

# BLACK ENTREPRENEURSHIP IN POST-INDEPENDENCE TRINIDAD AND TOBAGO

## THE ERIC WILLIAMS LEGACY



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The performance of peoples of African descent in the post-Independence era has led many to wonder why the spirit of entrepreneurship which seemed to be in abundance after Emancipation in Trinidad and Tobago was not sustained. Many blamed Eric Williams and the developmental policies which the PNM pursued after it came to power in 1956. Lloyd Best has argued that Williams' pursuit of the Arthur Lewis-inspired "industrialisation by invitation" policy was largely responsible for the collapse of black entrepreneurship in Trinidad and Tobago:

"We got into an awful muddle with Caroni and sugar. We relied on Lewis' programme of industrial development, inspired in its way... The programme destroyed any number of emergent farmers, budding tradesmen, craftsmen and entrepreneurs in the East-West Corridor, all for a grandiose, incompetent state sector of poorly conceived projects, impossible to sustain even if the boom had not collapsed so ignominiously." (*Express, December 19th 1998*).

Best further argued that Williams' historical error was to opt for the subsidised "entrepreneurship" of expatriate investors rather than promoting indigenous entrepreneurs, a choice which would have yielded political as well as economic dividends. To quote his complaint:

"The PNM never built up the sugar issue in such a way as to secure the support of the large, rural, racially distinct subculture. This omission made the essentially urban-created party vulnerable by keeping the door open to another power grouping based on the rural subculture..."

Best argued that a policy which de-emphasised the plantation and encouraged and sustained Indian entrepreneurs would have helped to deal with the ethnic disunity which prevailed in the new state. Williams was however convinced that the retention of the plantation in conjunction with the policy of seeking to attract branch plants of American and European firms with

tax holidays and other concessions was the best available option for Trinidad and Tobago. In his view, it made no sense to destroy the plantation as some UWI radicals were suggesting at the time. As he told a PNM Convention in 1966, "the best policy in the national interest is the production of sugar as efficiently as possible whilst redundant workers are settled on government lands to grow food crops." (*Nation Sept 14th 1966*).

### **Dr Williams and The Black Power Crisis of 1970**

Williams could have switched to the self-reliance option which was in vogue among some left wing nationalists during the '60s. It is however not evident that the strategic conjuncture would have allowed for the success of this initiative. In fact, substituting food and other crops for sugar succeeded nowhere in the Caribbean, not even in Cuba which in fact sought to increase sugar production.

In 1970, however, radical Blacks in Trinidad and Tobago took to the streets in their thousands to protest what they perceived as their economic powerlessness. Their spokespersons complained that Trinidad and Tobago had secured its political independence from Britain and now had all the trappings of independence – a flag, a national anthem, and a coat of arms – but the people had no say in how the country was managed economically. The "commanding heights of the economy" were owned by foreigners.

Many groups were involved in the protest movement. The National Joint Action Committee (NJAC) which emerged as the dominant protest group, wanted nothing less than a complete takeover of the economy by the people. It wanted a clean break with imperialism and white economic power. NJAC catalogued in detail the extent to which the Trinidad economy was owned by foreign and local whites:

"There is not much left for us to scramble over. The Government under pressure from the people is engaging in some tokenism. They took a piece of Tate and Lyle, (the major sugar company) on

hire purchase, they bought a token bank and a token share of oil, they say. Nothing meaningful. And we can't even claim these things for Black People... When the Government invests in oil and sugar, they are going to joint ventures with the foreigners; they are wasting our money to finance the pillars of a system which is anti-black. These companies operate as parts of large multi-national corporations. They base decisions on what is in the best interest of a whole international complex. So all this foolishness about setting up boards with a local chairman is game-playing, because we know that none of the important decisions are made here anyway. What we want is ownership and control, not ownership in name. We are too much in need to be overpaying these people for company shares as political gimmicks." (*Slavery to Slavery 1970*).

NJAC rejected the PNM's attempts to promote black business as a "trap."

"Black capitalism disguises white control just as Black government disguises colonialism. It is insulting to Black people to tell us that we should be contented with a little co-operative here and a shop or store there on the fringes of the economy, when we know that this country is ours. Black business will have to operate within the rules of the system which means all our basic problems remain."

Offers of share-holding in foreign companies were also viewed as a disguise that did nothing about the problem of control.

"There is no point in putting ready cash in the hands of people who will just use it to exploit us more effectively. Important decisions are not made by the local branches of foreign firms. The 'game' of promoting 'black-faced management ...as buffers between white controlling care and the Black dispossessed workers' is seen as further evidence of the contemptuousness of the white power structure... They like to put Black people as public relations officers and in other positions where they have to confront the workers and the public with decisions taken by their white bosses.



