

ECONOMIC SUSTAINABILITY AND THE LAMENTATIONS OF THE CARIBBEAN BANANA INDUSTRY

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MODULE: The Challenge of Sustainability

Abraham Lincoln, the 16th President of the United States of America made his final speech in the year 1865; and amidst the many nuggets of knowledge or inspiration from his archive of quotes is the message -- ***“you cannot escape the responsibility of tomorrow by evading it today.”*** This phrase is at times applicable or even echoed in the preaching of the last 30 years as it relates to sustainable development in all forms and sectors of the global economy.

Taken in this context of sustainable development, these words by Lincoln are thought provoking considering that some of the issues confronting various nations of the world of a sustainability nature could not have been mitigated with acceptance of responsibility in the first instance, because they seem to have avalanche like appearances.

It should be noted that the genesis of the issue is indeed the worry about sustainability; and it is quite noteworthy that the report that was commissioned by the World Commission on Environment and Development (WCED) in 1987 titled “Our Common Future” also known as the “Brundtland Report” (United Nations, p. Brundtland Report) has a message that some three decades later is holding true.

The report noted: “We came to see that a new development path was required, one that sustained human progress not just in a few pieces for a few years, but for the entire planet into the distant future...”

In other words, the document was explaining that developing nations such as the Caribbean should take steps to adapt and improve as it relates to economic industries in order to sustain these sectors and ensure longevity. However, this notion will be revisited at a later stage in this essay.

In illustrating the point of economic sustainability from a Caribbean perspective the Banana Industry of the region would be closely examined. However, establishing nexus between the issues with the Banana sector and the topic of economic sustainability requires an examination of the broad subject of sustainable development and even both comprising words – **“sustainability”** and **“development”** in isolation.

The roller coaster situation with the Caribbean banana industry is an interesting illustration of how economic sustainability has a macro and micro effect. For instance, this centuries old industry has for decades contributed to the gross domestic products of some Caribbean countries. However, from a business model the sector has always been mainly operated as private enterprise that is managed and operated by farmers in somewhat of a cottage industry approach.

Take for instance the Caribbean island of Dominica, which is primarily an agriculture driven economy -- where banana is the main export item. It has been stated that this banana industry is responsible for the employment of more than one-third of that country's working population. Unfortunately, that sector continues to be plagued by natural disasters such as hurricanes as well as international trade related issues; and the country even reported a 25 percent decline in export over the last 20 years. (MELVILLE, 2003)

The issues affecting the future of the Caribbean banana sector echoes across both the public and private sector and matters of sustaining the industry is as much a personal problem as it is a national and regional concern.

It seems difficult to mitigate sufficiently for tomorrow's issues since the problems seems to be a continuation that at times seems unrealistic. In fact, this observation of quick change in circumstances was properly addressed in the first page of the book *Environmental and Economic Sustainability* by Paul E. Hardisty (HARDISTY, 2010).

The author, as if to stress that the current and future sustainability issues seem to exist in a world where there appears to be an intermingling of present and future **or** today and tomorrow. He noted under the heading "Exponential Era" that presently the world is dealing with unrelenting change.

Hardisty stated: "We live in the exponential era – a time unique in history when a confluence of overlapping and mutually reinforcing factors is propelling the world into unknown economic, social and environmental territory at an accelerated rate." This echoes the dilemma and critical question to Mr. Lincoln's remark – how much preparation is truly necessary today to ward off tomorrow's economic situations.

On the other hand, it is said that hindsight is 20/20 and though Lincoln's speech was in context to pressing matters of that time, it can still be lifted wholesale to this present day and apply entirely to current issues of balancing the scarcity of resources and the demand and needs of a growing world population; as well as the horrific realization that many of the things currently enjoyed will not be available to future generations.

Economic Sustainability and the Caribbean Banana Industry

Despite globalization and the notion of a global village there are issues that are common yet different depending on the country being examined. Based on where one examines the plight and common situation of economic sustainability the quote of Mr. Lincoln looks a lot different. For simplification purpose we would return to the Caribbean banana industry where in consideration it would seem that the playing field was so disrupted, that there is no time for focus on the responsibilities of tomorrow, because the fight to live, survive, or sustain for another day is so overwhelming.

