Historicizing Change in 20th Century Belizean Political Economy

Research Thesis

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by

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Preface and Acknowledgements

This project has been a long time in the making. It was first conceived at Ohio State University in 2018 after I finished taking the course "The Making of the Modern World," taught by an academic named Dr. Joel Wainwright. In that course, and for really the first time in my education, we explored how the world functions today and why it does. We *historicized* (to use a fancy word I learned in school) the "rise" of China, the Iraq War, the climate crisis, etc. The driving force, the constant, uniting our analyses was that of capitalism, with all its dynamic, spatially uneven, unrelenting historical force. I knew from the final day of that course that I wanted to continue trying to answer those same questions: how does the world function today, and why? From there, and after many conversations with Dr. Wainwright, I arrived at the project as it is written below. I take Belize as my subject not because it is unique or special, but because it is *not;* as I will elaborate, capitalism and colonialism have profoundly shaped the world in uneven ways, and there is much to be learned from a better understanding of the corners of the globe which these processes have not made so "successful."

In pursuing this project, I traveled physically to Belize. Over five weeks during the summer of 2019, I lived in the capital city, Belmopan, talking to Belizeans about their history and going through documents in the government archive. This was somewhat tedious work, and I learned a lot both about Belize and myself. Without pretension to knowing how this will be received by whoever reads it (and I do not have pretend that it will be read beyond a small group of kind souls), it is my hope that this thesis becomes something more than mere academic exercise. The issues driving much of the logic that this thesis follows – poverty, landlessness, powerlessness – demand more than intellectual parlor games for addressing them. I have no illusions that my words alone will improve any lives, but I still felt that this thesis was important

enough to be written because of its potential for helping us better understand our current reality. Maybe, just maybe, this thesis can be a small block in the foundation for thinking through a more just future.

There are more people who deserve my gratitude for their support on this project than I can possibly list here, though I am confident they know who they are and how much I appreciate what they've done. In particular, I want to thank my parents, JD and Julie, for their material and financial support over the years and for being beacons of support and stability even when I was 2,000 miles away. I thank the inimitable Jill Hammerly for all the encouragement, companionship, and unmitigated belief that I would succeed throughout my time researching, traveling and writing. I thank the legendary Dr. Joel Wainwright for showing me what's important in the world, for challenging me to challenge myself, and for being my greatest role model. I thank Professor Pamela Espinosa de los Monteros for mentoring me during my Undergraduate Research Library Fellowship, during which I transcribed many of the interviews and did all of the "behind the scenes" preparations that go into living abroad and conducting fieldwork for the first time. I thank the Office of International Affairs, the Office of Undergraduate Research & Creative Inquiry and the Department of History at Ohio State for their generous grants. To everyone who has endured the elaborate and overly detailed answers to the question "what are you writing about?" I thank you. Finally, I thank those in Belize who taught me what books could not and guided me in the right direction: Rolando Cocom, Henry Peller, Will Jones, Jules Vasquez, Filiberto Penados, Delmer Tzib, Sam Hatto-Hembling, Sarah Chun, Joseph Augustine, and Mary Alpuche.

I. Introduction

Belize is a small, former British colony and now nation-state on the Caribbean coast of Central America.[1] According to the yearly report conducted by the International Monetary Fund (IMF), Gross Domestic Product (GDP) grew by a mere 1.5% in 2019.[2] They anticipate "challenges" to the economy in the coming months and years as Belize is particularly "vulnerable" to a weaker U.S. economy, which would impact tourism revenues and oil prices. Belize remains especially at the mercy of severe weather patterns and loss of agricultural livelihoods as climate change intensifies. The state has not conducted a poverty assessment since 2009, when the ensuing report indicated that 42% of the population was poor with 16% of those people unable to secure sufficient access to basic needs such as food and water.[3] Export revenues continue to be generated through primary commodities like sugar, bananas and citrus and these revenues are expected to continue to decline as they have been since the early 2010s. The real motor of the economy today is tourism, which stopped abruptly in March 2020. As of this writing, the Belizean economy appears to be entering a severe recession as the Covid-19 pandemic wreaks havoc on the population and economy alike. According to Dr. Carla Barnett, the impacts of the pandemic on the Belizean economy promise to be "catastrophic," with 80% of hotel employees facing unemployment and 100% unemployment among tour guides (nearly 3,000 workers).[4]

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[1] This summary sentence is not without assumption and violent signs, but nevertheless is the primary way the territory governed by the Belizean state is conceptualized and will be the primary unit of analysis in the critique that follows. The assumption being that the nation-state is the best unit of analysis and that "Belize" is the best sign for naming this unit. These assumptions, while necessary given the hegemony of "capitalist-nation-states" as legitimate units of analysis and the lack of a meta-language for describing this hegemony without participating in it, should be recognized as such from the beginning.

