bring down Jagan. The powerful AFL-CIO was funded to stir up anti Jagan violence (Jagan: 1972). As president of the BGLU, Burnham did not object to CIA involvement in local union activities (financing strikes and striking workers' wages as well as racial violence), which helped to undermine Jagan's pro working class government (Ibid, *KN* Sep 26, 2010; Aug 29, 2010) [www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html).) The strikes took on racial aspects when vandalism and arson were directed against Indian owned businesses and Indians were beaten while businesses of other ethnic groups were spared of attacks. The Christian churches were also used in anti-government activities supporting the strikes and fanning the racial strife. The Christian Church, with funding from their American counterparts, played a critical role in dividing the population between Christians and non-Christians (almost all the Indians around 1955 were Hindus and Muslims and even those

Indians who were Christians were viewed as Hindus or Muslims and targeted for attacks)(<http://indiafacts.co.in/religious-crusades-cia/>). Africans had feared Indian domination of the country -- that Guyana being controlled by Indians (under a PPP administration) would become part of India that had recently obtained its independence. The Africans wanted to stop the PPP from taking Guyana to independence at all costs. The colonial authority exploited the various fissures and social dynamics in the society to topple the PPP from office (Ibid; *KN* Nov 30, 2014; *SN* Jan 21, 2007; Rabe: 2005).

According to the well known and respected American journalist, Drew Pearson, “President Kennedy was to visit only Rome and Bonn in the summer of 1963 but London was added to the itinerary because of Kennedy’s haunting worry that British Guiana would get its independence from England in July 1963 and set up another communist government under the guidance of Fidel Castro” (Ibid; Jagan: 1972). Pearson continued: “It wasn’t in the communiqué issued by the United States and England after the Kennedy–Macmillan meeting but the main thing they agreed on was that the British would refuse to grant independence to Guiana because of the general strike against pro-communist Prime Minister Cheddi Jagan.” (Ibid; *KN* Jul 25, 2010; Aug 23, 2013; Jagan: 1972)([news.google.com/newspapers?nid=1817&dat...id...](http://news.google.com/newspapers?nid=1817&dat...id...)).

Also, Neil Sheehan, writing in *the New York Times* of February 21, 1967 in an article headed “CIA linked to strikes that helped oust Jagan” accused the CIA of working under cover of an American Labour Union to organize strikes in British Guiana in 1962 and 1963 against the Jagan government. A similar charge was made out by the *Insight Team*, which in an article published in the *Sunday Times* (London) April 1967 wrote: “As coups go, it was not expensive; over five years the CIA paid out something like

£250,000. For the colony of British Guiana, the result was about 170 dead, thousands wounded, 1000 homes destroyed, roughly £10 million worth in damages to the economy and a legacy of racial bitterness.” (*Chronicle* June 5, 2009). Much of Georgetown’s commercial areas were gutted by fire during race rioting as Indian businesses were targeted by PNC affiliated mobs. Other areas (mixed villages) also erupted into racial violence Dispossession led tens of thousands to move to neighborhoods populated by their own race. Because of the charged and volatile atmosphere and the fear generated thereof, entire families were forced to abandon their homes to seek refuge in ‘ethnic enclaves’. These race riots led to the purging of mixed villages (*KN* Sep 26, 2010; Jul 6, 2009). Indian minorities were displaced from African dominated villages and African minorities were displaced from Indian dominated villages. The Chinese, Whites, Amerindians and Mixed races were left unscathed during the riots. After decades of living together, Indians and Africans became sworn enemies although they has been an increase in co-mingling since the 1960s (*KN* Aug 24 & Jun 6, 2013; Jan 1, 2011; [www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html).)

### **Section J. Burnham’s Racial Campaign:**

Burnham was roundly condemned for his racist campaign. In one speech, Burnham challenged his supporters through racial fears, reinforcing their sense of power to cripple the country, telling Africans “you do not realise your power in bringing the PPP government to its knees” (Ibid). Burnham appealed to his constituents focusing on “disgusting remarks pertaining to race” telling them “a Jagan government meant an “Indian” government (and ‘Indian racial victory’) and the destined subjugation of Blacks” (Ibid). Burnham’s racial campaign also included coded words to describe Indians

for his supporters describing the PPP as “a coolie” or “rice government” (Ibid). At a public meeting in May 1963, Burnham threatened the PPP government to shift his agitation from Georgetown where Africans predominated to “the places where they grow rice” (meaning the rural areas). Rice is loaded with racial overtones as it symbolized Indian-populated districts (Ibid). PNC supporters used to describe the Indian PPP administration as a “rice government” because of its support for agriculture that resulted in less funds and resources being made available for the Black urban areas. Dr. D.J. Taitt, a founding member of the PNC was horrified with Burnham’s racial campaign accusing Burnham of “leading its members into a blind alley of improvised tribalism at variance with the economic and social realities of the two major ethnic groups of our country” (Ibid) and disassociated himself from Burnham. Also, an Indian stalwart, Jai Narine Singh, who served with Jagan in the 1950s but fell out with Jagan because he was opposed to Jagan’s Marxism and who had served as a very close ally of Burnham in the PNC, and even supported Burnham during the 1950s resigned from the PNC after criticizing the party’s “*Africanisation*”. Singh wrote, “Burnham, had become a man whose head has grown too big for his hat.” (Ibid; Jagan: 1972). Also, the London Commonwealth Office accused Burnham of engaging in racial propaganda and violence to win political support (Ibid). The British and Americans, who were his sponsors, were also turned off by Burnham’s extremist racial appeal and subsequently rebuked his racist approach (Ibid) (see [www.gxsellit.com/.../forbes-burnham-and-the-making-of-modern-guyan...](http://www.gxsellit.com/.../forbes-burnham-and-the-making-of-modern-guyan...)).

Although political violence and ethnic confrontation were not new, as they were institutionalized in Guyana and had their roots in the indenturedship era, it really became more pronounced when the two groups became competitors for political power failing to

work as a united multi-ethnic group towards self-rule. Indisputably, the violence of the 1960s was part of a covert operation sponsored by the US to prevent the rise in the Caribbean of an independent nation under a left wing Jagan that was seen as a threat to American security and business interests in a region viewed by the US as its backyard. The New York Times (NYT) reported that the perpetrators of racial violence were trained by the CIA and had on its payroll several anti-Jagan political leaders including Forbes Burnham. The NYT reported that Black American leaders (including businessman Percy Sutton of Manhattan) from the US bankrolled Burnham's political campaign to unseat the Indian Jagan from office (KN Jan 16, 2014; Feb Aug 10, 2012).

Burnham justified his violent undertaking against Indians and the PPP forces saying "it was an offensive precautionary measure in defense against PPP planned violence". He accused the PPP of planning violence against the PNC and its supporters and so justified PNC's preparations to target the PPP with the statement that the "party must be in a position to apply the remedy against the PPP (meaning race violence)" (Ibid). The police broke up an X-13 plan by the PNC to undertake violent actions that would have wiped out the leadership of the PPP and large numbers of the party's supporters and Indian businesses. But no action was taken against the X-13 planners or Burnham to stop racially inspired violence. And when asked by the Governor to help end the racial disturbances, Burnham responded that he "did not have petrol to travel around to tell his supporters to stop the violence" (Ibid). But he had petrol to set buildings ablaze. He also stated that, "those who called off the dogs (violent attackers) own the dogs". It was well known and established that Burnham had let loose the dogs of war against the PPP administration (Ibid; KN Jun 12, 2013; Oct 26 2012; Aug 15, 2011; Nov 5 & May

22, 2009; see also [www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html).)

The race riots rendered the colony ungovernable not to mention that the economy was brought to a standstill. Troops were rushed in from England to bring social stability but taking an anti-Jagan position as ordered by the Governor to destabilize the government so as to help the opposition capture power. Local police were not taking orders from the PPP Home Affairs Minister. There was a civil war like situation where Blacks burnt homes and businesses of Indians and Indians drove out Africans from their villages. Africans were driven out of villages where Indians were the majority and Indians were driven out of villages where Africans predominated. During the ensuing melee, hundreds lost their lives. Also, homes worth millions of dollars were ravaged. Many people abandoned their homes for safety in other areas never to recover them. The British troops restored order and remained on the colony for years, but the situation did not calm down until July 1963. Racial violence swept the colony again in 1964 and a state of emergency was restored (*KN* Dec 31, 2011). “In May 1964, the Negroes at Wismar formed themselves into gangs and went to the business places and homes of the Indians and demanded the keys of the safety boxes and drawers in which they kept their cash, jewelry and other valuable articles. Shortly afterwards, a house at Third Alley was set on fire and soon the whole area became an inferno as the gangs roamed looting, burning and terrorizing the 1,600 Indians as they tried to escape. Every man, woman and child was attacked. The men were brutally beaten and the clothes of the women and even girls of tender ages were ripped away. The women and girls were raped in full public view by gangs of men.”— (Dwarka Nath, *A History of Indians in Guyana, 1950*; <http://www.guyanaundersiege.com/History/wismar/wismar%20page.htm>).

Rakesh Rampertab (2001) wrote that “the racial and political instability and violence, resulting in the loss of many lives and millions of dollars of damage, all financed by the US, gave the British the excuse they wanted to deny independence under Jagan’s rule”. As Rampertab ([www.guyanaundersiege.com/Leaders/Burnham1.html](http://www.guyanaundersiege.com/Leaders/Burnham1.html)) explained, “it was the convergence of Jagan’s left wing policies, his dalliance with the Cubans and Russians and American backed anti-communist destabilization that mainly led to Indian-African racial violence between 1961 and 1964 and that would lead to the ultimate removal of the PPP from the office in December 1964”.

Rampertab (Ibid) noted the political unity between the two dominant races in the early 1950s that brought them together to fight against the exploiting British business interests could no longer hold to moderate their behavior of “live and let live” (see also Seenarine: 2006). Thereafter, Burnham intensified his campaign, as encouraged by the British, to change the voting system from first past the post to Proportional Representation appealing to the British and Americans to remove the “communist” Jagan from power (SN Oct 1, 2008). The British and the CIA had recognized that Jagan’s PPP won a majority of seats with a minority of votes. They reasoned that if the electoral system were to be changed to Proportional Representation (PR), Jagan would be defeated with the combined votes of the PNC and UF that totaled more than the PPP’s – it was a sure way to defeat the left wing Jagan (KN Feb 21, 2014); in 1961, PPP got 43% (plurality of votes with a majority of seats), PNC 41% and UF 16% (SN Dec 16, 2014).

Prof. Henry Jeffrey of UG noted how Jagan (Chief Minister in 1953, 1957 to 1961 and Premier from 1961 to 64) organized protests and rallied his supporters against the British electoral plan (of P.R) for Guiana. “In February 1964, a sugar strike was

called and work on all the sugar plantations ceased” (Ibid; also Jagan 1970: 305) to protest the new electoral system. The sugar workers were almost all Indians and they supported Jagan in the conflict with the British and the African PNC. The ruling PPP supporters shouted: “Cheated not defeated” and urged its members to resist the change in the electoral system (*SN* May 30, 2011; Oct 5, 2007).

Dr. Jeffrey, who served as Jagan’s cabinet Minister between 1992 and 1997, wrote: “it was this salutary experience that brought home to Dr. Jagan the cost of struggling against international capital” (*KN* May 6, 2011). Jeffrey quotes British Prof. Peter Simms who had this to say of Dr. Jagan: “Perhaps his greatest achievement was to found a party that was above racial strife, but when he was forced to resign power in 1964, hundreds of people had died, been wounded or lost their property in three years of ever worsening civil strife. He was by that time so far from reality that his government had ceased to care whether those who voted it into power lived or died (Peter Simms *Trouble in Guyana*, p186; also cited in *KN* May 6, 2011).

Prof. Jeffrey blames “Jagan’s attempt to establish communism in Guyana, as being responsible for making the country a superpower playground and more disastrously, for confronting international capital when obstacles were placed in his way” (Ibid). This indeed would lead to the undoing of the communist Jagan. The Indians objected to the changing of the electoral system that was not carried out in any other colony (like Trinidad or Fiji, for example) facing similar ethnic conflict. The imposition of proportional representation was described by former British Prime Minister Harold Wilson as a “fiddled constitutional arrangement” aimed at removing the popular and democratically elected PPP from office (Jagan: 1972). Parliament was dissolved



prematurely and new elections scheduled for December 1964 under the new electoral system. Jagan mustered only 47% of the votes while the PNC got 42% and the UF 11%. The British appointed governor, breaking tradition of asking the largest party after an election to attempt to form a government, directed Burnham and D'Aguiar instead to form a coalition government with Burnham as Premier. At first, Jagan approached Burnham to form a coalition government with Burnham as the Premier but Burnham declined Jagan's offer and his African/Mixed supporters sided with him to keep the PPP and the Indians out of office. Burnham was sworn in as Premier and D'Aguiar (as the leader of the Portuguese, Amerindians and Chinese) as the Finance Minister. With that move, Jagan's fate was sealed. The US had achieved its goal of removing the communist threat. The coalition did not reflect the wishes of the electorate as both the PPP and PNC were left oriented while the UF was an anti-Socialist, pro-business bourgeois party. In response to the coalition arrangement, Jagan stated: "I cannot understand the logic which accepts the principle of a coalition yet permits the foundation of a government which excludes the largest popular movement – his 47% of the votes (Jagan 1972: 327; Erriah: 84-85). It can be argued, not without justification, that "the introduction of PR, as opposed to the previous first past the post constituency model, reinforced ethnic cleavages in the society rather than solved the ethnic dilemma or reduced ethnic tension" – forcing people to stick to ethnic voting. This was borne out in the elections of 1964, according to an article in *Guyana Chronicle* (Mar 20, 2011), which saw party support bearing a striking resemblance to the ethnic makeup of the society. This came about largely, notes the article, "because of the incessant attacks on the PPP by the opposition parties and calculated and contrived maneuvers on the part of opposition elements to

project the PPP as an ‘Indian’ party” (Ibid; see *Table section*).

It was because Burnham was not a communist, not anti US and not pro USSR that he was put in power by the US to keep Guyana in the American axis (*KN* Jan 16, 2014; Mar 19, 2011). Jagan was pig headed and went against the wishes of his Indian advisors to abandon communism so that the Americans would not conspire against him and or would not take actions that would hurt his Indian supporters (*KN* Mar 3, 2013; Oct 14, 2013). Jagan failed to read the geopolitical constraints he faced in allying with the Soviets in the backyard of the imperialist US that had already toppled him once before in 1953, repeatedly broke promises (in 1957 and 1961) of granting Guiana independence under him because of his radical views, and overthrew or destabilized leftwing governments in the region (*KN* Mar 1, 2011). He defiantly declared the PPP to be a disciplined Marxist Leninist Party that was aligned with the Communist Party of the USSR (*KN* Mar 19, 2011; Feb 8, 2011; Tennessee: 2010) and he would not be allowed back in power in the Cold War environment because of his communist beliefs. With Burnham leading Guiana, the US and Britain felt a sense of relief that communism was defeated in Guiana. Prof. Arthur Schlesinger wrote “With much unhappiness and turbulence, Guiana seemed to have passed safely out of the communist orbit” (Erriah: 87; Schlesinger: 1965; Rabe: 2005; [www.home.uchicago.edu/~rts1/guyanese.htm](http://www.home.uchicago.edu/~rts1/guyanese.htm)).

### **Section K. Burnham’s Rise to Power: Ethnic Marginalization & Independence:**

The manner in which Burnham rose to power led to a hardening of ethnic sentiments against him and the PNC especially amongst Indians. And it worsened later on when he took measures to marginalize other ethnic groups (Portuguese, Amerindians, Chinese) not wholly supportive of him (*KN* Dec 23, 2014; Nov *SN* Mar 1, 2008). Indians,

in particular, were peeved that they lost power through an underhanded manner and the conspiracy between Blacks and other groups working in cahoots to keep the Indians out of office. The Indians were angry that the colony's democratically elected Indian supported PPP government was manipulated out of power through racial riots and a conspiracy involving Britain and the US. Burnham collaborated with the US to keep him in power and guard the ethno interests of his supporters. The largest ethnic group, Indians, in effect, had no representation in the coalition government.

Racial tensions and disunity persisted through 1965 (*SN* Oct 11, Aug 28, 2010) as the PNC-UF coalition government quickly began to consolidate power and to assert political control while marginalizing Indians. Ethnic violence was tamed and political stability restored through the use of the coercive apparatus of the state. The opposition PPP and its supporters were demobilized through repressive force and thus preventing them from creating trouble for the Burnham-D'Aguiar government. Simultaneously, Burnham succeeded in consolidating his power putting his supporters in key positions of the state. Burnham's PNC entrenched itself in office shoring up the security forces with party supporters and expunging Indians from key positions in all aspects of governance (*GT* Jan 15, 2015, Nov 14, 2014).

With regards to his racial appeals, as Rampertab (2001) pointed out, it is noteworthy that Burnham made an overture to Indians in his first radio broadcast after assuming office with the following message: "We wish to let our Indian citizens know that they can depend on the Black PNC government as they could not upon the previous Indian administration for peace and security", an admission he was deeply involved in the anti-Indian violence (Ibid). However, as Rampertab (2001) stated, "whatever confidence

existed amongst Indians for Burnham from the early days of the PPP was completely dissolved by the racial violence he unleashed against them. ... Take, for example, the Wismar massacre, in which a majority Black population engaged in an orgy of violence, including rape and murder, against the small Indian community there” wiping them out of the area. The Indians never could return to their homes and the economy of that region was almost completely devastated with some of the highest forms of unemployment and depressed price of goods. Wismar (an African urban community) became economically cursed never to recover till this day. Before the racial massacre, the small Indian community was involved in commercial activities, lending money to poor Africans, and in farming activities creating jobs for many Africans as well as for poor Indians. The standard of living in the greater Wismar area before the race riot was relatively high compared with the rest of the country because it was the center of mining activities. Workers in the mining industry received among the highest wages of all industries and Wismar-McKenzie (Linden) enjoyed perhaps the highest standard of living of any community in the country with access to various types of goods. From being one of the more prosperous regions in the country before the ethnic civil war in the 1960s, Wismar-McKenzie became blighted during the early 1970s unable to recover; not even unlimited government subsidies under the PNC or PPP governments could rescue the region, and even today politicians complain about its declining quality of life (Rampertab: 2001; *GT* Jan 29, 30 2014). The greater Wismar area still has among the highest unemployment of all regions in Guyana (Ibid) and Black politicians constantly complain it is neglected without delving into the reasons (*GC* Jan 27, 28, 2014). The same can be said of Buxton (now an exclusive urban area) and several other multi-racial areas where Africans and

Indians lived in harmony. However, Wismar-Linden (McKenzie) does receive almost free electricity from the government and a host of other subsidies but it is still not progressing like other parts of the country (*KN* Jan 23, 2014).

Commenting on the 1960s racial disturbances, Dr. Henry Jeffrey, a PNC ideologue who crossed over to serve as a Minister in Jagan's and the PPP cabinet (1992-2008), said Jagan was not without fault in the racial disturbances that occurred during the 1960s. He blamed the political and racial instability of the 1960s on Jagan's insistence on communist rule for Guyana (*KN* May 6, 2011). Jeffrey feels the Americans would not have intervened in Guyana's political affairs if Jagan were not a communist, and there would not have been any racial disturbances that devastated the economy. He penned: "Jagan came back to Guyana and spearheaded the formation of the PPP, in so doing, he happened to convince major international and national forces that he was a communist who would change the geopolitical balance on the South American continent and imprison his people in a Soviet type regime. ... Jagan was very instrumental in his own demise. Given the ethnic nature of the society, if Jagan had not been a communist (posing a threat to the West), the Americans ... would not have intervened in Guyana ... and there would have been no Burnham regime of the sort we knew (a reference to Burnham's tyrannical rule that devastated the nation)" (*Ibid*).

The threat of Guyana becoming a communist state had passed with Jagan's demise but with a heavy political price – worsening race relations. Burnham would lead the colony into independence in May 1966 amidst Indian opposition in May 1966 under Burnham's leadership. The PNC government inherited the immense constitutional powers of the colonial state, with the Prime Minister having powers comparable to the former

governor before independence. The foreign support from the US and UK of the Burnham regime merely facilitated the consolidation of power by the PNC. Independence to Guyana was imposed from outside in the name of western hemispheric cold war interests. This coerced Burnham to remain beholden to the imperialists seeking to keep Guyana as a western ally in the cold war struggle (SN Sep 3, 2008).

The political policy developed under Burnham oppressed the nation, marginalized non-supporters, and murdered many political opponents (SN May 16, 2013, KN Apr 8, 2009). Soon after Independence in 1966, a National Security Act was passed that was very repressive giving the government sweeping powers to search homes and seize materials as well as to suspend the right of habeas corpus and to restrict and detain anyone at will without trial for an indefinite period. The law was strengthened to provide for preventive detention and restriction of movement of persons, control of firearms and ammunition, powers of search without warrants, and increased police powers. Under this law, the PNC Government was given the power to impose censorship and the control and suppression of publications, writings, communications and means of communication, and to confiscate property. The PNC Government used the protection of this law to subvert the army, police and judiciary, to crush political opponents. Opposition supporters were targeted to keep them in line so as not to oppose the regime or to undertake protest activities that would make the country unstable (KN Apr 30, 2014, Jun 20, 2013).

Immediately after independence, there began a systematic campaign of human rights violations against opponents, the establishment of a fascist ethnic state and an end to democratic governance. Institutionalized racism against Indians and other ethnic groups became the de facto policy after political independence (SN Jul 25, 2008).

Burnham became an ethno-fascist leader after independence (Thomas: 1984). British Guiana was one of the most liberal societies prior to independence in 1966 when advocates of all political ideologies could be found. But with political independence, Burnham transformed a democratic system into a fascist dictatorship, and the freedom and equality that Guyanese struggled for (against British imperialism) were never realized. Ethnic relations were further undermined and ethnic animosity worsened with the notion that politics consists of the allocation of the spoils of power to members of the ruling ethnic group to the exclusion of others (SN Mar 25, 2013). Soon, the policies of ethnic rule changed from one that was based on meritocracy to one based on ethnic preference to one that would be based on ethnic dominance of one race over the other races. This occurred as Burnham began to remove Indians and members of other ethnic groups from government positions and replaced them with Africans (KN Sep 1, 2013). And by the end of 1967, Burnham had jettisoned its junior partner in coalition -- the U.F that had opposed his racist policies. Peter D'Aguiar resigned as Finance Minister and pulled his supporters (Portuguese, Amerindians, Chinese and Coloreds) from the coalition (SN Dec 16, 19, 2013; Feb 28, 2014; Mar 16, 2014).

As the day for new elections approached, Burnham said, “only a foolish Prime Minister would lose an election” – a statement that became well known throughout the Caribbean and that signaled his intention to do whatever was necessary to retain office (KN Aug 30, 2011). Burnham recognized that the fertility rate in the post-World War II period resulted in a change in the ethnic composition of the society. The numbers have been changing since that time as a result of migration (SN Jan 1, 2008; Jul 31, 2009). Indians grew from 43 percent of the total population in 1946 to a near majority of 50% in

1968, 51% by 1970, 53% by 1973 and 55% by 1980. During the same period, Africans and Mixed (or Coloreds) combined decreased from 49 percent in 1946 to around 40 percent between 1968 and 1980. By 1990, Africans were only 30% of the population. Although the small European (mostly Portuguese) and Chinese population continued to grow in absolute numbers after World War II, they represented a decreasing proportion of the population with other groups also increasing in numbers. Many Portuguese began migrating because of the PNC's racist policies and by 1968 had declined to less than 5% of the population and by 1980 had constituted just around 1% – an almost complete exodus. Constituting the real estate and entrepreneurial class, the Portuguese migrated because of restrictions placed on their businesses to earn profit (*SN* Sep 3, 2010). The Chinese, mostly an entrepreneurial group, also migrated because of the government's anti-business and racist policies (*Ibid*; *GT* Nov 17, 2014). The increase in the size of Indians in the population favored the PPP to win the 1968 election (*KN* May 5, 2014; Apr 6, 2011). The country had remained racially polarized and the Portuguese (and other Europeans), Chinese and Amerindians had abandoned the PNC describing it as corrupt and racist and even flirted with the PPP because of their fear of Burnham's racist positions. The PPP was assured of a victory in 1968 based on the racial arithmetic. But Burnham manipulated the racial conflict to rally Blacks around his corrupt rule telling Africans that Indians would seek revenge (from Africans) of PNC's mistreatment of Indians if they (PPP) were to win the elections. Burnham openly appealed for support based on race solidifying racial identification the single most important determinant of political behavior (Seenarine: 2006). A racially based "us" versus "them" motif became very predominant in the *hustings* in elections in 1968 and thereafter (Glasgow: 1970). "If



we don't band together, de coolie (Indians) will take over the country", Burnham told his rallies (*KN* Sep 11, 2010; *SN* Jan 3, Aug 19, 2010). And it worked as Africans rallied around Burnham giving him confidence to take all the necessary measures to guarantee a victory. Burnham used electoral fraud to safeguard his and African reign over the country (*SN* Aug 8, 2013). Burnham rigged the 1968 election in order to address the problem of his party and his ethnic group being a minority that could not win a free and fair election. (*Guyana: Fraudulent Rev: 1984*). It was akin to minority apartheid rule (*Trinidad Guardian* Apr 30, 2013; *GT* Apr 25, 2013). A famous calypso described the rigging as follows: "The elections in Guyana will be something to remember as an example of the way one individual is determined to cling to power" (Rampertab: 2007). The magic majority allowed his PNC party to govern alone. D'Aguiar condemning the massive fraud perpetrated on voters. The Portuguese-based UF, that unwisely formed a coalition with the PNC in December 1964, paid a heavy price to its supporters for teaming up with an untrustworthy political partner (*GC* June 12, 2012, *SN* May 4, 2010; (<http://www.guyana.org/features/postindependence/chapter3.html>). Burnham proceeded to rope in a handful of opportunistic Whites and members of the Mixed races who abandoned their U.F party. This helped Burnham to quell potential dissent and to blunt any American reaction for breaking relations with his erstwhile UF capitalist coalition ally (Ibid), *KN* Sep 26, 2012, Jan 27, 2014; May 5, 2010; May 16, 2010; *SN* Jul 24, 2010; see also <http://answers.yahoo.com/question/index?qid=20110305110954AARTGw4>; <http://www.minorityrights.org/?lid=4202&tmpl=printpage>).

### **Section L. Establishment of an Ethnic Dictatorship**

The warning of Jesse Burnham, sister of Forbes Burnham, about the ambition of his

brother saying he would create a dictatorship if he gained power (Jagan: 1972) she turned out to be correct as Burnham was true to form. After the 1968 election rigging, Burnham used his two-thirds magic majority to illegally revoke the right to appeal to the independent British Privy Council (London) to guarantee that no challenges could be mounted against his rule and against electoral frauds. Burnham consolidated his power and began to transform the state from a progressive democracy into a de facto one party totalitarian (fascist) one ethnic group dictatorship. Coercion and control (militarisation of the state) and *clientelism* and racial patronage (rewarding people of one's own race irrespective of competence and merit) were the key instruments in the *transformative* process of the state from a democracy to an authoritarian polity (*GT* Feb 22, 2014). The result was that a Black-controlled government denied Indians and other ethnic groups any meaningful participation in the political or socio-economic life of the nation decimating the private sector under the control of Portuguese and Chinese (*KN* Jan 7, 2015).

Burnham saw nothing wrong in sending an exclusively African delegation overseas to represent Guyana at an Expo in 1969 when Indians made up some 55% of the population and Africans just about 32% at that time. A system of ethnic domination and subordination (de facto apartheid system) between the minority African race (less than 40%) and majority Indians and other races was institutionalized by the ruling PNC party which "triumphed in the racial competition" for political domination ([en.wikipedia.org/wiki/Forbes\\_Burnham](https://en.wikipedia.org/wiki/Forbes_Burnham)).

Burnham began dismantling the democratic pillars of the state that were an obstacle to authoritarian rule. One of his earliest acts was to undermine the labor movement by creating a new underclass or lumpen class that became dependent on his

patronage (a patron-cliente relationship) for economic survival and that would respond to his requests to engage in political thuggery against the opposition and its supporters whenever summoned. In establishing this lumpen proletariat, Burnham undermined the African working class movement by denying them discipline and an ethos that success comes from hard work (Ibid). He gave them handouts when the Africans used to proudly toil for their wages during colonial rule developing a strong and disciplined work ethic. He was successful at acquiring complete control over the independent Trades Union Congress which became a group subservient to him and against the interests of the working class (SN Jul 25, 2008). The Black workers followed the directives of Burnham who himself was honorary leader of the Public Service Union. Burnham saw the need to establish patronage and a client-patron relationship between himself and his supporters to keep him and the PNC in power forever (KN Mar 23, 2014). Burnham created the new underclass to use against the political opposition and union leaders as well as to do his racial bidding for their bread and butter thus destroying a once amiable relationship that existed among the races while also negating the radicalism that once existed among the militant Black unions (KN May 16, 2010). The African underclass was conditioned by what came to be known as Burnhamism -- a fascist oppressive form of rule accompanied by racist lunacy that targeted White human rights activists or Indian workers who demanded higher wages and fringe benefits from state corporations. Burnham used his goons to attack opponents and he himself punished Indians without any concerns for what the international community would think and even when his policy meant the destruction of the country's economy. He was interested in holding on to power at all costs and by any means necessary through the systematic use of Machiavellian tactics, as

sister Jesse warned ([www.guyanacaribbeanpolitics.com/wpa/rodney\\_wazirmohamed.html](http://www.guyanacaribbeanpolitics.com/wpa/rodney_wazirmohamed.html)) (see also Jagan: 1972; *KN* Jun 3 2011; [guyanajournal.com/ss\\_ifsb.html](http://guyanajournal.com/ss_ifsb.html)).

The PNC transformed the liberal colonial state into a neo colonial authoritarian state and later into a fascist state that practiced state sponsored terror and ethno-nationalism. The PNC used several techniques such as nationalization, militarization of its supporters, and control of the judiciary. This unstable government built military and paramilitary forces (national service, Peoples Militia, Riot Squad, Special Squad, Peoples Intelligence, etc.) at the expense of other sectors to secure its rule over the nation rather than pursue policies that would lead to economic growth. The military forces were used to threaten civil society and democratic institutions. They paraded around the country in armored vehicles and heavy guns intimidating and harassing people and engaging in sexual molestations. Naked force was often used, including the killing of opponents (Walter Rodney, Minister Vincent Teekah, Fr. Bernard Darke, etc.) and the attempted murder of Prof. Josh Ramsammy and the attempted kidnapping of Prof. Clive Thomas and eminent journalist Dr. Rickey Singh (who packed up and left) to get people and political opponents to conform to government dictates (*GC* Apr 24, 2014). He drove fear in people to tow the line. Burnham announced the doctrine of the "*paramountcy of the party*" whereby the PNC and the state became indistinguishable and the party flag flew at government and military offices. He set out to inculcate an authoritarian nationalist-socialist ideology into the Black population targeting the youths with make shift economic programs to create jobs. It was a hodgepodge of ambitious unrealistic goals. And he carried out development projects appealing only to the African segment of the population, which constituted a minority. He said he would create a united and "truly

Guyanese society” which he defined as a society that would be subsumed under African Creole culture and the miscegenation of the races (GC May 11, 2013).

As so many wrote about Burnham’s Machiavellian ways, including his sister Jesse Burnham, “the ends justified the means” (Jagan: 1972). Police harassment was common, and thugs associated with the PNC and its youth arm, the Young Socialist Movement (YSM), violently broke up public meetings of opposition political parties. Burnham’s vision of Guyana was “raw undiluted power at all or any cost even it meant killing brilliant minds like Marxist Walter Rodney, the historian” (KN Oct 2, 2013; SN Aug 18, 2008), or a Jesuit Priest like Father Bernard Darke or his own friend like Vincent Teekah. Political control was of paramount importance to Burnham. During Burnham’s tenure, there occurred the politicization and *criminalization* of the state (KN Aug 7, 2009). Burnham encouraged radical American Blacks, including some who were fugitives from American justice, to settle in Guyana providing them with resources and protection. He then used them to organize and train local PNC forces to unleash a wave of terror on political opponents and on Indians in particular during the 1970s and 80s – it was referred to as “kick down door banditry” when armed thugs would prey upon Indian homes kicking down doors and then robbing them (KN Oct 2, 2013; May 1, 2011; SN Apr 29, 2008). In addition to ethnic robberies, other atrocities during the PNC era included rape and murder. Ethnically sanctioned rapes were prevalent at the mandated National Service for students (KN Jul 4, Jun 20, 2011; see Ravi Dev [www.kaieteurnews.com](http://www.kaieteurnews.com); Rampertab: 2001). Guyanese also lost their right to freedom of expression under PNC rule. The PNC government controlled the importation of news print, book binding machinery, and printing equipment. The regime muzzled any

opposition to the regime (see Harry Gill in KN May 17, 2011).

Election rigging perpetuated the PNC in office and the security forces were used to keep people in line as well as to rig elections to make it possible for PNC to remain in office. The command of the security forces (GDF, GPF, GNS, Peoples Militia, etc.) fell directly under Burnham and they helped to guarantee the rule of the African PNC against the other ethnic groups using intimidation and violence. Anyone who disobeyed orders was fired and anyone who challenged Burnham's order or was seen fraternizing with the opposition forces disappeared never to be heard from again. After Burnham acquired power, he recruited supporters into the police and armed forces to protect his rule. He expanded the armed forces adding various units after the country was granted independence (GT Jan 1, 2015). Defense allocation increased from \$8.76 million in 1973 to \$48.72 million in 1976 (500% increase). The Guyana National Service (GNS) (1974) and the Guyana People's Militia (1976) and other para-military groups were started. Thousands were hired for the police force and the brutal para military anti-Riot Squad (<http://www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15>) all designed to ensure that no group would dare challenge him or the PNC in its ethnic domination a la apartheid South Africa. Burnham had asserted unchallenged control over the nation. He used the security forces to shore up his power. Prof. Ivelaw Griffith of York College wrote: "Military personnel were transported around cities to provide audiences at mass rallies, where Burnham and other top PNC leaders spoke. This allowed the ruling party to pursue its political and doctrinal socialization of members of the military. In this context, loyalty by the military was no longer to the constitution, the office of president, and to the ideals of sovereignty and territorial integrity. Rather it was to the paramount PNC party

and the predominant leader, Forbes Burnham” (GT Jan 23, 2014).

Professionalism in every government sector was completely compromised and all those in the government bureaucracy as well as in the police and armed forces were required to swear loyalty to Burnham and the PNC. Anyone who refused to swear loyalty to Burnham or to attend his rallies was removed from the forces. Anyone whose loyalty was suspect was also removed or transferred to a far off location to remove any threat or the person was demoted and some were even executed. The PNC government relied on the large African security forces (police, army, para military, anti-riot squad, Peoples Militia, National Service and intelligence apparatus) to protect and institutionalize its illegal rule. As Lord Avesbury (1981) wrote, the security forces were used to rig elections that were described as “crooked as barbed wire” (GT Jan 23, 14; SN Jan 21, 2010). The security forces were also used to cart people around to rallies and to voting booths to secure the support for the *comrade leader*. The security forces increased tenfold in size from 1965 to 1975 (GT Dec 30, 2014) and the budget to maintain the forces more than doubled during that period increasing to 15.4% of the national budget in 1975 (as compared with a four percent during the 1960s) leaving less funds for economic development (Erriah: 90). During the 1980s, one in eleven persons in the country was a member of the security forces (as compared with one in 200 in 1965) making Guyana the most militarized country in the world on a per capita basis. And as a result, fewer adults were available for productive work to foster development and economic growth. There was no way that a government can afford to sustain employment or wages for a lengthy period for such a large number of non-productive personnel for a country not facing a threat. Actually, the country could not defend against an outside threat, and it could not

sustain such a large force with such a limited base of revenues (SN Jul 6, 2010).

The security forces exercised their power randomly and at will and at the slightest hint or act of dissension. Such repression drew the ire of the population especially those who questioned the legitimacy of the regime following routine election riggings. The forces were known for beating and robbing people and demanding goods from small vendors and shopkeepers. Not surprisingly, the human rights of virtually everyone, and particularly political activists affiliated with opposition parties, were routinely violated. Amnesty International repeatedly rated the PNC government during the 1980s as having one of the lowest ratings of respect for human rights (Guyana: Fraudulent Revolution, 1984). The US State Department in its annual reports throughout the 1970s and 1980s on Guyana repeatedly identified abuses and irregular police practices against civilians (KN Dec 25, 2013; Apr 8, 2011; Apr 6, 2009). Among rights violations identified by NGOs, Guyana Human Rights Association (GHRA), Amnesty International and the State Department were “disappearance of dissidents, killings, torture, abuse of suspects by the security forces and detainees, poor prison and jail conditions, lengthy pretrial detention, control of the judiciary and harassment and intimidation of opponents” (Erriah: 90; see also SN Nov 30, 2009; Aug 14, 2009; Mar 15, 2011; Dann: 1984).