This need to just focus on making it through the proverbial day for the banana industry is spawned by the fact that the sector, which is a GDP contributor for a few countries in the region has been affected repeatedly, and in a short space of time often by factors beyond the region's control; constantly requiring a return to the drawing board and abandoning of plans. Therefore, it is understandable that there is a sort of paralysis that prevents suitable response to stave off possible future blows.

The Caribbean Banana industry has a long and rich history. One may even say – it is a history that is quite celebrated as we consider Harry Belafonte's "Banana Boat Song ('Day O') – 1956," which in sweet tune boasted of Caribbean pride in what was at the time a lucrative industry. It is an industry that thrived in its glory until the late 90s early 2000's.

However, just as Belafonte's sweet nostalgic tune comes to an end, so too the serenaded West Indian banana industry that spanned more than two hundred years came close to extinction in 2005.

For economic and various other purposes, the Caribbean and Latin America is often linked together as a block; and the countries within that block with banana exportation as an industry are: Belize, Costa Rica, Dominican Republic, Honduras, Jamaica, Guadeloupe, Dominica, Martinique, Saint Lucia, Saint Vincent and the Grenadines, Grenada, Trinidad and Tobago, Nicaragua, Panama, Suriname and Colombia.

However, for the purpose of this essay we would focus on the Windward Islands which is a subsection of the Caribbean region and comprises of banana producing countries St Lucia, Dominica and St Vincent and the Grenadines.

The attack of the industry was chronicled vividly by Dr. the Hon. Ralph E. Gonsalves the presently serving fourth Prime Minister of the West Indian nation of St Vincent and the Grenadines in the book "Banana Wars" (Gonsalves). In the foreword of that book the Prime Minister explained that the fall of the industry commenced in 2001 when the United States of America (USA) and the European Union (EU) in April of that year came to an agreement that did not include consultation with Caribbean nations who have interest in the banana industry.

The Prime Minister declared that the situation climaxed in 2005 when there was a termination of the quota format agreement that the Caribbean had in place for its EU banana trading. This system was said to be replaced with a tariff system, that the Prime Minister explained caused sustainability concerns for the industry.

In fact, Banana Link a Norwich based organization that is concerned with economic and fair trade of the Banana industry of the Caribbean, Latin America and Africa estimates that as of 2017 there were 4000 banana producers in the Windward Islands, most of which are in St Lucia.

The tariff system that was mentioned in 2005 by Prime Minister Gonsalves was referenced by Banana Link as they explained that by 2012 the export had fallen. In noting the fall out the organization mentioned that from 1992 approximately 20,000 of the 25,000 banana producers that operated in the industry went out of business.

In addition to the tariff it was explained that the marginalization of the industry was exasperated by the drop in retail price, which undeniably struck the small farms that made up the bulk of the industry. Another cause is the fact, that the region is prone to natural disasters such as hurricanes and droughts which is said to have further spelt doom for the limping sector. To the point where bananas which at a minimum represented 20 percent of the Windward Islands GDP is now credited for a mere five percent.

Even more daunting for the quest to sustain the region's banana sector is the existence of decade long issues within the industry that affects the end product. More than 20 years

ago some of the problems were woefully lamented at a Workshop (Antonio M. Pinchinat, 1992) that was aimed at discussing the modernization of the Caribbean Banana industry.

Among the mentioned issues were problems relating to diseases and pests, water supply limitations, plant nutrition, banana quality, farm productivity, matters relating to transportation, technological transfer, limited mechanization, unavailability of land as well as labour, lack of financial resources plus a myriad of other issues.

Turning Point

Considering that the Caribbean banana industry was fostered to combat the now almost defunct sugar industry (sugar cane) is a stark reminder of how fleeting world trade can be, as in similar format external factors pose risk of eradication of this agricultural product. (Edmunds, 2008)

However, this seems to be where credence is added to the saying about lightening not striking twice as the new era poses an opportunity for banana to reemerge providing there is sufficient adaptation.