[2] International Monetary Fund Western Hemisphere Department, "Belize: 2019 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Belize," 9 December 2019.

[3] National Human Development Advisory Committee, "2009 Country Poverty Assessment," *Ministry of Economic Development, Commerce and Industry, and Consumer Protection,* Government of Belize, August 2010.

[4] "Local Economy Di Tek Serious Lick," *Channel 5 Belize,* 25 March 2020.

These statistics prompt a sense of resignation. Clearly, things are bad in Belize and a prosperous turnaround is not likely to appear on the horizon. How might we think about this conjuncture in a productive way? In beginning our analysis, important questions present themselves. Why is GDP growing at such a slow pace? How is this connected to poverty levels in Belize, levels that are presumably similar or worse than the 2009 levels? Why are the primary means of economic growth avenues like tourism and primary goods and not something else? To answer these questions, and to ultimately provide an accurate accounting of how Belizean political economy reached this point, I contend that we must turn our attention to economic and political history. In particular, I ask: What historical politico-economic structures prevented the effective formation of a Belizean state that could have pursued profitable industrialization while lifting its population from poverty? Or, in other words, why was the Belizean state unable to build a developmental state?

This introduction will proceed first with a consideration of the existing literature on Belizean economic history and development, particularly addressing the absence of a structural analysis of the Belizean state. I then examine the existing literature on Belizean economic history to provide a foundation for my analysis and to periodize my research question. Finally, I will propose a novel analysis of the non-emergence of a Belizean developmental state. I argue that rather than the vague "corruption" that is often blamed, the Belizean state was unable to become effectively developmentalist because it possessed insufficient capacity to discipline capital (domestic and foreign) and it never really attempted to pursue industrialization.

The Literature on the Economic History of Belize

The literature on Belizean economic history and development is useful, if limited in quantity.[5] No structural analysis of Belizean political economy that critically examines the role of the state yet exists. The modest scope of what has been said will allow for a somewhat detailed review. Thus, an efficient overview will be attempted here to situate this text against the others.

Colonial historiography

A specifically *colonial* historiography dominated conceptualizations of Belizean history for much of the 20th century into the 1970s, and much of what came after was self-consciously written against this tradition. Thus, a brief accounting of this historiography is beneficial. An important text was produced when a colonial administrator in British Honduras took it upon himself to compile a document containing the sum of the colony's national accounts in the immediate postwar period and ended up publishing his findings alongside his commentary. The resulting work, Carey Jones' *The Pattern of a Dependent Economy: A Study of the National Income of British Honduras* (1953), is remarkable for not only its early application of the dependency language and framework to Belize, but also for being an early attempt at an economic history of the colony. Carey Jones frankly discusses the guiding principles behind colonial development planning, the purpose of which was "not an integration and direction of the parts of the economy" but instead was merely "a table of priorities for capital works."[6] He repeatedly reminds the reader of the tiresome and laborious process of tracking down the data

[5] The number of texts is small even when compared to fellow former British colonies like Jamaica or Botswana.
[6] N.S. Carey Jones, *The Pattern of a Dependent Economy: A Study of the National Income of British Honduras,* Cambridge: Cambridge University Press, 1953, 3.

used in the text, economic data that is neatly conveyed through accounting tables assembled well before the formation of an institution resembling the Statistical Institute of Belize that exists today. Carey Jones's study reflects the inclinations of his day with a lengthy section on the state of agriculture in the colony and how colonial administrators might better manage its vast but untapped well of potential profits. Against his occupation as administrator of colonial policy, Carey Jones emphasizes his identification with the people of British Honduras and laments the cycles of capital flight that inevitably accompany a colonial territory that is politically and economically dependent – "many fortunes have been made in British Honduras, but the only trace that remains is enormous freehold estates whose forest has been cutout and whose agricultural potential has hardly been tapped."[7] Without unpacking that admixture of identity and colonial allegiance, it is clear that *The Pattern of a Dependent Economy* paints a relatively detailed picture of the state of the colonial economy in the postwar period, from its amalgamation of disparate data sources to its situation as a distinctly *colonial* economy. Unfortunately, the analysis stops short of incorporating the dynamic that existed between the colonial state and the domestic elite, a dynamic that shaped the formation of the PUP and eventually the nationalist movement.