The militarized police-state dictatorship created by Burnham precluded any means of peaceful regime change as election rigging was institutionalized and the security forces (ethnic soldiers as described by Prof. Cynthia Enloe) sworn loyalty to Burnham propping up the dictatorship ([www.guyanajournal.com/1968electionfraud.html](http://www.guyanajournal.com/1968electionfraud.html)). His massive rigging of the 1968 elections gave him a two-thirds magic majority that he used to quickly revoke the right to appeal to the independent London-based British Privy



Council. He controlled the judges in Guyana and thereafter no challenges could be mounted against election rigging and his illegal rule. Then Burnham pursued policies that would transform the new liberal progressive nation, bequeathed unto him by the British, into an oppressive dictatorship. He did this by seizing control of the two radio stations and independent newspapers, declaring Guyana a republic, banning essential foods (flour, grains, potatoes, onions, ghee, etc.) that form the basic consumption habits of Indians and other groups, and forbidding paraphernalia utilized by Indians in their religious practices, among other outrageous acts (*GT* Jan 5, 2015). In February 1970, Burnham also used his invulnerable two-third parliamentary majority to end ties to the British Crown declaring Guyana a republic, and replacing the Queen, through the Governor General, as head of state with a ceremonial President, a measure that did not receive support among Indians, Whites and Amerindians (Erriah: 2011; see also *SN* Sep 19, 2012; Jan 21, 2010). By 1970, the dictatorship was fully entrenched with Burnham in control of all institutions of the state (*KN* Oct 5, 2013; Aug 30, 2011). ([www.kaieteurnewsonline.com/.../june—a-significant-month-in-guyana’s-political-calendar](http://www.kaieteurnewsonline.com/.../june—a-significant-month-in-guyana’s-political-calendar); [guyanachronicle.com/comparing-jagdeo-regime-and-burnham-dictators..](http://guyanachronicle.com/comparing-jagdeo-regime-and-burnham-dictators..); cf. also [www.youtube.com/watch?v=NaKCy-pWcXo](http://www.youtube.com/watch?v=NaKCy-pWcXo); *GC* Aug 5, 2014 <https://www.marxists.org/subject/africa/rodney-walter/works/peoplespowernodictator.htm>; [www.jamaicaobserver.com/.../Guyana-headed-for-dictatorship\\_1792737...](http://www.jamaicaobserver.com/.../Guyana-headed-for-dictatorship_1792737...); [www.guyanajournal.com/rigged-election.html](http://www.guyanajournal.com/rigged-election.html); *Guyana Times* June 4, Feb 20, 2014; [www.encyclopedia.com](http://www.encyclopedia.com) › People › History › Guyana History: Biographies; <http://www.guyana.org/features/postindependence/chapter23.html>; [en.wikipedia.org/wiki/Guyana](http://en.wikipedia.org/wiki/Guyana); [www.guyana.org/.../chapter13...](http://www.guyana.org/.../chapter13...)). [countrystudies.us/guyana/17.htm](http://countrystudies.us/guyana/17.htm); <http://www.factmonster.com/country/guyana.html>)

## **Chapter 7: Threats to the Unity of the State:**

### **A. Crises in Governance & Elusive Multi-Racial Governance:**

The racial strife in Guyana resulted in several crises of governance that threatened to tear apart the state. For example, during the early 1960s when Indians were in control of the state, there was a proposal from an African leader (Eusi Kwayana who served briefly as Burnham's right hand man) for separate homelands for the ethnic groups (*KN* Mar 29, 2013). Also, during the 1960s, race riots degenerated into a civil war and racial segregation in which mixed (multi-racial) communities were replaced with segregated communities comprised of just one race. And from 1961 to the present, every election campaign has been accompanied by racial violence. In elections from 1964 onwards, the members of the dominant race have unleashed violence against individuals of the subordinate races. The violence has grown worse since the 1992 election when the "losing race" (or ethnic party) refused to accept electoral outcomes rendering the country ungovernable for extended periods; the PNC repeatedly threatened the PPP government over the last 21 years with ethnic violence to demand concessions (*GT* Jan 8, 2014). And at various times during the 1970s and 1980s when Africans were in control of the state, there was a demand from Indian nationalists for a separate (*Indesh*) nation (in county of Berbice) for Indians (*Trinidad Guardian* Jun 23, 2011; [www.guyana.org/.../guyanastor...](http://www.guyana.org/.../guyanastor...); <https://books.google.com/books?isbn=923103359X> ). The Amerindians also rebelled against African rule during the late 1960s demanding a state for themselves in the hinterland appealing for Venezuelan intervention to protect them. The Amerindians were crushed by African troops sent in by the PNC dictatorship to retake possession of the land (*GT* Jan 8, 2014). And during the early 1980s when Venezuela threatened to take over

two-thirds of Guyana, sections of Amerindian and Indian communities, but not Africans, sided with the Venezuelan government in the conflict, opting to call themselves Venezuelans. Because of their abuse, neglect and mistreatment and persecution on account of their ethnicities (GC Sep 24, 2013), they opposed the racist PNC dictatorship and sought (and obtained) Venezuelan passports. During the 1980s, thousands of Guyanese migrated from territories (that have been under Guyana's control) claimed by Venezuela and settled into non-disputed Venezuelan territory where they still make their home unwilling to return to Guyana because of the higher standard of living that they enjoy in Venezuela. Those Indians and Amerindians who accepted Venezuelan citizenship were viewed by Afro-Guyanese as unpatriotic for not supporting the racist PNC government in the territorial dispute.

Multi-racial support eluded PNC's governance because of its prejudicial policies. This is not to suggest the PPP has attracted multi-racial support though it is more multi-racial in character and in its policies than the PNC. Also, the PPP government distributed resources equitably among the races (in fact giving more to PNC supporters) and did not favor party supporters whereas the PNC government discriminated against non-supporters. Some sixty years after universal suffrage, politics in Guyana is still fought along racial lines with virtually no success in obtaining cross-racial appeal. This is the case no matter how many individuals from the other races that the parties put up as candidates to contest elections or placed in top positions of the parties. Neither of the two major parties, the Indian-based PPP nor the African based PNC, has been able to attract any significant following from the other race since 1957 when they emerged as separate entities

after being one party in 1953.<sup>13</sup> And racial conflict is still very strong today some 47 years after the country's break from Mother England as the two major groups competed for control of the state and its resources. And although many other parties have been formed with the specific aim of being multi-racial, and have claimed as such, they have failed to garner multi-ethnic support with support largely confined to the ethnicity of the leader of the party. Despite the presence of other minor parties going back to 1950s and the recent rise of new political parties (including, among others, the United Force, Working People's Alliance, Democratic Labor Movement, United Republican Party, Guyana Labor Party, Guyana Democratic Party, Rise Organize And Rebuild (ROAR), Justice for All, Alliance for Change, etc.) and civic organizations, the PNC and PPP continue to dominate the political landscape up until this day winning around 90% of the votes combined. For example, in the four democratic elections held in October 1992, December 1997, March 2001, August 2006, and November 2011 the two parties combined won between 90% and 94% of the votes. And again in elections held in November 2011, the two parties won almost 90% of the votes (SN Dec 2, 2011). Genuine multi-racial governance has eluded Guyana in spite of what the politicians claim in their rosy national pronouncements (KN Mar 24, 2014). (See also [www.guyanajournal.com/race\\_evolution\\_behavior\\_2.html](http://www.guyanajournal.com/race_evolution_behavior_2.html)).

Although the two dominant parties have ruled Guyana since self-rule in 1957,

---

<sup>13</sup> Cheddi Jagan and Forbes Burnham formed a multi-racial alliance in the form of the PPP in 1950 that was led by Jagan with Burnham as Chairman but by 1955, it had descended into two rival racially based PPP factions which contested elections separately in 1957 under Burnham and Jagan's leadership. Burnham renamed his faction the PNC after the general election that was won by Jagan's faction. Other minor parties also exist deriving their support from the other mini ethnic groups. The United Force was (and still is largely) supported by Amerindians, Whites and people of Mixed (European-African-Amerindian) descent. The Working Peoples Alliance (WPA) is backed by Africans and Mixed races but is no longer represented in parliament. The Alliance for Change is backed by Mixed races and some Africans. ROAR, no longer represented in parliament, has declared itself as an Indian party. The Guyana Amerindian Party (GAP) is backed by and advocates on behalf of Amerindians.

neither one has been successful in attracting significant multi-racial support, except that the PPP (since 1992) seem to have made some inroads at capturing a majority of the hinterland native Amerindian votes which previously went to the UF during elections in the 1950s and 1960s. The Whites and Chinese emigrated and the Amerindians have distrusted the PNC because of the abuses they suffered under PNC rule from 1966 to 1992. It has been noted that the percentage of votes the two major parties obtained at the polls reflected the ethnic census or roughly the racial composition of the nation from 1957 (when ethnic voting began) thru today – PPP gets around 53% and PNC around 40% with the Amerindian UF and other mini-parties getting the remainder.

Each of the main political parties and its supporters view the other party and its followers very suspiciously and each has refused to co-operate with the other towards a minimum program of economic development when in opposition or when the other party was/is in office. And in fact, each party takes a position while in opposition to undermine the other's governance even to the detriment of the general welfare. There has been deep mistrust and suspicion among people for those of another race with little positive interaction among them and ill-speaking the other race. At election times, in the competition for political power, the goal of supporters of the PNC and or PPP is to prevent the other party (race) from winning office and after election to undermine the government. Such communal conflict inevitably means that one of the races will be victorious at the expense of the others (SN Nov 21, 2012). The deep-seated division of the society leads to a campaign in which one ethnic group has captured the coercive apparatus of the state, and after acquiring the power and control of resources, it proceeds to exclude the other race from the benefits of its rule (SN Jun 29, 2010; Nov 17, 2007).

In general, once a party (a race) wins an election, it manages to exclude the other races in the governance of the state and neglect communities (geographic areas) where the other races predominate (*SN* May 24, 2009). This is essentially what has been obtained throughout Guyana's history from the colonial era to now – an exclusionary one race or one party government has been in charge of the state. The exception is over the last two decades the Indian dominated government has made efforts to include individuals of other ethnic groups in its cabinet and legislative arms to carry out development activities in African and other ethnic communities (geographic areas). Although voted into office primarily by Indians, half of its M.Ps and cabinet are from other races. This, however, does not prevent African leaders to make claims that their communities have been neglected and to pursue actions to undermine the government so it can regain control of the state or receive additional resources from the PPP government (*GC* Mar 8, 2014; Oct 22, 2013). ([www.en.wikipedia.org/wiki/People's\\_Progressive\\_Party\\_Guyana](http://www.en.wikipedia.org/wiki/People's_Progressive_Party_Guyana); *KN* Jul 11, 2011).

### **Section B. Racial Zero Sum Game:**

In Guyana, every election campaign as well as its aftermath since 1957 have seen some kind of racial animosity or violence. Although one party (one race) wins an election and governs the country, the country hardly makes any economic progress. As such, there are no real winners and the entire country suffers in what is a zero sum game (no net gain for either side) with the parties preventing each other from developing the economy and governing successfully. The defeated race refuses to accept the electoral outcome (whether rigged or free and fair elections) or to willingly cooperate with the victorious party (race) in mutual nation building. The defeated party (race) sabotages development or plays an obstructionist role thus preventing the government from

achieving its developmental goals and the economy its potential. The winning party (race) is reluctant to include members of other party (race) in strategically important positions. Thus, the races and the nation at large become major “losers” since the society is robbed of the talent and contributions of every member of the society in development projects and in nation building. Protracted ethnic conflict, as the case in Guyana, is more often than not, a negative sum game in which both dominant (in charge of the state) and subordinate (groups not in control of the state) groups seek to undermine each other while promoting their own group. In the end, everyone loses (zero sum) because the nation is deprived of the talent, resources and productivity of all of its citizens. As reflected in other countries like Sri Lanka, Sudan, Yugoslavia, Timor, Ukraine, etc., ethnic conflict is destructive with deep long-term costs. In these and other countries, ethnic conflict and ethnic mobilization far outweigh any conceivable material benefits from engaging in conflict. In a racial or ethnic competition for control of the government, there can be no winners when about half of the nation (as is the case in Guyana with its Indian-African division) feels excluded or refuses to participate or cooperate with the state in nation building. The country is denied of the full potential of half of its productive labor force and those individuals who are excluded or who feel discriminated against will migrate depriving the country of skills and talent. Also, victims of discrimination may opt to pursue disruptive actions to undermine the system as have been the case in Guyana since 1955 (*SN* Mar 12, 2014) (see also [www.guyana.org/.../chapter33...](http://www.guyana.org/.../chapter33...); [www-rohan.sdsu.edu](http://www-rohan.sdsu.edu)).

In Guyana, the parties oppose each other just for the sake of opposing and not necessarily because they have better policy programs. That has been their stratagem to hold on to their ethnic base with the design to capture power (*SN* Aug 16, 2013). For

example, when the PPP was in office from 1957 thru 1964, the PNC and its supporters were determined to topple it and engaged in violent activities and even conspired with foreign agents to undermine any PPP control over the nation. And when the PNC was in office, from 1965 thru 1992, the PPP and its Indian supporters pursued activities (sabotage of agro production, etc.) to get it out of office and undermine its rule.

Analogously, since 1992, the Africans (and the PNC party) have been calling for the ouster of the PPP from office and have been pursuing actions (such as strikes staged by African unions and violent protests as well as racially inspired attacks on Indians) to achieve their objectives. Ever since the PPP returned to office in 1992, the country has been on the ethnic edge with periodic violence and threats of ethnic conflagration always resulting in political instability. Ethnic tensions have been running extremely high with almost daily reported ethnic robberies, killings, protests and violence, charges of racial discrimination and ethnic cleansing, and demands on the state for resources based on ethnic appeals. The PNC and its supporters have consistently used violence to get their way over the government (in their demands) and or to prevent the other ethnic groups from governing peacefully and purposefully (GC Mar 10, 2014; Mar 9, 2014).

Since the 1950s, members of one race, through its representative leaders, political party and party apparatus (machine) do not want to see members of another race (s) “get ahead”. In opposition, members of one race (through its party) seeks to topple or sabotage the incumbent or dominant race in control of the state while the incumbent race seeks to suppress the opposition in an endless battle to remain on top. Jealousy of and opposition to a race succeeding in its endeavors or in governance has prevented the races from cooperating with each other towards national development, preventing the country from



realizing its full economic potential with the shared input of all groups. It is a kind of zero sum game that arose out of jealousy, a result of the collapse and ethnic splitting of the nationalist multi-ethnic PPP party formed to unite the colony for its independence (SN Mar 12, 2014; KN Aug 16, 2013; Jun 28, 2011).

### **Section C. Poverty, Income Inequality & Urban-Rural Divide:**

Since the British handed over the reins of power to the locals, not much has changed socially or economically. The social structure has remained largely the same characterized by ethnic dominance rather than by ethnic fair play and equality. And there has been low human development as supported by social and economic indicators (SN Nov 13, 2010; World Bank Reports). There was some shift in the distribution of wealth and income from the Whites to Africans during PNC rule when White owned businesses were nationalized by the state. And there has been a steady but slow rise in income since the PPP assumed office in October 1992. But by and large, the society has remained economically skewed between poor and rich without significant reduction in the gap between the wealthy and lower classes (SN Oct 5, Sep 14 and 7, 2014; Nov 13, 2010) as was the case under British rule. Ownership of industries (like bauxite, sugar, timber, gold, etc.) had changed hands from the foreigners and the local Whites, Chinese and wealthy Indians to the state through nationalization (controlled by one ethnic group as represented by the Afro PNC from 1966 thru 1992 and Indo PPP from 1993 till now). But there remained skewed income distribution with a small number of people largely residing in the urban areas making a lot of money and a large number of people (especially in rural farming and hinterland region) earning only a meager living (KN Sep 20, 2012; SN Dec 30, 2013). Economic growth and increases in standard of living gets concentrated at the top echelon of the society and it is the upper and middle classes and

those who live in or near the towns that benefit the most from growth. The income and lifestyle of a selected few apparatchiks (from the PNC and PPP) improved during the last fifty years (SN Jul 30, 2011). But overall, there has not been inclusive growth across the board for all classes especially any significant improvement of the quality of life of those at the bottom half of the social pyramid (SN Nov 23, 2014). There is no inclusive growth among all the classes or groups in the society. Since independence, only a small fraction at the top of the society have enjoyed the overwhelming wealth of the nation while the overwhelming majority have seen their income stagnant or shrunk because of inflation. Burnham's socialist policies did not significantly alter income inequality; they merely replace White control with African control. In Guyana, as a UN report stated, some 40% of the population live below poverty in 2008 (KN Jul 15, 2012; Oct 14, 2011; Oct 15, 2009). Poverty exceeding 70% has been the highest among rural dwellers especially among Indians and Amerindians (KN Dec 6, 2013). Since independence, the poor have become poorer as they experience a declining quality of life. Up until today, Amerindians are largely confined to the hinterland regions without much infrastructure (KN Nov 5, 2013) although they have achieved much progress under the PPP government. Because of neglect of rural and hinterland regions, poverty and dreaded communicable diseases are highest in these rural and hinterland areas where sanitation (garbage pick up unavailable) is neglected. From the evidence on the incidence of dengue, cholera, measles, typhoid, diarrhoea and other communicable diseases that can be avoided with cleanliness, one can infer that the public health system is unable to cope with the health situation.

#### **Section D. Moral Degradation & Corruption after Independence**

As some commentators have often noted in the local newspapers, not only has the

quality of life and national social and economic indicators declined sharply since independence, so too has the competence, honesty and integrity of people who are in charge of managing the society's functions and affairs. Moral degradation set in after independence so much so the country is approaching moral bankruptcy and a break down in law and order (SN Sep 11, 2009; Nov 1, 2008). It is noted, for example, that before independence, Guyanese were morally straight and decent people known for their kindness, generosity, and hospitality. Also, most of the nationalists or freedom fighters who led the struggle for independence were decent men and women who cared deeply about community, humanity and nation with a desire to lift the poor out of poverty (SN Jun 11, 2014; Oct 1, 2013). Many were largely altruistic and highly principled individuals who committed themselves to uplifting the lives of others. They had ambitious and lofty plans for making Guyana a perfect, egalitarian society and of institutionalizing honest governance with people of integrity in charge of the affairs of the state working for the benefit for all (KN Apr 3, 2011). In contrast, most of the current crop of politicians (post Jagan who died in 1997) is highly corrupt and only interested in self-enrichment (SN Oct 3, 2009) with few of them engaged in volunteerism and building a community.

After independence, the PNC became mired in graft and corruption so much so that the country has become corrupted and sliding towards total immorality (SN Aug 3, 2009). Graft and corruption have permeated almost every office of government from the issuance of police traffic tickets to birth, marriage and death certificates (SN Aug 20, 2009). Allegations of corruption swirled around those who have governed the nation. The exception was President Cheddi and his wife Janet Jagan (1957 thru 1964 and 1992 thru 1999), (KN Jul 16, 2008) who governed selflessly donating their income and modest

possessions to charity and the state. The others have not been overly concerned about perception or the national good or of the development of the nation but their own self-enrichment. Altruistic and incorruptible individuals such as Cheddi and Janet Jagan are difficult to find in Guyana. Almost everyone in Guyana has become a kind of a con man (woman), a schemer, with the goal of succeeding in some scam so as to get on in life (in order to put food on the table or to enrich them selves at the expense of others). For many, wealth has been acquired from crookedness and from *conning* or robbing others or the state with limited judicial recourse (KN Nov 13, 2013; Jul 27, 2013; Jul 23, 2013); even the court of justice is perverted with bribes used to buy out court officials including clerks and judges and lawyers (KN Dec 10, Nov 12, Oct 4, 2014).

Since 1966, when the British put Burnham and his PNC colleagues in charge of the nation, few of them have developed the indomitable spirit of hard work, honesty, integrity, charity, compassion for the poor, kindness and goodness to serve the nation without a primary regard for personal wealth or a handsome return on their investment. During the PNC era and since then, few politicians have been serving the nation unselfishly and fewer are promoting racial harmony (SN Nov 28, 2014; Jul 31, 2012; Jan 12, 2010). Few have thought about the need for ethnic tolerance, mutual love and respect among the diverse population so that people can experience a peaceful collective life. In fact, the opposite has occurred -- ethnic leaders have cynically encouraged conflict among the ethnic groups. The leaders have promoted ethnic discord between groups so as to retain their (leaders) dominance over their own group as well as to maintain support for their party or leadership aspirations. And while the groups are engaged in conflict, the leadership and their acolytes have been enriching themselves through corrupt

practices. Corrupt acts have not been confined to those in power; some politicians in the opposition camp are also involved in nefarious highly corrupt practices (GT Jan 18 2015; SN Aug 7, 2013; Jan 23, 2014). The groups have engaged in communal violence at the behest of their leaders because it serves the leaders' interest to hold their flock. While at one time, the ethnic conflict served the purpose of the colonial masters and the plantation owners, since independence it has served the interests of the local political masters. During colonial rule, domestic and external forces manipulated inter-race relations to serve imperialist interests as well as exploitative *plantocracy* bourgeois interests. Social relations and racial manipulation has not changed much from then to (47 years after independence) as the politicians continue to prey on ethnic conflict to retain their political support and power and self-enrichment.

#### **Section E. Decline in Industrial Productivity:**

When the country gained independence in 1966, its economy was positioned to take off and experience rapid development similar to such countries as Malaysia or Singapore that have similar social features like Guyana ([en.wikipedia.org/..](http://en.wikipedia.org/)). In spite of the racial conflict that impacted on productivity and investment during the 1960s, Guyana's economy was able to hold its own without experiencing a serious decline in standard of living during the 1960s (GC Mar 10, 2014). This was a result of significant capital inflows from the US in the form of loans and grants to assist the struggling regime and solid exports in agricultural produce allowing the new nation to maintain its quality of life. However, during the 1970s and 1980s, the economy rapidly deteriorated after the government nationalized foreign-owned companies, took control of almost all economic activities, pursued a leftward foreign policy and embraced Cuba, develop a shift away

from Washington and London, and institutionalized a racist policy in its hiring and promotion practices. By 1980, the government had also taken over the bulk of the retailing and wholesale distribution systems that were controlled by Whites, Chinese and Coloreds and a few Indians and established state owned co-operatives and Knowledge Sharing Institutes (government distribution outlets for goods) operated by party hawks (GC Mar 20, 2012). Private entrepreneurs (mostly Whites, Chinese, Coloreds, and Indians) were marginalized and forced to close down operations (GT Jan 25, 2015). The regime controlled the marketing of all exports, even those few products, such as rice, cassava, coconuts, and black eye beans, which were still produced privately in large quantities; the government mandated that all marketable produce be handled by the state marketing agencies. It also owned virtually all of the financial institutions and tightly regulated the currency exchange. The government controlled prices for virtually all items instructing shopkeepers not to sell beyond government dictated prices and even attempted to dictate patterns of consumption by banning a wide range of consumer imports including basic foods like *channa*, lentils, potatoes, peas, flour, canned products, cooking oil, etc. ([www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15](http://www.answers.com/topic/forbes-burnham#ixzz1tBtJfT15); GT Jan 5, 2015).

By the late 1970s, the government controlled over 80 percent of the economy with only a small number of small business enterprises (mostly farms and home use utensils) in the hands of the private sector. Burnham pursued the socialist transformation of the state. The dictatorship stressed *autarchic* (inward looking) development, a process of nationalization that saw some 80% of the economy in government hands, and a new orientation in foreign policy involving closer relations with Cuba and the former Eastern bloc. It pursued an active participation in the Non-Aligned movement (NAM) and

supported African freedom fighters, even holding anti-apartheid conferences in Guyana even though the PNC regime itself was apartheid like in appearance (being an ethnic minority ruling the country illegally). Control of the economy was carried out largely for political reasons to give the impression that the regime was socialist oriented (Pierce: 1985). Also, the Burnham government needed to control these industries in order to extend its base of support in doling out jobs in newly acquired state owned companies to those who pledged loyalty to the regime (Hintzen: 1989. During the early 1970s, world prices for primary exports rose, resulting in the government earning significant revenues allowing it to increase spending on its supporters that stimulated the economy (Ibid; see also <http://www.mongabay.com/history/guyana/guyana-health.html>).

However, output of every commodity and export fell sharply after nationalization. For example, bauxite production, dropped from 3 million tons per year in the 1960s to 2 million tons in 1971 to 1.3 million tons by 1988. Similarly, sugar production declined from 330,000 tons in 1976 to 245,000 tons in the mid-1980s, and to 168,000 tons by 1988. Rice production also declined and never again reached its 1977 peak of 210,000 tons (in contrast with say 500,000 tons under the PPP regime in 2013) (GC Feb 12, 2014). By 1988, national output of rice was almost 40 percent lower than in 1977. The lack of PNC party managers capable of running the large agricultural and mining enterprises, and the lack of investment in those enterprises, as government resources were depleted, inevitably led to a decline in output. Revenues declined sharply but the government continued to spend to appease its supporters. Guyana's gross domestic product began to decline by the mid-1970s. Real GDP fell during the latter half of the 1970s and decreased by an estimated six percent per year during the 1980s (SN Mar 5,

2009; Aug 31, 2008). Guyana's economy was in dire shape in the late 1980s.

Nonetheless, government spending continued at a high rate, and Guyana was forced to borrow huge amounts of money from abroad to sustain unaffordable spending that would trigger a slide in the value of the Guyana dollar (Gafar: 2003).

The huge size of the debt in 1992 was around US \$2.2 billion for an economy whose budget then was only about US \$300 million – seven times the national budget with a per capita debt of US \$30K. The decline in the GDP was keeping the external debt to GDP ratio at very high levels, the highest in the world at more than seven times the national budget in 1992 with some 94% of national earnings needed just to pay the interest on the debt (*SN* Dec 16, 2009). No economy could manage that kind of external debt and pursue economic development. This increase in the debt service burden occurred at a time when the demand for imports increased because of declining domestic food production and because of the reduced demand of Guyana's primary products. Exports decreased and imports increased while at the same time there was capital flight by those businesspersons who could no longer tolerate Burnham's nationalist policies. People found clever ways to take money out of the country through informal exchange. In response, the government enforced restrictions that no one was allowed to leave with more than US \$20 during the 1970s and government approval was required to transfer money for business transactions with overseas entities. In addition, all imports and exports had to be approved by the government that managed and controlled all foreign currency transactions denying currency to businesses that needed to import spare parts to service machinery or even modernize equipments. Big businesses could not put up with the state financial restrictions resulting in the reduction of business activities that affected



the entire economy. This led to a further decline in growth and in the value of the dollar (*GC* Feb 14, 2014) ([www.guyana.org/.../chapter3.ht...](http://www.guyana.org/.../chapter3.ht...); [www.state.gov/e/eb/rls/.../157288.htm](http://www.state.gov/e/eb/rls/.../157288.htm))

The country ran huge deficits on its balance of payments and had no choice but to resort to borrowing. Despite such a crisis, the government made no attempt to change its economic course. No attempt was made to rein in the rise in external debt or to reduce dependence on deficit budgeting or to change policies to increase exports or to encourage Indians to return to the farm to boost agro production. Guyana's external debt liabilities had become a millstone around the neck of the economy (*SN* May 27, 2009). Instead of reducing the subsidy burden doled out to its supporters in various forms, the government expanded subsidies to hold on to political support. No incentives (or foreign exchange) were given to producers and manufacturers of other groups or the private sector to encourage production. Stats showed that production in every industry declined during the 1970s and 1980s. The decline in productivity was a serious problem, and the Burnham government's reaction to the downturn of increasing repression on a non-compliant population aggravated the situation. As export revenues fell, foreign exchange became scarce. Rather than attacking the root of the problem, that is tackling low domestic output, the government attempted to ration foreign exchange, which only further damaged the economic situation. The government regulated all transactions requiring foreign exchange and severely restricted imports. These controls created their own inefficiencies; red tapes and shortages of goods with the result that people began to use clever means of bypassing them (*KN* Jan 1, 2014; *SN* Jun 24, 2011; Jan 6, 2008). More significantly, tight government control of exchange encouraged the growth of the parallel exchange market. Smugglers brought in illegal imports, and currency traders

circumvented government controls on foreign exchange to facilitate trading. Although many citizens began working and trading in the parallel economy, many others were leaving the country (*SN* Aug 5, 2012. An estimated 72,000 Guyanese, almost one-tenth of the population, emigrated between 1976 and 1981 and over 20,000 a year in subsequent years (*SN* Feb 26, 2010; Sep 22, 2013). Among those who left the country were many of the most skilled managers and entrepreneurs. Also, the hostile political orientation of the Burnham government towards the West and multinational corporations made it almost impossible for a turn around of the economy or of increased aid from the United States. However, so as not to trigger the collapse of the PNC regime that would have led to the rise of the radical PPP, the US did not block loans from lending agencies.

<http://www.mongabay.com/history/guyana/guyana-health.html>.

#### **Section F. Rise of Underground Black Market Economy:**

Because of its attempts to control all aspects of the economy and financial transactions, and the banning of consumption of basic items, a thriving black market developed and became institutionalized impacting virtually all aspects of financial transactions and trade. After the government controlled the outflow of foreign exchange and banned the imports of basic food items, a huge share of economic activities in Guyana took place outside of the official economy during the 1970s thru 1990. In fact, the parallel economy at one time was bigger than the official economy, and it only began to decrease in significance after the introduction of *foreign exchange cambios* in 1989, reversal of the laws banning importations of goods in 1990, and the restoration of democracy in 1992 (*GC* Mar 10, 2014; *SN* Jul 26, 2009; *SN* Nov 1, 2009; *Table section*) ([countrystudies.us/guyana/57.htm](http://countrystudies.us/guyana/57.htm); [www.country-data.com/cgi-bin/query/r-5422.html](http://www.country-data.com/cgi-bin/query/r-5422.html)).

As economists have pointed out, the key feature of the illegal economy centered around banned goods and foreign currency trading which was regulated to retain foreign exchange to purchase goods necessary to prop up the regime. The government said it was banning importation of essential items to encourage local production and also began restricting legal access to foreign exchange to control imports in order to restore favorable balance payments on foreign trade. The imposition of bans on basic imports (especially of foods, milk for infants, and medicines for the sick) led to severe hardships. Drugs and medicines, including aspirin and insulin for diabetics, were scarce. People began to show signs of illnesses relating to poor diet. Bans on basic items to meet dietary habits and religious rites of Indians led to a flourishing parallel economy of trading between the country's borders and huckster trading with the Caribbean islands. Malnutrition became widespread. There was a grinding level of poverty. Poverty in Guyana had approached that seen in places like Ethiopia and Somalia during the 1980s. Orphanages and poor houses sprang up especially in Georgetown to alleviate sufferings. Many lives were lost due to basic shortages resulting in malnutrition and starvation. Kids stopped attending classes. People increasingly depended on handouts from relatives abroad. Smuggled foods, remittances and handouts from abroad alleviated widespread suffering and rescued many from certain death caused by poor diet. As commentators have noted, the term contraband (or banned goods) was invented as a result of the rise of this parallel economy and it expanded to include almost all items. With remittances, in the tens of millions of US dollars sent annually during the 1970s and hundreds of millions sent annually during the 1980s, Guyanese could purchase almost anything from the underground (illegal) economy (*KN* Oct 20, 2012). However, if caught with banned

goods (such as flour or bread or split peas or chick peas, for example), the fine and imprisonment were very stiff ([encyclopedia.com/topic/Guyana.aspx](http://encyclopedia.com/topic/Guyana.aspx)). During the 1980s, Guyanese living abroad began sending barrels home with food and basic items for their families, friends and neighbors leading to the development of another term “the barrel economy” which was seen as a heavenly sent salvation to prevent mass starvation and death from hunger (Erriah: 91). The government taxed the barrels extracting huge fees that generated hundreds of millions of US dollars annually during the 1980s and 1990s to bankroll the state functionaries. The regime even started to require Americans (including Guyanese-Americans) to apply for a visa and collected fees that amounted to tens of thousands of US dollars every month that was used to fund government operations.

Also, during the late 1960s and early 1970s Chinese, Portuguese and wealthy Indian businessmen, because of ethnic discrimination and the government’s anti-business policies, began taking their money out of the country and investing in Canada, Barbados, and Australia (*GT* Nov14, 2014). In response to the capital flight, the government felt it necessary to stop people from taking money out of the country. Businesses had to find an alternative means to obtain foreign exchange and turned to the black market that offered a little more than the official exchange in order to attract foreign currency thereby expanding black marketing operations (*KN* Feb 12, 2013; Jun 30, 2013: Jun 14, May 17, 2011; May 18, 2009) ([www.imf.org/external/pubs/ft/.../wp0307.pd...](http://www.imf.org/external/pubs/ft/.../wp0307.pd...)).

As an *internet* report pointed out, the rise of the parallel or black market economy has been very harmful to the country (<http://www.mongabay.com/history/guyana/guyana-health.html>). The report noted, “that the growing black market economy indicated that the official economy was not providing enough goods and services, and that a norm of

illegality existed in Guyana”. Also, another effect of the parallel economy was that it drained talent and initiative from the official economy as people began obtaining work and higher salaries from the underground economy rather than from state employment. The black market was more lucrative in profit making than the official economy because fewer goods were available for sale in the official market. The profit margin was much higher (100 to 200%) for banned goods than for legitimate items. The black market deprived the government of tax revenues, and led to inefficient use of resources. In addition, the illegal economy was considered a major source of inflation (running in triple digits during the 1980s) because of the high prices people had to pay for basic items (like flour, potatoes, sardines, etc.) that were prohibited from importation and that could only be obtained from the black market at very high prices (Ibid; *KN* Nov 17, 2013).

The underground economy also affected currency transaction because of the high demand for and scarcity of foreign currency needed to sustain cross border trade. Traders offered higher than normal rates for foreign exchange rendering the Guyana currency very unstable (<http://www.mongabay.com/history/guyana/guyana-health.html>). The government felt the need to restrict access to foreign currency in order to maintain an overvalued exchange rate. The government reasoned that if Guyanese citizens had unlimited access to foreign currency, many of them would have bought US dollars, depleting Guyana's foreign exchange reserves, because of their anticipation of devaluations in the Guyanese dollar (which was trading two to one US dollar in 1975) (*KN* Jul 7, 2009). As the report pointed out, “when it introduced foreign exchange controls during the late 1970s, the government was trying to keep Guyana's balance of payments from worsening by controlling the flow of money and goods to and from the

country. The restriction on foreign exchange helped maintain the fixed exchange rate but it also created a shortage of foreign currency, making it nearly impossible for individuals and businesses to import essential items (as foreign merchants would not accept Guyanese dollars). Official and unofficial street traders filled the gap by supplying much-needed foreign currency to businesses, importers and travelers at higher than the official rate. The traders made a huge profit by selling foreign currencies at a very high price. By 1989, the black market exchange rate doubled per United States dollar trading at G\$60 compared with the official rate of G\$33. This fueled inflation that was running at triple digits during the 1980s. The Economist Magazine reported in mid-1990 that brick-sized stacks of G\$100 bills were trading for US\$100 on Georgetown's America Street, dubbed the Guyana "Wall Street." (<http://www.mongabay.com/history/guyana/guyana-health.html>) (see also [new.ccmfuwi.org/files/.../2009/.../13\\_1-Thomas\\_Jourdain\\_Pasha-p.pdf](http://new.ccmfuwi.org/files/.../2009/.../13_1-Thomas_Jourdain_Pasha-p.pdf); <http://www.nationsencyclopedia.com/economies/Americas/Guyana-ECONOMY.html>)

The size of Guyana's parallel economy during the 1980s was difficult to estimate. Illegal traders and businessmen kept a low profile to avoid both foreign currency regulations, taxation, and laws that make it illegal to be in possession of too much foreign money and banned items (that included bread, potatoes, beans, among other basic foods.). The parallel market was at times as big as the official market because almost all basic foods and toilet paper were purchased in the underground economy. Economist and University of Guyana Professor Clive Thomas argued in various studies that the parallel economy ranged from one-half to roughly the same size as the official economy (Ibid). The Financial Times newspaper and the Economist magazine both estimated in 1989 that the parallel market carried out between US\$50 million and US\$100 million worth of

business annually and that was going on for some 15 years already. Even by the lower estimate, the parallel economy was about one-fifth the size of the official economy (Ibid).

As Prof. Thomas and other economists have pointed out, the government responded ambivalently to the parallel market. To many people in Guyana, as well as in the international financial community, “the existing parallel market was the epitome of a private sector initiative under difficult conditions” (Ibid). Black marketing was carried out by small family traders smuggling the banned goods across the borders or brought them in through the lone airport. Although official policy restricted illegal economic activity and importation of banned food items, in practice, the government officials often turned a blind eye to the well-developed parallel economy recognizing its importance. Custom officers accepted bribes and allowed the banned goods into the country with many people becoming super wealthy from the parallel economy. In the markets or shops, the ban on goods was enforced but traders, retailers, and consumers simply bribed their way out of situations. As <http://www.mongabay.com/history/guyana/guyana-health.html> reported, Guyana's borders were long, porous and un-patrolled making smuggling of currency and banned goods relatively easy. In addition, cash remittances from abroad were common as virtually everyone had a relative abroad who was sending money to loved ones and so many people in Guyana had frequent access to foreign currency that could easily trade on the parallel market for higher than government rates. When government cracked down on the currency transactions that occurred outside of official banking operations, currency exchange occurred informally where people gave US or Canadian dollars in North America and relatives collected Guyana dollars at home evading government control. When caught marketing banned goods or engaging in

currency exchange, shop retailers and traders paid bribes to the police to avoid prosecution (KN Nov 14, 2013) The alternative was hefty fines in court or spending time in jail for violating laws against peddling banned goods or unofficial currency transaction. But the huge profits obtained from black marketing operations were well worth the risk. So government attempts to repress the black market were generally unsuccessful. Also, many observers noted that the government loosely tolerated (closed its eyes and at times did not rigidly enforce the laws against) the parallel market because it provided goods that were restricted (or scarce) but essential for survival and which government supporters also demanded (KN Jun 19, 2011). The government did not want to run the risk of incurring the wrath of its own supporters who demanded many of the scarce or banned goods. Preventing access to essential supplies could have led to a violent revolution as the country was already close to starvation during the mid 1980s, and it would not have taken much more to trigger an uprising as soldiers and police were already showing dissent at the terrible state of affairs brought on by widespread food shortages. As <http://www.mongabay.com/history/guyana/guyana-health.html> reported, even state-owned companies traded on the parallel market for foreign currency and sold banned goods to generate revenues to keep their workers employed ignoring directives from the state not to trade in banned goods. Members of the police co-op, army co-op, public service co-ops, and other co-ops operated by the PNC also sold illegal goods that its members demanded for their survival (KN Nov 25, 2013). Government supporters were defecting to purchase goods at shops operated by supporters of the PPP selling banned food items. So the government co-ops were forced to offer some banned goods in order to retain or re-attract their PNC supporters and the government did not crack down



on the co-ops or fined them for selling goods prohibited by law. Shopkeepers of other ethnic backgrounds such as Indians and Portuguese, on the other hand, were issued summons and faced heavy fines and jail time for selling banned goods that were also confiscated (see *KN* Jan 27, 2014; Jan 25, 2013; Oct 30, 2013; Aug 27, 2013; Aug 8, Jun 11, 2011; Aug 19, 2009; Aug 12, 2009; Aug 13, 2011; *GT* Jan 3, 2015).