**NJAC said little or nothing of consequence about small indigenous business. Its focus was on the foreign owned sector which it wanted nationalised. Williams answered NJAC's charges, denying that he neglected the problems faced by Blacks**

Trinidad and Tobago's first Prime Minister, Dr Eric Williams

**Williams rejected socialism and any set of policies which vaguely resembled what was being done in Cuba**

Prime Minister Dr Eric Williams inspects a guard of motorcycle police

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This policy is for us to curse the Black stooge instead of the White exploiter. Even when a Black man is made some manager or assistant manager, they empty the post of what little substance it had so the Black man carries the title without the responsibilities. This is the process we observe whenever an office formerly filled by a White expatriate is given over to a Black man.”

NJAC was clearly not concerned with minimum programmes. It wanted the “whole bread for the historically dispossessed.”

“We need to destroy...the system from its very foundations...to get out of our economic mess (and) build a new society. In this new society, the people, educated by their revolutionary experience, will decide what will be produced and what technologies will be utilised. They will also understand that they will have to make sacrifices and give up acquired (imposed) habits. “If we want the white man’s goods, we have to use his technology and his capital...and have his technicians running things for us. We remain slaves, unemployed, suffering.” (ibid)

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on the foreign-owned sector which it wanted nationalised. Williams answered NJAC’s charges, denying that he neglected the problems faced by Blacks. Part of his problem was that he had to take note of the fact that he was the leader of a state consisting of two major ethnicities. As he said in a nationwide broadcast:

“We consciously sought to promote a multiracial society with emphasis on the economic and social upliftment of the two major disadvantaged groups. Our goal had always been Afro-Asian unity. We have [nevertheless] consciously sought to promote black economic power. We have in five years created 1,523 Black small farmers over the country. We have encouraged small business without too much success in manufacture and tourism. We have sought to promote fishing cooperatives.” (May 23, 1970).

In “Perspectives for a New Society,” the PNM’s post-1970 development plan, four sectors were identified, the foreign private sector, the public sector, the national private sector, and the people’s sector. Williams rejected socialism and any set of policies which vaguely resembled what was being done in Cuba. He however felt that there had to be a shift towards policies which privileged public ownership and involvement in the country’s economic development by nationals.

Williams did not have much confidence in the indigenous commercial class which was mainly white, “off white”, or mixed. These elements were accused of not being “risk takers” and of having a “commission agent mentality.” They were accused of preferring to buy and sell imported goods rather than produce substitutes or new products. As Perspectives complained:

“Just as the dispossessed need to cast off their attitude of dependence on the Government, so too do many business people have to cast off their inferiority complex vis-a-vis the large international corporation, and come to realise that they are capable of doing much of the job of developing the country...Do they belong to a

country of the Third World or do they belong to the metropolis? It is in the last analysis, a question of identity.”

While Williams was not unequivocally committed to small business in the years before 1970, he did encourage Indians and Africans to go into agriculture, light industry, transport, distribution and construction. Much to their distress, he indicated to businessmen that blacks should be given a “handicap” to allow them to catch up with would-be competitors, a view which they rejected. Several black contractors were nevertheless given preference over British companies in the construction industry whenever the state was responsible for the project as was the case with the construction of the University of The West Indies and The Federation Park housing estate that was being built to accommodate officials associated with the Federal Government. The “Rasta” plaited “Drag Brothers,” who concentrated on leather and other crafts in the early seventies, were also assisted as were several cooperatives.

Williams also paid some attention to black would-be farmers who claimed they wanted to go back to farming but could not get suitable lands in the urban areas. Some were settled by the Ministry of Agriculture on crown-owned lands previously occupied by the American military at the bases in Wallerfield and Cumuto. The declared aim was to address the twin issues of increased food production and black alienation from the land and urban drift. The project failed disastrously. Most of the settlers abandoned the lands which they sold or sublet to Indian farmers and entrepreneurs. Blacks found it much more productive to purchase and operate taxi cabs than to cultivate virgin lands. They also complained that they did not get the kind of technical, financial and help with marketing that they had been promised.

Many blacks however found it easier and indeed more economically worthwhile in both time spent on the job and remuneration, to obtain

employment on the various “work for votes” projects generated by the PNM. Interestingly, the special projects were not only expected to provide short-term jobs, but also to stimulate entrepreneurship among urban youth. This however never happened to any significant degree. Over time, project work became associated in the public mind with poor work ethic, idleness and low productivity. By the end of the 1970s, the “make work mentality” had contaminated and corrupted the work ethic in the larger society, to say nothing about the national wage structure. No one would accept jobs with wages lower than that obtained by project workers. Small-scale enterprise, whether owned by Blacks or any other group, could not survive for long in that environment.