The most relevant scholar for considering my research question is undoubtedly Assad Shoman, a Belizean historian, statesman, and lawyer whose text *A History of Belize in Thirteen Chapters* remains, remarkably, both the most critical history of Belize and the text used to teach Belizean history to high school and colleges students.[8] Shoman's *History*, along with his other

[7] Carey Jones, *The Pattern of a Dependent Economy, 12*
[8] Assad Shoman, *A History of Belize in Thirteen Chapters*, Belize City: Angelus Press, 2011.

critical historical writings,[9] attempt to narrate Belizean history from the perspective of common people, against the pro-colonial tradition. While social history may seem an obvious approach in retrospect, histories through the mid-1970s regularly exhibited Anglophilic tendencies and pro-colonial positions, as evidenced by Carey Jones and others.[10] For example, consider the preface to a three volume series of archival documents edited by a colonial governor, John Burdon. For Burdon, the history of the colony "reflects the utmost credit on the race of adventurers to whom Great Britain owes her Colonial Empire. It brings out their daring, their tenacity, their fundamental desire for and achievement of British law and order."[11] It goes without saying that this historical interpretation marginalizes non-European peoples. It is also geographically deterministic in that the colony only exists as a distinct entity as long as it has a particular location and resources, becoming "a self-justification for colonization, an alibi that is teleological and Eurocentric."[12] Shoman, on the other hand, makes his purpose explicit: "Until lions have their own historians, histories of the hunt will always glorify the hunter. I have tried to tell the story with the lions in mind, the majorities who endured oppression and exploitation and survived."[13]

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[9] Shoman's histories apply a critical lens to Belizean politics, land rights, and diplomacy. See, for example: O.N. Bolland and Assad Shoman, *Land in Belize, 1765-1871*, Mona, Jamaica: The Institute of Social and Economic Research, University of the West Indies, 1975; Assad Shoman, *The Birth of the Nationalist Movement in Belize, 1950-1954*, Belize City: BISRA, 1979; Assad Shoman, *Party Politics in Belize, 1950-1986*, Benque Viejo: Cubola Productions, 1987; Assad Shoman, *Belize's Independence and Decolonization in Latin America: Guatemala, Britain, and the UN*, New York: Palgrave Macmillan, 2010.

[10] See Daniel Morris, *The Colony of British Honduras: Its Resources and Prospects; With Particular Reference to Its Indigenous, Plants and Economic Productions*, London: Forgotten Books, 2012 [1883]; Wilfred Collet, *British Honduras and Its Resources* London: The West Indian Committee Rooms, 1909; Charles Wright et al., *Land in British Honduras*, London: HMSO, 1959, and Narda Dobson, *A History of Belize*, London: Longman Group Limited, 1973.

[11] John Burdon, "Historical Note," in *Archives of British Honduras, Volume 1*, ed. John Burdon, London: Sifton, Praed & Co., 1931, 1.

[12] Joel Wainwright, "The colonial origins of the state in southern Belize," *Historical Geography* 43 (2015): 122.

[13] Shoman, *A History of Belize in Thirteen Chapters,* x.

The critical turn

Though prominent, Shoman was not the first scholar to critically examine economic history and development in Belize. In his history of the early formation of colonial society in British Honduras, sociologist O. Nigel Bolland (a teacher and source of inspiration for both Assad Shoman and Said Musa, who will be discussed below) provides a structural analysis indebted to Marx. In Bolland's words, his goal is "to examine some of the relations between the political economy and the social structure of Belize."[14] Bolland uses a large cache of primary source documents to reconstruct how the colony's development was shaped by the powerful – the first settlers, the colonial government, and British capital – and how social reality followed from political economic changes. Bolland is particularly insightful when it comes to understanding the workings of slavery and slave life in the colony. Unfortunately, he concludes his history with the establishment of Crown Colony government in 1871 and has produced no texts of equally insightful caliber on more contemporary history.[15] While Bolland's work proves foundational for explaining early Belizean political economy, we will need to look elsewhere to understand our period of interest.

One such place to look is the work of Assad Shoman. In his many works, Shoman has yet to explicitly analyze the question of why Belize was unable to build a developmental state. The closest he comes to such an analysis appears in a little known essay written in 1988 where he attempts to apply a model of peripheral authoritarianism elaborated by state theorist Clive Thomas to Belize.[16] In applying the model to Belize's particular political economy, Shoman

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[14] O.N. Bolland, *The Formation of a Colonial Society: Belize, From Conquest to Crown Colony,* Baltimore: Johns Hopkins University Press, 1977, xi.

[15] Bolland's text *Belize: A New Nation in Central America* written in 1986 has a more contemporary purview but covers such a wide expanse in so few pages as to be of little consequence.