A fundamental shift in policy toward the parallel or black market illegal economy occurred in the late 1980s amidst street protests. People took to the streets demanding food that were virtually non-existent. Under pressure from local business community, foreign and local creditors and the US government, the Hoyte government began stressing the need for a revitalized private sector and an opening of the economy. The Hoyte government in 1989 legalized and regulated the parallel foreign currency market allowing cambios to operate as currency traders with the aim being to eliminate the illegal economy by absorbing it into the legal economy (*SN* Sep 24, 2010; <http://www.mongabay.com/history/guyana/guyana-health.html>)(Gafar: 2003)

### **Section G. Educational Neglect & Deterioration of Standards:**

When the PNC took power in 1965, Guyana had one of the most successful educational systems in the region. Government and public educational systems existed side by side with students in private secondary schools performing better than those in government schools in national exams administered by universities in England. Guyana had one of the highest standards of education in the Caribbean region (*SN* Aug 16, 2014). Year after year, during the immediate pre and post-colonial eras, the country's high school graduates beat out competitors from other parts of the region for scholarships in English and Canadian universities. Also, Guyanese candidates used to beat out their

regional counterparts in the semi-annual British GCE exams (out of Oxford, Cambridge and London Universities) (SN Aug 25, 2013; Feb 28, 2007). But the government decided it would acquire total control of all aspects of education (SN May 5, 2013) as well as all schools; the fact that almost all of the private educational institutions were owned by non supporters of the PNC should not be dismissed as a reason why Burnham opted to seize control of all private schools while denying the owners fair compensation. All privately owned schools were nationalized in 1976 and Burnham announced that all books would be distributed or sold through government agencies – not a coincidence since almost all of the retail book shops were owned by non-supporters of the PNC. Shortages of educational supplies, syllabus and of books quickly ensued. And teachers’ salaries were not paid on time. Books to study for the syllabus to pass exams were unavailable. All school essentials, including chalk, pens, pencils, teaching aids and other supplies were limited or non-existent. Even notebooks and paper were in short supply and most frequently unavailable. Students scavenged for writing paper at garbage dumps using the blank side of waste paper to record notes and submit assignments. Frequent electricity blackouts and transportation woes just added to the problems that young minds faced in trying to get a basic education to learn skills to become productive in the society.

The educational system began to collapse immediately after the government took control of all private schools in 1976 (KN Nov 1, 2013; SN Nov 12, 2009). Many students could not cope with the pressure of finding books or getting to and from school under a failing transport system. With government already controlling bus transport that was collapsing, students were not able to travel to and back from school. In addition, family financial woes and inadequate nutrition did not help the situation. Since many students

obtained family sponsorship to migrate to North America or England, going to school or obtaining an education was not a priority to them. Many students just dropped out of school. There was a high dropout rate among students during the 1980s as compared with earlier periods or later periods (KN Aug 31, 2013). Children were kept out of school to look after their younger siblings while parents joined food lines that stretched for blocks. A culture of children selling cigarettes and sweets or begging on the streets evolved. Increasingly, the young were begging in the streets for money to support their families. Education was distant from their minds. Children were often forced to fetch water from long distances because of shortages in their communities and thus could not attend school on a regular basis and when they did, they were often not punctual. Power black outs were a daily feature preventing children from studying. Fuel was in short supply to light hand lamps that enabled students to study or for families to prepare daily meals. The physical infrastructure of the schools was in total disrepair. Virtually all the schools were in a dilapidated state, posing grave dangers to children. Furniture and books were in short supply. Political and racial affiliation, rather than common needs, determined the shipment of supplies to schools with rural and hinterland schools the most neglected. Schools located in communities not supportive of the PNC were neglected. Also, teacher shortage was common and more noticeable during the 1980s and 1990s than at any time in this country as teachers immigrated to other Caribbean territories (KN Jun 13, 2009). Equipment for technical and vocational education was almost non-existent. Low salaries for teachers (less than US \$50 monthly during the 1970s and 1980s and less than US \$100 a month during the 1990s) were the order of the day. And today the monthly teacher's salary is around US \$150. Because of all these problems and the reign of terror

that existed during the 1970s and 1980s, the country's education system became a regional disgrace. The general depression in the education sector was translated into dismal results at the Caribbean Secondary Education Certificate (CSEC) examinations. During the 1980s and 1990s, Guyanese students performed the worst among all Caribbean students taking the regional examinations. Guyana trailed exam pass rates in all Caribbean countries when twenty years earlier its pass rate was among the highest in the region (GC May 31, 2011 Aug 23, 2010; SN Feb 5, 2011; GT Jan 19, 2015).

### **Section H. Failure of Farming, Clothing and Housing Policy**

Another harebrained idea of Burnham was a national program to Feed, Clothe and House (FCH) the nation (<http://www.mongabay.com/history/guyana/guyana-health.html>) that also turned into another costly failure to the state. Tens of millions of dollars were invested to promote this idea of self-help that would supposedly lead to national self-sufficiency in many aspects of life relating to this idea. Burnham told the people to eat less, sleep less, work harder and grow more and he offered financial incentives to his supporters to undertake the policy initiative. What resulted were less productivity and less food production and the rise of several shantytowns and ghettos among PNC supporters. Burnham announced with much fanfare that the state would take the lead in farming through a Guyana National Service (GNS) program in which students in all schools were taught farming and were required to produce crops in school compounds as a practicum. Burnham also required all high school and university students to serve one year in GNS where they would be trained in farming skills and obtain military training (SN Dec 10, 2008). High school students were warned that unless they served in such after school national service programs, they would not receive high school diplomas.

Students at the university level had to serve an extended tour of duty at an isolated camp in the interior of the country where there were reported atrocities of rape (KN Jul 24, 2011). Burnham also mandated that public sector workers serve a period of time in GNS and to volunteer time on weekend to clean farms. Some were mandated to clean Burnham's personal farm. While Africans signed up, Indians refused (fearing abuses and in fact many Indian girls were raped) and protested the policy. Protesters were jailed and or terrorized. University of Guyana students were beaten. Those who refused to go to GNS were denied diplomas from the university. The ambitious agricultural program in GNS to produce cotton, pigeon peas, onion, potatoes, corn, soya, etc. and pig rearing flopped as climatic conditions did not allow for successful production of certain produce resulting in losses of millions of dollars annually. Besides, the African youths and public employees had no interest in agriculture. They were more interested in state employment where one simply shows up at the office and hardly performs yet still collects a check at the end of the month or engaged in acts of corruption (KN Apr 18, 2011). Burnham mandated that all schools grow crops and that all private farms turn over productions to the government to be paid less than cost price. Students simply went through the exercise to get passing grades, gain access to books and fulfill requirements to get their diplomas; but little was produced on such school compounds that would make the country self sufficient. The entire program and its bias toward the government controlled public servants and party supporters was politicized and was bound to fail without support from other groups or parties (KN Mar 20, 2014; May 28, 2012). Yet, the country's dictator continued its national service system claiming it would provide job skills, create employment, make Guyana self sufficient, and transform the country into a developed

state (KN Jan 29, 2012). The opposite resulted with people virtually starving. People simply abandoned their farms or grew just enough for sustenance and secretly harvested their produce and sold them in the growing underground economy which had become the only avenue to find basic foods (including locally produced staples like rice and sugar) or toilet paper, toothpaste, and milk. (KN Jun 19, 2011; Dec 13, 2013; Feb 23, 2014).

The housing plan was put into effect at a considerable loss to farmland and as such the production of food. Government houses were built on arable farmlands that were used for decades by Indians to grow food and from which many Indians earned a living (KN Oct 27, 2012). This further reduced food output providing less with which to feed the expanding population. The houses were distributed to soldiers, police, government bureaucrats and other supporters of the regime enraging opponents of the government; non-Africans used the measures biased measures undertaken by government as justification not to cooperate with the government. The housing program benefited the government's African supporters earning the ire of the other ethnic groups that felt that their hard earned money was used to fund the construction of the houses that were allotted to government supporters (KN Nov 22, 2011). It was noted that the PNC supporters were also given loans to purchase houses and vehicles through the newly created Guyana National Cooperative Bank (GNCB) and the Guyana Agricultural and Industrial Bank. Most of these loans were never paid back and the government lending institutions like GNCB, Gaibank, etc. eventually became bankrupt with depositors losing their savings (KN Oct 7, 2013). Supporters of the PNC and officers of the police, army, paramilitary, and national service were also given loans to furnish their houses with many of the loans never repaid. The ethnic discriminatory policy pursued by the PNC regime

in its loan scheme created a disincentive for Indians and other ethnic groups to work and pay taxes since they were not the beneficiaries of government welfare programs, housing, generous soft loans, and related handouts. Indians and other non-ethnic supporters of the regime did not want to prop up a regime that oppressed them. In terms of any work ethic, almost everyone did the bare minimum required for a wage as there was no incentive to work hard or to implement policies and programs that would strengthen the government. And besides, many were waiting for immigration papers to settle abroad or looking forward to migrate in search of a better future elsewhere rather than continue living PNC humiliation under the humiliating conditions enforced by the PNC (Rampertab: 2001).

With regards to clothing policy, the government constructed a textile factory, near the capital of Georgetown, far from available farmland to grow raw materials, to clothe the nation but apparently it forgot it needed cotton and electricity to run it in order to produce thread that would be transformed into cloth and stitched into clothing. And when it acquired a power generator, there was a shortage of diesel to run it. Cotton was to be obtained from the national service program, located far away, but productivity was too low to sustain operation. In addition, the cotton plantations in the interior were soon abandoned as National Service, which was designed to engage young Africans in agriculture, failed to produce enough cotton to spin into thread and cloth (*KN* Jun 29, May 28, 2012). The young Africans did not want to labor on the land to grow cotton or other farm produce preferring instead the urban life where they could obtain a government office job or service in the security forces where they could obtain a salary without having to produce anything. Not surprisingly, the textile factory never got off the ground and became a white elephant covered with tall bushes and the government failed

in its drive to clothe the armed services much less the general population (KN Oct 4, Jun 8, 2011; May 20, 2008; Rampertab: 2001; SN Nov 12, 2010)(GC Jun 28, 2011; see also <http://www.mongabay.com/history/guyana/guyana-health.html>).

There was no way government directed production at state enterprises would succeed because workers' commitment and motivation was lacking – a result of low pay, corruption and cultural reasons. The PNC party supporters were not interested in agriculture and they did not demonstrate the kind of discipline (punctuality), efficiency or commitment needed for a textile factory. They were more interested in security or civil service office jobs that were promised to them in exchange for supporting the regime (SN Aug 21, 2014). Burnham was forced to generate employment for his supporters who were looking to him for jobs since they supported and defended his illegal regime. They were not committed to any development strategies. They were not keen supporters of Burnham's slogans like "making the small man the real man", "Feed, Clothe and House the nation", and "National Service" (KN Apr 2, 2010). These ideas became empty rhetoric since they were absorbing scarce state resources without producing anything of value or bringing in revenues to boost the economy or sustain jobs (Ibid). At the rate the PNC was spending money without revenues coming in, government policy was bound to collapse as there was no way for the regime to sustain huge expenditures to feed, clothe, and house its supporters and provide them national service training and employ them in make shift jobs (KN Sep 27, 2010). And the government was spending money on these projects at the expense of other groups who were fuming that they were not beneficiaries while their tax dollars were funding such projects. Non- supporters of the PNC were not even consulted about the elaborate programs or on how their taxes were being spent with



little plowed back in their communities. And with the business class and farmers already marginalized, they reduced their economic activities resulting in a further reduction of funds into government coffers through taxation (KN Aug 16, 2012).

In fact, most of the entrepreneurial class was pulverized and forced out of the country and compelled to invest their money in Canada and Barbados. It was noted that the private sector was seriously marginalized at a time when there was no flourishing activity in any of the state-commanded companies; almost all of the government companies, except sugar and rice, ran at a loss and these were also discriminated against because of the ethnicity of the employees (KN Dec 22, 2009). “The state restricted private sector activities that made it impossible to compete with the government owned companies. The state was everything and there was limited space even for a beholden private sector. Such a system can hardly be described as capitalist” (Ibid). The PPP claimed that “The economic system Guyana had under the PNC was state capitalism, with a government espousing socialism but practicing capitalism (Pierce: 1984). Under the PNC, “the state wielded economic and political power but it was a small band of businesses (that catered to supporters of the PNC)” (KN May 14, 2011). The state concentrated on national production with a small private sector filling whatever voids remained. What existed was a feudal type system, a backward model suited to 18th century Europe rather than for a 20th century Guyana. In this system, the state commanded authority and obedience, and a small band of businesses competed to grab whatever the state left over to them (KN Dec 1, 2013; Apr 2, 2010; SN Sep 4, 2009) see also (<http://www.guyanaundersiege.com/Leaders/Burnham1.htm>).

Ever since he acquired power, Burnham’s national development strategies and

policymaking were shaped by PNC supporters and the Afro intelligentsia; there was hardly any meaningful consultation and input from the business elite or leaders of other ethnic groups or parties or even from the general population. The development strategies were crafted by a handful among the PNC elite and imposed from above. It was top down directives. Without peoples' input and support, such strategies were bound to fail and could not successfully guide the economy. Non-supporters of the PNC or members of other ethnic groups could not continue to toil in the sun or run factories to produce revenues for a government that persisted in its discrimination against and persecution of them. With poor governance, bad management, endemic corruption, shady business deals, and embedded racism against non-supporters, the economy grounded to a halt. The government controlled agriculture, housing, and manufacturing policies failed. Poverty spread all over the country including in PNC strongholds (SN Nov 6, 2010; Dec 5, 2008). Yet, the PNC bosses continued to prosper much to the neglect of the population. Government policies failed to bring about much needed social change to transform the nation (SN Aug 21, 2014). As a result of ill-conceived development policy, the economy floundered with a drastic decline in growth during the PNC's tenure in office from December 1964 thru October 1992 (Erriah: 91; SN Aug 18 and Apr 21, 2011).

### **Section I. Decline in Professional Standards & Make Shift Jobs:**

Under the Burnham's dictatorship, there was a general decline in professional standards in virtually all spheres of government activities (KN Mar 30, 2010; Jun 9, 2013) and offices. The PNC government staffed offices based on racial patronage and created make shift jobs for party supporters. The behavior of the leadership of the nation under the PNC provided a cue about the behavior of its followers at their jobs. The leadership

displayed a kind of “*I don’t care a damn attitude*” that was largely carried over to the rest of the government workforce. Election rigging, corruption among the top echelons of party and government, and construction of an authoritarian state provided justification for workers below to be lackadaisical about their job. Those at the top could not discipline those below because corruption was pervasive among those at the top. Thus, government workers did the barest minimum to get by so as to receive an official salary. And like the top bureaucrats and party henchmen, they also sought self-enrichment through graft and other forms of corruption when dealing with the public and the private sector.

Burnham’s political agenda was overloaded with much of his own will power to do whatever he wanted to get back at those who snubbed him, or who felt they were superior to him, or did not support him. Burnham proceeded to replace a professional bureaucracy with PNC party supporters who were not adequately trained, qualified or prepared for their positions (*KN* Sep 19, 2014; Apr 19, 2009). Those who did not support his policy or his party and anyone whose loyalty was suspect were removed from positions (*GT* Nov 14, 2014). Thus, many able-bodied competent staff were removed simply based on ethnicity or suspected of supporting another party. Since the PNC had to reward its supporters with political patronage that normally come with a change in government, it was only natural that Indians were replaced at sensitive positions within the state. Indian Judges, for example, were distrusted and as such were terminated from employment or denied promotion. The senior most Indian Judge was bypassed for the position of Chief Justice in preference to a Black as the government felt Indians could not be trusted to provide judgment favorable to the government given the history of persecution of those not supportive of the PNC. Indians were also removed from the

armed and police forces because of doubts about their loyalty in protecting the black regime and they were replaced with PNC supporters. Abdul Sattaur, an Indian, who was head of the Guyana Defense Force was replaced by an African; Indian deputy heads of the police force were also replaced with PNC affiliates (*GT* Jan 25, 2015). Those Indians who held prominent positions in the bureaucracy were replaced with ethnic loyalists. The few Indians who remained in the civil service or security forces were denied promotions and violence was used to intimidate them to leave the force or to accept their second-class status (*GT* Nov 14, 2014; *GC* Nov 10, 2013). A PNC party card became essential for access to social benefits, recruitment and hiring to civil service positions, government contracts, and such attractive items or services as business permits. By the mid-1970s, an estimated 80% of the economy fell under the control of the PNC government whose workforce had more than doubled since 1964, becoming replete with PNC party members replacing qualified independent civil servants (*KN* Apr 2, 2011; Nov 10, 2011; Rampertab: 2001 <http://www.guyanaundersiege.com/Leaders/Burnham1.htm>).

Many party supporters felt that since they supported the PNC government, the state owed them a salary and the party had promised them a job if they supported the party and attended campaign rallies or showed up at meetings to cheer the “Comrade Leader” (*KN* May 3, 2013; Apr 2, 2010) – a la North Korean dictators of the Kim dynasty. The African supporters of the ruling party felt it was their government in charge with over half of the African labor force depending on the government for employment (some 75% of working PNC supporters were employed by the state during PNC rule). Also, government workers were required to attend PNC rallies to show support for the regime whenever the dictator held public meetings (*KN* Aug 30, 2011) and attendance

was taken. Supporters felt that because they went to the PNC meetings and because of their support for the illegal regime, that automatically justified their salaries and benefits - not work productivity or office attendance. Also, the PNC had warned that if government workers did not attend PNC organized rallies, their state payroll would be docked and they would face termination of employment. So people simply showed up at the rallies and expected to be paid whether they showed up at work or not or whether they performed or not at the office. Many simply just showed up at the office, signed for their attendance and left to attend to their personal chores or other businesses. No one was disciplined for stolen time or non-productivity.

Burnham went on a mad spree to create (unproductive) make shift jobs for supporters. Before independence, the state provided employment for less than a twentieth of the population. After independence, as much as half the work force became employed by the state as the PNC padded the employment rolls with supporters. During the 1970s, the government took control over the commanding heights of the economy that it used to hire party supporters and it increased the size of the police and security forces tenfold (KN Apr 11, 2011). People were increasingly moved away from once meaningful agricultural pursuits, which the country had comparative advantage in terms of trade, and towards the world of make shift non-*commodified* government service oriented jobs with hardly any productive work or service to be performed (KN Apr 23, 2012; Mar 14, 2011; Aug 23, 2009). The government introduced all sorts of social welfare programs to create employment for its supporters. Government expanded activities in all spheres of the society creating make shift work for its supporters even for those without significant skills or productive education. The PNC used employment as a weapon to control the

population – denying jobs or threatening those already in state service if they oppose the government (KN Apr 2, 2012). Most government supporters were employed in service oriented or security jobs in a country that produced little that required a large pool of service staff (KN Jan 11, 2013). During PNC rule, people simply turned up at government office and spent the day virtually doing nothing. They might also just attended a PNC rally (by government diktat) and look forward to their paychecks at the end of each month (KN Apr 2, 2010; Feb 9, 2009; Dec 27, 2009).

There was a tendency to employ semi-skilled and unskilled labor guaranteeing every party supporter a job. Some suggest that this kind of state policy was tantamount to handouts in which the governments used state funds to buy the semi-literate to prop up its rule. This reduced the incentive for people to acquire much needed skills (KN Feb 5, 2013). In time, there was a shortage of many basic skills (KN Jul 14, 2014; Aug 31, 2012; Sep 4, 2008). The poor work ethic led to: higher costs of delivery of goods, overburdening of people who were hard working, delays in the delivery of products and services, complaints and lack of confidence in the government and its staff, unwillingness to invest in the country, racial animus, etc. There was a case when a foreign road building company that received a government contract to build roads from an IDB loan was instructed to employ PNC supporters. The company soon realized that the workers foisted on them could not perform the job and fired them invoking the ire of the PNC. <http://www.guyanaundersiege.com/Leaders/Burnham1.htm>. Money was pouring in from abroad from foreign aid and loans and so the PNC government could afford the make shift work for its supporters (KN May 14, 2011). But when foreign aid and loans dried up, the PNC was unable to sustain the patronage system to its cadres and the economy

collapsed (KN Feb 17, 2011; Mar 14, 2014 Sep 25, 2012).

Professional standards declined in Guyana not only because unqualified people were hired in important state sectors, but by compromising the professionalism of staff. Burnham, through official policy (diktat), “eliminated the neutrality of the public service sector and ordered government workers to support his party through the *Party Paramountcy Act*” (Ibid). He marginalized the professional bureaucracy replacing them with the PNC party card-carrying members loyal to him and the party. This was called the ‘*Paramountcy of the Party*’ Doctrine – a supposed ‘socialist’ theme (in which the party and the government are unified as in Cuba and communist bloc countries). This act called for the retraining of workers to subordinate themselves to the PNC. It mandated government workers implement policies enunciated by the PNC party and not necessarily the government (Ibid). Burnham stated that the PNC “had *paramountcy* over the government” because his party formed the government (Burnham: 1972) and as such the civil service was duty bound to support and implement all measures of the party. And any government workers refusing to implement party policy were subject to severe discipline. Thus, everyone towed the line (KN Nov 10, 2011; Apr 27, 2010; GC Mar 30, 2014).

In contrast with the *Burnhamite* or PNC era of governance (between 1966 and 1992), during the colonial period (pre-1966), there had been relative political neutrality, strict discipline and a strong workplace ethic at both government offices and in private sector jobs. People were hired based on their competence and qualifications and their ability to get the job done – no make shift jobs as under the PNC rule; meritocracy was at work. People were disciplined for violating work rules. And government contracts were given out in strict tendering processes based on merit and competence and an evaluation

of having the ability to get a job done (KN Jun 13, 2012). After the colony attained its independence, however, work standards declined and ethnic and party loyalty replaced competence and efficiency. Government contracts were given to friends, family members and party supporters. Kickbacks were essential in doling out government contracts. Tendering processes were violated and those who filed complaints were terrorized (KN Nov 14, 2013). The PNC misgoverned and abused power removing those who were productive. Loyalty to the PNC governing party, not competence, was a prerequisite for a government job. People used a graft to secure a government job or to get something done at a government office; this was practice started under the PNC right after independence in 1966 and has become common and widely since that time.

Ethnicity was also the main factor in hiring state workers (KN Jul 7, 2011; May 15, 2014) with PNC supporters being the main beneficiaries. Educators and sociologists alike suggested that part of the problem of poor work attitudes had to do with the PNC government discouraging productivity by rewarding laziness and loyalty of supporters with promotions (KN May 29, 2011) – appointing unqualified people at a post or what Guyanese called a “square peg in a round hole practice” (KN Dec 4, 2008). Party hawks and working spies were promoted or got all the plum state positions while competent, hard working, and conscientious staff were stuck at the bottom (KN Mar 8, 2014).

Government supporters saw no need to produce as they were getting paid whether they delivered on services or not. The government depended on them for support in staying in office and not for their productivity (KN Oct 25, 2012). And at any rate, many government supporters used to say “is awe (ours) own now and we don’t need to perform to be paid as the white man (colonial master) don’t control we any more” – this



description characterized the attitude of most government workers and PNC supporters (*KN* Apr 4, 2013; Dec 10, 2013). The government could not discipline workers fearing a loss of support needed to protect the government (*KN* Feb 5, 2013; *GC* Apr 13, 2011).

It should be pointed out that prior to independence, there was little or nothing to complain about with respect to the work attitude of employees within the country (*KN* Jun 11, 2012). People were disciplined as the colonial authorities and the foreign managers of MNCs kept a tight shift on running their businesses for profit. People simply followed the directives of the colonial masters and foreign managers and anyone who disobeyed was severely penalized or let go – a case of shape up or ship out. It was not so right after the country gained its autonomy as government refused to discipline workers. Under PNC rule, it was a time of conspicuous government consumption and poor work habits of workers in the state sectors – a period of fete (relaxation and celebration) and a declining work ethic. As Rampertab (2001) and other researchers have pointed out, government supporters were encouraged in this consumption pattern since they were getting what they themselves described as “free money” (employed by the state and many with no show jobs) which was guaranteed by the state as long as money was coming into the coffers but was reduced once business activities were curtailed and revenue unavailable. Even with the onset of structural adjustment measures in the 1970s and 1980s, that led to a suspension of make shift jobs, as soon as the economy picked up, the government reintroduced social welfare projects and offered job opportunities that required little skill or advanced training so as to shore up its political support among its ethnic base. It was clear that “the PNC policy makers had not learnt the lesson of belt tightening, (that it advocated during the 1970s and 1980s), or of changing direction to

guide its supporters towards productive work rather than remaining wards of the state”  
(Ibid; see also *KN* Sep 13, 2011; Jul 8, 2008).

### **Section J. Political & Ethnic Discrimination Against Individuals & Businesses**

The PNC government targeted and discriminated against individuals and private businesses based on political factors (party affiliation) and ethnicity (Rampertab: 2001). Ethnic supporters were favored and rewarded. The government threatened expropriation of private property and seizure of production if private businesses did not support the party, owners didn't become party members, businesses did not comply with directives to hire party supporters, farmers did not sell produce to state agencies; and or if businesses didn't give donations for party activities (Ibid). The PNC did not appreciate the economic rule that businesses have to be managed prudently and efficiently to cut waste so as to maximize revenues that can be reinvested in productive activities to create additional wealth and jobs and further adding to the tax coffers that would benefit the country including PNC supporters. The government failed to recognize that economic growth comes from business risks, investment and sacrifice – of people putting off instant gratification for future economic security so that capital could grow. Business investment is a form of deferred gratification of one's money so it can lead to additional revenues. It involves committing resources now into investments rather than using money for immediate consumption. Basic business sense teaches that sacrifices now will generate a return in the future for a better standard of living. Also, business confidence in a country manifests itself in the form of increased levels of investment activity by the private sector. Investments take place on the basis that the current and future environment is conducive to generating a level of return that makes the activity worth the risk of

investing one's money. Recognizing the damage the government was doing to the economy and marginalizing the non-government (private) sectors, people were not motivated to invest in businesses to grow the economy. Thus, the private sector's contribution to the economy shrank significantly affecting growth (Ibid) (see also [http://www.guyana.org/govt/From\\_Autocracy\\_to\\_Democracy\\_in\\_Guyana.pdf](http://www.guyana.org/govt/From_Autocracy_to_Democracy_in_Guyana.pdf))

Businessmen were looking for confidence from the PNC government to invest money to aid the economy but the myopic and racist regime provided none. Business growth and peoples' confidence in the political and economic environment are the keys to economic prosperity in a nation. People want confidence in a government to protect them and to leave them alone to produce and to carry out their activities without government interference or constant badgering for special favors that divert resources from the pursuit of profit. They don't want government to discriminate against them or instruct them to hire incompetent people just because they were/are party supporters. The PNC regime was constantly making demands on businesses for economic favors (donations, hiring party supporters, etc.) (*KN* Nov 4, 2013). The absence of investor and consumer confidence implied that people did not want to take risks in Guyana's future or in investment. Instead, under PNC rule, people sought consumption for their present well being or hoarded resources for future consumption instead of investing those resources, as a savvy businessman would do, in order to generate a gain (that benefited all through job creation and taxes) and then use the profits for consumption and gratification and keep on investing the remainder. Virtually little private investment was undertaken or encouraged by the PNC during the dictatorship (1968 thru 1992) and the economy was only liberalized (opened for investment) when the lending institutions set guidelines and

conditions for loans. The PNC had virtually decimated the business class that used to contribute the bulk of taxes to help the government meet its basic expenses of payroll (*GT* Oct 27, 2013; *GC* Apr 15, 2012; Jun 9, 2011; [www.applet-magic.com/guyana.htm](http://www.applet-magic.com/guyana.htm) ).

The PNC apparently did not learn simple economics that investments in productive enterprises will inevitably create permanent jobs instead of temporary make shift jobs for party loyalists at non-productive enterprises. Apparently, none of its advisors or consultants or intellectuals bothered to inform the PNC regime that productive work would create meaningful economic activity which could add to the availability of goods and services, generate tax revenues, boost GNP, create further employment, and spur the economy onto greater heights that could strengthen the PNC position in the country (*KN* Jul 29, 2019). The PNC saw everyone not supporting it as an enemy and took measures to alienate and marginalize them. The economy was bound to decline under such governance. By the end of the 1970s, Burnham's dream of making Guyana a utopia or a haven for his PNC supporters had become a colossal nightmare as even such loyalists lost faith in his leadership and ignored his edicts. Jobs for "the boys" only sapped into the potential of the economy by paying people for doing virtually nothing just because they reflexively supported the regime out of racial loyalty. During the 1980s, money ran out to pay state workers (party ethnic supporters) as not enough taxes were coming in from the once very active private sector. Increasingly, people turned to crime to fund their lifestyles and even the state had a hand in criminal activities especially against political opponents and wealthy supporters of the other parties (*KN* May 28, 2014; Sep 8, 2011; Jun 5, 2011; May 17, 2011).

At the same time, to meet rising demands from supporters for resources, the PNC

had to cut the limited resources Indians and other ethnic groups received in their neighborhoods and redirect them to Black neighborhoods. The Amerindians were neglected and marginalized (*KN* Sep 5, 2012). Since politics generally requires that you take care of your supporters first and foremost, and since African supporters were becoming restive from their declining standard of living, the PNC simply redirected resources to appease its supporters. In addition, since the PNC leadership had announced to its supporters that Indians were their enemies, the PNC government had to deny resources to the Indians in order to convince Africans that Indians were indeed their enemies and that the Indians posed a serious threat to them. Also, the PNC government had to make available positions for the swell of the unemployed among the growing African population. Thus, Indians and members of other ethnics, including professionals in the bureaucracy, were removed from government positions to make way for PNC supporters (Rabe: 2005; Gafar: 2003; *GT* Jan 25, 2015; *KN* Jun 6, 2011).

([www.google.com/search?q=Burnham%27s+removal+of+East+Indians+from+the+Guyana+army&espv=2&es\\_sm=93&biw=946&bih=636&tbm=isch&imgil=6UNQIIXyl4yqHM%253A%253Bhttps%](http://www.google.com/search?q=Burnham%27s+removal+of+East+Indians+from+the+Guyana+army&espv=2&es_sm=93&biw=946&bih=636&tbm=isch&imgil=6UNQIIXyl4yqHM%253A%253Bhttps%)); (see also [www.guyanajournal.com/Guyana\\_at\\_the\\_Crossroads.html](http://www.guyanajournal.com/Guyana_at_the_Crossroads.html)).

Burnham used deplorable violence and or the threat of violence to get Indians, members of other ethnic groups and the overall population to follow his dictates without dissent. There has been carefully orchestrated violence against Indians since the 1960s and this has continued for decades (*KN* May 23, 28, 2014). The following news reports give a sample of the violence used by Burnham against the population: *New York Times*: "East Indians flee race violence in British Guiana mining area." Wednesday, May 27th, 1964. *New York Times*: "Officials accuse Police in British Guiana of Violence." Thursday, May 28th, 1964. *Time Magazine*: "British Guiana race war." June 5th, 1964.

Newsweek Magazine: "Politics of violence." June 8th, 1964. Facts on File, Volume XXIV: "British Guiana." June 4, 1964 (Rampertab: 2006).

As some writers noted in the media and in books and journals, Burnham had established an ethnic state. Burnham took it upon himself to make the state the custodian of the welfare of the African population while simultaneously Indians and other ethnic groups were victimized and relegated to second-class status (Erriah: 2011, Mandle: 1978). And in so becoming, or as the Indians and other non-African ethnic groups perceived the actions of the PNC regime, the state discouraged Indians and other non-African groups from engaging in productive economic activities. Such a racially charged atmosphere was not conducive to investment and hard work. The non-African groups felt their economic activities would not fully benefit them and in fact would redound to the benefit of the PNC government to reward its supporters while furthering the oppression and *immiserisation* of Indians and other ethnic groups. So they withdrew their labor that would severely impact on trade and growth. Although there was a favorable balance of trade for primary export commodities such as bauxite, timber, rice, and sugar during the early 1970s, with the latter three industries being dominated by Indians (Guyana Chronicle, May 22, 2011), the Indians began to withdraw from economic activities (GT Apr 25, 2013). They would also grow just enough food for personal use or to sell to neighbors when the government proceeded with a policy of forced collectivization and price control for their produce. All aspects of the economy under the PNC regime during the mid 1970s failed to maximize their potential for growth and development – productivity in every sector declined (www.imf.org).

As political and racial discrimination against Indians worsened during the later

years of PNC misrule, especially during the late 1970s and 1980s (by this time most Whites and Chinese had already departed for foreign shores), the Indians increasingly withdrew their services and labor from the economy (Gafar: 2003). This led to a sharp reduction in economic activities that resulted in a decline in growth. The race politics practiced in Guyana, needless to say, was extremely harmful to the country. Burnham removed (competent and qualified) Indians and Whites from top governmental positions, causing them to become suspicious of his intentions and begin taking precautionary steps to protect their finances and well-being (*GT* Nov 3, 2014; Apr 25, 2013; *KN* Aug 31, 2011). Not surprisingly, many Indians among the educated class, following the steps taken by Whites and Chinese, began to emigrate to England and North America. Such a development started a wave of migration of brain power that helped to transform their newly adapted homelands; St. Kitts, St. Vincent, Dominica, St. Lucia, Antigua, Barbados, Trinidad, St. Martin, Turks, Grenada, Surinam, Fr. Guiana, Aruba, etc., all experienced growth with Guyanese investment and labor input. ([www.guyanausa.org/emigration.htm](http://www.guyanausa.org/emigration.htm); *KN* Aug 5, 2010; Oct 11, 2009; [www.tgmag.ca/magic/mt25.html](http://www.tgmag.ca/magic/mt25.html)).

The emigration of highly skilled and educated people leaving the country to work abroad had become a serious concern for growth and development. As economists pointed out, the brain drain or what is also termed human capital flight was one of the salient factors that created the skill gaps in the public and private sector organizations in Guyana. From the outset, Burnham had excluded competent Indians from government employment saying he could not trust those who were not supporters of his party in government management positions or state industrial leadership. Skilled Indians and trained professionals sought employment in the private sector. But the private sector

could not absorb the large pool of talented people within the country because of the nation's small economy, limited economic opportunities and government repression of non-supporters and the private sector. Skilled individuals had no choice but to seek economic fortunes and social fulfillment outside of the country. As economists have observed, the racist policies of the PNC regime just pushed people out. And when MNCs were forced out of the country through expropriation of their assets, they took with them several of their talented Guyanese staff to North America and Europe. The brain drain of the early 1970s began to have a negative impact on labor availability, economic prospects and competitiveness reducing the number of dynamic and creative people who could contribute to the development of Guyana (SN Jun 22, 2013).

According to Prof Erriah (2011), “the Afro-nationalist ideology and intellectual background of Burnham tintured and shaped his strategy of control of the state and national development”. Several African defenders justify Burnham's policy of *Africanization* of the state saying Burnham had no choice but to build “a racist or racial government because the Marxist PPP instructed Indians to boycott the regime” (SN Aug 18, 2008) and to engage in acts of violence against the PPP leaders and its supporters who wanted to destabilize the dictatorship or forced it to make concessions to the opposition. They note that Indians were unwilling to participate in any activity organized by the PNC – an argument not totally inaccurate. However, they fail to mention the main reason why Indians shunned the PNC – rigging of elections that denied the Indian PPP their rightful place as rulers of Guyana under democratic rule. This resulted in a fall in production and declining exports thereby lowering income for the government during the late 1970s and throughout the 1980s. Not surprisingly, GDP collapsed precipitously by



about 10% a year (GC Oct 15, 2014; Apr 23, 2014; Dec 23, 2010; Jan 5, 2011).

When stability returned and the race riots ended, between 1965 and 1970, the economy grew 1.5% annually positively (in real terms) as the imperialist nations pumped aid to prop up the Burnham government and encouraged MNCs to invest in industries so as to keep the socialist PPP out of office. Then for the period 1970-1977, the economy grew negatively (retracted or declined at minus) 0.7% annually although for a few years it grew positively when there was political stability ([www.imf.org](http://www.imf.org)). This was a period when the racial conflict resurfaced and racial discrimination against Indians was institutionalized leading to Indian withdrawal from the economy and increased migration. The PNC mobilized support based on race and furthered divisions among the different races in the pluralist society. This sense of division was exacerbated by the PNC implementing policies that increasingly dis-empowered ethnic groups not supportive of it especially Indians who were aligned with the PPP; this policy generally relegated Indians to second-class status. Also, the change from independent to republican status impacted negatively on the economy. In 1970, Burnham broke all ties with England declaring Guyana a republic triggering a drop in financial aid and trade with England. The change to republican status was opposed by Indians who were not consulted and who feared Burnham's motives given his other actions like election rigging, ending judicial appeals, and removing Indians and Whites from major government posts. Indians responded with labor strikes, and they also began to withdraw from economic activities that benefited the state coffers. ([http://www.guyana.org/govt/From\\_Autocracy\\_to\\_Democracy\\_in\\_Guyana.pdf](http://www.guyana.org/govt/From_Autocracy_to_Democracy_in_Guyana.pdf); See Gafar: 2003; Seenarine: 2006; KN May 16, 2013; Sep 26, 2010; Jul 11, 2010).