The need for adaptation or differentiation was noted in a 2004 report that was prepared for the United Kingdom's Department for International Development (DFID) (DFID Report, 2004). That document supported the notion that the industry may still fare well once it adapts to the requirements, trends and sustainable operations.

The Report explained that making the West Indian banana industry more viable will require the maintenance of uninterrupted productivity, as well as market standard that ensures that all producers are delivering products that are of the same quality. "The outcome for Caribbean producers may be better than predicted if they can achieve productivity gains, and if they can succeed in differentiating products by quality and type," the document pointed out.

The need for the industry to adapt was further noted by the European Commission which through a special platform created an avenue to support banana suppliers with means and methods to among other things increase their production. Unfortunately, it was noted that much was never seen of this offer as it was mentioned in the book Caribbean Banana (IMF -- Paul Cashin, 2010) that the fund was to be disbursed between 1999-2008 but by 2009 not even half of the money was distributed.

Nonetheless, resilience still seems to be propelling the injured sector as efforts are still being made to address some of the concerns that were raised during that workshop in 1992 (Antonio M. Pinchinat, 1992). In fact, seven years after the many issues were noted at the workshop in St Lucia, a breakthrough conference was held in the Dominican Republic and solutions to some of the noted problems were canvassed.

The report highlighting the substance of the meeting is titled "Organic Banana 2000: Towards an Organic Banana Initiative in the Caribbean..." (M. Holderness, 1999). As it relates to the issue of pests it was suggested at that forum that the suppliers use an

integrated pest management approach. "The use of clean planting material, in combination with cultural control practices which promote improved soil fertility, can result in increased yields even in the presence of pests and diseases," the report stated.

Additionally, it was mentioned that this would be a cost effective method as opposed to certain chemical options.

At the forefront of the hoped resurgence of the industry is the need for greater collaboration. This was noted in the book Caribbean Economies and Global Restructuring (Nurse, 2002), as it was emphasized that sustainability of the sector requires a honing of skills and sharing of best practices within and between the Caribbean banana producing islands.

It was further suggested that demand should be created for Caribbean bananas through government funded promotion of the produce, especially in markets like the United Kingdom which has proven to be lucrative.

The marketing point comes with successful illustrations -- as it is known that independently some banana suppliers have been able to promote and export their bananas. "There already has been a positive development in the Windward Islands banana industry with direct sales by a handful of 'certified' growers to supermarket chains such as Sainsbury and Marks and Spencer in the UK," the Caribbean Economies book stated.

Perhaps the most optimistic message for the banana industry that is being forced to adapt today and differentiate tomorrow was presented in the book the "Biology of Banana" (Eagen) under the heading "The Future."

It was noted that some 11 countries have embarked on the project of creating a genetically enhanced dessert banana. It was explained that this reengineered banana will taste and look the same but will be more resilient against pest and diseases.

The new global phenomena of buying organic is further propelling the cause of the banana industry as organizations around the world are advocating for persons to buy the locally grown fruits and vegetables which creates great opportunity for Caribbean bananas in this emerging 'Whole Food' market.

Similarly, the plan for a more genetically superior banana that can withstand the issues plaguing the industry and the future sustainability of the sector was noted in the report Banana Improvement -- Research Challenges and Opportunities (George) under the heading "Banana Biotechnology Consortium." In that document the goal of breeding a superior banana germplasm was optimistically discussed.

It was stated: "Successful completion of the project will result in increased shelf life, better quality of fruit, and increased resistance of the plant to pathogens, thus enhancing its export potential."

In addition to the genetic enhancements, the efforts to safeguard or even reboot the Caribbean banana industry has been through awareness campaigns aimed at ensuring that consumers are knowledgeable and appreciate that the region's produce are organically grown.

This awareness in itself is a motivating factor for businesses to consider importing Caribbean bananas – since it increases market opportunity and maintains product viability.

Another awareness method has been the encouragement of support of 'Banana Postcards'. Which were an outreach mechanism aimed at generating business for the industry.