[16] Assad Shoman, "Belize: An Authoritarian Democratic State in Central America," in *Backtalking Belize,* ed. Anne MacPherson, (Belize City: Angelus Press, 1995), 189-219; Clive Thomas, *The Rise of the Authoritarian State in Peripheral Societies,* New York: Monthly Review Press, 1984.

takes up the question of how the postcolonial Belizean state established its autonomy separate from direct British colonial control. He identifies the establishment of self-government on January 1, 1964, as the "critical date" of an independent Belizean political economy, one that would theoretically have the capacity to pursue a developmental path contrary to British interests, albeit with two reservations. The first is that "Britain retained control of foreign relations," meaning that Belize could not join international organizations, form a military, or enter into treaties with other nation-states, and the second is that Britain maintained "control of a major component of the state – it's bureaucracy," a decision-making power that remained with the British colonial governor.[17] These two examples are evidence of a lack of full autonomy. Reservations aside, Shoman contends that the state was autonomous to the point that "the state expanded enormously compared to the colonial era," investing heavily in production and infrastructure development as well as passing new finance laws, and that this led mainly to benefits for "a small group of people comprising the foreign operators and their local agents, the small local property owners, a new class of small industrialists, merchants and… local business owners."[18]

Reflecting upon Shoman's historical assertions, I contend that rather than be thought of as mere reservations, both the lack of control of foreign relations and the lack of control of the state bureaucracy should be interpreted as crucial power spaces that, still under British control, helped prevent the formation of a developmental state. The withholding of power from Belizeans in these two instances were deliberate actions by the British to maintain control where it mattered: the institutional materiality of the state. Though the newly Belizean-elected government had the power to create a planning unit, and indeed did so, with no command of civil

[17] Shoman, "Belize: An Authoritarian Democratic State," 206-207.
[18] Shoman, "Belize: An Authoritarian Democratic State," 207-208.

servants or ability to negotiate trade with other states its capacity to plan effectively was handicapped from the start. Having no authority with which to discipline the bureaucracy especially meant that any planning unit would lack coherence. Shoman's analysis overlooks these relations, and while I believe he is correct to explain that a small elite benefitted from the form of self-government, Shoman ends up blaming those elites for using their new power in the state to unjustly create that inequality.

The key figure here is George Price, the "father of the country". When reminded that the People's United Party (PUP) was the party in power, a party that leader George Price proclaimed the purpose of was to "unite and organize ourselves in strong labor unions, strong credit unions, strong cooperatives, to present a solid front against the possible invasion of any exploiting capital," Shoman's answer[19] (like many other Belizeans when pressed) is that these otherwise good leaders were "corrupted".[20] I reject this hypothesis. This thesis grapples with these thorny questions through a class-based structural lens, to contend that the PUP's failure to build a developmental state and deliver human development to the people turns on questions of power, not moral constitution.

Cedric Grant's *The Making of Modern Belize* is another place to turn our attention. Written in 1976, Grant's edited PhD dissertation for the University of Edinburgh is "an attempt to analyse systematically contemporary political developments, particularly after the rise of a nationalist movement in 1950."[21] The focus of Grant's inquiry is to understand how the People's United Party was formed and the political developments following its ascendency as the most powerful party in Belize. Like Bolland, Grant is one of those scholars that emerged in the mid-

[19] Unpublished interview between Assad Shoman and Joel Wainwright. Conducted 28 July 2019.
[20] Shoman, *A History of Belize in Thirteen Chapters,* 158.
[21] Cedric H. Grant, *The Making of Modern Belize: Politics, Society, and British Colonialism in Central America,* London: Cambridge University Press, 1976, xiii.

1970s to challenge the Anglophilic pretensions of historians of Belize.[22] However, *The Making of Modern Belize* does not provide answers to the question of the formation of the Belizean developmental state. Grant falls victim to the tendency to overemphasize racial categories when explaining political power, using categories like "the Latins" and "middle-class Creoles" to characterize group actors. He spends more than half of his study's introduction simply defining the various "cultural groups," evidence of his view that they constitute the most important divisions in Belizean society. In his subsequent history, the names of people and their individual motivations as representatives of these cultural groups are the primary drivers of historical development. In short, Grant lacks a deeper understanding of the complex politics of class interest and this deficiency limits his history to a detailed accounting of individual actions.