Beginning in 1971, Burnham squeezed the private sector (*GT* Aug 30, 2014). Burnham began to nationalize foreign owned bauxite companies and banks while also bringing in his own supporters to oversee them. Retained workers resented the new management, especially those who were less qualified than they, and as such they did not labor enthusiastically for the state. This led to under productivity and even sabotage of industries. By 1972, several MNCs came under government control with disastrous consequences for the economy that saw growth rates first stagnated and eventually fell ([issuu.com/washdiplomat/docs/guyana\\_final](http://issuu.com/washdiplomat/docs/guyana_final)) (*KN* Jun 16, 2014; May 26, 2012).

Burnham rigged the election of 1973 prompting Jagan to call a labor strike that lasted for months. There was also a lack of cooperation from the Indian party in economic and political policies that saw growth rates dipping sharply in 1973 and 1974. To appease his political opponent, Burnham entered into discussions with Jagan in 1974 and reached agreements for economic cooperation, including the recognition of the Jagan-led Guyana Agricultural Workers Union (GAWU) representing Indian sugar workers (*KN* Oct 14, 2013). And in 1976, Burnham answered Jagan's call to nationalize the British owned sugar company Bookers that used to employ more than 25% of the work force. With an end to labor strikes and Jagan's cooperation in controlling Indian militancy against the regime, the years 1975 and 1976 were very stable and saw positive growth rates exceeding 5% -- due to increases in agricultural and bauxite production. But in 1977, following the nationalization of the sugar industry and the replacement of foreign management with PNC supporters, the economy began to decline, never to recover again under PNC rule. Indian sugar workers went on strike demanding higher wages, a share in the sugar profit, and a reversal of food policies that banned imports of

food staples that form the basis of the Indian diet. Burnham was unyielding to the demands. Around this time, the major industrialized countries also turned the screws on Burnham for his nationalistic economic policies and expropriation of foreign multinational companies. This period also saw political violence and the arrests of opposition politicians (particularly those from human rights groups opposed to the regime) triggering labor strikes. Not surprisingly, a severe economic downturn characterized 1977 (Ibid; Gafar: 2003; Ishmael: 2012; *KN* Aug 1, 2014; *GC* Apr 5, 2014; [www.refworld.org/docid/469f38931e.html](http://www.refworld.org/docid/469f38931e.html) ; [www.guyana.org/.../chapter3.ht...](http://www.guyana.org/.../chapter3.ht...); [motherearthtravel.com/history/guyana/history-9.htm](http://motherearthtravel.com/history/guyana/history-9.htm); *KN* Dec 1, 2013; Dec 22, Feb 22, 2009; [www.mongabay.com/reference/country.../guyana/ECONOMY.html](http://www.mongabay.com/reference/country.../guyana/ECONOMY.html)).

Racial tension began to worsen between 1978 (the year of the illegal referendum that was designed to expand the powers of the Chief Executive and the government – creation of an executive Presidency), as Indians launched a nationwide boycott of the polls, and in 1980 (year of fraudulent election) (*KN* Nov 20, 2009). In protest against the rigged referendum and 1980 election, Indians in productive sectors (such as rice and sugar) of the economy sabotaged sugar production by burning cane fields and refusing to cultivate farmlands (Ibid). They also continued to migrate in large numbers abandoning arable lands that became fallow. By withholding their labor, they affected productivity and by extension gross domestic product (GDP), and real economic growth declined at about 2% a year between 1978 and 1980 (Ibid; *KN* Jan 13, 2010; Aug 25, 2013).

The Guyanese economy, not surprisingly, regressed during the PNC's tenure in office from 1965 thru 1992; between 1980 and 1988, for example, the economy declined

2.8% annually<sup>14</sup>. (*KN* Feb 7, 2013; *SN* Aug 12, 2011). For the period between 1989 and 1990, the economy also grew negatively at 4.4% and 3.2% respectively (*SN* May 27, 2009; *Table section*). Most private Indian farmers had virtually stopped tilling their land and were unwilling to sell their crops to state enterprises that offered low prices (*SN* Oct 27, 2011). Also, Indian sugar workers engaged in strikes demanding the restoration of democracy and an end to racial discrimination. In response, in 1991, the Black minority government, at the recommendation of foreign advisors from the World Bank and the British Commonwealth office in London, began to reverse policies that had institutionalized persecution of and discrimination against Indians (in particular) and members of other ethnic groups (*KN* May 20, 2013; Mar 29, 2010; *SN* Sep 3, 2010).

### **Section K. Collapsing Business Environment & Agriculture**

Caribbean economists had advised during the 1970s that if the governments of the region, particularly Guyana, did not allow the private sector to flourish and if they do not focus on agriculture, it would lead to economic calamity and social inequities among haves and have nots as well as ethnic polarization negatively affecting development (*KN* Jul 28, 2009). Their prognosis would turn out to be correct with respect to Guyana as Burnham shut out the private sector and neglected agriculture that was crucial for creating jobs as well as raising scarce capital needed for industrialization and technological innovation to lift the economy out of abject poverty (Dacosta: 2005; 2003). By the 1980s, Guyana, which at one time was referred to as the breadbasket of the Caribbean, began importing basic foods including sugar and rice from other Caribbean territories to meet domestic demands (*SN* Aug 31, 2011; Sep 17, 2009; Aug 18, 2008).

---

<sup>14</sup> Guyana: From Economic Recovery To Sustained Growth. Washington: World Bank Country Study. 1993.

The economy had bottomed out falling to an all time low during the late 1970s and worsening thereafter primarily because of policies attributed to government prejudice. The decline was significant during the 1980s during which period basic foods and supplies for industrial production were virtually non-existent due to a lack of appropriate technology, skilled personnel, qualified management and a shortage of foreign currency, among other factors. This period saw very low per capita income and stagnant or negative growth (KN Aug 6, Apr 12, 2014; Nov 13, 2011).

Prof John Gafar's book (2003) extensively discussed the collapsing nature of the business environment and the nature of economic discrimination in Guyana that led to the ultimate collapse of the economy. Analogously, Prof. Jay Mandle (1982) pointed out that the Burnham African government was unable to transform the agricultural (largely dominated by Indians) and other sectors (business largely dominated by Whites and Chinese) of the economy in a manner that could enable him and his African PNC party to control national production of a range of goods and services to distribute to the population at large (Africans included). And as such, the economy began crumbling leading to widespread shortage of food and even basic items like toilet paper that led to much suffering. Mandle (1973) contended that a successful development strategy for the country depended on the harnessing of the energies of the agricultural work force (courting of and support from Indians) but the PNC was incapable of making the linkage (124-25) because of its racist policies. Guyana had comparative advantage in agricultural production, but out of spiteful policies against Indians, the PNC neglected agriculture (KN Oct 14, 2014; Dec 9, 2012). And not unexpectedly, the economy slid downwards into a basket case (SN Oct 16, 2014; Dec 16, 2013; Feb 13, 2009; KN Apr 11, 2010).

As the Guyana case illustrated, when a regime practices racial discrimination, people are discouraged from hard work and from contributing to state coffers. The destructive policies pursued by the Black PNC government in the commercial sector (trading controlled by the Whites) and in the agricultural and retailing sectors of the economy (both largely dominated by Indians), had a major bearing on the decline in economic growth and overall development of Guyana (*GT* Aug 30, 2104). Between 1965 and 1990, for example, the minority Black government marginalized Whites in businesses and sought to exclude and or discourage Indians from participating in the most productive sectors of the economy such as farming, lumbering, and mining (*Ibid*). The economy suffered (*KN* Oct 19, 2012). In its desire to appease and satisfy the needs of its Black constituents and to punish Whites and Chinese for supporting the UF, the PNC virtually destroyed their businesses (*GT* Nov 14, 2014; *KN* Dec 23, 2014). To punish Indians for supporting Jagan and his PPP, the PNC shifted resources away from agriculture and the rural areas where Indians have historically predominated and towards urban areas where Blacks have concentrated since the end of slavery and especially in more recent years. Infrastructure in urban areas was built up whereas infrastructure for food production (such as drainage and irrigation in communities where Indians farmed) was allowed to collapse so as to weaken an Indian dominance over food production with the hope it would weaken the PPP voting stranglehold over Indians; rural areas, for example, had limited access to pipe borne water (*KN* Oct 23, 2009; Dec 13, 2008; Apr 5, 2014). In the process, food production became the victim (*KN* Jun 26, 2011; Oct 25, 2009) with the entire country suffering from food shortages.

Agriculture (which historically has been dominated by Indians and historically the

mainstay of the economy and which has been the primary source of employment of Indians) was terribly neglected by the government (*GT* Jan 24, 2015; *GC* Sep 17, 2014; Ishmael: 2012). Farming communities suffered as a result of neglect and racial discrimination ([www.guyana.org/.../chapter5.ht...](http://www.guyana.org/.../chapter5.ht...)). Such neglect resulted in its near collapse by the early 1980s and a swell of unemployed among Indians most of whom earned their living working on farms (*KN* Jun 28, 2013). According to veteran journalist Hyder Ally, an executive member of the PPP, the sugar and rice industries that served for centuries as the largest contributor to the economy were destroyed by the PNC to get back at Indians for not supporting Burnham. Sugar and rice were neglected to teach the Indians a lesson. “The sugar industry was treated by the Burnham PNC aligned administration as a political football and was literally kicked around at the whims and fancies of the PNC regime. The problems encountered by the Corporation had little if anything to do with the nationalization of the industry and everything to do with mismanagement and political shortsightedness on the part of the PNC administration against the opposition and its supporters. Sugar workers were broadly regarded by the PNC regime as members and supporters of the PPP and every effort was made to squeeze the last drop of juice out of the industry with very little of the surplus extracted being utilized to adequately compensate sugar workers and or for re-capitalization of plant and machinery” (*KN* May 14, 2011). As Hyder Ally posited, one consequence of PNC’s vindictiveness towards the sugar industry (and later the rice industry) was an exodus of labor away from state lands producing sugar and rice resulting in the collapse of both industries. The PPP had to rescue the sugar and rice industries after it was returned to office in 1992 as it also did in 1957. The PPP saved sugar, rice and the agricultural sector

of the economy despite facing enormous problems from the PNC and its Afro supporters during both periods of its governance. The PPP was trying to ensure the sugar industry's 30,000 workers and the rice industry's 10,000 workers continued to earn daily sustenance for themselves and their respective families. The PNC "accused the PPP of protecting their base by securing the sugar industry and cried that the PPP did not invest similar resources in bauxite to protect African workers who support the PNC. The PNC threatened that should it return to office, it would privatize the sugar industry, an action likely to put thousands of workers on the breadline" (KN May 14, 2011; GT Mar 12, 2014; GC Mar 12, 2014). Despite the enormous challenges facing the industry, the PPP government has vowed "not to close down the industry or to privatize it" as advocated by opposition PNC elements (Ibid; GC Mar 13, 2014).

The neglect of agriculture led to reduction in income and decreasing tax contributions to national revenues for the state and ultimately the GDP (GC Feb 20, 2012). It also led to food shortages and seizure of food production to enhance party supporters. Indian leaders charged that the PNC government institutionalized racist policies to hurt the economic status of Indians resulting in their drawing back from the official agricultural sector and turning to the underground economy for survival (GC Jan 28, 2011). Having felt slighted and discriminated against and forced to sell their produce to state agencies at below cost prices to the benefit of supporters of the PNC, Indians increasingly abandoned their prime farmland leaving them fallow (SN Jan 26, 2009). Such a move led to rising starvation in the country, something unimaginable at the time of independence as Guyana was considered as the breadbasket of the region (GC Mar 5, 2012; Apr 13, 2012). Rice farmers, for example, were forced to sell rice by decree to a



state owned Rice Marketing Board (RMB) that set prices below the cost of production – a disincentive to grow rice. This caused farmers (almost all of whom were Indians as compared with the RMB comprising almost all non-Indians) to abandon most of their lands leaving them fallow or growing just enough to eat and sell to neighbors (*KN* Apr 4, 2009; *GC* Sep 25, 2011). This deeply hurt consumers and the overall economy. The government also monitored the production of other farm products (like coconuts, plantains, pineapples, pumpkin, cassava, yams, other ground provisions, sugar cane, citrus, etc.) garnishing much of the products and establishing price controls that made it unprofitable for farmers to remain in farming; the farmers sold goods at black market prices way above state directed prices risking fines and or peddled their produce illegally across the border where produce commanded much higher prices than Guyana state controls allowed (*KN* Jul 1, 2008; Sep 7, 2008) (<http://www.mongabay.com/404.shtml>). (see also [www.guyanaundersiege.com/Leaders/Burnham1.htm](http://www.guyanaundersiege.com/Leaders/Burnham1.htm)).

When economic conditions dipped for the worse with food shortages, Burnham forced people to cultivate food around their homes and he required that big farmers turn over surplus produce to his state agency. It was a disastrous diktat for Burnham to make every citizen a farmer including those who knew nothing about farming and those who were university educated in other fields. Farming is not for everyone unless there is some motivational incentive or a cultural attachment as developed among Indians for generations in Guyana bringing those cultural values of rice production from India. Not many people, not even his hardcore supporters, took Burnham seriously on farming but they went through the motions of engaging in farming (and collecting money, equipment, etc.) to appease the dictator so they would not be bothered or victimized by him. Large amounts of money were wasted on this thoughtless, misconceived, and senseless scheme

of forced farming that produced virtually no food and in fact drove people away from farming. Socialist farm collectivization was just one area in which Burnham contributed to the collapse of the economy under PNC rule (Gafar: 2003; *KN* Jun 6, 2011; *SN* Jan 26, 2009; Oct 17, 2009)(see [www.guyana.org/.../chapter23...](http://www.guyana.org/.../chapter23...) ; [www.guyana.org/.../chapter23...](http://www.guyana.org/.../chapter23...)).

Another Burnham economic blunder was establishing trade policies that made the government the sole importer of virtually all goods replacing companies owned by the Portuguese, British and Chinese who had formerly controlled foreign trade (the import and export market) and most retailing outlets all during colonial rule and into the early 1970s (*GT* Jan 25, 2015). The PNC controlled state corporations (co-operatives and shops called Knowledge Sharing Institutes) also became the primary wholesaler of goods supplying retail stores and withholding supplies to non-supporters of the government (*GT* Jun 21, 2014; *KN* Sep 2, 2013; Sep 9, 2008). Party affiliated coops also set up retail outlets throughout the country and were often the only shops supplied with goods (when available) from government wholesales thus driving small shopkeepers out of businesses (*KN* Nov 30, 2011). The government also put in place price controls that were strictly enforced with retailers having to pay hefty fines when caught selling goods above price controls. Private businesses were losing money and the Chinese, Portuguese and British closed up business operations since they were prohibited from importing goods. They departed for foreign shores especially Barbados, Canada, America and Australia where they started successful businesses and contributed to the growth of those countries. Not surprisingly, Barbados began to do much better than Guyana economically as Dacosta (2005) showed in his comparative study of both countries. Prof. Bertrand Ramcharan of the Geneva Graduate Institute of International and Development Studies lamented the

abuses and racially inspired attacks inflicted on the different ethnic groups by Burnham's Afro dictatorship long after colonialism ended. Prof. Ramcharan noted that after the PNC took power in 1965, ethnic groups not supportive of the PNC suffered terribly and "most of the Chinese and Portuguese left the country (settled in Australia, Canada, Barbados, etc.), and today's descendants of indentured Indians find themselves in the same quest for dignity and equality as the descendants of African slaves and of the Guyanese population at large" (SN Sep 3, 2010; KN Sep 13, 2010). The non-supporters of the regime were harassed, victimized and hounded out of the country during the tenure of PNC (mis) rule and Indians were essentially treated as third class citizens (KN Sep 21, 2011).

Burnham also promoted the idea of cooperatives (joint ownership of a business) in which people would form co-ops (businesses especially in the areas of banking, agriculture, retail and wholesale trade, etc.) (SN Mar 20, 2014; Jan 13, 2008). Police, army, teachers, banking and other types of cooperatives were formed among African supporters of the PNC with active government encouragement and funding (SN Jan 6, 2013). Few Indians partook in coop schemes. Indians and other ethnic groups largely withheld their participation in such coop ventures because they did not see themselves as beneficiaries, and they were discouraged from participating in such venture by ethnic and party leaders opposed to the PNC. At any rate, the Indians were not given funding for coops and did not want to establish co-ops or partake in activities that would benefit the regime (SN Jul 12, 2011). The state poured millions of dollars into the cooperatives and gave out unsecured loans to its supporters with hardly any return from the investment (KN Dec 18, 2009; Sep 8, 2008). There was no accountability and transparency in the cooperatives and virtually all of them fell into bankruptcy. Poor Africans who deposited

money in the African agricultural cooperatives and banks lost their deposits (SN Jan 6, 2010; Oct 7, 2013; Dec 17, 2009). Private wholesalers were shunted aside denied good to supply retailers. The state agencies controlled the distribution of goods and PNC affiliated cooperatives received preference for supplies over retailers from other ethnic groups (GT Aug 31, 2014)([www.franzlee.org.ve/coopguy.html](http://www.franzlee.org.ve/coopguy.html)). This naturally increased resentment among the other groups against the PNC and its African supporters. The state KSI distribution outlets collapsed because of a lack of accountability and the attitude of Burnham's supporters that they were entitled to the goods for free because it was "their government" that was in control of the nation. Their attitude was, "It's we government; we entitled to it". Critics noted that the PNC created this dependency syndrome among its supporters in order to control and manipulate them for political objectives, a policy which led to devastating effects on national development (KN Dec 1, May 19, 2013; Jan 1, Oct 26, 2011; GT May 17, 2014). (see <https://books.google.com/books?isbn=1136263160>).

Like the Chinese and White entrepreneurs, many of the Indian shopkeepers also found business to be a losing proposition especially retail shops because of strict price control (that led to jail term and fines for violations) and shortages of goods to satisfy consumer demand (SN Apr 21, 2011; Sep 17, 2009). Many simply closed up operations and migrated like the Portuguese and Chinese to North America and Caribbean territories (KN Jun 30, 2011; Jan 14, 2014; May 5, 2010). In time, government control of the economy and foolhardy policies towards the private sector led to a shortage of basic goods fueling an underground economy. At the same time, the PNC government was encouraging its supporters to go into business ventures and farm production. The PNC doled out huge amounts of state lands to its supporters and offered them soft loans to

engage in farming and shop keeping. But the enterprises never took off even when the money was made available to them. Most of the government loans were never repaid resulting in huge losses for the state. The PNC government also offered subsidies and incentives to lure Africans into farming, but there were few takers. Most Blacks did not want to return to the farmland (SN Oct 17, 2011). Most of the Africans had abandoned farm life right after emancipation from slavery and few have returned to the land in spite of continuous imploring from African leaders that farming was the key to their well being (SN Feb 14, 2007). Burnham beseeched them to engage in farming but they ignored him (SN Oct 28, 2007; Set 8, 2012). However, they took advantage of the PNC government's incentives (including loans, subsidies, grants, and seedlings) acquiring land and then sublet the land (for a fee) to Indian farmers. Many who obtained lease lands from the government rented them to Indian farmers because they did not want to be bothered with farming. Burnham also doled out subsidies to his supporters by way of near free materials for housing and services as well as seedlings and fertilizers to farmers. Many who received freebies or subsidized resources sold them to Indians who were only too happy to purchase them at bargain prices. Also, they saved time and money by not having to line up at government outlets begging for essential supplies and or paying bribes for materials to grow food to feed a nation where food was scarce (SN Jan 26, 2009; Oct 17, 2009). (See also [jagan.org/CJ%20Articles/In%20Opposition/Images/2304.pdf](http://jagan.org/CJ%20Articles/In%20Opposition/Images/2304.pdf)).

Under PNC rule, virtually no assistance was rendered to Indian farmers or incentives offered to encourage food production. Fertilizers, machineries and spare parts for farm machines were in short supply thereby limiting production in all spheres of economic activities (SN Feb 3, 2009; Jan 20, 2010). And during periods of drought, flooding and

other natural calamities, when crops were destroyed (*SN* Nov 14, 2013) the government offered no financial assistance to Indian farmers while African communities were discreetly targeted for helpful assistance. In fact, farmers had to go through a state agency, Rice Action Committee (RAC), controlled by an African staff, to obtain fertilizers, seeds and machinery for rice cultivation. In order to control the rice trade, Burnham established the Rice Marketing Board (RMB) and required all rice producers to sell their produce to the RMB. He introduced a Rice Pricing Scheme (RPS) under which the RMB procured stocks at a price below the market price per bag from the farmers (*SN* May 19, 2011; Sep 3, 2010; Sep 13, 2010). The government also established a grading scheme for paddies that was not always based on merit; a bribe raised the grade that fetches a higher price. Often good paddies received low grade and the government resells it as a higher grade cheating farmers of their labor. This process obviously discouraged farm production. (see GC Jan 28, 2011; [en.wikipedia.org/wiki/Agriculture\\_in\\_Guyana](https://en.wikipedia.org/wiki/Agriculture_in_Guyana); [www.guyana.org/.../chapter23....](http://www.guyana.org/.../chapter23....); *KN* Oct 25, 2009; [www.guyana.org/.../chapter23....](http://www.guyana.org/.../chapter23....)).

During the oil shocks that led to high energy costs in the 1970s and 80s, Indian farmers were not assisted while African communities were recipients of fuel deliveries. The prices of natural resources and energy rose steeply thus making it unprofitable to grow food or out fishing. The prices of manufactured goods rose steeply on the back of very high input costs especially from higher energy costs. The government offered no oil subsidies to Indians to encourage farming and agro industries. There developed a stifling bureaucracy, with red tape to get government clearance on proceeding with farm projects as well as to obtain scarce foreign currency to purchase equipment and fuel. Also, the constant demands for bribes by civil servants deeply frustrated Indian farmers who threw

their hands hopelessly in the air as they struggled to feed the nation. Not surprisingly, erstwhile Indians farmers opted to abandon the land from the late 1970s rather than cave in to briberies and abuses. They then began to migrate in droves to greener pastures overseas as laborers (SN Jan 6, 2009; Dec 15, 2008; Dec 11, 2010). Many migrated to neighboring Surinam and Trinidad where they turned around the dying agricultural sectors particularly rice and sugar production) of those economies (SN Jan 18, 2014). Surinam became self-sufficient in food production (producing record amounts of rice) as a result of the labor of Indo-Guyanese migrants who effectively developed the farmlands (SN Jul 5, 2009). Some Indo-Guyanese also migrated to French Guiana where they became successful entrepreneurs and or tended farms, established fishing industries and worked in mines excavating large quantities of minerals including gold and bauxite (SN Jun 12, 2009; Sep 12, 2009; Jan 7, 2013). ([guyana.hoop.la](http://guyana.hoop.la) › ... › [Political Discussions](#) ; [www.sjsu.edu/faculty/watkins/guyana.htm](http://www.sjsu.edu/faculty/watkins/guyana.htm)).(www.guyanausa.org/emigration.htm)

The departure of Indians from Guyana took a huge toll on farming, investment, GDP, availability of food for domestic consumption, and the standard of living during the 1970s and 1980s (SN Feb 20, 2009; May 28, 2009). The economy was largely based on agriculture (KN Jul 28, 2009). Manufacturing contributed only 14% on average to GDP, and services (which involved exclusively domestic consumption, as Guyana attracts no tourism) amounted to some 45% of GDP. An IDB study found Guyana had the highest ratio of agriculture to GDP of countries in the hemisphere. Agriculture as a proportion of GDP averaged 28% annually during the 1980s and much higher in earlier years. The study also revealed that bauxite production, at one time second in importance to sugar, averaged only 5% of the total GDP for the same time period. The bauxite industry was

the largest employer of PNC supporters outside of the civil service and the government found it necessary to pour greater resources into the bauxite industry but it was only sapping up capital with negative returns. Bauxite declined in productivity and became a drain on the economy. Gradually the government dispensed with related bauxite operations. In the meanwhile, the government had neglected agriculture that was the lifeblood of the economy denying itself critical revenues. Agricultural and bauxite production would recover during the late 1980s as a result of the economic reform program, and by 1989 their respective contributions were 47% and 11% for that year alone. <http://www.iadb.org/res/publications/pubfiles/pubr-401.pdf>; *SN* Dec 13, 2013)

#### **Section L. Rising Debt Level, Liberalization & Economic Turn Around:**

Guyana faced a serious debt problem running deficits from the 1960s thru the 1980s with the problem coming to a head on collision with lending institutions and banks that put an end to lending around 1985 (*KN* Aug 13, 2012; Jul 19, 2009). Since the 1960s, the government had resorted to borrowing to pay for imports and the debt kept building up until it reached some \$2.2 billion or US \$30K per capita by 1992 when it was hardly a few million dollars when Guyana became independent in 1966 (Dacosta: 2005).

As export revenues fell, the government began borrowing abroad to finance the purchase of essential imports. External debt ballooned to US\$1.7 billion by 1988, almost six times as large as Guyana's official GDP, and would hit \$2.1 b by 1992, some seven times the GDP. Because the government funneled the borrowed money into consumption and paying public service workers (its supporters) rather than put the money into productive investment, Guyana's economy did not ease its debt burden. Instead, the government became increasingly unable to meet its debt obligations. Guyana was placed



in the unenviable position of being one of the most highly indebted countries in the world. (<http://www.mongabay.com/history/guyana/guyana-health.html>) (*SN* Jan 22 and 5, 2007; *KN* Jan 25, 2013; Sep 10, 2011; Jan 14, 2009).

Declining productivity led to a shortage of revenues to fund projects or pay state workers. Revenue shortfall was further worsened by the high crime rate, especially the brazen robberies and killing of business people (*KN* Jan 15, 2014; *SN* Oct 20, 2012; Aug 14, 2009), food shortages, declining standard of living, and racial discrimination triggered a massive brain drain and capital flight. This led to lower than expected national output in all sectors of the economy. Because of the brain drain, competent workers could not be found to run basic industries and private investment was discouraged through the nationalization policy. With earnings not coming in and Guyana hardly selling goods abroad, there developed a prolonged shortage of foreign exchange especially between 1975 and 1992 making it difficult to pay for imports of spare parts to service machinery or buy new equipments further crippling the economy. The government was forced to borrow money that kept on increasing to make up for declining revenues and increasing expenditures. An IDB study on Guyana reported, “the export of each major commodity declined more than 50% during the 1980s, despite the availability of markets” ([www.iadb.org/res/publications/pubfiles/pubr-401.pdf](http://www.iadb.org/res/publications/pubfiles/pubr-401.pdf)). This contributed to the rising debt situation so much so that by 1987, “Guyana’s external debt was 600% of GDP. High international interest rates added to an already unsustainable burden of debt service resulting in debt obligations going in arrears and the government unable to even service the debt with interest payments” (Ibid; *Table section*). Macroeconomic indicators all suggested a major disequilibrium. For example, foreign exchange reserves remained zero

for several years. The country ran huge balance of deficits averaging US\$183 million a year during most of the 1980s. Domestic inflation averaged way above world inflation. Bank of Guyana credit to government was over 300% of the monetary base and there was a high rate of cumulative inflation that hit triple digits (Ibid) impacting on standard of living. The debt was so high that it rendered Guyana the status of a heavily indebted country, making the country eligible for debt cancellation during the 1990s under the Paris Club loan forgiveness program for highly indebted poor countries. Almost US \$800 M was written off from Guyana's debt of US \$2.2 B (SN Feb 14, 2013).

Hoyte was under pressure from creditor institutions and Western governments to address the debt problem. He agreed to privatize most of the sixty state owned companies (Decaires: 1988) under a policy that was known as the economic recovery program (ERP) that was prepared by economists from the Commonwealth and international banking institutions. Hoyte was promised a restoration of loans from creditor institutions if he denationalized state enterprises. Also, Caribbean leaders demanded that he pursue reforms and embrace Indians who were heretofore victims of racial discrimination, in exchange for the recognition of his regime that rigged the December 1985 elections. Hoyte proceeded to invite Guyanese businessmen who had migrated to return home telling them that Guyana was reopened for business. Hoyte also acquiesced to almost all demands from the business community on ending state control of imports and exports, price controls, collectivization, and the ban on importation of foods and to open up the economy as had once existed during colonial rule (SN Jun 21, 2014; KN Jul 4, 2011; Sep 30, 2010). He also decided to do away with the burdensome cooperative sector and to allow businesses to compete with the state in imports and

exports (SN Sep 5, 2008). Although these reforms were not of his own doing but foisted upon the dictator by the IMF, World Bank and the Commonwealth as conditions for bailout loans, they helped to turn around the economy (KN Dec 4, 2014; May 20, 2013).

It was felt that the reforms would help cut public sector inefficiency and waste and reduce the size of the bloated bureaucracy and turn around the economy. It was also felt that economic reforms would provide greater scope to the private sector, attract more investment, bring in new technology and revive economic growth, improve economic efficiency, stimulate the private sector to invest in the country, and mobilize more foreign companies to start new industries. Hoyte agreed to restore economic freedom, resulting in Indians returning to economic activities. In terms of investment, an American company was allowed to open a bauxite mine, and two Canadian companies were permitted to develop what became the largest open-pit gold mine in South America. A Malaysian company was granted a license and land to make plywood. Sugar was placed in private management. However, efforts to privatize the two state-owned mining bauxite companies, Berbice Mining Company (Bermine) and Linden Mining Company (Linmine) were unsuccessful though they were put in control of private management (SN Feb 6, 2011; Aug 5, 2008). Hoyte also assented to a request from a Caribbean media magnate Ken Gordon of Trinidad to obtain a license in 1986 for the publication of an independent newspaper Stabroek News (although newsprint was denied to the publication under the excuse of limited foreign exchange). The paper received a substantial grant from the US National Democratic Institute to start its own press and import newsprint and instantly became popular and the leading paper (SN Dec 10, 2008).

Indians from all sectors of the society cheered the economic opening. Indian

farmers generally welcomed the removal of price controls on their crops and the collectivization of produce. Importers and exporters were happy they could freely trade with other countries. Retailers of all ethnicities also cheered the removal of price controls on goods and allowing shops in the private sector to compete with government stores (KN Jan 11, 2013). Initially, the ERP was stalled by strikes by the PPP-affiliated labor unions, particularly in the sugar industry, concerned about privatization of state corporations at give away prices. But overall, privatization of state enterprises and removal of crippling restrictions helped to stimulate economic recovery. Similar approaches to privatization also took place in many other socialist and Latin countries and led to growth and increases in standard of living. Privatization contributed to the growth registered from 1990 onwards by the Guyanese economy. The economy began to show a turn around in the late 1980s because of investment in agriculture, the opening up of the economy, and the sale of government corporations (KN Dec 12, 2010). Previously, Indians were targeted for robberies. Pressured by the U.S and human rights groups, the PNC government also decided to improve its human rights record and decrease its abuses of Indians during the late 1980s (KN Dec 31, 2008). Hoyte actively courted Indians and committed to providing them with the physical cover of safety and security from bandits and racist thugs. Hoyte ordered the police to provide protection to the business community as well as residential areas where Indians were living. Under Hoyte's liberal reformist policy, Indians started acquiring government assets and investing in agriculture, stores, and *foreign exchange cambios* (SN Jan 26, 2011; KN May 27, 2011). Indian farmers began tilling the land that resulted in growing export of primary commodities and food production. Also, businessmen from among all ethnic groups began to invest

heavily in the economy. This lifted the economy out of its doldrums as it showed signs of growth (*KN* May 29, 2011; Dec 12, 2010). ([www.nationsencyclopedia.com.Guyana](http://www.nationsencyclopedia.com/Guyana)).

The economic progress of the late 1980s supports the contention that the state of the economy and the nation's well being are closely tied with the policies of the ethnic backed regime towards other ethnic groups and ethnic relations. When Indians, Portuguese, Chinese and other groups were persecuted, as happened between 1968 and 1988, they restricted their economic activities and withdrew their capital with the result that the economy suffered (declining standard of living and negative growth rates). When policies were perceived to be non discriminatory and non punitive, Indians and others were willing to work with the regime, invest in the economy, and engage in productive activities that led to a turnaround in the economy (with rising growth rate and higher standard of living. It seems that when everyone is/was at a relatively equal (ethnic or otherwise) footing and people are/were free to pursue their economic dreams, all groups feel/felt encouraged and motivated to work to their maximum ability since they can experience tangible self enrichment. When persecuted and forced to produce for the state with benefits hardly accruing to them personally or to their groups, people tend to withhold their labor and the economy suffers. That was amply illustrated in Guyana during the period from 1990 thru October 1992 under PNC rule and since then under PPP rule when liberal economic policies replaced state directed policy development (*SN* Sep 17, 2009; Grenade: 2012; Gafar: 2003; [www.centralbank.org.bb/.../FACING\\_GLOBA..](http://www.centralbank.org.bb/.../FACING_GLOBA..)).

### **Section M. Parties' Blame Game & Failure of Non-Capitalist Development**

In examining Guyana's negative growth rate and its failure to develop<sup>15</sup>, it is fair

---

<sup>15</sup> Social scientists view development from their respective disciplinary perspectives and there is disagreement on what constitutes development – whether it should include life expectancy, infant

to say as Prof. Paulette Pierce (1984) and other writers asserted, that the country has faced serious economic problems (SN Nov 7, 20017). The country's economic problems worsened when the Forbes Burnham dictatorship embraced the model of a non-capitalist path to development. It was squeezed on all sides – by international imperialist determined to make the model fail, as well as domestic forces that felt the government was not radical enough. The Marxist Dr. Cheddi Jagan who wanted a multi-racial national unity, multi-party government rather than a government of one race and one party also pressured the dictatorial regime. Jagan felt he was illegally excluded (through fraudulent elections) from playing a meaningful role in the development of the country. As such, Jagan took counter measures to undermine Burnham's policy whenever Jagan felt Burnham's policy was not socialistic or radical enough (SN Oct 6, 2010).

As Pierce and other writers asserted, the two dominant parties, PNC and PPP, have blamed each other for declining standard of living and failed development, and in fact, any objective commentator would hold both accountable for failed development -- their unwillingness to unite the working class and or to cooperate to fight imperialist forces. The two dominant parties have blamed each other for failed development. Some of these problems are from domestic policy blunders, and some are a result of the international economy. Some of the economic problems in the country owe their origin to the past practices of imperialist forces, colonialism, shortage of domestic capital, the nature of global market forces, adverse terms of trade, banking system, and to the subsequent rise and internationalization of capitalism. But some of the problems are tied to and sustained by social institutions such as the ongoing racial conflict between Indians

---

mortality rate, fertility rate, GNP per capita, GDP growth rate, socio-politico role of women, health, calories intake, political and economic freedom, nutritional intake, etc. Development is used here in generic terms to include all aspects of human conditions and living.

and Africans. It has been the failure of both the PNC Black government and the Indian PPP to successfully address the racial conflict head on and to find an amicable solution for easing racial tension that would lead to stability enabling economic expansion.

It is indisputable that some of the development problems (poor government economic policies) are of Guyana's own making. For example, the dictator Forbes Burnham pursued racially inspired political and economic policies (nationalization and socialism) that left people who once enjoyed a comfortable life in dire deprivation and abject poverty (*SN* Sep 3, 2010; Jul 8, 2009). Prof. Clive Thomas (1983) asserted that the process of nationalization served to strengthen the authoritarian state with its control over the bureaucracy and the military, both almost exclusively in the hands of party supporters, and the enunciation of a new domestic and foreign policy ideology of party *paramountcy* and socialism (embracing the socialist bloc).<sup>16</sup> The most important policy in the authoritarian control of the state was the announcement of the "Burnham doctrine of *paramountcy*" in which the governing party was to assume *paramountcy* over all aspects of the civic society and institutions of the state including the courts (*SN* Mar 10, 2007). (For example, the PNC flag, instead of the national flag, flew over the courts and all national buildings). Party *paramountcy* reigned supreme during which policy orders came from the headquarters of the ruling party to bureaucrats, government functionaries, police, para-military, national service militia, and soldiers. The government pushed a socialist agenda (that Burnham described as cooperative socialism) nationalizing the economy and emulating the Soviet collectivization drive. Externally, the regime sought support and legitimacy among Third World nations by advocating and pursuing an

---

<sup>16</sup>Clive Y. Thomas, "State Capitalism: An Assessment of Burnham's Co-operative Socialist Republic," in Fitzroy Ambursley and Robin Cohen, *Crisis in the Caribbean* (New York: Monthly Review Press, 1983), p.33. (see also *Stabroek News* Jan 21, 2010; May 21, 2009)

aggressive non-aligned foreign policy.<sup>17</sup> The program of "cooperative socialism" was also an attempt to economically empower the nation's African constituency through a policy of state expansion and nationalization of the commanding heights of the economy.<sup>18</sup> (KN Dec 1, 2013) By 1977, the government had gained control of 80% of the economy. It should be noted, however, that during this time, the regime received "critical support" from its arch rival Marxist-Leninist party, the PPP<sup>19</sup> that (unwisely) interpreted the PNC's new policy as "progressive" for turning leftward and asserting nationalist possession over the economy. Burnham's socialist experiment, without support from every ethnic group, the working class, and union leaders brought only ruin to the economy. The socialist or cooperative mode of production was not thoughtfully planned, and it did not include participation from the leading socialist parties (PPP and WPA) in the country or other progressive forces (SN Nov 27, 2011; Feb 28, 2007).