The “people’s sector” was hailed as the PNM’s “revolutionary” answer to the demands of black radicals that the dispossessed sons of African slaves and Indian bonded-servants should be encouraged and helped to own a piece of their patrimony. While the concept was not defined in ethnically specific terms, there was an informal understanding that the state, controlled as it was by a party with a black political base, would give special attention to blacks who wished to get involved in business. It was also assumed that the two newly established national commercial banks that had been established by the state and other local investors in the wake of the 1970 crisis – the Worker’s Bank and the National Commercial Bank – would help to provide venture capital to this burgeoning black business elite. It was likewise assumed that existing agencies such as the Industrial Development Corporation, the Development Finance Corporation, the Management Development Centre and the Agricultural Development Bank would help by providing financial managerial and other services that would compensate to some extent for the lack of inherited capital, knowledge of the market and business know-how that characterised the black community.

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**The Workers’ Bank and the National Commercial Bank were also enabled to secure mortgages for new customers to build or buy their own homes**

Black Power demonstration outside The Royal Bank of Canada, 1970



To concretise this commitment to the small man, 1970 was declared “Small Business Year”. A small business unit was established in May 1970 as a department of the Industrial Development Corporation in accordance with a cabinet directive and given TT\$2.5 million as seed money. Its main goal and function was to promote growth among the nation’s small business enterprises. With the formation of the Small Business Unit came a formal definition of a “small business,” that is, units whose capital investment was TT\$50,000 and under, represented by land, building, leasehold property, machinery, plant and equipment, stock-in-trade, work in progress, and furniture (in special cases). Enterprises with investments of over TT\$50,000 up to TT\$100,000 were also to be included.

Some positive results came of this effort on the part of blacks to break into the business sector. Quite a few rode the petrodollar boom and achieved a measure of success. Significant breakthroughs were also recorded in the construction industry, in the merchandise retail sector (appliances, household furnishings, clothing, and so on), in the service sector (taxi,

car rentals, bars, clubs, restaurants, accounting, janitorial services, valuation), and small supermarkets, to name a few of the niches in which they were to be found.

Many blacks also achieved successes in the construction industry and “suitcase trade”. They flew to Panama, Curaçao, Miami and New York and returned with suitcases full of merchandise which they sold in boutiques, in the “People’s Mall” on Queen Street, Port of Spain, or on sidewalks in commercial centres in competition with merchants belonging to other ethnic minority groups, the Syrian-Lebanese in particular, who complained of unfair competition. Many blacks however complained that the Syrians, who had themselves started as suitcase traders, were now seeking to deny them use of the route that they had taken to become established. Vendors in the “People’s Mall” claimed that the police often raided the mall looking for drugs. The real agenda, in their view, was the ongoing economic war between Syrians and black entrepreneurs.

Only a few of the companies belonging to the newly emergent entrepreneurial group of all ethnicities survived the drastic downturn in economic activity that characterised the 1980s, a downturn triggered by the 1986 drop in production levels and the price of crude petroleum from US\$26 to US\$9. Most of those who survived were a shadow of their former selves. Many collapsed and either went into receivership or disappeared completely. Given their recent entry, blacks as a group were unable to sustain their efforts. Only 119 of the 335 co-operatives that existed in 1984 remained active. The “Drag Brothers” continued to operate, but few grew beyond mere survival. The creation of a facility for them on Independence Square was a reaction to the demand of young blacks for space in the centre of town to produce and market their craft. It however quickly became a haven for crime, drugs and other forms of dysfunctional activity, and served to disfigure downtown Port of Spain. Williams regretted the

initiative, which was to be later demolished by a successor PNM administration.

Could Williams be blamed for what happened to the black enterprise project? Such an allegation would be historically unfair. Black West Indians generally did not see small business as the preferred way out of joblessness and poverty. That was not an option to which many aspired. As the assumed successors to the colonial ruling class, their vocational aspirations lay elsewhere. Their reference group was the white collar official in the state or commercial sector. Some saw the answer in massive migration to Britain, the “Mother Country,” Canada, the United States, or some form of unity with them. To some extent, Williams shared that view. Writing in *The Negro in the Caribbean* (1942), he argued that the future of the Caribbean was both an internal and an external problem. The external problem was that the United States had to take responsibility for the economic wellbeing of the islands. In Williams’ view, the Caribbean was geographically and more importantly, an American economic lake. There was no traditional homeland to which one could return and rebuild. America’s “Manifest Destiny” was to exercise economic trusteeship responsibility for the islands for “whose miseries it is in part to blame.” The Americans however had no desire to undertake that responsibility. Speaking on behalf of Americans during negotiations related to the Destroyers for Bases deal in 1941, Roosevelt made it clear that America would not welcome 2 million black West Indians coming to America and sitting on its doorstep.