The third wave

Barbara and Victor Bulmer-Thomas's *The Economic History of Belize: From the 17th Century to Post-Independence* seems promising for my research question, and indeed it has much to offer.[23] The Bulmer-Thomas's text is replete with economic data: import and export figures, price graphs, tables comparing industry profitability over time, and so on. Victor Bulmer-Thomas is trained as an economist and the text conveys his training well: he effectively describes the Belizean macroeconomy. However, when one digs through the data and terminology to get at the core of the historical arguments being made, there is not much there. A short book with only six chapters, the authors spend chapters one and five discussing matters

[22] Those authors that challenged the status quo in the mid-1970s were Ashcraft, Grant, Bolland and Shoman; see Norman Ashcraft, *Colonialism and Underdevelopment*, 1973; O.N. Bolland and Assad Shoman, *Land in Belize*, 1975; Cedric Grant, *The Making of Modern Belize*, 1976; and O.N. Bolland, *The Formation of a Colonial Society*, 1977.

[23] Barbara Bublmer-Thomas and Victor Bulmer-Thomas, *The Economic History of Belize: From the 17th Century to Post-Independence*, Benque Viejo del Carmen, Belize: Cubola Productions, 2012.

unrelated to Belizean economic history completely.[24] The remaining four chapters divide Belizean economic history into four periods –1663-1763, 1763-1862, 1862-1981, and 1981-Present (2012) – on the basis of political developments as the colony transitioned from settlement to colony to nation-state. Setting aside this misleading periodization of economic history (a point which I will return to below), the chapters do little to address the tricky issue of historical agency. There are no discussions of peasants, workers (or laborers), or even capitalists as such; instead, the authors discuss labor laws and the general supply-demand relationship, to the extent workers are mentioned at all. In short, there is no class-based structural analysis of the development of Belizean society in the pages of the Bulmer-Thomas's book. Instead, they have put forth a God's-eye view of Belizean economic history that, due to their reliance on strictly quantitative data, downplays the agency of specific classes, and thus comes across as teleological. This cannot be a basis for an analysis of why Belize was unable to form a developmental state because it provides no historical reasoning for why Belizean economic history proceeded as it did in the first place. We must again look elsewhere.

Before concluding the review of literature with a turn to Medina, it is necessary to examine the text *A History of Enterprise in Belize* by Frantz Smith. One of the most recent works of Belizean economic history, this text is one of the few available in bookstores in Belize. In essence, Smith's text attempts to trace the historical development of Belizean enterprise with an emphasis on innovation I interviewed the author, Frantz Smith, on my trip to Belize and we discussed his book at length. Asked about what he meant by centering Belizean history around "enterprise," Smith said that he wanted to better understand the progression of technological and

[24] Chapter one seeks to dispel a myth regarding "The Origin of the Belize Settlement" and chapter five is a history of a relatively marginal entity, "The Belize Botanic Garden Station, 1892-1933."

industrial change in Belize and to share with his fellow Belizeans this understanding.[25] In other words, he sought to articulate "the problem of having a small productive base," certainly a worthy objective.[26]

Unfortunately, the text produced fails to accomplish this objective. Smith traces the roots of the problem to a lack of effective capitalist innovation and, in an odd twist, to the lack of willingness in the people themselves. He diagnoses the problem of low national incomes by pointing to the fact that "management has not found innovative ways to cut costs or produce more with less inputs," a diagnosis that begs the logical absurdity that there are infinite means of producing more with less, before adding that "we have not responded to our challenges with a high degree of urgency."[27] Despite including himself in his analysis of the Belizean population's collective lethargy, this characterization repeats colonial tropes of marginalized peoples as helpless and directionless. Belizeans need "a higher level of brain power" he adds a few pages later when explaining what needs to be done to move away from primary commodity exports. Smith's text also struggles to periodize economic history in any meaningful sense, preferring instead to use specific "enterprise" – or, more precisely, commodities (i.e., logwood, mahogany, sugar, bananas) – to the present day before beginning again with another in no particular order. Smith makes minimal use of existing scholarship and incorporates a limited use of primary data or contextualization. For example, Smith's only mention of the Belize Export & Produce Company (BEC), perhaps the dominant force of any kind in the colony in the late 1800s, simply states that "throughout its history, the largest exporter of mahogany from Belize was the B.E.C., which was formed in England in 1875."[28] There is no accompanying analysis of *why* the BEC

[25] Unpublished personal interview with Frantz Smith, conducted 19 May 2019.
[26] Frantz Smith, *A History of Enterprise in Belize,* Belmopan, Belize: InterLogic Publishers, 2013, iv.
[27] Smith, *A History of Enterprise in Belize,* iv.
[28] Smith, *A History of Enterprise in Belize,* 9.

was the biggest and most powerful exporter, or how this affected peasants in the colony, or how much of the arable land owned by the BEC nevertheless remained vacant and unused despite the peasants' demand for land. Though apparently popular in the Belizean mainstream, *A History of Enterprise in Belize* falls well short of the systematic and nuanced analysis required for a grasp on how political economy operated in the postwar period.