Prof. Paulette Pierce (1984) pointed out that despite the transition to public ownership of foreign owned MNCs and the establishment of state owned corporations, the maintenance of an ethnically divided society including a racially divided labor force and lack of democracy worked against the PNC regime's doctrine of cooperative socialism or non-capitalist development. There was no cooperation among the workers and or the leaders of different unions to advance the cause of socialism or non-capitalist development (SN Jan 21, 2010). In addition, there was not much cooperation among the

---

<sup>17</sup>Festus Brotherson, "The Foreign Policy of Guyana, 1970-1985: Forbes Burnham's Search for Legitimacy," *Journal of Interamerican Studies and World Affairs* 31 (Fall 1989), p.9.

<sup>18</sup>Percy Hintzen and Ralph Premdas, "Guyana: Coercion and Control in political Change," *Journal of Interamerican Studies and World Affairs* 24 (August 1982), p.334. See also, Hintzen, The Costs of Regime Survival: Racial Mobilization, Elite Domination and Control of the State of Guyana and Trinidad (New York: Cambridge University Press, 1989).

<sup>19</sup>In 1975, the PPP changed its position from "non-cooperation and civil resistance" to giving "critical support" to the PNC's nationalization drive and anti-imperialist actions (SN Aug 27, 2013). The PPP reoccupied its seats in parliament, which it had boycotted since the 1973 electoral fraud.



politicians on policymaking. On the contrary, the PNC regime terrorized and brutalized opposition forces including union leaders, leftists and socialists like Walter Rodney who was murdered by the regime (*SN* Aug 26, 2014). The PNC regime's non-capitalist development policy solidified the ethnic division of labor instead of bringing workers together (Pierce: 1984). The regime furthered the racial division of the society by favoring its supporters over others and in fact punished non-supporters. In addition, the regime consolidated its authoritarian governance structures that only served to exacerbate ethnic contestation and conflict affecting development (*SN* Jan 21, 2010).

In her critique of Burnham's socialist (non-capitalist path to development or NCPD) experiment, Prof. Pierce also noted that the socialist oriented *redistributive* model implemented by the PNC regime failed to protect the local economy and the working class from the ravages of a global economic downturn that saw price for Guyanese exports declined sharply. The standard of living of the working class did not improve since independence. Working class salaries largely remained stagnant or even declined including for those workers of the nationalized industries. Any increase in wages was offset by a higher rate of increase in inflation and by the declining value of the Guyana dollar vis-à-vis hard currencies. As Prof. Pierce and other scholars pointed out, the coalition government of Burnham's PNC (a proclaimed socialist party) and Peter D'Aguiar's UF party (capitalist oriented), despite their ideological differences, initially seemed committed to the private model of accumulation and implemented the model based on domestic expansion and import substituting industrialization (ISI). This model was advanced and promoted by the capitalist D'Aguiar and it was endorsed and accepted by Burnham. While the capitalist accumulation model was not totally embraced by

Burnham, he accepted it as a policy of pragmatism during the 1960s to win over the support of the Western powers. After all, Burnham was no anti-imperialist; he was actively engaged in isolating Cuba during the 1960s (*SN* Dec 28, 2014) and he opposed Jagan's progressive pro-working class policies. Burnham only announced a break from imperialism after facing a sustained assault from the Marxist politician Jagan and after he came under pressure from the working class (labor leaders) and international forces allied against imperialism to improve their quality of life. Burnham's action seemed more like an opportunistic move rather than a genuine policy to empower the working class or to transform the state to bring about social change. After Burnham consolidated political power, he broke loose from his dependence on his capitalist coalition partner Peter D'Aguiar and his Western sponsors. According to Pierce (1984:78), the working class character of PNC supporters and the nation at large prevented Burnham from pursuing (sticking to) rightward or capitalist policies and or joining the middle classes of the Portuguese and Mixed races (p 78). To maintain a relationship with reactionary bourgeois forces would have been out of character with the (PNC African) working class.

With the PNC now in control of the commanding heights of the economy, its ethnic followers expected political partiality in policy along with patronage. Burnham's ethnic supporters effectively controlled key sectors in the nation – the public sector (bureaucracy), the judiciary and the security forces all of which were dominated (over 90%) by his supporters (*Stabroek News* Jan 21, 2010). Burnham used his control of the administrative structure to embark on the practice of rigging elections beginning in 1968, when he engineered a parliamentary majority for the PNC that was a minority party between 1957 and 1965 (Pierce: 122). After he rigged elections, he jettisoned D'Aguiar

and reoriented his economic policy towards a socialist thrust (Ibid; Pierce: 102). Hence the term coined by Prof. Pierce of a non-capitalist path of development. The Burnham government enunciated the socialist ideology at the beginning of 1970 that transformed and guided the social philosophy, policies and programs of the Burnham regime. Even Burnham's archrival Cheddi Jagan initially validated the socialist thrust of the PNC by offering critical support for nationalizing foreign multi-nationals. As Pierce pointed out, Burnham was forced to pursue a radical path in order to show the world it was not in bed with imperialists (Pierce: 121). The PNC regime broke the capitalist partnership it had with the right wing United Force party (p 102). And as Pierce commented, in so doing, Burnham betrayed the implied condition behind the American and British orchestrated constitutional coup that toppled Jagan in 1964 allowing Burnham to acquire political power. And the western powers did not take too kindly to Burnham's new socialist thrust (Ibid) and would exact revenge denying the regime loans at international lending institutions (KN Jan 25, 2014; GC Jun 10, 2013).

As Prof. Pierce pointed out, the liberal private sector led development model was replaced by the cooperative socialist state sector from the early 1970s. But the economy under the new government controlled structure remained largely export oriented and it reinforced "the *ethnicized labour force*" that the regime inherited from the colonial forces. In short, state capitalism replaced "private capitalism" or economic liberalism. But University of Guyana Economics Professor Clive Thomas (1980), a Marxist, was scathing in his critique of the PNC policy of nationalization. He argued that the PNC simply replaced the European elite that had controlled the economy and the politics of the colony with the African middle class elite under a state capitalist structure. In short, there

was racial exchange of control (SN Jan 9, 2015). Others noted that the adoption of the state driven economic model maintained ethnic contestation through the application of exclusionary and discriminatory practices. The PPP claimed the PNC engaged in leftward drive for opportunistic reasons (Thomas: 185) whereas PPP considered itself as doctrinaire socialist and the true vanguard of the working class (ibid). Under NCPD, and under PNC rule in general, if you were not a (card carrying) member of the party, you were deprived of resources, or jobs, or government services, or access to foods in state owned stores. In short, you literally starved (SN Nov 29, 2014; May 8, 2010).

It was noted that all of the government run corporations under-produced when contrasted with earlier years under private ownership. In the Guyana case, the non-capitalist path to development (NCPD) failed miserably because it was undermined by the nature of international capital (capitalist dominance of the international economic system) and by internal factors (competition for political power by the two opposing political forces and the rise of an authoritarian dictatorship that led to withdrawal of support for the NCPD from Indians and others). Had Burnham worked cooperatively or closely with Jagan, economic conditions might have turned out to be different, as Prof Erriah (2011) observed (see also SN Aug 21, 2014; Jan 21, 2010; Dec 10, 2008).

As Prof. Pierce (1984) explains, nationalization of industries is a transition to socialism. As Pierce pointed out, Burnham took an aggressive stance against foreign capital with large-scale nationalization or foreign owned industries. This type of expansion of the state sector is inevitable in small economies given that the limited capital scope of the petty bourgeoisie. As Pierce infers, Guyana has posed immense challenges for socialist analysis and practice. The PNC's nationalization of the sugar

industry, and indeed other industries, is a manifestation of the non-capitalist development. It was a strategy employed by the PNC with the goal of bringing about social change in Guyana, a path to social revolution (SN Nov 3, 2013).

Theoretically and operationally, the non-capitalist path was advanced as an approach to bring about peaceful revolution in Guyana. But it failed. The PNC felt there was no need for a bourgeois class whose class formation (as a stage towards the goal of the socialist revolution) was already by-passed with the state assuming its role. But the state is very underdeveloped and has limited capital and is squeezed from abroad by the imperialist nations in a variety of ways, not the least being low prices for products that make non-government industries non-competitive and money losing enterprises. So the state was/is not in an ideal position to play the role of the bourgeois class to develop the country. But the state had no choice as the local bourgeoisie and working classes are in their early phases of formation to bring about any major development or to trigger social change in the country. The local bourgeoisie was/is underdeveloped in terms of capital and know how. Thus, they cannot be depended upon to pursue development or expand their investment. The foreign bourgeois operating in the country could not be counted upon to pursue national development. It is important to note that much of the national wealth after independence was in foreign hands, the MNCs, and they controlled the pace and type of development (SN Oct 6, 2013). They were only interested in their own enterprise and earning profit, and they had no interest in pursuing national development.

The working class or proletariat was/is underdeveloped and was/is divided by race and they were involved in an ethno-nationalist struggle. They lacked working class consciousness to labor in unison for a desired goal. Thus, they could not be counted upon

to foster national development. The underdevelopment of the working class is reflected in the fact that the majority of those employed in the country was/is in peasant farming or primary producing industries (Jagan:1972). There is/was also a very high level of unemployment. The working class lacked a sufficient level of consciousness to make revolution and to take control of the industries as envisioned by Marx and Lenin. Thus, there emerged the need for state intervention in pursuing development – non-capitalist path by nationalizing the major industries. Hence, this led to what Pierce informs us the nationalization of the sugar industry as an effort to pursue non-capitalist development.

As Pierce (1984) asserted, Guyana was not favorably placed to experience non-capitalist development. Socialism cannot be constructed without working class participation. Working class control and unity among the laboring classes are essential for establishment of a Marxist or classless society. The working class in Guyana was not in a position to play a vanguard role in the construction of a Marxist society. It was badly divided by race and supporting different working class parties defined by race. A racist or ethnic party cannot be the vanguard of a classless society when other ethnic groups are not involved in the political system or play a role in decision-making. One ethnic group or one party (when there are other working class parties) cannot be the vanguard of the working class movement. Any split in the political forces weaken the working class, and would force counter-revolutionary movements. Alliances are critical for success of revolutionary movements. A broad alliance of progressive forces would have enhanced the chances for non-capitalist development. But there was no political compromise by the PNC with other forces that were more radical than the PNC, many of whom set out to build a working class society long before Burnham pursued non-capitalist development.

As Pierce (1984) suggested, the PNC and Burnham were not real progressive socialist forces. Burnham was in bed with the imperialists; in fact, he was a creature of the imperialist – set up to destroy the revolutionary movement that developed organically over time to fight imperialism to alter the social structure of the society. Burnham vacillated between east and west when it suited his purpose of getting foreign aid and or whenever he felt threatened by the truly anti-imperialist forces like the PPP, WPA and labor unions. Burnham adamantly refused to form any alliance of progressive forces. Burnham failed to pursue agrarian reform and eliminate rural exploitation and discrimination. He did not pursue effective steps to diversify agriculture, and he made virtually no effort to provide assistance to struggling farmers; in fact, he undermined agriculture. He failed to democratize all aspects of social life and to end all unpopular measures and dictatorial aspects of governance. Burnham wanted complete control and domination of the society, and as such, his non-capitalist development was bound to fail. He used non-capitalist development as a weapon against the working class denying employment to those who criticized his authoritarian ways or his link with imperialist forces. Non-capitalist development became a primary cause of poverty and the basis for continued exploitation of the working class. Since there were no other means of earning an income, workers were forced to tow the PNC line or lose their jobs. (see also [SN Nov 17, 2013](#); [Jul 3, 2010](#); [en.wikipedia.org/wiki/Guyana\\_Sugar\\_Corporation](http://en.wikipedia.org/wiki/Guyana_Sugar_Corporation)).

As Pierce (1984) related, the PNC did not behave like a truly Marxist vanguard party to direct the social transformation of the society. She pointed out that in the sugar industry, indeed in all of the government owned corporations, the working class had no say in its management and or operations. The sugar industry was not under the control of

the working class and there was no social development for workers. Also, the working class did not have political control of the society. Nationalization without workers control or other shift in social relations is insufficient to bring about social development. Under Burnham's rule, workers had to struggle for union recognition including sugar workers who had supported Jagan's party, PPP. Democracy was completely absent from the society. Burnham rigged elections for labor leadership. He terrorized political and labor leaders he considered as enemies of his government. He practiced racism, which is by nature anti-Marxist. He established an ethnic dictatorship. Lack of political and civil rights are *counterposed* to Marxism and by extension non-capitalist path of development. Curbing freedoms has no place in the building of socialism or a non-capitalist society.

As Pierce asserted, an authoritarian Burnham government could not be successful in building socialism. The working class needs freedom and the people in charge of the state must be their allies or representatives advocating on their behalf. The government should take orders from the working class not the other way around with the ruler giving orders to the workers. Unless the workers are in charge, share in the profit of the business, and or exercise some kind of influence over production and or marketing, they will not work to the best of their ability for the growth and profitability of state corporations. The workers must be seen and feel that they control the means of production and that the state value their role in the social development of the society. Unless the state is under working class control, it cannot succeed in abolishing class exploitation. Conflict, both racial and class, characterized the Guyanese society under PNC rule because the working class was so far removed from control of the government owned industries and members of ethnic groups not supportive of the PNC were excluded



from decision-making, and at times even employment. (*SN* Nov 8, 2014; see also [www.guyana.org/.../conflicts\\_i...](http://www.guyana.org/.../conflicts_i...) ; [www.guyanajournal.com/race1\\_pt.html](http://www.guyanajournal.com/race1_pt.html); [foreignpolicy.com/.../cooling-ethnic-conflict-in-guyanas-e...](http://foreignpolicy.com/.../cooling-ethnic-conflict-in-guyanas-e...) Mar 13, 2013).

Nationalization, as it turned out, served the interests of the state, party, and dictator rather than workers interest. It was state capitalism that employed the same exploitative methods as private capitalism. There was no working class hegemony of the society. Instead, there was PNC party hegemonic control. There were conflicts between the working class and the state. As Pierce intoned, the PNC should have democratized the state or at a minimum include the working class in decision-making in the affairs of nationalized industries. Unless the working class has some role in decision-making, they will feel insecure about the intention of the state. And unless they have freedom, they won't trust the state and they won't labor to their full potential to maximize production. Pierce also noted that internal and external forces were not propitious for non-capitalist development and for the establishment of a class society or a society of equals.

Pierce (1984) noted that suppression of dissent was widely used by Burnham for those whom he perceived as serious challengers to his authority or who questioned his legitimacy as supreme ruler. Prof. Walter Rodney who returned home from the University of Tanzania challenged and ridiculed Burnham's authoritarian rule. During the mid 1970s, History Professor Dr. Walter Rodney and a group of academics from the University of Guyana and other prominent individuals from civic society and religious organizations engaged in political activism speaking against the abuses of the Burnham regime. The group was welcomed in several parts of the country where it held meetings. In May 1979, the group formally became a political party, Working People's Alliance

(WPA). Rodney became its de facto leader. The party's program focused on bridging the wide racial gap in the society, removing the PNC ethnic dictatorship from office, and pursuing what it described as a humanistic socialist vision for Guyana that would loosen up state control of the economy, empower the working class, and promote democratic governance (*SN* Jul 1, 6, 2013). But Burnham had given clear-cut orders to the police and the army to "shoot to kill" anyone who was considered a "subversive element" (*KN* Nov 26, 2014; *SN* May 5, 2014). Anyone who challenged Burnham was an enemy. But the order was really directed against the leadership of the WPA to eliminate it. Rodney was killed (*KN* Jul 1, 2, 2011). [http://pics3441.upmf-grenoble.fr/articles/sopo/"The%20Non-Capitalist%20Path"%20As%20Theory%20and%20Practice%20of%20Decolonization%20and%20Socialist%20Transformation.pdf](http://pics3441.upmf-grenoble.fr/articles/sopo/); *Trinidad Express* May 3, 2014; *Guyana Journal* Mar 2008) (see also [www.nationsencyclopedia.com](http://www.nationsencyclopedia.com) > Americas).

Also, several political dissidents or those whose loyalty to Burnham were suspect disappeared with their lifeless bodies found in some lonely alleyway or at the ocean's foreshore or in a koker (sluice) of a canal leading into the ocean. Any threat to Burnham's rule was removed. Many people are still unaccounted for years following their disappearance after being picked up by the state's secret agents or by members of the terror gangs and death squads attached to the House of Israel (*SN* Jul 27, Jan 10, 2013). Terror stalked the land during the PNC era of governance (*KN* Jun 12, 2013; Jul 29, 2009; *GT* Nov 28, Jun 26, 2014). In spite of the terror unleashed on the WPA, the party, represented by an impressive multi-ethnic leadership cadre, was unsuccessful at penetrating the steep ethnic polarization that engulfed the country. After its charismatic political leader Rodney was assassination by the PNC regime in June 1980 (*SN* May 2, 5,

6, 2014; Dec 6, 2010), the WPA dissipated, faring poorly in democratic elections barely winning a seat in 1992 and failing to attract cross racial support (SN Jan 21, 2010).

As Pierce (1984) and others commented, Burnham's handling of sensitive race relations, especially his ill-treatment of Indians and other groups and his authoritarian rule, impacted on the NCPD and badly hurt his party and his racial grouping. His determination that Africans dominate the state and the other ethnic groups forcing them to accept his and African PNC rule – the policy of *paramountcy* of the African PNC over the courts, all other parties and agencies and instruments of the state as well as the policy of excluding Indians from governance and NCPD – was unacceptable even among several prominent Africans (SN Nov 7, 2014). Burnham's position was that since the PNC was in charge of the government, it must be paramount over all state institutions including the judiciary, and by extension his supporters must be paramount over the supporters of other parties (Spinner: 1982, 1984) because they won the elections with overwhelming support over the other groups. The concept of 'party *paramountcy*', in which the ruling party is superior to and paramount over other state organs, was very much in evidence in the appointment of all key public officials, including that of judges and magistrates. Burnham and his PNC were not concerned about competence of staff and their professionalism in executing their duties, but only with loyalty and ethnic supremacy over other groups a la African dominance over the state (KN Nov 10, 2011).

The conditions that existed in Guyana made it virtually impossible for non-capitalist development to succeed in Guyana. Burnham murdered or jailed socialist leaders and those trade unionists who criticized him or who were critical of his dalliance with the imperialist forces. Burnham carried out attacks on anti-imperialist forces and the

murder of the revolutionary Walter Rodney (GT May 8, 2013). Under *Burnhamism* (GT Jun 20, 2014), the masses had to struggle for wage increases and other perks including vacation time, sick leave, bonuses, etc. There were frequent labor strikes to obtain a livable wage and various standard perks like compensation for injury (SN Mar 13, Mar 10, 2007). Also, the government taxed the profits of the industries instead of sharing them with the workers (SN Oct 29, 2009). Had Burnham adhered to all the prerequisites of non-capitalist development identified by Prof. Pierce, including allowing democracy to flourish, and had he embraced Jagan (PPP) in a national unity government, those actions may have helped to unite the various groups against imperialism and capitalism and contribute favorably towards non-capitalist development.

Some writers in Guyana's papers defended the oppressive PNC government for not involving Indians in its policies of development arguing that since Indians did not vote for and were not supportive of the PNC, Indians should not be included in governance or enjoy the resources and rewards of the state under the PNC. In addition, they said that Burnham could not trust putting Indians in charge of developing state policies because the Indians could have sabotaged the government or pass on secrets to the PPP. After all, they claimed that the Indians were only loyal to their own party, the PPP. As such, they argued, the PNC was acting rationally by not seeking an Indian input in governance or on policy matters (SN Aug 17, 2010).

The defenders of the PNC's racist rule could not explain why the PNC had to pursue discriminatory policies against Indians denying them state jobs and resources to grow food that would have fed the entire nation. The defenders of the PNC also noted that the PNC did not get the support of the Indian PPP opposition to work towards

national development goals and that the PPP pursued measures to sabotage and bring down the African government. As such, the PPP (and its supporters) could not be trusted to assist the PNC in its developmental goals (KN Jan 1, 2011). It is factual that Indians did not support the PNC. But PNC supporters and defenders have completely ignored the fact that Burnham rigged elections (Avebury: 1981) to deny a legitimate and meaningful participation of Indians, Portuguese, Chinese and Amerindians in government and in parliament (KN Dec 9, 2012). Having been denied the vote and made victims of racial discrimination, members of these ethnic groups had no reason to support the PNC regime. And even after it rigged elections and secured for itself its two-thirds magic majority, the PNC made no meaningful effort to work or consult with the Indians and the other ethnic groups and their legitimate representatives via their ethnic parties for inclusive governance. Also, the PNC did not trust the handful of Indians, Portuguese, Amerindians and Chinese who accepted membership in the party and who were the token face of these groups. Apologists fail to take into consideration that the PNC discriminated against Indians and others making it virtually impossible for them to work with the PNC ([www.guyanaundersiege.com/Leaders/Burnham2.htm](http://www.guyanaundersiege.com/Leaders/Burnham2.htm)). Burnham kept the Indian opposition, the largest ethnic group in the country, and members of the ethnic minorities from participating in governance by fraud and violent terror (SN August 18, 2008) thereby preventing the Indians (as well as wealthy Portuguese and Chinese who took their money and left the country) from making a meaningful economic contribution to the nation even if they wanted to cooperate with the PNC government.

## **Chapter 8, Section A. Economic Reforms & Restructuring Under IMF Conditions:**

The country would receive a reprieve when Burnham suddenly passed away from a massive heart attack in August 1985. His successor, Desmond Hoyte, reversed Burnham's autarchic economic development policy embracing a gradual economic opening dubbed "*Hoytestroika*", modeled after Gorbachev's Perestroika in USSR – tentative steps towards economic reforms that gave people greater control over their produce as well as private ownership of businesses and a relaxation of government control overall the major aspects of the economy (*SN* Sep 17, 2009). He also began to embrace Indians granting them various concessions to do business and import foods that were previously banned and hiring several of them in his administration. To show he was serious about making a radical break with his predecessor and to get foreign loans, Hoyte set his sights at reforming the economy by welcoming foreign investments (*SN* Jul 31, 2012). He began to undo Burnham's ethnic Socialist economy, broke ranks with the Soviet bloc, and introduced what were considered radical liberal reforms for a socialist state. Hoyte denationalized government owned corporations selling them at bargain prices to domestic investors, PNC friends and affiliates, and foreign entrepreneurs – embracing crony capitalism. Hoyte also opened the economy for domestic and foreign investment. And under foreign pressure, he introduced some democratic reforms like a free press and allowed opposition political parties to hold rallies – reforms that would lead to the eventual downfall of the dictatorship (*SN* Jun 11, 2014; Sep 17, May 21, 2009; Mar 1, 2007)(<http://www.country-data.com/cgi-bin/query/r-5417.html>).

Hoyte was warned that unless he adopted economic and political reforms, foreign loans and aid would not be restored (*SN* May 21, 2009). The US \$2 billion debt that accrued under the PNC sucked the life out of the country, becoming a major economic

bottleneck for growth and development. It had become a millstone around the economy as investments and loans were not coming in and enough taxes were not generated to pay state workers. Also, not enough jobs were created in the private sector. The regime desperately needed funds. Rather than risk a continuation of the denial of loans or curtailment of foreign credit (even short-term loans for imported machinery and merchandise), the Hoyte government agreed to embark on an IMF-backed austerity and economic recovery program (ERP). So the Hoyte regime had to take actions to control the debt situation reluctantly embracing the ERP. The ERP was the work of an international team of economists arranged by the British Commonwealth Office in London and a group of international bankers for the World Bank and IMF. The plan got the blessings of Canada, the UK, and the US. The ERP amounted to a reversal of the *statist* policies that were undertaken by Burnham and that had shaped Guyana's economy for two decades (<http://www.mongabay.com/history/guyana/guyana-health.html>). The ERP led to a full-fledged shift towards a market-based strategy in 1989 marking a drastic reversal in government policy away from a predominantly state-controlled, socialist economy that favored party supporters. The government eliminated price controls, removed import restrictions, promoted foreign investment, and divested itself of several state-owned enterprises. The government's economic strategies were directed towards a more open, free market system that existed during pre-independence period. State owned marketing boards and development agencies were dismantled or privatized. Some 15 of the 41 government-owned (*parastatal*) businesses were sold. International corporations were hired to manage the huge state sugar company, GUYSUCO, and the largest state bauxite mines, Linmine and Bermine (SN Dec 7, 2008; SN Jul 22 and Jul 15 2009; KN

Jun 28, 2011, Aug 31, 2008; <http://www.nationsencyclopedia.com/Americas/Guyana-ECONOMY.html>([www.guyanajournal.com/privatization\\_guyana.html](http://www.guyanajournal.com/privatization_guyana.html)).

The economy would make dramatic progress after the IMF conditions began to kick in from 1990 (*Table section p x*). Hoyte's economic recovery program (ERP) opened up to Indian investments that were rebuffed in earlier years. At the recommendation of the World Bank, Hoyte decided to include non-supporters of the PNC and Indian professionals in government positions and as advisors to the regime. The government guardedly implemented recommendations to include Indian functionaries on its administrative and management level to win over support of Indian investors. Advisors to Hoyte recognized that the government could no longer sustain socialist enterprises or state capitalism and or to continue to keep on its payroll a bloated staff of PNC party supporters (*SN* Apr 29, 2008). Revenues were in short supply and loans had dried up. Indians and members of other ethnic groups who were persecuted were not going to contribute to the economy unless there were serious economic reforms that would allow them a significant role in the economy including full freedom to own and run businesses (*SN* Dec 10, 2008). The dictator Desmond Hoyte met regularly with Indian groups urging them to invest in the economy with promises of protection of their assets and assurances of their physical safety from bandits. The Indians made several demands and Hoyte acquiesced on all including on providing security, removal of the ban on cultural foods and religious practices and on price controls of goods, and the inclusion of Indians in his administration (*SN* Sep 4, 2010; Feb 29, 2012; Feb 16, 2008; Aug 27, 2011). The economy moved away from one controlled and dominated by PNC party supporters towards a more open, free market system that welcomed non-traditional supporters of the



party to invest in development. The regime began to move away from employment practices and granting of business licenses and contracts based on party patronage (ethnicity and party loyalty) and towards policies based on some level of competence, ability and meritocracy (SN Dec 16, 2014; Jan 20, 2010; Sep 17, 2009; KN Jul 21, 2011)

Hoyte began to crack down on criminals who regularly preyed on Indian owned businesses hanging several criminals who were supporters of the PNC. Against the wishes of executives of the PNC, he allowed Indians to directly import their cultural foods that were banned by his predecessor, dictator Burnham. Price controls on goods were removed and the market dictated prices. A few years into the Hoyte administration saw the beginning of a trend towards privatization of most government owned enterprises and the easing of racial discrimination against Indians, a general outreach to Indians by Hoyte himself rather than the PNC, hiring of several Indians who accompanied Hoyte everywhere and eventually the removal of the ban on importation of basic items like flour, split peas and potatoes, three main staples of the Indian diet (SN Oct 11, 2013). Hoyte bent over backwards to agree to virtually all demands of Indians so much so that he earned the sobriquet or nickname “Desmond Persaud” (a common Indian surname name) (KN May 31, 2011) by Indians. And he was criticized by African leaders for “selling out to the Indians” with the Africans also referring to him as “President Persaud” (SN Aug 29, 2012) (see also [motherearthtravel.com/history/guyana/history-9.htm](http://motherearthtravel.com/history/guyana/history-9.htm)).

Businesses also benefited from the government policy to reform its monetary and fiscal policy establishing a free market in foreign currency, which was designed to stabilize the exchange rate of the Guyana dollar against hard currencies and put an end to runaway inflation. Tax reforms designed to promote exports and agricultural production

in the private sector were enacted (CIA World Factbook 2009). The privatization program was sweeping (Guyana Journal N.Y Oct 2007). Indians welcomed privatization of state corporations seeing it as an opportunity to re-acquire businesses they once owned and controlled and would be able to gain access to goods that were on the banned list and return to the farms to increase food production; GT Apr 27, 2013; SN Dec 23, 2009; <http://www.nationsencyclopedia.com/Americas/Guyana-ECONOMY>). Hoyte hired and or promoted several Indians in various government positions and state agencies. The inclusion of Indians in his administration, coupled with the cracking down on bandits who targeted Indians, instilled some confidence among Indians businessmen who began to infuse money into the economy. Indian businessmen bought out several state companies and invested in private ventures resulting in a turn around in economic fortunes for the overall economy. Guyana's economy improved dramatically under ERP and registered significant growth gains. Guyana's GDP increased a nominal six percent in 1991 reversing 15 years of economic decline (Ibid) (World Bank Report: 1993; SN Sep 17, 2009). Such a positive development continued during most of 1992 as racial tension subsided and Indians cooperated with the government in the economic realm.

Race relations improved as the government continued to embrace Indians granting them various economic concessions including freedom to directly import goods into the country (KN Apr 10, 2011). Indian cultural foods that were on the prohibited import list for almost two decades were re-allowed into the country (KN Sep 13, 2010; May 30, 2010; SN Feb 18, 2007). Several Indo-Guyanese (at home and abroad) businessmen took advantage of the sudden openings and poured money into new investments (mining, fisheries, agriculture, agronomy, etc.) thus earning huge profits. Savvy investors bought

real estate and skilled farmers began reclaiming and tilling fallowed lands. The result was that the economy in 1992 experienced 3% nominal growth over 1991 (World Bank Report: 1993; KN Oct 20, 2014). In 1993, the Indian PPP government investment heavily in agriculture rebounded and the economy grew at a rapid pace creating numerous jobs resulting in a better quality of life (KN Oct 20, 2014; Feb 24, 2012).

Under the new Indian PPP administration, Indians farmers returned to tilling the land investing heavily in the farming sector and also opening businesses. Agriculture boomed with record outputs in sugar, rice, timer and fishery production as well as in cash crops that had fallen drastically under the PNC regime. The overall economic result from 1993 thru 1997 is that Guyana's economy grew at about 8% a year (World Bank Report: 2001). But with the return of racial violence in late December 1997 (following general elections) that continued throughout 1998, there was a 50% contraction in the economy in 1998. For the next few years, Guyana remained unstable and the economy could not make significant gains. From 1998 thru 2004, there was a wave of violent anti-government protests and occasional racially inspired violence targeting Indians for robberies and the burning of their businesses in the heart of the capital city of Georgetown. Stores and schools were intermittently shuttered severely affecting business activities. This resulted in the economy stagnating or growing negatively from 1998 thru 2004. For example, economic growth in 2000 was 1.8% less than what it was in 1999 (SN Feb 6, 2001) and the following four years also saw stultified growth (hovering at around zero percent) as the PNC used violence to force an early election (two years before it was constitutionally due) producing almost the same result as in 1997 (KN Apr 26, 2010; Feb 23, 2009; Jun 29, 2009). The economy took another negative hit (SN Apr 9, 2014; Jul 22,

2012; Apr 30, Mar 5, 2009; [www.guyanajournal.com/Guyana\\_at\\_the\\_Crossroads.html](http://www.guyanajournal.com/Guyana_at_the_Crossroads.html)).

The period from 2005 to the present has been one of relative calm, stability and peace in race relations (except for brief interludes of violence such as the killing of Indian businessmen and the massacres of Indians by gunmen (calling themselves African freedom fighters) in two Indian villages in early 2008) (*SN* Sep 17, 2008; *KN* Mar 4, 2014; *GC* March 16, 2008; *GC* Jan 28 2014; *GT* Jan 28, 2014). During the period of ethnic peace under PPP governance, Guyana achieved a positive nominal growth rate of about 2.5% a year between 1993 and 1997 and a positive nominal growth rate of about 2% a year between 2005 to 2010. For the period between 1998 and 2005, when there was instability and racial violence, the country experienced a nominal negative growth rate of about 2% (*SN* Sep 3, 2008). Overall, for the entire period, the country experienced a negative growth when accounted for inflation and the declining value of the Guyana dollar or when measured against the purchasing value of the 1960 Guyana dollar. The GDP real growth rate over each previous year was: negative 1.2% (2009), 3.2% (2008), 5.3% (2007), and 5.1% (2006). Growth was negative in 2009 (over 2008) because of the racial violence that year that that impacted on economic activities (*CIA Fact Book* 2009). In sum, Guyana achieved the following yearly (nominal) GDP growth rates from 1993 to 2011 inclusive: 1993: 8.2%, 1994: 8.5%, 1995: 5% and 1996: 7.9% -- years that coincided with President Cheddi Jagan's tenure. Under President Janet Jagan's tenure, Guyana achieved annual GDP growth from 1997 to 1999 as follows: 1997: 6.2%, 1998: -1.7% and 1999: 3%. Under President Bharrat Jagdeo, who succeeded Janet Jagan, growth rates were as follows: 2000: -1.4%, 2001: 2.2%, 2002: 1.1%, 2003: -1%, 2004: 3.3%, 2005: -2%, 2006: 5.1%, 2007: -3.6%, 2008: 2%, 2009: 3.3%, 2010: 4.4% and

2011: 5.4% (*SN* Apr 9, 2014) (*World Bank Annual Tables*; [data.worldbank.org](http://data.worldbank.org)). (See also [www.tradingeconomics.com/guyana/gdp-growth-annual](http://www.tradingeconomics.com/guyana/gdp-growth-annual); [www.indexmundi.com](http://www.indexmundi.com))

Guyana's economy performed the best under Dr. Jagan's presidency with an average annual growth rate of about 7%. This was not surprising as the country experienced a period of peace and stability. Under Janet Jagan's presidency, growth rate averaged about 2.5% -- a result of political instability accompanied by racial violence. Under Jagdeo's presidency, Guyana experienced an average of 2.2% annual growth (*SN* Oct 5, 2012) – with some years positive growth and other years negative growth – with the ups and downs being attributed to racial violence and political instability. The GDP per capita (or purchasing power parity) for these years when adjusted for inflation actually declined especially when measured against the value of the 1960s dollar of what the Guyana dollar could actually buy. The GDP per capita was relatively low: US \$3,900 (2009 est.), \$3,900 (2008 est.), \$3,700 (2007 est.) \$3,600 (2006 est.). But the data are in 2008 US dollars and not in 1960 dollars. If 1960 purchasing dollars were used or if the data were adjusted for inflation over the preceding 30 years, the actual per capita income would be less than \$200 suggesting a declining standard of living from the 1960s (when the GDP per capita was around \$300) till the present. The 1960 purchasing power parity indicates that the economy performed poorly in 2009 and not much better in 2008 over 2007 or over 2006 or compared with preceding years. In fact, using real 1960 US dollars, the economy (per capita) had declined to almost a hundredth in 2009 of what it was in 1960 when comparing it with the purchasing power of the 1960 Guyana dollar (*KN* Feb 17, 2013; Oct 5, 2011; May 26, 2009; *SN* Aug 24, 2008; *SN* Feb 22, 2009).

In sum, some 47 years after obtaining political independence in 1966, race relations has deteriorated and the social, economic and political development in Guyana

have also deteriorated (*SN* Apr 21, 2011; Mar 24, 2009). Overall, in terms of real growth rates (adjusted for inflation), for the period from 1955 to now, Guyana's growth rate and GDP per capita have gone through various periods of expansion and decline depending on the relative racial stability in the nation. One trend observed is that when there was racial stability, the economy registered improvement in growth (1957 thru 1960, 1992 thru 1997, 2003 thru 2006) and when there was racial instability (1961 thru 64, 1968 thru 1990, 1998 thru 2002, 2008-2009) there was a declining growth and economic contraction. As data showed (<http://data.worldbank.org/country/guyana>; *World Bank Tables*), overall, the economy grew slowly but steadily during the period from 1950 thru 1960 when there was relatively peaceful race relations and the colonial authorities kept tight control on racial conflagration. Then the economy experienced a small decline from 1960 thru 1964 during the period of severe racial instability and violence encouraged by colonial authorities. The economy has not registered much gain from the time the British handed over control of affairs to the local politicians in 1966 to the present time. Governance descended into an ethnic dictatorship in 1968 and the economy only worsened. The period from 1966 thru 1992, although relatively peaceful, was marked by anti-Indian state policies that impacted upon investment and discouraged participation of Indians and other groups in the productive sectors of the economy (*KN* Aug 26, 2012). This period also witnessed some of the worst forms of racism in the country when Indians were deliberately victimized and denied employment, job promotion, and a role in the affairs of the state, and encouraged to migrate (*KN* Jul 29, 2013; Sep 2, 2012). The economy declined precipitously during this period so much so that by 1992, the real per capita income was about fifth of what it was in 1965 when Burnham took office as

Premier (or 1957 when Cheddi Jagan took office as Chief Minister) (SN Nov 12, 2009; Dec 31, 2008; Dec 3, 2008; Jun 28, 2010) (World Bank Report 2010; [data.worldbank.org](http://data.worldbank.org)).