If it cannot be argued that Williams was responsible for crippling black enterprise, it can nevertheless be said that he contributed greatly to its demise in the period after 1970 by pampering blacks with patronage and various make-work activities, thereby removing what was left of the incentive to work. Williams was however caught in a demographic and political trap. He was in thrall to the Westminster system in which parties

are forced to compete for the peoples’ vote. Given the competitive nature of the party system and the memories of 1970, Williams was forced to compete for the votes which were on purchase if he wanted to retain political power. The events of 1970 and the elections of 1976 and 1981 loomed large in his consciousness. He thus felt it necessary to pander to the ambitions and expectations of the upwardly mobile black middle class and the underclass that his government had nurtured.

He was also a victim of the plantation-generated cultural attributes of the black community which fostered attitudes of dependency, attributes which he himself had recognised. As he remarked in *Perspectives*:

“Because of their long history of economic dependence on metropolitan countries, the people of the Caribbean have never been forced to utilise their own resources. We have preferred to view our material progress in terms of handouts from the metropolis – handouts of aid, of capital investment or sheltered and preferred markets...We have never fully looked inwards. And when we do, we look to the government as a source of handouts.”

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In the red: Barclays Bank DC&O, decorated for Independence Day, 1962

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Blacks believed that they were entitled to the jobs and positions formerly held by the expatriates. This feeling of entitlement dogged the society from the early stages of self-government and independence where education was viewed as a way of improving one's chances of being selected to fill the positions vacated by former colonials. Certification was an access pass to jobs formerly held by the colonials. This access to position without a strong sense of commitment to the wider society not only encouraged mediocrity but fuelled the tradition of corruption in high office.

Apart from being a vehicle for some to achieve status and wealth without work, the very role of government had a deleterious effect on the work ethic. Helped along by the seasons of great wealth generated from energy resources, the all-pervasive state quickly morphed into a centre for distribution of the oil-generated national patrimony rather than an agency for development. The net effect of the make-work programmes was negative on the work ethic. If according to Williams "Massa Day Done," Williams was seen as the new political "Massa" whose historic role was to "run something" to the sons and daughters of the former slaves. They wanted him to distribute their "grandfather's backpay." His emphasis was therefore on consumption and distribution rather than on production which would have required a postponement of gratification. On the achievement of Independence in 1962, Williams gave the nation three watchwords, Discipline, Tolerance and Production. While there was much success in the area of ethnic tolerance, much was left to be desired in the areas of discipline and production. Many mistook "The Massa Day Done" rhetoric to mean that in the New Day dispensation, one was entitled to be sustained by the state. These were not among the positive aspects of the Williams legacy.

This aspect of the Williams legacy came in the form of state-provided school places in the so-called prestige schools for the social elite, places

in the comprehensive and vocational schools for those who were accessing secondary education for the first time, make-work jobs, low or middle class housing, subsidised public transport and other utilities, board memberships and shareholding in enterprises which the state had acquired. Williams fussed, but he knew that in order to ensure the electoral turnout that would deliver victory, he would have to be the Godfather. He was painfully aware that once the masses had become used to living in a "freeness state", he would have to ensure that that lifestyle was sustained. Moreover, since sugar was no longer sociologically or economically suitable as a commodity for a modern Caribbean state, one had to rely more on oil and natural gas, and concentrate on iron, steel and the other symbols of modernity. He felt that iron and steel had made Great Britain a great nation, and that that was what would make Trinidad and Tobago great. To satisfy those needs and those ambitions, the state would have to be the default entrepreneur not the little black or Indian man. As Williams told a group of students, they were being called upon to build the future modern state:

"The '80s must surely belong to you. I urge you to accept that role, that challenge with the same determination, the same sense of discipline, with the same attitude towards productive hard work that your parents and indeed your grandparents had in the '50s and '60s, and the decade before that. Where our ancestors toiled in the field producing sugar under conditions of slavery, and under conditions of indenture, you will have an opportunity to produce steel of the highest quality to generate electricity." (*Press Release, Office of the Prime Minister, 4 February 1980.*)

The state-centric models that Williams envisaged were Mao's China, Japan, South Korea, Singapore, Malaysia, and the Soviet Union, not those very few states which were facilitating and promoting small-scale enterprises. Williams wanted to catch up with History, and to do that, he felt he had no choice but to use the state as his instrument. ■