In concluding our review of the relevant Belizean literature, I turn to the work of anthropologist Laurie Kroshus Medina. Her primary contribution to my research question is in her examination of the complexities of identity in relation to development. In essence, she finds fault in the neo-Marxist critique of dependency theory for not accounting for "*how* particular social alliances had been forged."[29] She contends that de Janvry's complex yet foundational analysis of how development in a particular country is shaped by social and sectoral articulation (or lack thereof)[30] and the development path chosen by the state does not allow room for what she calls "negotiation" of that development from below. In order to understand this negotiation, the analysis would have to situate itself amid existing historical and sociological alliances of social groups, groups that rarely identify along class lines. Thus, the purpose of Kroshus Medina's work is to correct this overlooked but crucial aspect by "explor[ing] how such alliances are generated or sustained [and] how collective actors are mobilized behind particular agendas," taking the Belizean citrus industry as her object of analysis.[31]

We should keep in mind Kroshus Medina's critique of de Janvry as we approach the question of the developmental state. Though she does not dissect the Belizean state directly

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[29] Laurie Kroshus Medina, *Negotiating Economic Development: Identity Formation and Collective Action in Belize*, Tucson: The University of Arizona Press, 2004, 10.
[30] See Alain de Janvry, *The Agrarian Question and Reformism in Latin America*, Baltimore: Johns Hopkins University Press, 1981.
[31] Medina, *Negotiating Economic Development*, 10-11.

(preferring, in anthropological fashion, to focus on the subjectivity of the farmers and workers in the citrus fields), her conclusions show that development does not simply happen to a population, but in relation with it. In other words, development plans are not just pursued by the state, but are engaged and negotiated by Belizeans themselves. She also reiterates that actors have identities and interests apart from being part of monolithic economic categories; actions taken on behalf of these characteristics are not outliers but part of normal functioning. This undoubtedly complicates any analysis of the implementation of development. Nevertheless, in my view this claim misses another crucial element. Not only is development negotiated at the sites of implementation, but also well before that, at the point of generation where ideas are proposed, plans drafted, and parties brought on board. In fairness to de Janvry (and Samir Amin, on who's work de Janvry's analysis is based),[32] he might well agree with Kroshus Medina while simultaneously reiterating this fact.

In conversation with Kroshus Medina, this thesis thus seeks to expand our understanding of the negotiation of economic development in Belize, but focusing instead at the center or genesis of the process. We cannot know how Belizeans (whatever their ethnic and geographic variation) would have negotiated a transition from import-substitution industrialization to export-oriented industrialization through the disciplining of capital, a process that brought incredible development gains in places like South Korea and Botswana, because that process never happened. I want to know why not.

[32] See: Samir Amin, *Unequal Development,* New York: Monthly Review Press, 1976.

Research Horizon and Roadmap

This thesis seeks to explain why the Belizean state was unable to form a developmental state in the period following the emergence of the anticolonial movement in the 1950s. My intention is not, by any means, to account for the vast developmental experiences in Belize over the course of its entire history. My focus is narrower: I turn to the period following the inception of the popular anticolonial movement in 1950 and conclude at the moment that movement lost its development potential in the 1960s. From here I will also examine the period of 1998-2005 as a case study in order to illustrate the structural barriers to the developmental state that remained in place and even became more entrenched after neoliberalism took hold. The analysis could end in 1965. The reason it does not is because the PUP in 1998 attempted to pursue a path of non-neoliberal development and invoked developmentalist rhetoric while in power between 1998 and 2005. I wish to understand why this attempt failed and bring the analysis closer to the present day by invoking the lessons of the nationalist period.

My focus is emphatically not to portray Belize as doomed from the beginning, an incompetent nation-state in the Global South who fell victim to corruption and its own internal demons. This inquiry rather argues the opposite: that history is not predetermined, agency is able to shape outcomes, and Belize possessed the potential to grasp the first rung of the developmental ladder, even if the historical record proves that it was unable to do so. Why, when it possessed a political leadership that rooted itself in its opposition to British colonial exploitation, a normatively democratic parliamentary governmental system, and a favorable relationship with the globally hegemonic United States, was Belize unable to deliver the goods of development to its poor and marginalized? To George Price and the People's United Party (PUP), British colonial influence needed to end so that Belize could pursue development on its

own terms. Yet these economic policies did not change dramatically after the PUP assumed power. This merits an explanation.