From 1957 thru 1992, Guyana's economy registered negative growth (SN Dec 3, 2008), which was matched during this period by a steady decline in race relations between PNC Black supporters and other ethnic groups. While the global economy has grown from the 1960s and countries with similar conditions to Guyana have also grown, Guyana has not experienced such positive development (or similar growth). And even from the 1990s (when almost the entire world, including communist countries turned towards market economics) resulting in growth, Guyana (which also embraced market economics) has seen a continuation of economic turbulence while the other former leftist countries are expanding and their economies are growing significantly. Guyana's economy is just barely keeping afloat and in fact is sinking and has not even kept close to the progress made by several other third world nations or the fellow Caribbean nations (*Caricom*) or OAS nations with which it is grouped. For example, Guyana was at the bottom of *Caricom* nations (English speaking group of 13 nations in the Caribbean) in GDP per capita or in growth rate during the 1970s and 1980s and consistently thereafter. However, its economic performance was well above these same countries during the 1960s and earlier. The same is true for her economic status among fellow OAS nations ([data.worldbank.org](http://data.worldbank.org); SN Feb 22, 2009). Overall, real economic growth for Guyana from 1993 thru 2010 was also negative when measured against the 1960 Guyana dollar although the economy performed better during the period 1993 to 2010 (the liberal market era) than the period from 1966 thru 1992 (during the period of state control of the economy). But from 1993 till now, the economy has not seen significant improvement in growth and at the same time race relations have

also worsened. Although democracy has been restored since 1992, and one can point to some improvements in political and social conditions in the country, the economy is still floundering and the standard of living has remained relatively low compared with other developing countries (*Tables p x*). The opposition PNC has remained strongly opposed to the Indian dominated government and is demanding power sharing or else it will bring its supporters out onto the streets (*SN* Oct 5, 2013; Aug 13, 2010). If there is further racial violence, the economy will inevitably decline as happened in previous such cases.

As the data reveals, overall, from 1953 to now, the economy has performed badly as racial tension became progressively worse. It was noted that between 1953 and 1959, Guyana's GDP per capita was within the top 40 nations on the planet (PPP governed between 1957 and 1959). But it began to slip in ranking so much so that by 1960, still under PPP rule, GDP per capita was US\$299 for 43rd place in the world. By comparison, Jamaica's was US\$429.14 (31st), Trinidad's was US\$635.43 (25th) and Barbados' was US\$378.84 (37th). By 1964, Guyana's per capita GDP grew to US\$308, a mere US\$10 in four years at US\$2.50 per year. Guyana's world ranking slipped to 50th. By comparison, Jamaica's increased by almost US\$89 to US\$518 (36th place), Trinidad's by almost US\$170 to US\$805 (28th place) and Barbados by US\$84 to US\$463 (41st place) (*SN* Apr 21, 2011). When the PNC took over the government in December 1964, the economic decline accelerated. The country's GDP per capita (not adjusted for inflation) went from US\$308 in 1964 (50th ranking) to US\$506.37 in 1992 (133rd ranking), a dismal growth of US\$198.37 in some 28 years at US\$7.08 per annum. Between 1992 and 2011, the nation's GDP per capita grew (nominally) from US\$506.37 to US\$2656. Guyana's GDP was ranked 115th in 2011 GDP per capita compared to the rest of the



world. And it still was/is ranked as the second poorest nation in the Western Hemisphere (*SN* Apr 21, 2011). It should be noted that Guyana went from having the 43rd highest GDP per capita in the world in 1960, higher than Brazil, South Korea and other Asian giants, and China and India to a nation struggling to stay afloat economically. Neither the PPP nor the PNC has been successful in developing the nation (Ibid)([data.worldbank.org](http://data.worldbank.org)).

### **Section B - Political Reforms and Democratic Elections**

Although Desmond Hoyte freed up the socialist oriented economy with radical reforms and toned down the PNC's racist economic policies that resulted in a turnaround of the economy, he was not particularly enthusiastic about introducing political reforms to address rising internal dissension among the working class and political opponents of continued PNC's authoritarian rule. Hoyte, like other dictators, feared that a political opening could ultimately lead to loss of office (and consequences for those who presided over the dictatorship and political murders) as happened in several other former socialist countries. Besides, his party, the PNC, was totally opposed to loosening the control of government or introducing political reforms fearing their loss of political and economic perks and the trappings of office. Thus, the fundamental tenets of the authoritarian state remained intact during Hoyte's tenure including the control of the media, police and armed forces, election commission, the rubber stamp parliament, and importation of newsprint. Hoyte also continued his control over the judiciary that protected the regime against political opponents and critics, and he retained Burnham's policy of *paramountcy* of the ruling PNC party over all state institutions. However, while people were pleased with and praised Hoyte for the economic liberalization he engendered, they also wanted a taste of political freedom organizing protests and rallies demanding the restoration of

democracy (SN Jun 23, 11, 2014; Jul 12, 2012; Nov 1, 2009).

With dictatorships around the globe freeing their population and with most of the communist countries transitioning to democratic rule by 1990, Guyanese felt their time to be freed of ethnic autocratic rule had arrived. The overseas-based (mostly, but not exclusively Indo-Guyanese urged their democratic governments (US, Canada, England) to isolate and punish the oppressive PNC government unless it released political prisoners and free up the political process to allow the people to choose their own government (SN Aug 31, 2009) in free and fair elections. The major donor countries listened to the complaints and turned the screws on the PNC regime tying aid to political reforms. The George Bush administration, for example, in 1991 warned Hoyte to return the country to democratic rule in order to continue receiving American food assistance under the PL 480 program giving Guyana wheat to produce flour. Senator Ted Kennedy and several other Members of Congress also issued public statements calling for the restoration of democratic rule in Guyana (SN Aug 27, 2009). The Hoyte government responded to the external and domestic pressure by granting a limited political opening for the opposition parties and civic groups to hold rallies without police intimidation. Against the advice and wishes of his party (SN Oct 23, 2013), Hoyte allowed opposition groups to organize and hold public meetings; unlike in the past, thugs were not sent to beat opponents or break up their meetings or to spy on the movements of opponents and family members or harassing and intimidating them (SN Sep 17, 2009). The opposition and the population at large were able to freely vent their feelings after years of pent up frustrations. This political aperture was the start of a much-desired political change people sought from the repressive policies of the PNC.

As a precondition for further aid, the western countries forced Hoyte to undertake

other political reforms including scheduling a free and fair election that included electoral concessions to the opposition as well as allowing foreign observers to monitor the elections. The US, under Bush Sr., insisted that President Jimmy Carter's Electoral Group be invited to observe the election to guarantee its fairness. Also, the opposition and the observers insisted that ballots be counted at the polling places so as to eliminate or reduce voting fraud as happened in earlier elections when PNC agents, protected by soldiers and supporters, switched ballot boxes en route to the counting stations. Hoyte acquiesced to these basic demands against the wishes of his party, putting in jeopardy his and the PNC's continuation in office (KN Jan 14, 2015; Dec 19, 2013; Oct 5, 2013).

Hoyte felt confident that his PNC party was winning over Indian support having made so many (dietary, cultural, business) concessions to them. The dictator, himself, led the PNC reform effort embracing Indians and putting several of them in influential positions in the PNC party itself and as close advisors to Hoyte himself in the Presidential secretariat. He appointed Indians as his personal secretary and as head of his office, and wherever he traveled Indians accompanied him. This was a marked departure from the past when he (or his predecessor Burnham or other PNC leaders) surrounded himself with only African supporters. Unlike in the past, Hoyte developed an open door policy welcoming Indian businessmen and farmers to his office granting them all kinds of concessions to grow food, expand production, and invest in various kinds of businesses as well as to purchase money losing state corporations. He even met with leaders of the opposition political parties and welcomed the Indian leader Dr. Jagan to his office for political consultation, which had not happened for many years (SN Dec 1, 2009).

Caving in to demands of the international community, Hoyte scheduled an

election in October 1992 in opposition to the advice of his ground troops, supporters, and influential members of his party who warned him that the party could not win without rigging the voting process (*KN* Sep 10, 2012; Jul 16, 2009). Even his Prime Minister, Hamilton Green, was against holding a free and fair election calling him a “school boy” who did not understand the political reality that the PNC could not win a democratic election (*SN* Oct 23, 2013, Mar 25, 2010). But Hoyte decided he would risk holding the first free and fair elections after 28 years of electoral fraud. He felt confident that he would get a fair amount of Indian support which when added to his African/Mixed base would enable him to retain political power. Hoyte felt confident of his support among voters in light of his economic and political reforms that granted people freedom they had not experienced since colonial rule. At any rate, Hoyte recognized that the party could not get away with another election rigging and he ignored his party’s dire warning about losing power, and he decided to test his popularity with the electorate (*SN* Dec 19, 2013). He was soundly trashed at the polls in October 1992 with the electorate casting ballots largely along racial lines as they did between 1957 and 1965 (*SN* Aug 29, 2012).

The opposition PPP was elected in what was a racially polarized vote in October 1992 with the Marxist Dr. Jagan becoming the country’s first legitimately elected President. Africans and Indians gravitated towards their natural parties with Indians for PPP and Africans/Coloreds for PNC. Since Indians, Whites and Amerindians suffered during PNC rule, it was understandable why they voted against the PNC. But it was disheartening to the WPA and other parties that Africans still voted PNC after 28 years of misrule. Africans, like other groups, also suffered from the undemocratic tyrannical practices of the PNC and its mismanagement of the economy. Africans were also affected

by food shortages and declining standard of living from PNC's oppressive rule. Many Africans were laid off from state jobs when the economy took a turn for the worse and when state corporations were privatized under the economic recovery program. Yet, Africans/Mixed stuck it out with the PNC not willing to take a chance with the Indian PPP or a host of other parties that included the multi-racial (WPA) that advocated for an ethnically neutral state and was perceived as an African party with an African academic (Prof. Clive Thomas) as its Presidential candidate (SN Mar 30, 2011). With regards to the ethnic minorities, by 1992, almost all of the Portuguese and other Whites and the Chinese had migrated with the remaining few dividing their votes among the opposition parties to defeat the PNC. The Amerindians, who historically supported the UF, split their votes between the PPP and the UF (SN Feb 2, 2010; Mar 5, 2007).

The Africans rejected the outcome of the election chastising the Indians for not supporting Hoyte who they pointed out removed the ban on their cultural foods, employed many Indians, and allowed Indian businesses to flourish. The PNC leadership and Africans viewed the Indian as ungrateful and turned to violence when the PPP victory was officially announced. Led by their ethno-nationalist Prime Minister Hamilton Green, they refused to accept the election outcome that would give political power to their nemeses Indians (KN Jan 20, 2013). They vowed not to give up power and urged Hoyte not to be pressured by Carter to step down or to accept the outcome of the election as announced by the Election Commission. In Georgetown and other urban areas, Indians were openly attacked and sexually molested and their business places were looted and or burnt. Indian homes and businesses were also violently violated. The elections commission office, where former American President Jimmy Carter was holed up, as

head of the Foreign Observer Mission, came under attack. For days, Indians stayed off the streets. This rioting shuttered businesses, the ports, government offices, etc. affecting the entire economy. President Carter, who led several teams of international observers, sternly urged Hoyte to bring out the security forces to restore public order. Embarrassed by the actions of his PNC supporters, Hoyte reluctantly called out the troops and went on TV warning those who disrupted the peace that the security forces were empowered to take actions to restore order. The police did open fire and used tear gas to end the violent disturbances. He conceded defeat to the PPP. And he half-heartedly urged PNC supporters to accept the outcome assuring Africans that the Indian PPP government would not last very long and that the PNC would return to power soon (SN Jan 20, 2013; Mar 6, 2012; Nov 7, 2011; KN Aug 9, 2014; Dec 2, 2011; Apr 15, 2009).

The anti-PPP, anti-Indian violence continued for days after the new President, Dr. Jagan was sworn in inflicting tremendous harm to the economy that started to make a recovery after years of state control and mismanagement. But the country would soon stabilize as Dr. Jagan convinced Africans that he was not interested in retribution or vengeance for the wrong doings of officials of the PNC, and that he would not discontinue the racial patronage jobs of PNC supporters. Many Africans felt an Indian of the reputation of Dr. Jagan should be given a chance to govern since the African government of 28 years had bankrupted the economy with its racist policies and inflicted so much damage to the country. Protesters withdrew from the streets. This led to abatement in racial tension allowing the PPP government to settle down and to begin to tackle the serious social and problems stymieing development. Dr. Jagan continued the liberal economic measures started by Hoyte. President Jagan would succeed in

maintaining four and a half years of social peace and stability that would allow the economy to expand and grow and the standard of living to rise (KN Feb 25, 2014). Still, many Africans complained that Dr. Jagan was focusing development policies in rural communities where Indians reside and on farming that was dominated by Indians. But Jagan defended his policy stating that rural areas were severely devoid of infrastructure development (no proper roads, drainage, telephone or running water) during the 28 years of PNC rule (SN Jul 25, 2011; Feb 5, 2010; KN Dec 7, 2008). The country needed to rehabilitate the farming sector to revive the decrepit economy in order to bring in revenues to pay state workers where African dominated. Indeed, the economy did turn around primarily because of growth in production in rice and sugar (KN Nov 4, 2011).

### **Section C. Return of Racial Stability & Economic Growth under Jagan:**

The years of the PPP administration under Dr. Jagan's tenure were marked by progress in economic growth and social conditions. Although he welcomed investment and liberalism, he did not abandon his working class credentials. Dr. Jagan was a fiscally disciplined conservative and an economic nationalist pursuing policies that would redound to benefits for the working class. His tight money supply led to a steep drop in inflation (from about 100 percent in 1991 to 4½ percent by 1996). Also, the large overvaluation of the exchange rate, which was a principal feature of the economy during most of the 1970s (G\$2 to US \$1) and 1980s (G\$4 to US \$1) was corrected with the shift to a flexible exchange rate system in 1991 (G\$140 to \$1US) and (\$175) by 1996. The dollar continued to slide downward with demand for foreign currency. The good news for the economy was that real GDP growth accelerated from an average of less than one percent a year during the decade of the 1980s to 7 % during 1991–96 (Dacosta: 2005,

2007; *KN* Apr 24, 2014). Also, the proportion of the population living in poverty fell from 67 percent in 1989 to 35 percent in 1999 (*KN* Nov 12, 2010). And most of the 40 public enterprises that were operating in 1985 were sold by the year 2000 including the state airline and shipping agencies. More land was brought into rice and sugar cultivation boosting production and income including foreign reserves and creating jobs. Reflecting this new privatization trend, public sector employment fell from the equivalent of 35 percent of the labor force in 1988 to just 13 percent in 1999. Also, there was an upturn in foreign investment, mainly in the forestry sector, fisheries, and mining and the country had registered impressive gains (1993 thru 1997) at more than 6% annually (<http://www.nationsencyclopedia.com/Americas/Guyana-ECONOMY;> [data.worldbank.org](http://data.worldbank.org))

Because of the many initiatives undertaken by Dr. Jagan and his policies of good governance, growth was consistently above six percent between 1993 and 1995, when it dipped to 5.1 percent as a result of labor disputes with African state workers who withheld their services creating a brief period of instability. Following a labor agreement that restored political stability, the government reported that the economy grew at a rate of 7.9 percent in 1996. It continued its real growth in 1997 registering 6.2 percent (Ibid). However, the gains the country made under Dr. Jagan's rule would be temporary as tragedy struck Guyana. Dr. Jagan died of a massive heart attack in March 1997 as the country was preparing for elections. His death and the organizing of elections would lead to political and racial instability with racially inspired violence taking a serious toll on the economy. After Dr. Jagan's death, the country would explode with a fresh round of racial violence when it was time for holding new elections (*SN* Nov 28, 2011). The racial instability would last for several years resulting in a severe economic downturn during that period of time (*KN* Feb 2, 2011; Jul 26, 2009; Dec 17, 2008).



### **Chapter 8, Section D. Resumption of Racial Violence & Economic Downturn:**

Dr. Jagan's widow, Janet, a Chicago-born educated nurse turned Marxist politician, was chosen as his successor as the PPP Presidential candidate for elections in December 1997. The election campaign engendered a period of political instability and intense racial tension that had not been seen since the 1960s or 1992 when the PNC intimidated opponents and brought its supporters onto the streets in a desperate attempt to derail the elections that the PNC lost (*KN* Apr 27, 2011). The 1997 electoral campaign and its aftermath that resulted in the PNC defeat were characterized by racial violence, labor unrest, psychological fear and non-cooperation by the opposition African. Indians were frequently attacked when it appeared that the PPP would win the election. The country was once again pushed to the edge of an ethnic civil war reminiscent of 1962-64 when the country literally exploded with firebombs and wide scale destruction (*KN* Feb 7, 2011; Apr 30, Mar 29, 2009). The 1997 election aftermath was a repeat of 1992, except this time it was worse and violence lasted for a longer period.

As was expected, because of the political arithmetic (numerical advantage of Indians over the Africans) and the sympathy vote for their late hero Jagan, the PPP won re-election easily receiving more support than in 1992. But the PNC refused to accept the outcome. As Seenarine (2006) noted, "the PPP victory under Janet Jagan's Presidency became a catalyst for a spate of racially inspired violence against Indians that continued non-stop for several weeks". Africans took to the streets saying they would not accept a foreign-born White woman as their President. Indian privately owned and government property were set ablaze in the capital city of Georgetown resulting in untold losses of wealth and damage to the economy. There was also fear among Indian workers and

business people who were hesitant to open businesses in the capital or to continue with their usual activity and or to invest in the economy. And even when the situation quieted down days later with the help of security forces, the opposition organized and encouraged sporadic violence that targeted and intimidated Indians. The violence led to deaths and rape of several Indians and displacement of many. The fear and terror continued for weeks especially among those who commute to Georgetown or owned businesses in the commercial center of the city. The violence also left a psychological scar on Indians regarding their safety discouraging them from investing in new or in expanding their business (KN Jan 8, 2012; Ibid; SN Apr 30, 2009; Apr 5, 2009; Jul 29, 2008).

Such violence repeated itself intermittently between after 1997 resulting in a severe negative effect on the economy. The PNC was complicit in all of the violence (GT Jun 19, 2014; SN Jan 14, 2013; Oct 5, 2012; KN Feb 2, 2011). A survey conducted by Swiss academics, representing a body called the “Graduate Institute of International and Development Studies” in Geneva, provided a historical synopsis of the PNC’s association with gang violence in Guyana assailing the party for bringing tragedy into so many peoples’ lives (KN March 22, 2012). Since December 1997, the PNC supporters sporadically took to the streets engaging in racial violence that closed down the city resulting in fall out in the economy. Hoyte refused to accept the outcome of the elections and he demanded that the PPP step down from office or face his wrath. Hoyte called on his supporters to take to the streets and not accept the outcome of the 1997 democratic elections. He declared he would make the country ungovernable calling on his supporters to utilize a policy of “slow fire and more fire” to bring the capital city to a standstill (KN Mar 21, 2013; SN Jul 13, 2012). And his supporters responded zealously to his rallying

cry of halting daily life in the capital city forcing business closures. The Hoyte supporters led marches and engaged in arson in Georgetown resulting in severe urban damage (KN Aug 31, 2009). The flames of destruction were even worse than was experienced during the civil war in the 1960s and 1992. Because of the political instability, the economy took a turn for the worse resulting in a drastic downturn (SN Apr 9, 2014; Jul 7, 2010).

The newly sworn in Janet Jagan government faced not only racial woes and political instability, but also a restive public service aligned with the PNC (which supported the public service) that was making unreasonable wage demands. During 1998 and 1999, public service workers, 90% of whom were Africans belonging to Black labor oriented unions affiliated with the opposition PNC, demanded higher wages the country could not afford. They engaged in labor actions against the government crippling much of the economy. Their continuous protest, sabotage of government offices, and wildcat actions affected political stability and by extension the performance of the economy. The African workers went on strike in 1999 to force the government to give in to their demands for higher wages (SN Nov 23, 2012; Feb 11, 2010). The government resisted the workers' demands saying it cannot afford them. But after a series of street demonstrations reminiscent of the violent-prone PNC protests of the 1960s and 1998 that disrupted the economy, the PPP capitulated. Fearing further instability in the business community and a drop in national productivity, and responding to appeals of the private sector for the government to settle the strike, the government eventually set up an African-led tribunal to arbitrate the labor dispute between the Indian PPP government and the African unions that were supported by the PNC. The arbitrators, a majority of whom were Africans and chaired by U.G Prof. Clive Thomas, ruled in favor of the workers

giving them a generous pay package doubling their salary, unprecedented in its award. It led to charges from the Indian government that the tribunal made a ruling that was ethnically biased in favor of the workers from the same ethnicity as that of the tribunal members (SN Feb 11, 2010). Although the government said it could not afford the huge pay package, it accepted the arbitrators' ruling granting the hefty pay increases to public sector workers. The police and armed forces (95% of whom were Africans) also made excessive wage and fringe benefits demands that threatened political instability (SN Aug 4, 2011). They received generous pay packages and other benefits adding to the economic costs of running the country. But additional revenues were not coming in to meet rising public sector wages; the large public sector had become a huge drain on the economy (KN Jul 3, 2011; Dec 20, 2008)([www.guyana.org/.../chap13.ht...](http://www.guyana.org/.../chap13.ht...)).

All this time, the PNC refused to accept the legitimacy of the PPP regime that was democratically elected in December 1997. The PNC and its supporters continued with their protests demanding the Indian dominated government demit office and new elections. The sustained African campaign and violence to oust the government profoundly affected output and development of the nation thereafter with negative growth resulting between 1998-2001. GDP fell 1.3 percent in 1998 after months of political violence. The 1999 growth rate shot up 3% when political stability returned that year. But the growth rate between fell in 2000 when there was a resumption of racial protests. As a result of *Caricom* intervention and goodwill of the office of Prime Minister James Mitchell of St. Vincent, an agreement (*Herdmanston Accord*) was ironed out in which PPP would give up two years of its term in office with new elections (SN Sep 6, 2011; Jun 21, 2009). Between 2000 and 2005, there was a mere 0.5 percent yearly growth –

attributed largely to political violence especially between 2001 (when elections were held and the PNC refused to accept the outcome) and 2003 (Ibid; [econ.worldbank.org](http://econ.worldbank.org)).

The violence against Indians would worsen over time prompting Indian leaders to describe attacks as “a crescendo of African extremism that threatened the social fabric of Guyana” (GC April 26, 2001). Several prominent Indians (businessmen and professionals) were robbed and or brutally executed in broad daylight between 2001 and 2003. The attacks caused Indians to lose faith in the state to protect them, and they began seeking private security measures for contracted protection in going after the rampaging killers. Also, many Indians sought visas to migrate and businesses put expansion on hold resulting in a contraction in the economy and a decline in growth. On the anti-Indian attacks, a commentator penned: “There was a certain emotional approach to political discourse in which violent propaganda, race hate advocacy, extra-parliamentary machinations and psychotic violence form the agenda of African based organizations that openly sought to remove the PPP government” (GC April 26, 2001). Ever since, contrary to what many politicians may feel and say, ethnic conflicts and perceived insecurity in Guyana has increased (KN May 19, 2014; May 5, 2009).

During this period, several businessmen were killed by, what PNC leaders described as, “ethnic freedom fighters” (KN Sep 22, 2013) associated with the PNC. Indian and White owned businesses were fearful of expansion and investment and of opening their business after dusk. The terror continued for almost three years as the terrorists gunned down even police officers. In early 2006, when the PNC “ethnic freedom fighters”, so dubbed by African nationalists, were eliminated through extra-judicial means since police lacked the wherewithal to bring them to justice, political

stability returned. The GDP went up to 3.2% for 2006. Since then, instability, tied to the ethnic conflict, has continued unabated impacting on the economy (with some violent prone years seeing almost no growth) although for those years when there was peace and calm, the economy grew (as for example, 4.5% in 2013 that was characterized by relative peace) (SN Apr 9, 2014; Dec 19, 2013; KN Apr 27, 2014; Dec 11, 2013).

The election periods in 1992, 1997 through the 2001 and up to this moment in time in 2015, have seen a spike in racially inspired (real and palpable) violence (except intermittently between 2006 and 2011; SN Jul 12, 2012; Nov 28, Apr 28, 2011). It has also seen the assassinations of prominent Indian politicians including a Minister of government and an advocate for African rights attached to the opposition (KN Aug 26, 2010). As several people have commented in the media, the social fabric of the nation has been severely lacerated (KN Dec 1 & 2, 2014; SN Nov 8, 2014)) hanging in the balance ready to explode anytime (in fact did in July and November 2012 with killings, ethnic molestations, racially inspired robberies, beating, etc.) especially after the November 2011 general elections with the African opposition demanding to be part of the government through some undefined power sharing formula (SN Jan 15, 2015).

Clearly, evidence in the form of racial compartmentalization (like the ethnic enclaves in the US) and ethnic violence (riots, rapes, arson, looting) as occurred during the 1960s, 1990s, 2000s, 2012 and as being threatened recently now, (GC Jan 24 2014; GT Jan 25, 2015, Jan 24, 2014; KN Jan 28, 2012) reveal there is deep racial suspicion and hatred (or what can be described as ethnic insecurity) between the two major races and the political parties (as well as among ethnic organizations) representing them.

After centuries of colonialism and imperialism, almost three decades of brutal

PNC dictatorship (economic policies and programs post-independence) and three decades of democratic PPP rule and the return of free and fair elections, democratization of the political process and a free media, Guyana has not made any major economic or political progress nor has it shown much success in containing its ethnic conflict or seen significant social change as compared with similar countries. Guyana remains stuck in its racial quagmire of the colonial days of divide and rule and the economy ravaged by racial instability negatively affecting development. Progress has been stifled by endemic corruption (KN Dec 6, Aug 12, Jun 11, 2012), crony capitalism, crime (many racially-motivated), the region's highest suicide rate, mass migration, threats from the political opposition, sporadic ethnic violence and other social ills. People are still reeling from the racial violence of the recent past and worry about what the future holds for them. Not surprisingly, many are calling for the return of the colonial rulers to re-colonize Guyana – seeing that option as the only rescued salvation for the country as they have lost faith in the national leaders to effect development (KN Feb 4, 2013; Aug 4, 2011; Dec 7, 2008).

#### **Section E. Blame for Lack of Guyana's Development:**

There are differing opinions about whom or what forces should be blamed for Guyana's stillborn economic potential. Some individuals blame the policies of the government (both PPP and PNC) and the racial division in the nation for the economic decline while others attributed it to the colonial legacy of divide and rule of the locals and generally prejudicial policies of the PNC regime. The diplomatic community in Guyana from the major western countries, US, Canada, and England, all of who expressed a serious concern about ethnic conflict, cited race-based politics as a hindrance to Guyana's development (SN Dec 5, 2011). The British Ambassador to Guyana Mr. Gordon

Wheeler, for example, stated in 2010 that the current “politicized racial divide has hindered development in Guyana”. However, PPP government Senior Minister, Mr. Clement Rohee, countered that it was British colonial rule that was/is responsible for hindering Guyana’s development. Rohee accused the Ambassador of “falsifying history” charging that the British was involved “in a history of resorting to a divide and rule policy in colonial Guiana that led to violence and destruction that was responsible for Guyana’s economic and political problems”. Minister Rohee wrote in a newspaper: “It was this political millstone (divide and rule) around the country’s neck that held back the colony’s development creating a lop-sided economy which future generations inherited. Thus, as history has demonstrated, it was the lop-sided economy that was foisted on the colony and the shameful divide and rule politics that left a lasting legacy of British colonial rule in British Guiana and which contributed largely to hindering development in Guyana. The British Ambassador must know that this country’s development was hindered by the manipulation of the racial conflict. During 1950s and 1960s when the communist bogey was used in the political and labor movement, race and class, manipulated by London, played a determining factor in the country’s political and economic development” (Stabroek News Jul 3, 2010).

Few would dispute the charge that the economy took a toll because of the racial politics that was utilized first by the colonialists to exploit primary resources and subsequently by the PNC to retain power and control the nation. The British, as colonialist exploiters, did oppress the people. But the economy made some strides under colonial rule. However, a commentator (SN Jul 3, 2010) noted, “the PNC during its 28 years reign of terror showed they were worse oppressors than the colonial masters, and



not only hindered national development, but regressed the nation fifty years". The commentator added, "PNC rule led to a brain drain and inability to develop its resources for the benefit of the nation. The country became like a wrecked ship under PNC rule" (Ibid). Some of the defenders of the PNC blamed the opposition PPP and its Indian supporters for the collapse of the economy claiming the PPP politics of boycott made sure that the Indians shun participation in so many activities organized by the PNC. They say, "it is the misguided Marxist ideology and eventual fulminations of the opposition PPP and Indians that helped shape the West's view of Guyana as a basket base. The entrenched politics of boycott by the PPP and the clever exploitation of race and power "turned Guyana into the basket case of the Caribbean." (SN Aug 18, 2008). Minister Rohee's conclusion about British guilt in retarding growth seems to have some merit as this study has found British (and American) culpability for the limited civil war during the 1960s (Rabe: 2005; Schlesinger: 1965). But the extent of British culpability in the slow development of Guyana is debatable as the British were not responsible for poor economic policies post independence and the state sponsored racism (against non-*PNCites*) that followed colonial rule that continually discouraged investment, a prerequisite for development, growth, and a higher standard of living (Rampertab: 2001).

The leaders (Jagan and Burnham) of the races and political parties (PNC and PPP) during the anti-colonial as well as post-colonial eras must also share part of the blame for persistent ethnic conflict and the failure to pursue policies that would have led to racial reconciliation and political stability to facilitate economic development (Pierce: 1984). Ethnic discrimination and the polarization of the society have led to varied periods of stability and instability and immobilized the political system affecting development in

Guyana from 1957 till now. For example, although the Indian PPP governed democratically between 1957 and 1964 and pursued policies for national development, the supporters of the other ethnic parties viewed the government as governing for the primary benefit of its supporters. And they undertook acts to undermine the stability of the government. Between 1965 and 1968, although Indians refused to cooperate with the ruling alliance of the other ethnic groups, relative political stability allowed for investment that led to limited growth. And between 1968 and 1992, with the establishment of the ethnic dictatorship under the exclusive dominance of the African PNC, when Indians, Portuguese, Amerindians, Chinese, and others were marginalized and ostracized and racism became institutionalized, the economy literally collapsed. The dominant political culture during one party PNC rule (1968 thru 1992) was Afro-centric despite the fact that Indians constituted more than half the total population for most of that period, when combined with the other victimized groups made up two-thirds of the population, with Africans constituting only about 32% of the population. Racial stereotypical and *scapegoating* attitudes that originated under and reinforced by the British during colonial rule, from the grass roots level to the top echelons of society, were transformed into institutionalized racism during PNC rule (KN Apr 4, 2013; Nov 2, 2011). The result was Indians and the other ethnic groups non-supportive of the PNC refused to actively participate in development policies. No amount of threats and ethnic persecution were successful in forcing non-supporters of the PNC to contribute to national development. There is no doubt that PNC rule of tyranny and oppression destroyed the long term potential for sustained levels of economic growth in Guyana (KN Sep 19, 2013). Its decades of racially prejudicial governance and economic

mismanagement were the principal causes of economic decline between 1966 and 1992. Since democracy returned to Guyana in 1992, under Jagan's non-racial policies and good governance, the country has seen an increase in its global trade and food security with the standard of living rising slightly. Yet the country is far from reaching its full potential and the promise of being the Singapore of the Caribbean. Singapore too, like Guyana, has its ethnic conflict. But Singapore manages its conflict with multi-ethnic rule granting ethnic equality and economic freedom and not surprisingly has a GDP per capita ten times that of Guyana. In Guyana, on the other hand, racial competition for power and the desire of members of ethnic groups to prevent each other from making gains affect national development. The members of ethnic groups are determined to bring each other down rather than help each other climb the social ladder of progress and higher standard of living (*SN* Aug 4, Sep 26, Jan 31, 2014; Aug 16, 2013; Jul 2, 2009).

This *zero-sum* competitive game for political power and by extension economic control between Indians and Africans has devastated development. It is a case of one party in government being unable to govern because of the strong opposition from the other party. Neither side can win even when in power for the country will remain at a standstill with the opposing group unwilling to lend a supporting hand to move the country forward or see it experience development. In fact, the opposing party will seek to bring down the ruling group. The politics of ethnic exclusion or zero benefits for the other side in which the winner "takes all" (that is, controls the state) is unworkable in Guyana (*Guyana Journal* Mar 2007). The leaders need to be reminded that one hundred percent of zero is still zero – control of the state amounts to limited progress.

Power and resources must be shared equitably between or among the diverse

groups. No country can successfully develop when half of its population feels alienated putting in a half-hearted effort at work. But that has been the history of the country since 1957. Some half of the country has been excluded from governance and full participation in political and economic activities (lacking motif to engage in activities that would benefit the governing half) – first under the PNC ethnic dictatorship (that excluded Indians from governance) and now under democratic PPP rule (because Africans feel they cannot win a democratic election having been outnumbered by Indians) (KN Oct 16, 2012; Apr 17, 2010; Mar 16, 2014). The excluded half historically has been inclined to engage in a destructive response to the economy (espionage, sabotage, forming alliance with imperialists, arson, boycott, withholding labor and reduced productivity). As long as people feel excluded from the system, as was the case with Black Americans in the US up and until the 1960s, they will continue their opposition to the party in government engaging in protests, marches, rallies, and sabotage that can threaten and or undermine the economy. Every ethnic group, especially in a multi-ethnic polarized state like Guyana, must have an input in the governance of the state otherwise it will remain unstable. The leaders cannot pretend there is no ethnic problem or proverbially sweep it under the carpet (KN Dec 21, 2014; Aug 12, 2013). The politicians cannot blame each other for bringing up what they often say is a non-existent problem. And they should stop describing as “trouble makers” those who engage in a serious discussion on how to resolve ethnic conflict. Conflicts don’t go away by being simply dismissed them as non-important or pretending they do not exist (SN May 30, 2014; Mar 11, 2013) or blaming others. Ethnic conflict is real and it must be addressed to find a workable solution because of its devastated effects on national development (SN Aug 28, 2014).

## **Chapter 9: Conclusion:**

### **Section A. General Summary of the Ethnic Problem & Urgency for a Solution:**

The study argues that ethnic conflict has been the major stumbling block to national development in Guyana ever since it was granted self-government in 1957 and followed by independence in 1966. Racial conflict between Indians and Africans over political power has undermined the nation's ability in achieving its economic potential or in significantly raising its standard of living or bringing about major social change.

This study has noted that race or ethnicity is a complex, complicated, emotionally charged issue that influences peoples' behavior in virtually every multi-ethnic society. People tend to be identity conscious with ethnicity (racial affiliation as in Guyana) influencing their behavior and being a dominant aspect of the national discourse in many societies. As historians pointed out, the European establishment of colonies (through war, conquest, exploration, among other methods) in many cases led to the creation of multi-ethnic societies through the importation of diverse groups and or racial miscegenation to serve capitalist labor's needs. In many of these societies, there initially emerged heightened ethnic group solidarity followed by ethnic conflict among the diverse groups. Competition for resources and political power exacerbated ethnic group conflict. Eventually, new multi-ethnic nations were born when the colonies obtained independence. This, inevitably, led to struggles for political power centered on ethnicity (ethnic appeals). Political rivals in many of these multi-ethnic societies have not been shy in effectively (some boldly) exploiting tensions and hostility among ethnic groups as propaganda weapons in the struggle for attaining or retaining power. Ethnic conflicts arising out of a struggle for state power tend to lead to social breakdowns (sometimes

violent conflict) and or political instability in a society. Issues and questions about ethnic-cultural identity go to the heart of ethnicity's possible roles in society, particularly with regard to its impact on the economy. Violence and political instability hinder economic growth and development through delays (or even cancellation) of planned projects, business expansion and new investment. It can also lead to destruction of property, work stoppages, and wastage of resources. Ethnic conflict often leads to political patronage and nepotism, hiring of unqualified staff, general mismanagement of the economy, brain drain, and the like, all of which negatively affect an economy. So ethnicity, as a defining factor of social relations and as an influence on a society's economy, is real and cannot be ignored or lightly dismissed (*SN* Dec 5, 2011). (see [http://www.guyana.org/features/conflicts\\_indiansandblacks.html](http://www.guyana.org/features/conflicts_indiansandblacks.html); *SN* Nov 28, 2007; <http://foreignpolicy.com/2013/03/13/cooling-ethnic-conflict-in-guyanas-elections/>; [https://www.monroecollege.edu/uploadedFiles/Site\\_Assets/PDF/The\\_Social\\_Construction\\_of\\_Race-Ethnic\\_Conflict.pdf](https://www.monroecollege.edu/uploadedFiles/Site_Assets/PDF/The_Social_Construction_of_Race-Ethnic_Conflict.pdf) ; [www.guyanajournal.com/race1\\_pt.html](http://www.guyanajournal.com/race1_pt.html))

The effect of ethnic conflict on a society has been amply demonstrated in this case study on Guyana that experienced relatively stagnant or negative development as a result of racial conflict (that is often accompanied by violence in Guyana). The country has failed as a nation to give its people an equal opportunity, regardless of ethnicity or political affiliation, to pursue or to realize their full potential to be whatever they want and to contribute to the country's economic development. People are defined by their ethnicity, and their quality of life is linked to their ethnicity. The PNC government formulated policies and distributed resources based on political and ethnic affiliation. Those who supported the government during the PNC era (December 1964 thru 1992)

were favored over those who supported other parties, and as such, PNC supporters enjoyed a higher standard of living than those not supportive of the regime. As a result of racial discrimination and persecution, the country could not achieve its full potential as racial victims simply withheld their services, activities, investment, and labor. Productivity declined and economy shrank and with it the deterioration in the standard of living. (see <https://sarabharrat.wordpress.com/tag/racism/>; *GT* Jan 25, 2015).