The postcards were made available for download from the 'Banana Link' website free of charge and persons were encouraged to send the cards to their local supermarket pointing out the issues facing banana farmers in the region. Further the supporters were urged to send the postcards to retailers and request that they purchase bananas from the Windward Islands.

Additionally, stakeholders of the Caribbean banana industry continue to find creative ways to garner interest in the product and the industry in order to sustain the sector. One interesting way was the use the United Kingdom's Notting Hill Carnival to not only maintain the support of the Caribbean diaspora, but to broaden interest in the industry's struggling market.

The depiction of the Caribbean banana at the carnival is through the kind complements of Banana Link. In fact, the organization's awareness at this forum is not a new undertaking as it has been doing so since 1996. In explaining this interesting advertising and marketing effort Banana Link said: "For nearly ten years from 1996 Banana Link collaborated with partners in London and Brighton to produce a carnival troupe and float at Notting Hill Carnival to raise awareness of Fairtrade and Caribbean bananas."

Unfortunately, it was stated that for various reasons the organization has been unable to make a few of its carnival appearances but vows to continue to do so.

Nonetheless, as the farmers try to weather the banana situation independently and organizations such as Banana Link does its part from a private sector position; the Governments in the banana exporting countries are also rising to the challenge of sustaining the industry.

For instance, in a speech in January 2015 the Minister with responsibility for agriculture in St Vincent and the Grenadines Derrick Kellier outlined government sponsored initiatives in that island to foster the constant supply of high quality banana for exportation.

The Minister announced that his government was going to be providing technical assistance to farmers to ensure that the banana meets international standards.

Meanwhile, the St Lucian Government in its Medium Term Development Strategic Plan, for the period 2011-2015 announced that the aim was to diversify its agriculture and agribusiness industries through private sector development, rehabilitate its agricultural infrastructure, increase the technological adoption within the industry, eliminate poor agronomic practices, expand into regional market in terms of banana trade; as well as seek out new market for its bananas.

Additionally, the government said that it was going to implement strategies geared at attracting young persons to the industry. Further it said that it intended to educate and train banana farmers in methods and means to run their farms like a business.

In conclusion, Abraham Lincoln's sage words are more or less a call for proactivity. In essence he is urging the listener or reader to stymie the troubles of tomorrow by taking precautionary measures today. However, as was noted earlier in this essay the advice like all others should be taken in context of the present or occurring realities.

Looking further to the matter of economic sustainability as it relates to the Caribbean banana industry leaves little room for the mitigation of future factors as it is clear that the greatest fear – the injuring or even death of the industry began yesterday, is occurring today and will continue tomorrow. This despite valiant efforts to adopt various sustainability measures as was evident in the referenced workshop reports.

The situation essentially relates to the morbid notion that there might not always be a happy ending to sustainability matters, especially if the damage seems beyond repair. Thankfully in the case of many of the countries involved in the banana trade there has been efforts to stem the fallout through heavier investment into other economic contributors.

While the mentioned banana enhancement offers a sliver of hope along with the valiant efforts of the regional governments, organizations such as Banana Link and other private banana producers there seems to be no real way of preparing for the threats of tomorrow with this industry.

Take for instance St Lucia where the government made good on some of the plans mentioned in its above noted Medium Term Plan and did see development in the sector. In fact, an article published in August 2017 (St Lucia's Banana Industry on the Rebound, 2017) noted that the country was close to recording close to 300 percent increase in output; and had secured market in France.

Unfortunately, by December 2018 the industry had suffered a setback thanks to the passage of tropical storm Kirk in late September plunging the island right back to the discussion of the viability of the banana industry. Following the storm, it was reported that St Lucian industry suffered an 80 percent loss of its banana produce.

Nonetheless, one can agree that Lincoln offered wise advice when he said "You cannot escape the responsibility of tomorrow by evading it today." However, in a rapidly changing world facing sustainability issues on all fronts; and the ever changing realities of the

Caribbean banana industry the question is – is it too late to save the industry by starting reservation today for tomorrow.

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