Asking why Belize did not form a developmental state presumes having some idea of what the successful formation of a developmental state would have looked like. Toward this end, my analysis will be framed by two successful case studies. I begin with a cursory examination of perhaps the most exemplar and most intensively studied developmental state in the postwar period, South Korea, before turning to the former British colony of Botswana to explore success through a more comparable British colonial lens. The outcomes of these case studies stand in stark contrast to Belize: whereas in the latter the state was unable to discipline capital and ineffective in assembling and implementing a coherent development plan, Korea's success in accomplishing both of these tasks led to record growth and developmental success. Botswana is an astounding counterpoint for those who would point to the limitations of the Belizean situation: despite similar obstacles to developmental state planning, indeed some more extreme than in Belize, Botswana delivered the development goods.

Recalling these case studies – Korea and Botswana – I will then place Belize's historical development into conversation with and against the comparative developmental states. Tracing the formation of Belizean political economy from the colonial period through the postwar period I will offer an explanation for how development unfolded in Belize and how this development shaped the circumstances surrounding the ability to form a developmental state. Highlighting similarities and differences between both the successful and unsuccessful developmental states removes Belize from the theoretical vacuum and allows us to ask questions such as: if Botswana was able to achieve success despite its relatively small population, why is the "small population" reasoning so persuasive for explaining Belize's failure? Dispelling these types of common

misunderstandings must precede before we can examine Belize's failure with a freshly critical lens.

After setting the stage with a historical understanding of Belizean political economy and situating the research question through an understanding of what happened in comparable states, I will closely examine the postwar period where Belize possessed the potential to implement an effective developmental state, or "the potential developmentalist period," through an analysis of George Price's PUP, the structure and foreign relations of the Belizean macroeconomy, and the relations between various economic groups. I will draw on personal interviews, government-published development plans and reports, publicly available statistical data and the reviews conducted by intergovernmental bodies such as the IMF and World Bank (WB).

In concluding, I will illustrate a corollary to my thesis, that the neoliberal structural adjustment of the Belizean economy took away the possibility of forming a developmental state in Belize beginning in the 1970s and solidifying by the signing of an IMF Stand-By Agreement (SBA) in 1983, by examining the case study of the 1998-2003 PUP government. This government was elected on a platform different from anything that had come before in Belize; the 1998 PUP government under the leadership of Prime Minister Said Musa promised to implement developmentalist policies, including massive investment in social programs like health and education, growth-oriented state spending driven by public and private financing, and a massive national housing scheme to build 10,000 new homes for Belizeans.[33] Consequently the Belizean economy grew rapidly between 2000 and 2004.[34] Yet, as I will illustrate, the PUP failed to change the underlying structural weaknesses of Belize's economy. More generally, the political and economic factors that prevented the formation of a Belizean developmentalist state

[33] People's United Party, *Manifesto of the People's United Party 1998-2003: Strike 3, Set Belize Free,* 1998.
[34] The average annual GDP growth for this period was 6.9%/year.

in the 1950s and 1960s remained well entrenched, and the paths toward solving those contradictions were blocked by the neoliberal economic restructuring in the 1980s. The window of opportunity for developmentalist planning, such as it existed, had closed. As economic sociologist Vivek Chibber concludes regarding India, Belize became "locked in place", its marginal position in global capitalism fixed.[35]

The Problem of Periodization

Before proceeding to the historical political economy of Belize, a note on periodization is useful to situate the analysis amid the broader history of capitalism and economic development. We should ask: if we adopt the perspective of critical political economy, what is the most meaningful way to periodize Belizean economic history? Or in other words, how can we divide Belizean history into different periods with meaningful distinctions that help us to better understand the events of that particular period? The Bulmer-Thomas's work above gives us one example of a periodization of Belizean history. They divide Belizean history into four units; the breaks between periods occur at junctions of political change: in 1763 because of the formation of local regulatory laws, in 1862 because of the imposition of Crown Colony status, and in 1981 because of the constitutional independence of the Belizean nation-state. Other periodizations of Belizean history tend toward similar break-points, emphasizing the political reformulation of government in the territory to mark differential periods.

[35] Vivek Chibber, *Locked in Place: State-Building and Late Industrialization in India*, Princeton: Princeton University Press, 2003.