Economists have pointed that Guyana should have been a country in which everyone should have had a relatively equal and a fairly high standard of living given its enormous natural resources and the size of the country's landmass with only three quarter million people. The people should have been living in peace and harmony and the country should have put its enormous resources to constructive use so that everyone could enjoy a relatively high standard of living. Instead, what was obtained right after independence was institutionalized racism with the ruling PNC politicians playing on the racial division of the population so as to manipulate and control them (Africans in particular). The PNC established a system of governance that favored their own (African/Colored) supporters over those of other parties and that enriched the PNC elite to the exclusion of others (*KN* May 10, 2013; May 1, 2011). In addition, the PNC politicians created a dependency syndrome of their supporters (*KN* Nov 24, 2013) using patronage of the state to keep them in tow so that the elite can hold on to power illegally (1964-1992). That dependency syndrome, while serving the self-interests of the PNC elite, militated against the productive capacity of PNC supporters denying many of them the ability to pursue self-development, and by extension a meaningful contribution to growth and development. The PNC established a governance system geared towards self-

preservation and self-enrichment rather than towards national growth and prosperity (KN Jul 21, 2011) or granting people, including its own supporters, freedom of choice. Similarly, the PPP politicians also sought to retain an ethnic base to capture and maintain power though it did not (has not) practice (d) racism in government or has adopted a dependency patronage approach of its supporters to the extreme extent as the PNC did during its tenure (KN Nov 22, 2011). The PPP supporters have hardly depended on the state for economic survival or for employment as most of them are self-employed or worked in the private sector. And, at any rate, the greater proportion of the state's resources under the PPP regime have been expended in non-PPP strongholds (KN Nov 18, 2013). However, PPP supporters have depended on their party to provide them with a feeling of ethnic security against planned violence orchestrated by the PNC (SN Dec 24, 2008) as well as on adequate physical infrastructure to facilitate economic enterprises such as agricultural production (KN Apr 24, 2011; Sep 4, 2009) and business activities.

Without ethnic security and appropriate infrastructure, Indians would not be very productive. And during PNC rule, ethnic crimes, poor infrastructure and racist policies made development almost impossible. Indians withdrew their participation in development policies. So in spite of the enormous promise of the making of an economically prosperous nation at independence in 1966, Guyana has failed as a country to grow, experience positive social change, and give its people a prosperous life because of ethnic conflict (KN May 26, 2013). Yet the literature on Guyana or on other multi-ethnic societies has not stressed the effect of the ethnic factor on development.

As this study notes, the economic literature on post-colonial societies has generally tended to emphasize the economic causes for underdevelopment of a nation like



Guyana. Much of the literature is on the external sources of exploitation and domination and misguided domestic policies as being the main culprits (factors) behind a country's underdevelopment. The literature places less emphasis on non-economic factors (on social factors such as the dynamics of internal conflict resulting from political and or ethnic competition) for failed development in divided former colonies like Guyana. Also, academics tend to overemphasize the external sources (colonialism, imperialism, terms of trade, etc.) at the expense of the internal social aspects such as ethnic conflict in explaining why former colonies have failed to develop. It is a given that the economic and political activities of the colonists or colonialists were usually congruent with the interests of the imperial or mother country or the local *plantocracy*, and that they did not give a hoot about the development of their colonies. Colonizers and imperialists were interested in profit making and in developing their own nations rather than their colonies. No one will dispute the fact that imperialism (as practiced by colonial powers like the US, UK, France, etc.) and capitalist exploitation of the society from within (by plantation owners and local bourgeoisie) have played a significant role (through divide and rule and other policies) in the failure of Guyana to develop. And it is also indisputable that the economic external and internal factors were responsible for the uneven level of development (neglect of rural and hinterland communities) of various regions of the country (urban-rural divide) because the dominant ethnic group and the colonizing elite are concentrated in the urban areas. But why should lack of development be attributed almost exclusively to economic external and internal factors? Should not non-economic domestic factors (like ethnic conflict and the role of political struggle for power) also be invoked to explain underdevelopment?

The study has illustrated that political and to a large extent economic life in Guyana is largely defined and shaped by ethnicity. In Guyana, there is a strong linkage between ethnicity and economic occupations with Indians mostly involved in farming and retail businesses, Africans in mining and government employment like the civil service and security sectors, Chinese in laundry and shop keeping, and Portuguese in trade and wholesale operations as suppliers to retail shops. Also, the link between ethnic identity and political affiliation has provided the underlying basis for governance and politically motivated ethnic violence that impacted on development.

As the study argues, ethnic conflict, promoted by political leaders, parties and organizations, and outside forces is the primary reason why Guyana has failed to prosper. The research in this study finds that the post independence Guyana rulers had become the problem in the way of development as they: 1. had played on ethnic fears to hold on to their support 2. had persistently refused to cooperate on national development and 3. when in opposition, had taken every step to undermine the policies of the opposing ethnic party in control of the state to enhance internal support and acquire further resources for their own group. For partisan purposes, the leaders of post independent Guyana have been obstacles to development (SN Apr 30, 2009).

As Prof. Paul Erriah (2011: 96) opined, nation building has been hindered by a variety of forces inherent in the social, political and economic systems that range from ethnic differences, to political exclusion, to domestic politics, to racial rivalry, to international factors relating to the cold war, nepotism, trade issues, and a variety of other socio-economic, psychological and political factors (Erriah: 96). The major obstacle facing Guyana is the ethnic political parties, their ethnic leaders and their ethnic

supporters don't want to cooperate or share power with each other to allow for peaceful coexistence and stability that can lead to economic progress. They have focused on winning elections and governing alone. From the time of the split of the anti-colonialist nationalist movement in 1955, ethnic conflict has been very threatening and disruptive leading to one crisis after another in the social, economic and political structure of the country. The political leaders had been unwilling to accept that winning an election is not enough to stem ethnic violence because electoral democracy has not stopped violence in Guyana or other multi-ethnic states like Kenya, Ghana and Ukraine; in fact, it has led to more violence and disallowed inclusive governance.

Electoral democracy has not worked well in multi-ethnic Guyana (SN May 10, 2014; Feb 13, 2013; Mar 12, 2009). With its African supporters being a minority, PNC rigged elections because it could not win a free and fair election. The PPP, on the other hand, did not need to engage in electoral rigging. The political arithmetic had favored Indian PPP to win democratic elections between 1957 and 1964 and again between 1992 (in coalition with Amerindians and a sprinkling of others) and now making it difficult for the African/Mixed minority to win office through free and fair elections. Because the Africans and Mixed/Coloreds combined (largely supporters of the PNC) recognized they could not win democratic elections, with their numbers less than that of the Indians (supporters of PPP), the African/Coloreds supported rigged elections to remain in office and largely excluded the Indians in policy making as well as access to state resources (KN Jun 22, 2012). International pressure forced the PNC (supported by Africans and Coloreds) to yield to democratic elections that were won by the Indian PPP. But out of office, the minority PNC has destabilized the government at every turn.

Neither party, when in office, wanted to share political power, but when in opposition advocated for some kind of ethnic power sharing mechanism. When in control of the state, the political elites of the races have been unwilling to accept or even to recognize ethnic bargaining and negotiations over resource allocations to the various groups. They have sought power for their group at the expense of the other groups (KN Apr 29, 2014). They have not given serious consideration to the enactment of some kind of institutionalized system of distribution of resources and a governance power-sharing mechanism as legitimate means of addressing political and ethnic conflict. It is noted that when defeated after a democratic election, the losing party usually calls for power sharing among the races. Not surprisingly, there have been ongoing demands for power sharing from the African leadership and threats of violence if the Indian PPP leadership of the country does not acquiesce to their demands (Stabroek News letters May 3, 4, 2011). When the PPP was in opposition during the period 1965 to 1992, it suggested a power sharing formula that was rejected by the PNC that opted for exclusive governance. When the PPP offer was rejected, the party engaged in activities that undermined development. Growth and development cannot take place under such uncertain and unstable circumstances. Multi-ethnic inclusive governance is required for stability that in turn encourages economic activities that lead to prosperity.

As argued, one of the prerequisites of growth and development is stability and national unity. Guyana has not experienced continuous political stability primarily because of ethnic conflict. As experienced in Guyana and so many multi-ethnic states, ethnic peace is very fragile, and it can easily succumb to the least provocation between members of groups throwing nations into serious conflict and turmoil. Psychological

trauma follows when violence breaks out impacting on investment. And in Guyana, it is well known that opportunistic politicians encourage ethnic provocations because such ethnic confrontations suit their interests as a way to retain their base and to remain relevant to their supporters (*KN* Nov 22, Jun 5, 2011). In Guyana, ethnic conflict occurred intermittently from the 1950s till now and even led to the establishment of an authoritarian Black state similar to apartheid South Africa between 1966 and 1992. As illustrated, democracy was not the only victim of ethnic conflict. The economy also suffered. Needless to say, economic decline is usually accompanied with a lowered standard of living and increased levels of poverty and suffering among the masses thereby hindering social change. (see [www.unesco.org/most/girvan.htm](http://www.unesco.org/most/girvan.htm)).

As this study illustrates, ethnic conflict<sup>20</sup> provides a useful and heretofore neglected explanation for the decline and or lack of economic growth and for (negative) social change and declining standards of living in developing countries. One simply cannot ignore the effect that ethnic conflict has on societies as exemplified by the Guyana case. Racial tension that emerged out of the introduction of varied races during the mid 1800s has persisted throughout Guyanese history. It has crossed over into political affairs from 1957, and it led to racial violence during the 1960s and intermittent violence thereafter as the racial groups competed for political power and control of the state (<http://www.mongabay.com/history/guyana/guyana-health.html>). Such racial tension and violence affected productivity, business and investment by impacting on all aspects of the

---

<sup>20</sup>The most important sources of ethnic group conflict are the highly visible characteristics of race, tribalism, skin color, nationality, language and religion. Donald Horowitz's study *Ethnic Groups in Conflict* (1985) confirms that most conflicts in the world are associated with differences in racial, linguistic, and religious characteristics (p 10). In Guyana, ethnicity replaces class as the precursor of conflict – a contradiction of socialist and Marxist expectation.

economy, particularly growth as the economy declined, especially after independence.

From 1957 thru 1965, while Guyana was still a colony under British control, the economy was still somewhat stable and growing negligibly to sustain the quality of life. However, after independence in 1966, Guyana's economy regressed, particularly so thru the year 1992 with the standard of living in 1992 being a mere fifth (in terms of real purchasing power parity) of what it was at the time of independence in 1966. During the period 1966 to 1992, the country experienced many social ills including negative population growth, brain drain, and decline in health and social indices. Per capita income collapsed drastically. The per capita debt exceeded US \$30K (among the highest in the world) by 1992. Most of the intervening years saw negative or stagnant growth rates. During that period and since then, there has been and a steady decline in the Human Development Index (HDI) and other social indicators since independence. Of 186 countries, Guyana ranked fifth from the bottom on the human development index in 1992. It is noted that in 2014, Guyana remains the second poorest country in the Western hemisphere. Over 36% of the population lives below the poverty level, though an improvement from 67% in 1991 (*GT* Jan 8, 2015). Some 20% of the population is unemployed (*GT* Apr 29, 2014) and that number does not include those who are underemployed and have given up looking for work. The country has the lowest GDP per capita ranking in *Caricom*. All of the preceding social and problems are attributed to ethnic politics (prejudice, racism and conflict) and gross mismanagement of the economy – opposition groups undermining development because they feel excluded from governance and are convinced they don't get their fair share of resources.

Clearly, economic progress will not be made in Guyana as long as the ethnic

problem remains unsolved and or until there is a workable solution that would encourage and motivate the groups to become involved in development. So far, the political leaders have failed to forge a united nation allowing people to live peacefully and work together to help make rapid strides in economic development. Unless the government (both ruling party and opposition) addresses the issue of ethnic conflict and finds a way to construct a political arrangement that provides for equitable ethnic representation in the government and allocation of resources to the various groups, violence and instability will remain a part of civil society. And if social peace is absent, development is virtually impossible. And the ethnic temperature in Guyana is inexorably rising with explosions possible at any moment. Immediate actions need to be taken to address the ethnic conflict. The situation is one of urgency to avoid violent clashes.

Ethnicity must be tackled head on regardless of which party wins an election and forms a government so that conflict does not affect development. In terms of a solution, the state must not smother ethnic aspirations like the PNC did with repressive policies when it governed between 1965 and 1992. Ethnic persecution would only exacerbate conflict. An inclusive form of governance is needed to address the problem. This study has contended that economic progress cannot come about without sound multi-ethnic democratic principles, political stability, good governance, respect for law and for each other, ethnic fairness, economic equity, sensible policies, and national unity. The failure of the political forces to adequately address and settle the ethnic conflict has invariably led to intermittent periods of violence (political and social instability) that have impacted on production affecting the economy. The political leaders need to find a solution to the conflict and not evade or ignore it or pretend it does not exist as happened heretofore as

this produces instability. The challenge for Guyana and other ethnic violence plagued societies is to find a workable solution to ameliorate conflicts that would lead to peace and political stability and that would motivate people to work wholeheartedly towards national development. Permanent political stability (brought about by ethnic peace and harmony) is needed for investment and development that will lead to economic growth and a rising standard of living and other social change. So how can stability be achieved?

### **Section B: Proposed Solutions & Recommendations for Stability:**

This study recommends that ethnic conflict be managed in a (creative) way to eliminate strife that can lead to political instability. Theorists have propounded that stability and nation building can be obtained through an ethnic control model that is dependent on a monopoly of the use of violence (repressive dictatorial rule) by a government against its political opponents (or against an ethnic group) so as to resist all appeals based on ethnicity (tribalism, in particular) (Horowitz: 1985). (see also <https://books.google.com/books?isbn=9036100585>). That model, while controlling dissent, was not successful in bringing about development in Guyana. Such a totalitarian/authoritarian process has been prevalent in Africa with the nations (Kenya, Malawi, Somalia, Ethiopia, Uganda, Zaire, Burundi, among many others) adopting such authoritarian/totalitarian measures in order to enforce a process of nation building (see [www.scu.edu/ethics/practicing/.../kenya.htm](http://www.scu.edu/ethics/practicing/.../kenya.htm)). Guyana falls under this repressive approach during the PNC era between 1966 and 1992 when the dictatorship kept a tight lid on ethnic conflict using violence to prevent dissent against its racist rule. Also, most multi-ethnic former communist nations (not least USSR and Yugoslavia) and countries in Africa have depended on dictatorial measures to prevent ethnic conflict. The various



forms of social control used by Burnham and the PNC between 1966 and 1992 ranged from the use of force and violence to legal restrictions imposed on peoples' cultural beliefs, ideologies and economic activities. Such repressive actions drove fear in people forcing them to tow government line. To not follow the government line, the penalty could include death, acts of cultural genocide, denial of food rations, withholding supplies to shopkeepers, and ethnic cleansing (job dismissals or replacement by supporters of the PNC). These repressive methods were used by the PNC to control the Indians and members of other groups that did not support it. Persecuted people are unmotivated to support national development.

As in other authoritarian/totalitarian societies, the coercive apparatus of Burnham's state permeated all spheres of daily life including diet, religious worship, education, sports, culture, and politics. The coercion in Guyana was of such a degree that fear of the "comrade leader" became the central fact of existence but that fear did not lead to enhanced productivity – people did fear the leader and he did punish those who did not follow his directives or those who challenged. The fear of the dictator did not motivate people to maximize their productivity. People did the bare minimum for their survival as well as to avoid victimization by the omnipresent state. It should be pointed out that productivity in every sector of Guyana's economy declined and the overall economy grew negatively during the period of the ethnic dictatorship. As the Guyana case has illustrated, the repressive authoritarian model does not produce a permanent or long term solution to ethnic conflict, and at any rate, repressive solutions do not lead to development of a nation as exemplified in Africa and the former Soviet Union. When democracy returned to the former authoritarian nations, ethnic conflict and ethnic

demands raised their ugly heads once again. The problem did not disappear. On the contrary, it worsened. Similarly in Guyana, repression did not result in improved relations between the ethnic groups. On the contrary, relations worsened. There was relative political stability but no development. People were not motivated to produce to their potential, and they found clever ways to outsmart the political system and meet their basic needs. Porous borders and migration created an outlet for many to escape the repressive power of the state, and many Guyanese found their way to North America. Once freed from the arms of the oppressive state, former persecuted people can use their newly found freedom outside the border to organize revolutionary activities to undermine or destabilize their former state like what happened in Nicaragua by the Miskito Indians ([www.columbia.edu/~lnp3/.../indian/miskitos.htm](http://www.columbia.edu/~lnp3/.../indian/miskitos.htm)) or Indo-Guyanese in North America ([www.caribbeannewsnow.com/headline-](http://www.caribbeannewsnow.com/headline-) Nov 28, 2014) resulting in a worse situation for the oppressive government forcing it to democratize and lose power.

Clearly, stability imposed under a threat of state persecution will not encourage people to increase production. It is better for government to win people over using a soft approach such as granting them freedom, cultural autonomy and including them in governance. The dictator, Desmond Hoyte, achieved some success when he tried the soft approach embracing Indians between 1988 and 1992 that saw the economy rebounding. Also, no government will forever be able to hold the lid on reasonable ethnic demands like freedom to practice one's religion cultural retention or to stop a democratic opposition bent on toppling it as happened in former dictatorships in Africa, Central America and Eastern Europe. Violent, repressive measures by authorities against an ethnic group do not produce permanent relief to a lingering ethnic problem. Such state

actions may provide stability for a brief period, but the problem will raise its ugly head as soon as the repression ends as has happened in Ukraine and Guyana. And repressive actions may not be successful to completely eradicate a group or its cultural (language, diet, customs, etc.) norms or demands. ([www.unesco.org/most/pp4.htm](http://www.unesco.org/most/pp4.htm)). Even when living under the most oppressive regime, history has shown that groups find creative ways to retain their cultural or ethnic identity as was the case of Jews in Germany under Hitler. When repressive measures ease up, ethnic groups will return to their cultural norms and make (justifiable) demands that may lead to a return of instability as in the former USSR. In addition, repression does not lead to maximization of economic output. It de-motivates people from engaging in productive work. People tend to withhold their labor when their rights are violated as history as witnessed in so many societies.

Actually, Guyana, itself, was an example of this fact between 1966 and 1992 when Indians, Chinese, and Whites largely withheld their labor and economic investment in response to ethnic persecution and victimization to pursue their trades and callings. As soon as repression ended in 1992, there was a burst in economic activities and the economy grew. So ethnic dictatorship, while it may result in stability if people don't challenge it, does not enhance economic development (Erriah: 2011). Actually, it reduces growth as the case of Guyana illustrated during the period of tyrannical rule. The government found it impossible to force people to labor even when guns were pointed at them, and there were numerous labor strikes and arson of government farm production during the dictatorship. Any program or policies that significantly increase the risks of violent ethnic conflict or promote discrimination have proven to be economically unsound or impractical to implement. The experience under Burnham should alert present

and aspiring national leaders (especially from PNC) to a harsh reality: the short term benefits from ethnically divisive political strategies do not justify the long term social economic and political costs (*SN* Oct 1, 2013)(see also [www.guyana.org/.../conflicts\\_i..](http://www.guyana.org/.../conflicts_i..)).

Democratic elections and inclusive governance may provide the best option for stability. But democratic elections alone may not necessarily bring peace and stability as illustrated in Guyana where there was much racial violence as groups refused to accept defeats in elections. Ethnic groups want to be part of the government even when they were defeated in democratic elections. Democratic elections were not sufficient to appease Guyana's opposing groups as saw observed during 1957-65 and again from 1992 thru the contemporary period. Defeated ethnic groups are unwilling to accept the outcomes of democratic elections. In a pluralist society, like Guyana, where one group is over fifty percent of the population, "democratic elections" are not very comforting to minority groups because they are not likely to win free and fair elections. In fact, it was because the Africans were numerically less than Indians that the PNC resorted to election rigging recognizing it could not win democratic elections. During the period of election rigging and the establishment of the dictatorship between 1966 and 1992, indeed even before that, unrestrained political competition, particularly where the ethnic groups were of roughly equal sizes, led essentially to a zero-sum situation – neither group was real beneficiary in the racial competition; their energies were spent on preventing the other group from making political and economic gains rather than on development of the state to the benefit of everyone. And even when there is a democracy, as Guyana has been since 1992, there is still ethnic conflict in a continual stalemate. So while democratic elections are welcomed, they alone may not be a sufficient remedy for ethnic problems in

polarized states like Guyana; such elections may simply be a prescription for the permanent exclusion of minorities or certain ethnic groups from power when they are less than 50% of the population. Nevertheless, democracy must not be dismissed as an important tool to bring about political stability in divided society; stability without democracy does not augur well for development (Pierce: 1984).

A stable political system (resulting from democratic elections or negotiated by party or ethnic elites) must be democratic and must be seen and accepted as having legitimacy by all groups. It must provide for a fair system of competition and sharing of power and resources among all groups and as such it cannot be based on a “winner takes all” democratic system. Acceptance of such a government is enhanced when there is a fair distribution of state resources among the diverse groups and when opponents feel that they have a fair chance of being part of an administration and when the system does not discriminate against them based on their identity. People will become more amenable to and accept a system that gives them a fair chance based on skills, talent and ability to fulfill their potential. Stability is greatly enhanced when the political system makes it possible for members of all groups to partake in the system, have equal opportunities, and allow a meaningful role in the government. Exclusion (or even a perception of exclusion) of any group will lead to instability as witnessed in Guyana and several other societies.

Thus, a political system needs to be constructed in which ethnic conflict is minimized or regulated through some kind of constitutional arrangement or parliamentary procedure for sharing of resources among diverse groups, inter-group (as well as intra-group) accommodation, and ethnic elite negotiation for power sharing and resource allocation among such diverse groups (Erriah: 2011: *SN* May 27, 2011). One such

proposed arrangement is *consociational* democracy that proponents posit would bring all the ethnic groups (in conflict and in competition) together in some form of shared governance (KN Jun 2, 2013, SN Sep 1, 2014). *Consociational* theory, as posited by Arendt Lijphart (1969) involves negotiation among the representatives of the ethnic groups towards an acceptable solution of shared governance and resources. Conflict is managed by the leaders of the groups for cultural or linguistic or religious autonomy, or for self-rule, etc., or for some kind of equitable distribution of resources (Ibid). The political leaders of the different communities will bargain for resources to prevent political disorder or ethnic conflict. The model assumes that the political actors and their supporters would accept this type of constitutional arrangement. As Prof Erriah (2011) noted, stability in such a multi-cultural setting will be maintained if the leaders of political groups engage in cooperative efforts to counteract the tendencies toward instability. In other words, there must be accommodation of the elites of the different groups and their supporters (Erriah: 75-76). It is felt that this approach or a similar one is necessary for a country like Guyana to transcend intense ethnic conflict and to bring about peace and stability. Prof. Erriah (2011) has argued that, “the failure of nation building and construction of smooth ethnic fences in Guyana must be attributed to the idiosyncratic rationalization of the political leadership. If Guyana had gone into independence with a Jagan-Burnham coalition, the government would have been more representative of the entire composition of the country and a *consociational* democracy would have been born. However, political opportunism prevailed and a repressive state was the only formula for the survival of the PNC government” (Erriah: 95).

In Guyana and in several plural societies, rulers turned to authoritarian rule and

what Dr. Ravi Dev and Prof. Baytoram Ramharack (New York University and Suffolk Community College) called “*hegemonic control*” to manage ethnic conflict (KN Feb 21, 2010). This political system, they argue, is unworkable as a solution to ethnic conflict and is similar to the repressive model described earlier. As Dev and Ramharack explained, authoritarianism and hegemony (total domination including use of force) are effectively utilized by the dominant ethnic group to hold the society together and preserve its control because of fear of chaos from power sharing formulas or of losing power to other groups through democratic governance ([www.kaieteurnews.com](http://www.kaieteurnews.com); Feb 8, 2010; Dec 11, 2011; Oct 12, 2010; May 13, 2012). The groups in opposition to the government worry about their security and make demands for participation in governance. The minority groups generally worry about the electoral outcome fearing they would never win an election to get into office while the majority group demands democratic governance. Dev and Ramharack (Ibid), both of them belonging to the Indian-based ROAR political party (that has not been successful in electoral battles), have coined the term “ethnic security dilemma”. Such a term describes the situation whereby the dominant ethnic group (could be a minority as was the case between 1965 thru 1992 in Guyana or apartheid South Africa or White ruled Rhodesia or Alawite controlled Syria or Sunni controlled Iraq under Saddam Hussein) attempts to maintain hegemonic control over the rest of the society in order to guarantee its own dominance, freedom of activities, and policies to ensure its physical security as well as to secure the rewards of socio-politico control (KN Nov 11, 2012). Dev and Ramharack suggest a federalist system that decentralizes power groups as a way to resolve ethnic conflict (KN Jul 28, 2011; Mar 21, 2010).

Dev and Ramharack describe Guyana’s ethnic conflict in terms of an “*Ethnic*

*Security Dilemma*” in which each race (one in control of the state and the other in opposition) feels insecure about the intention of the one in government and as such they face off against each other for control of the government that they feel provide them with some sense of security (KN Jan 13, 2012). They note that the ethnic security dilemmas that flowed from that premise within the country’s political framework have not been successful at finding a solution since the 1950s. Ramharack and Dev feel that the best way to address the ongoing security dilemma is through the establishment of a federalist governance (decentralization of power) structure that would allow each ethnic group control over certain local government to manage their own ethnic affairs and address their own ethnic issues while remaining loyal to the state (ibid; SN Jul 30, 20, 2014; Nov 12, Apr 15 2013). The federalist structure would be modeled after that in the US where Guyana will be divided into (four or more) “provinces” that may result in the major ethnic group in the province capturing power but a mechanism will be put in place to prevent ethnic domination once there will be some kind of shared governance (KN May 8, 2011). The group in charge of the regional (or local) government would not neglect the legitimate aspirations of the other groups and or deny them equitable participation in governance (KN May 8, 2011; SN Jan 29, 2008).

Another proposal advanced by other theorists that can help to bring about stability is that of a multi-ethnic or multi-party coalition or *shared governance*. Dr. Ravi Dev, leader of the Indian-based ROAR party, that won representation in parliament in the 2001 election, proposed a *government of national unity* be formed (comprising of representatives of all groups in a *multi-ethnic inclusive government*) as in South Africa in the short term to discuss, debate, and formulate a more appropriate and permanent



governance and state structures for Guyana. This proposal was turned down by the leadership of the two major political contenders – both of whom were opposed to any form of *shared governance* (*KN* May 8, 2011). The PNC was opposed to any kind of shared governance initially saying it wanted to govern alone, but it is now advocating such cooperation (wants to be part of a multi-party coalition government) while the PPP has expressed opposition to such a plan. However, when the PPP was in opposition after being engineered out of office in December 1964, it advocated power sharing.

The theory of *shared governance* involves a government of all political parties based on proportional representation of votes garnered in an election with a minimum threshold needed to gain cabinet berths as used in South Africa in 1994 and also designed for Fiji (but never implemented). It is often referred to as the *consensus approach*<sup>21</sup> to national integration “which relies on modernization as an evolutionary process that eventually leads to nation-building. It regards ethnic demands and societal disruption, ethnic conflict, etc. as a natural phenomenon that will eventually be replaced by consensus-building, cross-cutting affiliations and shared societal values that in turn will lead to greater integration” and a reduction in conflict. Many theorists feel several multi-ethnic societies fall under this *social integration* model with groups seeking consensus solutions (acceptance of election results, as for example, and willingness to include members of other parties in governance) to their ethnic problems as happens in Switzerland and Belgium. It is somewhat similar to Lijphart’s consociational model in that elected representatives obtain consensus on governance issues. Fiji had a kind of

---

<sup>21</sup>See Karl Deutsch and William Foltz (eds), *Nation-Building* (Chicago: Aldine Atherton Press,1966); and, Glazer and Moynihan, *Beyond the Melting Pot* (Cambridge, Mass.: Massachusetts Institute of Technology Press,1970).

*consensus ethnically inclusive model* enshrined in its 1997 constitution, but the severely restrictive ethnic government refused to implement it after elections to include the Indian opposition members in the cabinet leading to the perpetuation of ethnic instability. South Africa also has this system for its 1994 constitution, but the Whites withdrew from the cabinet and refused to participate in the government saying it has negligible influence in how the country has been governed. This type of consensual governance, it is suggested, by utilizing the reputation and respect of leading personalities of all the major groups, will result in political stability (Erriah: 77). In such an arrangement, all the political parties (leaders representing ethnic groups) will partake in cabinet decision-making based on percentage of votes received. Each ethnic community will be allocated a fair amount of resources based on its size and needs. Even if some people cry discrimination and oppose such a coalition system claiming their rights are violated, stability will remain providing opportunities are available to them as exists in a democratic polity to express their grievances. The leaders, who sign on to the system and are represented in the cabinet, will be responsible for control their group to maintain political stability.

The objective of a consensual approach is to minimize ethnic grievances and to maximize acceptance of the system thus insuring political stability. Once a (democratic) government serves the interests of the large majority of its citizens, to achieve their self-interests and potential, political stability will hold as exemplified in the US, Canada, England, Singapore, etc. allowing for growth and development. In developed multi-ethnic countries, stability is obtained through ethnic accommodations, compromises, coalition building, and respect for the minority and a system is implemented that addresses real or imagined ethnic discrimination allowing for the development of communities so they

don't feel alienated and marginalized. Since these societies don't experience prolonged periods of instability, they exemplify or showcase conditions that will attract investment leading to economic expansion and experiencing national development. In Third World societies, however, especially in culturally plural societies that are characterized by serious social cleavages, compromises and democratic governance are often limited (as in Sri Lanka, Kashmir, Surinam, Guyana, South Africa, Fiji, etc.) if not completely absent (as in Nigeria, Burundi, Rwanda, Sierra Leone, among others).<sup>22</sup> Stability is almost completely absent in most of these societies. They lack the conditions for investment, and as such they have not been able to experience their full economic potential as contrasted to the developed societies such as Switzerland, Belgium, Spain, etc. that have managed their ethnic conflict and have experienced political stability to facilitate development.

Even in multi-ethnic societies with democratic governance, ethnic racial divisions can create situations (as in South Africa, Guyana, Fiji and Trinidad, etc.) where it is very difficult to implement a system of *majoritarian* rule involving the "*winner takes all*" paradigm. These countries face serious development issues with subordinate ethnic groups reluctant to cooperate with the dominant group unless they are allowed some form of cultural autonomy and an equitable share of resources, state positions, offices of political management, and a fair opportunity to win political office. In culturally or ethnically plural societies that maintain a Westminster-style democratic structure,

---

<sup>22</sup>The plural society theory, as widely referred to in studies on ethnicity, has been developed largely by social anthropologists from the original concept set out by J.S. Furnivall, *Netherlands India* (Cambridge: Cambridge University Press, 1939). It was later applied to post-colonial societies including the Caribbean. [en.wikipedia.org/wiki/Pluralism\\_\(political\\_theory\)](https://en.wikipedia.org/wiki/Pluralism_(political_theory)). For more on the plural society theme, see Arend Lijphart, *Democracy in Plural Societies: A Comparative Exploration* (New Haven: Yale Univ. Press, 1977); M.G. Smith, *The Plural Society in the British West Indies* (Berkeley and Los Angeles: Univ. of California Press, 1965); Leo Kuper and Smith (eds), *Pluralism in Africa* (Berkeley: Univ. of California Press, 1969), pp.27-65; and, Crawford Young, *The Politics of Cultural Pluralism* (Wisconsin: Univ. of Wisconsin Press, 1976).

*majoritarian* rule or "one man, one vote" type system virtually guarantees the group, with a numerical preponderance over the other groups, the advantage of winning a free and fair national election and the authority of controlling political power. This has been the case in Guyana during the era (1957-64 and 1992-present) of democratic elections. From the perspective of the subordinate or minority groups, *majoritarian* control can lead to what is known as "tyranny of the majority" or perpetual domination by one ethnic group over the other (s). On the other hand, a minority ethnic group (Whites in South Africa, Blacks in Guyana, ethnic Melanesians in Fiji before the coup, etc.) that lacks the plurality of votes necessary to win a free and fair election may be forced to resort to extra-constitutional (election rigging or coup) and authoritarian measures (exclusion of others) in order to maintain political as well as economic domination. So, some kind of compromise towards multi-ethnic inclusive governance is needed for social and political stability to facilitate development. No one can deny that the current Indian dominated PPP government is doing its utmost best to improve the lot of the people's well being. Indeed, the country has made a lot of progress under PPP's democratic governance since 1993. But the African opposition is still determined to create obstacles (engaging in frequent mass protests, for example) against progress. Since they have been excluded from office for 22 years, via the outcomes of democratic elections, they are demanding a representative voice in governance. In short, the Africans want power sharing (proportional share in the cabinet based on the percentage of votes they obtained in the elections) (SN Mar 2014; Jul 6, 2011; KN Mar 7, 2014; Nov 27, 2012). The Indian-based PPP is opposed to such a demand (SN Apr 4, 2014).

As a reminder, when an ethnic group or party (the PNC) held power (illegally) for

28 years and practiced ethnic exclusionary politics unwilling to share power with others, once another group (Indians) captures or acquires power, it will be just as unwilling to share it with other groups, particularly the one that previously oppressed it. It is not a case of forgive and forget and bury the hatchet. Former persecuted people may want revenge and after capturing or tasting power, the newly liberated group may not want to give it up. The dilemma facing the Guyanese nation, as a writer penned in a letter column, “Guyanese remain trapped in an infinitely regressive series of accusations as to who (which ethnic group) did what to whom, and when? Inevitably, the past rears its head, bares its fangs, and ensures that skittish minds become even more paranoid” (*KN* Mar 29, 2013). And the politicians keep reminding their supporters about those terrible experiences telling them they could be repeated if the other side acquires or retains power. As the letter writer commented, Guyanese need to alleviate themselves of “the reflexive assumptions that each side is about to do to the other side ...” (Ibid). It is just a matter of time before there is another round of racial violence and political instability as the Africans will not accept their inferior status in perpetuity. Ethnic reconciliation for past misdeeds and compromise may be the way to go as happened in South Africa. Some type of compromise is necessary to ease the lid on pent up racial anger arising out of exclusion from government. But at the same time, *ethnic bullyism* (making unreasonable demands with threats of attacking Indians and their businesses as happened between 1957 and 1964) and since 1998 will not work. The opposition has to show that it is willing to accept the outcome of democratic elections that is fair and open to all.

As many commentators in the daily media in Guyana have pointed out, Africans and Indians behave as if they can't live with or even near each other. But in reality they

can't live without each other (SN Nov 30, 2103). Even though they won't admit it, they need each other through mutual dependence. There is intense mistrust between the parties and their loyal supporters. Prof. Ramcharan of the United Nations Geneva Institute pointed out how after a brief period of “a united national movement in the 1950s, Guyana has been tugged between the political aspirations of Africans and Indians” (SN Sep 3, 2010). Long after the deaths of Burnham and Dr. Jagan, African and Indians are still influenced by them. He wrote: “We have had twenty-eight years of PNC rule that was resented by Indians and, since 1992, we have now had eighteen years of PPP rule that is resented by Africans. In making this statement we do not mean to reflect in any way on the patriotism or statesmanship of any of our leaders or on the aspirations of our political parties. We simply wish to recognize in good faith the feelings of many Guyanese in our country and abroad” (SN Sep 3, 2010). Prof. Ramcharan laments the fact that supporters of the PNC and its leadership make many claims about their contributions to nation building, and likewise the leadership of the PPP and its supporters about their claims regarding their contributions to national development. But they are unwilling to work jointly for national development. Prof. Ramcharan asserts that “politically, Guyana lacks a national consensus and that if we are to go forward as one people, one nation, with one destiny, the national motto of the nation, we shall need to work more consciously at nation-building” (SN Sep 3, 2010).

No politician or academic seems to have a workable solution for ethnic conflict that is crippling real growth and development that could ideally make a resource rich nation proudly affluent. But there is great reluctance of political leaders and or of a government to address ethnic conflict in ethnically pluralist societies. Such behavior is

self-defeating. Ethnic Conflict often degenerates into violence between or among groups. The consequences of conflict, especially when there is violence and or when there is extreme tension in the society, can destabilize the political environment within which the officials and or government agencies operate, undermining their effectiveness at policymaking. Empirical evidence reveals that ethnic conflicts, once they become violent, are exceedingly difficult to resolve, and they can spiral out of control with devastating consequences. Violent ethnic conflict retards economic growth by destroying physical infrastructure, motivating talented individuals to migrate, frightening away investors, keeping workers off their jobs, damaging the psyche of people, creating a sense of hopelessness, discouraging people from maximizing their output; among other debilitating effects – all critical for development and growth. The failure to find a solution to escalating ethnic conflict can lead to political disagreements, exacerbating ethnic polarization, social disintegration, and economic decline in the society. This scenario has been all too prevalent in multi-ethnic developing nations since they became independent and increasingly so in former Communist nations.

It is incumbent upon the politicians to come together and construct a system that will lessen the feelings of ethnic insecurity and fear and that will allow the various ethnic groups to live in peace, trust each other, and develop their respective communities for the best interests of themselves and the nation. Plural societies like Guyana have to take measures that will lead to a racial harmony while preserving cultural autonomy and endogamy. Racial assimilation, integration, apartheid, genocide, forced miscegenation, ethnic cleansing, ethnic liquidation, ethnic repression, totalitarianism, fascism, and other such practices have all been tried in Guyana and other divided societies without much

success in solving the ethnic question. Seclusion and or separation of groups (ethnic homelands as in apartheid South Africa) are also unacceptable models for an ethnic solution in this age of globalization. All ethnic groups must be accommodated in a plural state. Rulers must show respect for heterogeneity and the desire for groups to be endogamous and culturally autonomous – people must be free to pursue their own way of life and celebrate their culture without the state dictating to them about their lifestyle. In light of complaints about ethnic discrimination and marginalization, it would be prudent for a nation like Guyana to establish an independent institutional body that conducts investigations into complaints of ethnic bias (imbalances, nepotism, discrimination, and the like) and provide prompt responses (resolution) where ethnic inequality exists in multi-ethnic states. In this way, no group will feel alienated from the state prompting them to engage in anti-national activities that would disrupt productivity forcing the state to divert resources away from development to clamp down on dissidence.

Guyana is a very poor state struggling with development issues and cannot afford a commitment of scarce resources to address ethnic quarrels. The resources will be better spent on addressing peoples' fundamental needs and developmental goals or else the country will remain underdeveloped. Thus, a system of governance that promotes an amalgamation of the diverse groups in running the affairs of the country is best to ameliorate conflict. This big tent type government must accommodate all the groups and distribute resources fairly and equitably to all communities without final regard for ethnicity and not judge people by their ethnicity (*SN* Sep 25, 2009). Maximum attention must be directed towards constructive developmental objectives. In so doing, Guyana can reap great rewards from the development of its abundant natural resources. The country



can expand economically if it can straighten its politics allowing all ethnic groups to participate fully in the national development objectives and if the ethnic groups (leaders) are willing to cooperate towards that objective. Also, the parties and the government need to involve the entire population (or the representatives of the diverse ethnic groups) in their planning and goals for national development.

The Guyana case suggests the legitimate expectations of competing groups cannot be ignored regarding policymaking – not even in a dictatorship that uses repressive, brutal force to bring opponents in line. Groups could be forced into silence out of fear for their safety and accept their inferior status and repression, but they will still harbor strong inner resentments against their oppressors. In this sense, the Guyana case resembles the ethnic-political histories of Russia, former Yugoslavia, Ukraine, and other former dictatorships. In ethnically diverse plural societies such as Guyana, care must be taken in planning and implementing policies so as not to alienate or marginalize any group. All constituencies (and or their leaders) must be consulted, even when policymaking is done democratically so that ethnic groups don't feel they are neglected or victimized. Otherwise, society can erupt with violence over any bias (perceived or real or deliberate) as happened in so many countries as well as in Guyana. Democratic strategies must emphasize a balance between competitive political behavior (among the ethnic groups) and the objective goals of society<sup>23</sup> to benefit all constituents (with a fair amount of resources) and not to wish away potential violence from certain actions or biased policies – address them! (SN Dec 30, 2014). The country needs a system (Thakur: nd) of inclusive

---

<sup>23</sup>Although Lijphart closely associates democracy with *consociational* democracy the latter places emphasis on accommodation, consensus, bargaining and cooperation among ethnic political leaders. See Lijphart, *Democracy in Plural Societies*, p.4. see also Erriah (2011).

governance) to move away from the politics of zero-sum mode that it has been stuck in since the 1950s that has prevented it from achieving its economic potential – perhaps of becoming a Singapore in terms of a development model? What I have proposed as potential solutions will not sound appealing to leaders of dominant ethnic groups or those (from the subordinate groups) who are seeking to gain and maintain power on the basis of ethnic nationalist appeals. But it is in the interests of their followers and the entire nation that there be some kind of multi-ethnic inclusive governance so that ethnic peace can prevail because everyone benefits under such condition.

The leaders of the political parties (representing ethnic groups), therefore, have to take measures to encourage social peace. Politicians of all stripes and ethnicity in the nation have to address the issue of the impact of ethnic conflict on society because it could have the potential of undermining an economy (Guyana Chronicle Feb 12, 2013) as illustrated in this dissertation. This can come about by working out a constitutional political formula for inclusive multi-ethnic governance (not ethnic token participation in government positions as currently obtains) that will make the groups (through their leaders) feel that they have a real voice in policy planning and decision-making that will help to appease the leadership and supporters of the diverse ethnic groups.

### **Section C: Implications for other Multi-ethnic Societies & Further Research:**

The dissertation offers a perspective (with empirical evidence) on ethnic conflict and discusses some theoretical insights into the relationship of ethnicity (tables below) in the development experience of Guyana, a third world country. The Guyana case offers important observations into the workings of ethnic conflict with the dissertation showing that development plans are seriously affected by communal struggles also known as

Table 1 Showing Population Breakdown of Guyana by Ethnicity (2000)

Ethnic groups	Percentage
East Indian	50%
Black or Africans	36%
Amerindian	7%
White, Chinese, & Mixed	7%

(Source: CIA - *The World Factbook 2002*; [www.ired.com/news/mkt/guyana.htm](http://www.ired.com/news/mkt/guyana.htm); SN Aug 20, 2104).

\*Whites, Chinese, and Mixed dropped considerably from 11% in 1964. The Indian population declined from a high of 55% in 1980 (due to migration) and in 2015 accounts for only about 45%. The African population increased from 30% in 1980 and is around 32% today. Amerindians have been constantly increasing from 5% in 1980 and make up 10% of the population today. The Mixed population has also increased to about 12% today. Whites and Chinese are less than 1%.

(See also [http://www.indiana.edu/~afroamer/archived-events/\\_0506Farrier.html](http://www.indiana.edu/~afroamer/archived-events/_0506Farrier.html); SN Aug 6, 2014).

Table 2 Showing Several Indicators on Guyana (Year 2002)

Aid as % of GDP	15.2%
Consumer price index*	127.53 %
Debt service as % of national income	6.63%
GDP growth rate annual % **	-2.24 annual %
GINI index#	43.20
Human Development Index @	0.72
Income distribution Poorest 10%	2.40%
Income distribution Richest 10%	32.00%
Income distribution Richest 20%	46.90%

\*Consumer price index reflects changes in the cost to the average consumer of acquiring a fixed basket of goods and services that may be fixed or changed at specified intervals, such as yearly.

Year 2000 = 100; CPI has fallen steadily between 1990 and 2010 (SN May 2, 2008; Oct 20, 2011).

\*\* GDP Growth has been on a see saw curve since 1960 ([www.imf.org](http://www.imf.org); SN Apr 21, 2011; Oct 5, 3, 2012; Sep 22, 2012).

# The Gini index is a measure of the inequality of a distribution of family income in a country. The more nearly equal a country's income distribution. The more unequal a country's income distribution, the higher is its Gini index. A value of 0 expressing total equality and a value of 100 represents maximal inequality.

@ The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income indices (decent standard of living) used to rank countries in terms of their human development. The higher the index, the higher the standard of living

*SOURCES:* Calculated on the basis of data on ODA from OECD (Organisation for Economic Co-operation and Development), Development Assistance Committee. 2002. DAC Online. (IMF International Finance Statistics; /pdf.usaid.gov/pdf\_docs/PNADK761.pdf).

Table 3: Social and Demographic Indicators for Guyana

Population (1998)*	773,000
Rate of Increase	-0.2
Density per square mile of agro land (1990)	113.5
GDP per capita in US dollars (1997 nominal) @	932
Life Expectancy at birth@@	65
Crude birth rate per thousand	27
Crude death rate per thousand	6.8
Infant Mortality per thousand live birth **	24.2
Income distribution highest 20% in % @@	52
Income distribution lowest 20% in %	6
Population per physician ***	2326
Population per hospital bed	236
Access to safe water – total (1995)#	83
Access to safe water – urban	100
Access to safe water – rural (1995)	75
Secondary Education Enrollment (1993)##	98

Source: *World Bank Tables*: Washington D.C (several years). The figures above have not changed significantly as described below for several indicators.

\* Population has been decreasing and is around 750,000 (current) (*SN* Aug 10, 2014; Feb 26, 2010; Feb 10, 2009).

@ GDP has been climbing slowly hitting \$1270 in 2007 (*SN* Apr 8, 2008). In 1992, it was \$380 (*SN* Apr 8, 2008) and 1960, it was \$300 (*SN* Apr 21, 2011).

@@ Life expectancy in 2002 was 66 (*Caricom Secretariat Figures, Georgetown, Guyana*) and is currently around 70 years (*SN* Oct 5, 2014; Aug 31, 2011)

\*\* Guyana currently has the second highest infant mortality rates (25) just behind Haiti (*SN* May 10, 2014). In 2002, it was 54 while Haiti was 67 (*Caricom Secretariat Figures*).

@@ Income inequality remains very high at 46 (*SN* Nov 23, 2014; Sep 7, 2014; Apr 25, 2011; Nov 13, 2010).

\*\*\* Health care remains a major challenge in Guyana with retaining medical personnel who seek to migrate after qualifying in Guyana (*SN* Oct 10, 2014; Jul 8, 2012). Patients have had to share beds and conditions at hospitals have been poor (*SN* Jun 15, 2013).

#Access to water has improved over last two decades but still remains a major problem especially in rural and hinterland areas (*SN* Feb 27, 2014; Dec 5, 2009; Feb 27, 2009).

## Refers to enrollment in school of school age population, but is not a measure or reflection of literacy; Drop out rates are not available but they were very high during the 1970s and 1980s. Literacy declined significantly during the 1970s and 1980s and has rebounded over the last two decades (*SN* Sep 14, 2014; Jun 20, 2013; Dec 25, 2008).

Table 4: Change in GDP over previous year in constant 1988 market prices

1993	1994	1995	1996	1997	1998
8.2	8.5	5.0	7.9	6.2	-1.5

Note: The years 1993-97 were very stable and GDP increased over preceding year, whereas, there was political instability and violence in 1998 and GDP declined. Since 1998, GDP has gone up and down thru 2013. But overall, it has been positive.

Source: *World Bank Tables*: Washington D.C. (*SN* Aug 31, 2011; Dec 30, 2013).

Table 5 shows Growth Rates for Guyana for Selected Years 1960 Thru 1990

1960	1965	1970	1975	1980	1985	1990
0.8	0.6	4.0	1.0	1.0	0.0	-4.0

Between 1960 and 1965, there were violent race riots and the GDP declined. Between 1965 and 1970, political stability returned and the country grew an average of 2%. Between 1970 and 1975, GDP went down growing hitting negative 4% in 1972 and making a turn around experiencing a high of 8% in 1975. And then GDP went spirally downward thereafter reaching a low of negative 14% in 1982 before making a turnaround. In 1989, economic recovery policies of the IMF and World Bank kicked in and the economy began making progress. By 1991, Guyana experienced positive growth. Sources: [www.imf.org](http://www.imf.org); *ICW* Sep 19, 2012; *Caricom Secretariat*: Georgetown, Guyana

Table 6 shows various Debt Items

	1993	1994	1995	1996	1997	1998
Debt service ratio	19	17	17	15	17	19
Current acct as % of GDP	-29	119	-18	-9.3	-14.2	-13.5
External debt as % of GDP	461	392	318	223	183	192

Source: *World Bank Tables*: Washington D.C

Today, Guyana remains a very heavily indebted nation (*SN* Jan 27, Feb 11, 2013). Budget deficit is rising. In 2009, the deficit was 3.4% of GDP. At the end of 2011 it was 4.4% of GDP. In 2012, it was projected at 4.6% of GDP (*SN* Apr 14, 2012).

Table 7 compares GDP Per Capita (in current US dollars) of Guyana and Singapore

Year	Guyana	Singapore	Sub-Sahara Africa
1960	299	395	175
1965	331	516	190
1970	371	914	200
1975	674	2506	325
1980	793	4859	800
1985	602	6485	700
1990	543	12091	850
1995	841	23916	850
2000	970	23019	900
2005	1073	28079	1200

Sources: *World Bank Indicators* 2009; [www.imf.org](http://www.imf.org)

Not only in GDP, but in every single indicator, Singapore is way ahead of Guyana till this day when in 1960, they were almost at par in GDP/capita (*SN* Jun 28, 2014; Sep 20, 2013). And today Singapore's GDP per capita is some twenty times that of Guyana ([www.imf.org](http://www.imf.org)). Sub-Sahara Africa was way below Guyana in GDP per capita 1960 and overtook Guyana by 1980 and is still ahead of Guyana some 25 years later (World Bank).

Table 8 Compares GDP Growth Rates of Barbados and Guyana.

Year	Guyana	Barbados
1970	-11	4
1974	-12	3
1978	-13	2
1982	-14	2
1986	-15	2
1990	-06	3
1994	00	3
1998	-02	2
2002	02	3

Sources: *World Bank Indicators; www.imf.org;*

Both countries became independent in 1966 and had similar GDP. Barbados experienced positive growth while Guyana grew negatively (*SN* Feb 5, 2014; Dec 5, 2012; Nov 1, Apr 21, 2011). Barbados was (is) a liberal capitalist democracy while Guyana was an ethnic socialist dictatorship – perhaps accounting for the sharp difference in growth.

Table 9 Shows Number of Seats and Percentage of Voter Support (1961 and 1964)

Party*	1961	1964
PPP	20 (42.6 %)	24 (45.8 %)
PNC	11 (40.9%)	22 (40.5%)
UF	4(16.3%)	7 (12.4 %)

\* Other parties received insignificant support; people voted by racial affiliation.

Sources: *Guyana Chronicle* Dec 7, 2009; see also Jagan, C.B. *West on Trial: The Fight For Guyana's Freedom* (NY: International Publishers, 1972) pp. 324-325).

Elections for the two years are significant because 1961 used the First Past The Post electoral System while in 1964 the system was changed to Proportional Representation. In 1961, Jagan's PPP got 57% of the parliamentary seats with 43% of the votes. The PNC and UF combined got more votes than PPP but received 5 less seats. The CIA and British Intelligence changed the electoral system to defeat Jagan whose doctrinaire Marxist/Leninist position was opposed by the western powers. In 1964, the seats were more reflective of the percentage of votes each party received. Jagan was defeated. The two opposition parties coalesced forming a government. That was the last democratic election in Guyana till 1992. Racial voting has persisted till this day (*SN* Jan 29, 2015; Sep 5, 2014; Mar 5, 2007; *GC* Feb 21, 2011).

Table 10 shows % Average Breakdown of Senior Government Ranks by race (1970s)

Total Number of Personnel	Indian	African	Others
342	23%	64%	13%

The Public Sector accounted for over half of the work force during the 1970s and 1980s. The central government alone accounted for a third of the work force, not including the security forces. Some 90% of the civil service government bureaucracy and 95% of the security forces were African. Indians and other races were marginalized. Sources: (Misir: nd; *GT* Jan 25, 2015; Jul 28, 2014; *GC* Mar 22, 2012; Nov 15, 2011; Feb 21, 2011).

ethnic conflict. Not only in Guyana (*list of tables, p xiv, and tables 1 thru 10 above on social, political and economic indicators*), but around the globe as well, ethnic conflict is increasingly destroying infrastructures of economies and undermining their development, leading to rising poverty and a declining standard of living in so many countries.

The study has also offered some perspectives on how governments can forge public policy aimed at controlling the adverse effects of ethnic strife and bringing different groups together to work harmoniously towards national development. It recommends inclusive governance comprising of a meaningful role of representatives from all groups in policymaking. The dissertation argues that multi-ethnic inclusive governance is an acceptable solution to Guyana's conflict that will provide much needed political stability to bring about development. Political stability provides a signal to the business community to invest in the society and investment is about the only practical means of obtaining economic growth, rising standard of living, and social change.

The Guyana study has implications for similar societies for how Guyana manages (peacefully settles) its ethnic conflict can be very instructive for other societies experiencing communal strife around the world. Every multi-ethnic conflict-ridden country is seeking a solution to its conflict. The study is undertaken in the belief that data, analysis, lessons, findings, and conclusion derived from herein can offer important building blocks towards constructing a wider theory and more comprehensive theory on the connection between ethnicity and development. Clearly, there is need for more thorough and comprehensive studies in sociology and other disciplines on the development problems associated with ethnic conflict as well as a need for more proposals on solutions to the attendant problems associated with ethnic conflict.

## Chapter 10: Bibliography

### A. Primary Sources:

Caribbean Contact Bridgetown, Barbados

Guyana Chronicle, Georgetown: Guyana – *GC*; [www.guyanachronicle.com](http://www.guyanachronicle.com)

Guyana Journal, New York: Guyana Journal Pub. [www.guyanajournal.com](http://www.guyanajournal.com)

Guyana Kaieteur News, Georgetown, Guyana; *KN*; [www.kaieteurnews.com](http://www.kaieteurnews.com)

Guyana Mirror Newspaper, Georgetown, Guyana; [www.mirrornews.com](http://www.mirrornews.com)

Guyana Stabroek News, Georgetown, Guyana; *SN*; [www.stabroeknews.com](http://www.stabroeknews.com)

*Guyana: Statistical Digest, January-December 1980*. Guyana. Ministry of Economic Development. Statistical Bureau. Georgetown: 1980.

Guyana Times, Georgetown, Guyana; *GT*; [www.guyanatimesgy.com](http://www.guyanatimesgy.com)

Indo-Caribbean World, Toronto, Ontario, Canada; ICW; [www.indocaribbeanworld.com](http://www.indocaribbeanworld.com)

“Moyne Commission Report”, Guyana: Gov’t of Guyana Pub. nd

Trinidad Express, Port of Spain, Trinidad

Trinidad Guardian, Port of Spain, Trinidad

Trinidad Newsday, Port of Spain, Trinidad

*World Bank Annual Report*. World Bank, Washington

*World Debt Tables*. World Bank. Washington: 1989.

Website: [www.inews.com](http://www.inews.com)



## **B. Secondary Sources**

Adamson, Alan. Sugar Without Slaves: The Political Economy of British Guiana. New Haven: Yale University 1972.

Alahar, Anton. "Primordialism and Ethnic Political Mobilisation in Modern Society". New Community 22 (1): 5-21, 1996.

Alesina, Alberto and Dani Rodrick. "Distributive Politics and Economic Growth". Quarterly Journal of Economics 109 (2): 465-490 1994.

Avebury, Lord and the British Parliamentary Human Rights Group. "Guyana's 1980 Elections: The Politics of Fraud" Caribbean Review, 10, pp 8-11, 14. Spring 1981

Barro, J. Robert. Determinants of Economic Growth. Cambridge, Massachusetts: MIT Press 1997.

Bartels, Dennis. "Class Conflict and Racist Ideology in the Formation of Modern Guyanese Society". Canadian Review of Sociology and Anthropology 14 (4): 396-405. Nov. 1977.

Barth, Frederik. Ethnic Groups and Boundaries: The Social Organization of Culture Difference. Boston: Little Brown 1969.

Beckford, George Persistent Poverty: Underdevelopment in Plantation Economies Barbados, University of West Indies 1972)

Bell, Daniel. "Ethnicity and Social Change in Glazer and Moynihan (eds.), Ethnicity: Theory and Experience. Cambridge, Massachusetts: Harvard University Press 1975.

Bisnauth, Dale. The Settlement of Indians in Guyana 1890–1930. England, Leeds: Peepal Tree 2000.

Bonacich, E. "Class Approaches to Ethnicity and Race" The Insurgent Sociologist 10 (2): 9-23, 1980.

Bonacich, E. "A Theory of Ethnic Antagonism: The Split Labor Market". American Sociological Review 37 (5): 547-59 1972.

Brass, Paul. "Ethnicity and Nationality Formation". Ethnicity Vol. 3(3): 225-41. 1976.

Brotherson, Festus "The Foreign Policy of Guyana, 1970-1985: Forbes Burnham's Search for Legitimacy," Journal of Interamerican Studies and World Affairs 31 (Fall 1989), p.9.

Burnham, L.F.S A Destiny to Mould: Selected Speeches By the Prime Minister Ed. By Lloyd Searwar. NY: Africana Publishing 1972.

Burrowes, Reynold A. The Wild Coast: An Account of Politics in Guyana. Cambridge, Massachusetts: Schenkman, 1984.

CIA Fact Book. Washington D.C: U.S Government Pub. 2009.

Collier, Paul & Anke Hoefflery. The Political Economy of Ethnicity World Bank April 1998. [www.csae.ox.ac.uk/workingpapers/.../9808text.pdf](http://www.csae.ox.ac.uk/workingpapers/.../9808text.pdf)

Cross, Malcolm. "On Conflict, Race Relations and the Theory of Plural Society," Race 12, pp. 477-494. (April 1971).

DaCosta, Michael. "Colonial Origins, Institutions and Economic Performance in the Caribbean: Guyana and Barbados". IMF Working Paper 07/43. IMF Fund: Washington DC. 2007

DaCosta, Michael. "Guyana: Poverty Reduction Strategy Paper Progress Report 2005". IMF: Washington D.C 2005

Daly, Vere T. A Short History of the Guyanese People. London: Macmillan, 1975.

Dann, George. "Decolonization and Militarization in the Caribbean: The Case of Guyana" in The Newer Caribbean: Decolonization, Democracy and Development, ed. P. Henry Stone, pp 63-69. Philadelphia: Institute for the Study of Human Issues. 1984

De Caires, David. "Guyana after Burnham: A New Era? Or Is President Hoyte Trapped in the Skin of the PNC?" Caribbean Affairs, 1, January-March 1988, 183-93.

Despres, Leo A. Cultural Pluralism and Nationalist Politics in Guyana. Chicago: Rand McNally, 1967.

Deutsch, Karl and William Foltz (eds), Nation-Building (Chicago: Aldine Atherton Press, 1966).

Dew, M. Edward. The Trouble in Suriname: 1975-1993. Westport, CT. Praeger 1994

Dew, Edward. "Surinam: Transcending Ethnic Politics the Hard Way. Indenture and Exile: The Indo-Caribbean Experience. TSAR: 126-39, 1989.

Doherty, C. James. Historical Dictionary of Organized Labor. Prague: Scarecrow Press 2012. Internet <https://books.google.cz/books?id=ZAdZaq>

Drummond, Lee. "The Cultural Continuum: A Theory of Intersystems". Man 15(2): 352-74. 1980.

Enloe, Cynthia. Ethnic Soldiers. Boston: Penguin 1980

Erriah, Paul. Quo Vadis: Caribbean Economies. N.Y: The Author 2011.

Frank, Andre Gunder. Dependent Accumulation and Underdevelopment. New York: Monthly Review Press 1978.

Frank, Andre Gunder. The Development of Underdevelopment. New York: Monthly Review Press 1966.

Frieden & Elliott. (Internet) "The Just Rule". Internet <http://www.teachwithmovies.org/guides/passage-to-india.html>; and [http://coat.ncf.ca/our\\_magazine/links/issue47/articles/a03.htm](http://coat.ncf.ca/our_magazine/links/issue47/articles/a03.htm) nd

Furnivall, J.S Colonial Policy and Practices Cambridge, Cambridge Univ Press 1948.

Furnivall, J.S. Netherlands India (Cambridge: Cambridge University Press,1939)

Gafar, John From State Control to Free Markets New York: Nova Publication 2003

Galenson, David W. "The Rise and Fall of Indentured Servitude in the Americas: An Economic Analysis." The Journal of Economic History 44 (1): 1-26. 1984

Galtung, Johan. "A Structural Theory of Imperialism". Journal of Peace Research, Vol. 8, No. 2 (1971), 81-117.

Geertz, Clifford. "The Integrative Revolution: Primordial Sentiments and Civil Politics in New States", Chapter 10 in The Interpretation of Cultures, N.Y: Basic Books, 255-310 1973.

Geertz, Clifford. Islam Observed: Religious Development in Morocco and Indonesia. New Haven: Yale University Press 1969

Glasgow, Roy. Guyana: Race and Politics Among Africans and East Indians. The Hague: Martinus Nijhoff, 1970.

Glazer, N. and Moynihan, D.P. (Eds.) Ethnicity: Theory and Experience, Cambridge, Mass: Harvard Univ Press 1975.

Gordon, M. M. "Towards a General Theory of Racial and Ethnic Group Relations" in Glazer and Moynihan (Eds.) 84-110, 1975.

Grenade, K. and Lewis-Bynoe, D. "Reflecting on Development Outcomes: A Comparative Analysis of Barbados and Guyana." Journal of Eastern Caribbean Studies, 36 (1): 21-42, page 23. 2011

Gurr, Ted Robert. "Peoples Against States: Ethnopolitical Conflict and the

Changing World System.” International Studies Quarterly, 38: 347-377, 1994.

Guyana: Fraudulent Revolution (NY: Latin America Bureau, special brief) 1984.

Hechter, Michael. "From Class to Culture." American Journal of Sociology, 110: 400-45 2004.

Hechter, Michael. Containing Nationalism. Oxford, London: Oxford University Press 2000.

Hechter, Michael. “Explaining Nationalist Violence”. Nations and Nationalism 1(1) 1995.

Hechter, Michael. Principles of Group Solidarity. Berkeley, CA: University of California Press 1987

Hechter, Michael. “Group Formation and the Cultural Division of Labor”. The American Journal of Sociology. 84 (2): 293-318 1978.

Hechter, Michael. “The Political Economy of Ethnic Change” American Journal of Sociology 79 (5): 1151-1178). 1974

Hintzen, Percy C. The Costs of Regime Survival. Racial Mobilization. Elite Domination and Control of the State in Guyana and Trinidad. Great Britain: Cambridge Univ Press. 1989

Hookumchand, Gabrielle & Moses Seenarine (Internet) “Conflict between East-Indian and Blacks in Trinidad and Guyana Socially, Economically and Politically” [http://www.guyana.org/features/conflicts\\_indiansandblacks.html](http://www.guyana.org/features/conflicts_indiansandblacks.html) 2006

Hope, Kempe Ronald. "Electoral Politics and Political Development in Post-Independence Guyana," Electoral Studies, 4, April 1985, 57-68.

Horowitz, Donald. Ethnic Groups in Conflict. Berkeley: University of California Press 1985

Ishmael, Odeen. From Autocracy to Democracy in Guyana: Aspects of Post Independence Guyanese History 1996 to 1992 Boston: GNI Publications 2012;  
<http://www.guyana.org/>

International Journal of Criminology and Sociological Theory, Vol. 1, No. 2, December 2008, 177-188 187

Jagan, Cheddi. The West on Trial: The Fight for Guyana’s Freedom (NY: International Publishers) 1972.

- Jayawardena, Chandra. Conflict and Solidarity in a Guianese Plantation. London: Athlone Press 1963.
- LaGuerre, John Gafar and Ann Marie Bissessar. Trinidad and Tobago and Guyana: Politics in Two Plural Societies. New York: Lexington Books 2013
- LaGuerre, John. (Ed.) From Calcutta To Caroni: The East Indians of Trinidad, Guyana and Jamaica: Longman Caribbean Limited. 1984
- Landis, Joseph B. "Racial Attitudes of Africans and Indians in Guyana," *Social and Economic Studies* [Kingston, Jamaica], 22, No. 4, December 1968, 426-39.
- Louw, P. Eric. The Rise, Fall and Legacy of Apartheid. Westport, CT: Praeger 2004.
- Lutchman, Harold A. "Race and Bureaucracy in Guyana," *Journal of Comparative Administration* 4, 2 (August 1972): 227. 35.
- Lutchman, Harold Constitutional Developments in Guyana, Georgetown, Guyana: Dept of Political Science, University of Guyana 1972
- Mandle, Jay. The Plantation Economy: Population and Economic Change in Guyana 1838-1960. Philadelphia: Temple University Press 1973.
- Manley, Robert. Guyana Emergent New York: Schenkman Publication 1982.
- Marx, Karl The Poverty of Philosophy: A Reply to M. Proudhon's Philosophy of Poverty, New York, International Publishers, n.d., pages 94-5.
- Marx, Karl Communist Manifesto N.Y: Penguin 1998.
- McCarthy, Thomas. Race, Empire and the Idea of Human Development, London: Cambridge University Press 2009.
- Misir, Prem "Participation in the Public Service", Georgetown, Guyana: self published (nd)
- Mohabir, Gulcharan, Sulekha (Internet) "Indian Indenture: A Forgotten Episode" in website  
<http://gulcharan-mohabir.sulekha.com/blog/post/2005/10/indian-indentureship-a-forgotten-episode-of-history.htm> 2005
- Moore, Brian R Race, Power and Social Segmentation in Colonial Society: Guyana After Slavery,1838-1891 (New York: Gordon and Breach Science Publishers,1987).
- Nagel, J. and Olzak, S. "Ethnic Mobilization in New and Old States: An Extension of the Competition Model". *Social Problems* 30: 127-43. 1985.

Nagel, J. "The Ethnic Revolution: The Emergence of Ethnic Nationalism in Modern States", Sociology and Social Research 68 (4): 417-34. 1984

Nath, Dwarka. A History of Indians in Guyana 1950, Georgetown, Guyana.

Olzak, S. "Ethnicity and Theories of Ethnic Collective Behavior". Research in Social Movements, Conflict and Change 8: 65-85. 1985

Patterson, H. O "The Nature, causes, and Implications of Ethnic Identification" in C. Fried (Ed.) Minorities: Community and Identity Berlin: Dahlem Konferenzen, 25-50. 1983.

Patterson, H. O. "Context and Choice in ethnic Allegiance: A Theoretical Framework and Caribbean Case Study" in Glazer and Moynihan (Eds.) 1975.

Pierce, Paulette Non-Capitalist Development: Struggle for Nationalization in Guyana Totowa, NJ : Rowman & Allanheld, 1984.

Premdas, Ralph. "Guyana: Socialist Reconstruction or Political Opportunism". Journal of Interamerican Studies and World Affairs 20 (2): 133-64. 1978

Premdas, Ralph R. "The Rise of the First Mass-Based Multi-Racial Party in Guyana," Caribbean Quarterly 20 (September-December 1974), pp.5-20.

Premdas, Ralph R. Party Politics and Racial Division in Guyana. (Studies in Race and Nations Series, No. 4.) Denver: University of Colorado Press, 1973.

Rabe, Stephen. US Intervention in British Guiana: A Cold War Story. Chapel Hill: University of North Carolina Press 2005.

Rabushka, Alvin and Howard Shepsle, Politics in Plural Societies: A Theory of Democratic Instability. Columbus: Charles E. Merrill, 1972.

Rampertab, Rakesh. "Guyana Under Siege". (Internet Web Page) 2001  
[www.guyanaundersiege.com/Leaders/Jagan\\_Caribbean%20Martyr%20.htm](http://www.guyanaundersiege.com/Leaders/Jagan_Caribbean%20Martyr%20.htm); see also:  
<http://www.answers.com/topic/forbes-burnham#ixzz1rinHHU2u>

Ramsarran, Parbatty. The Indentured contract and its Impact on Labor Relationship and Community Reconstruction in British Guiana International Journal of Criminology and Sociological Theory, Vol. 1, No. 2, December 2008, 177-188 177  
(Internet) <http://pi.library.yorku.ca/ojs/index.php/ijcst/article/viewFile/18030/16797>

Richardson, John Jr. and Sen Shinjinee Ethnic Conflict and Economic Development: A Policy Oriented Analysis. Washington: School of International Service, American University: 1996

- Robinson, Pat. "The Social Structure of Guyana" in The Cooperative Republic of Guyana, ed. Lloyd Searwar, pp 51-76. Georgetown: Government of Guyana 1970.
- Rodney, Walter. (a) A History of the Guyanese Working People 1881-1905. Baltimore: John Hopkins University 1981.
- Rodney, Rodney. (b) How Europe Underdeveloped Africa Washington: Howard University Press 1981
- Rothchild, Donald "The Origins and Management of Ethnic Conflict" International Security Vol. 21, No. 2, MIT Press Fall 1996 ; see also <http://www.jstor.org/stable/2539070>
- Ruhomon, Peter. Centenary History of the East Indians in British Guiana, 1838-1938. Guyana: Georgetown. 1947
- Sandhu, Akhtar Hussain "Reality of 'Divide and Rule' in British India" (<http://www.academia.edu/460528/>) (2009)
- Samaroo, Brinsley. "Two Abolitions: African Slavery and East Indian Indentureship." In India In the Caribbean, edited by D. Dabydeen & B. Samaroo. London: Hansib Printing Limited. 1987
- Schlesinger, Arthur. One Thousand Days. New York: Macmillan, 1965.
- Seenarine, Moses & Hookumchand, Gabrielle (Internet) "Conflict between East-Indian and Blacks in Trinidad and Guyana Socially, Economically and Politically" [http://www.guyana.org/features/conflicts\\_indiansandblacks.html](http://www.guyana.org/features/conflicts_indiansandblacks.html) 2006
- Shibutani, T & Kwan, K. M Ethnic Stratification New York: Macmillan 1965
- Simms, Peter. Trouble In Guyana: An Account Of People, Personalities And Politics As They Were In British Guiana London. George Allen & Unwin Ltd. 1966.
- Singh, Chaitram. Guyana: Politics in a Plantation Society. Westport, CT: Praeger, 1988.
- Smith, M.G. The Plural Society in the West Indies. Los Angeles: University of California Press 1965.
- Smith, Raymond T. British Guiana. London: Oxford University Press. 1962 (1971)
- Spinner, Thomas J., Jr. A Political and Social History of Guyana, 1945-1983. Boulder, Colorado: Westview Press, 1984
- Spinner, Thomas J., Jr. "Guyana Update: Political, Economic, and Moral Bankruptcy," Caribbean Review, 11, No. 4, Fall 1982, 9-11, 30-32.

Stavenhagen, Reuterstadt. The Ethnic Question: Conflict, Development and Human Rights. Tokyo: UN Press 1991.

Stavenhagen, Reuterstadt. "Indigenous Customary Laws in Latin America" America Indigena Vol 49 pp 223-43 1989

Standing Guy. 'Socialism and Basic Needs in Guyana', in Guy Standing and R Szal. Poverty and Basic Needs, Geneva: ILO 1979.

Swan, Michael. British Guiana: The Land of Six Peoples. London: HMSO, 1957.

Tennessee, Paul. Nehru. "Guyana: The Race Problem 1965-1992". Paper Presented at GOPIO Academic Conference, New Jersey: 2011. also appeared in Guyana Journal: N.Y: July 2010

Thomas, Clive Yolande Plantations, Peasants, and State: A Study of the Mode of Sugar Production in Guyana N.Y: CAAS Publications January 1984

Thomas, Clive. The Rise of the Authoritarian State N.Y: Monthly Review Press 1984)

Thomas, Clive Y. "State Capitalism: An Assessment of Burnham's Co-operative Socialist Republic," in Fitzroy Ambursley and Robin Cohen, Crisis in the Caribbean (New York: Monthly Review Press, 1983), p.33.

Thakur, Rishi. Consociationalism and Governance in Guyana (ed. by Prof. Rishi Thakur of the University of Guyana) n.d.

Tinker, Hugh. A New System of Slavery: The Export of Indian Labor overseas 1830-1920, 2nd edition. London: Hansib Publishing 1993

U.S Library of Congress Country Studies/Area Handbook. Washington D.C; 2005

Van den Berghe, Pierre L. The Ethnic Phenomenon. New York: Elsevier 1981.

Weber, Max. Economy and Society Los Angeles: University of California Press 1978

Websites: (<http://gulcharan-mohabir.sulekha.com/blog/post/2005/10/indian-indentureship-a-forgotten-episode-of-history.htm>

<http://pi.library.yorku.ca/ojs/index.php/ijcst/article/viewFile/18030/16797>;

<http://mongabay.com/history/guyana-health.html>

<http://motherearthtravel.com/guyana/populatoin/html>

(<http://countrystudies.us/guyana/>), *Library of Congress website, 2003*

([en.wikipedia.org/wiki/Barbados-Guyana\\_relations](http://en.wikipedia.org/wiki/Barbados-Guyana_relations); see also [competecaribbean.org/.../1-Measuring-the-Competitiveness-of-Selected-...](http://competecaribbean.org/.../1-Measuring-the-Competitiveness-of-Selected-...)).

[en.wikipedia.org/wiki/Guyana\\_Sugar\\_Corporation](http://en.wikipedia.org/wiki/Guyana_Sugar_Corporation)).



[www.factmonster.com](http://www.factmonster.com);  
([www.guyanausa.org/emigration.htm](http://www.guyanausa.org/emigration.htm);  
([http://www.guyana.org/govt/From Autocracy to Democracy in Guyana.pdf](http://www.guyana.org/govt/From_Autocracy_to_Democracy_in_Guyana.pdf);  
[www.sjsu.edu/faculty/watkins/guyana.htm](http://www.sjsu.edu/faculty/watkins/guyana.htm)).(www.guyanausa.org/emigration.htm)  
([www.home.uchicago.edu/~rts1/guyanese.htm](http://www.home.uchicago.edu/~rts1/guyanese.htm)).  
([www.imf.org/external/pubs/ft/.../hilaire.htm](http://www.imf.org/external/pubs/ft/.../hilaire.htm)).  
[www.tgmag.ca/magic/mt25.html](http://www.tgmag.ca/magic/mt25.html)).  
([www.wikipeda.org/wiki/divide\\_and\\_rule](http://www.wikipeda.org/wiki/divide_and_rule)).

Williams, Brackette F. Stains On My Name, War In My Veins: Guyana and the Politics of Cultural Struggle. Durham: Duke University 1991.

Williams, Eric. Capitalism and Slavery New York: G Putnam Publication 1966.

Williams, Kirk R. and Michael F. Timberlake. "Structured inequality, conflict, and control: A cross-national test of the threat hypothesis." *Social Forces* 63: 414-432. (1984)

Williams, Robin M. Jr. "The Sociology of Ethnic Conflicts: Comparative International Perspectives"; *Annual Review of Sociology* Vol. 20: 49-79 (Volume publication date August 1994).

Wilson, Kalpana. Race, Racism and Development. London: Zed Books 2012.

Winant, Howard. Racial Conditions: Politics, Theory, Comparisons. Minneapolis: University of Minnesota Press 1994.

Wolpe, Harold. Race, Class and the Apartheid State. Paris: UNESCO Press 1984.

Young, Crawford Politics of Cultural Pluralism 1975; University of Wisconsin 1975

World Bank. World Debt Tables. Washington: 1989.