	Period 1	Period 2	Period 3	Period 4
Bulmer-Thomas	1663-1763	1763-1862	1862-1981	1981-
Grant	1638-1949 ("the colonial order")	1950-1960 ("the decolonization process")	1961-1974 ("towards independence")	1974-
Smith	sugar (inception-present)	bananas (inception-present)	citrus (inception-present)	tourism (inception-present)
Ferrell	pre-capitalist slave-based (logwood)	pre-capitalist slave-based (mahogany)	coercive colonial capitalist (agriculture)	uneven capitalist (services, esp. tourism)

While this sort of narrative is not incorrect, I propose a more critical periodization of Belizean history that centers more prominently on the social relations of production of the territory. This periodization, I contend, will aid understanding of the postwar potential developmentalist period as well as the 1998 PUP period by historicizing the social relations of each period within the broader history of capitalist development.

Belizean economic history can be periodized based around the primary commodity most central to growth of GDP. Using this framework, Belizean history can be broken up into four periods: [1] logwood, [2] mahogany, [3] agricultural products (sugar, citrus, bananas, and seafood), and [4] services (tourism especially) in addition to remittances from the USA. This is a standard approach for a periodization based on economic, not political, change. The strength of this approach is that it emphasizes changes in production, and thus implicitly the social relations of production, as the pivotal points of Belizean history. One weakness, however, is that emphasizing economic production necessarily marginalizes labor as mere means to said economic production, and brackets the questions of compounding social and cultural influences. In other words, it is too narrowly focused on changes in what is produced and does not factor in how social organization shifted (or stayed the same) underneath those product changes.

We can complicate this periodization and address its weaknesses by supplementing it with a second set of guidelines. This supplemental periodization of Belizean history is based in economic change and can divide units of historical time according to changes in social relations, characterized as pre-capitalist, colonial capitalist, and post-colonial capitalist. This framework

effectively divides Belizean history into three periods: [1] a primarily slavery-based society organized around the export of forest products (first logwood, then mahogany) to the British metropole; [2] a primarily coercive-extraction based society, and [3] a primarily capitalist society (where the masses become proletarian, albeit unevenly). The strength of this approach is that it bases changes in Belizean history on points of change in the underlying social formation. As social relations change, the daily lives of common Belizeans change; altering production outputs (as from logwood to mahogany) does not necessarily correlate with a change in social relations. One shortcoming of this approach, however, is that this process has defied clear linearity: for instance, we may need to ask whether, upon emancipation, were former slaves ever peasants or were they coerced into becoming wage laborers right away?[36] Another key point to keep in mind is that even if one set of class relations is dominant, this does not mean that the previous forms cease to exist. The Maya in southern Belize are a key example; they are at best only semi-proletarianized in the period we would call post-colonial capitalist according to Marx's categories. Thus, together these conceptual tools can allow us to situate change in Belizean political economy historically and help us to grapple with questions of whether change is fundamental or surface level.

[36] This is a question proposed by O.N. Bolland, who defended the latter interpretation due to the lack of readily available land for former slaves. Bolland also contends that even during the period of slavery, slaves in Belize could be considered "proto-proletarians" because of institutions such as monetary bonuses for hard work and the ability for slaves to contract out extra labor for a small wage. See O.N. Bolland, ""Proto-Proletarians"? Slave Wages in the Americas: Between Slave Labour and Wage Labour," in *Struggles for Freedom: Essays on Slavery, Colonialism and Culture in the Caribbean and Central America*, Belize City: Angelus Press, 1997.

II. Explaining the Non-Emergence of a Belizean Developmental State

There are some who will question the insistence that a developmental state should be sought after at all. Surely the market will be able to solve the problems in developing economies if given enough time without state interference? The "Introduction to Microeconomics" diagrams are easy enough to understand: they show that aggregate supply and demand will settle into an equilibrium at a given price and quantity, avoiding any 'deadweight loss' that might be the result of a state-imposed tax or subsidy. Following principals lain down by Ricardo, a developing economy should select a goods to produce by identifying the comparative advantage that they have by virtue of their inherited factors of production, then sell these commodities on the international market. This is the best way to efficiently obtain imported goods and increase a developing economy's Gross Domestic Product (GDP). This interpretation is standard teaching in university courses, including at this university.[37]

While on paper this is a prominent line of thinking outside the classroom in American politics (particularly within the Tea Party and those who would call themselves libertarians or "free-market capitalists" in the United States), in fact, states do intervene in markets, even create them, with active support from firms and capitalists. This is no accident. Corporations and those who possess economic power have, plainly stated, no sweeping qualms with state intervention; in fact, they gain very real benefits from the state "intervening" in the economy. Take agricultural subsidies as an example: in 2016, the U.S. government gave $13.9 billion in subsidies and insurance payments to the farm industry, equivalent to roughly 25% of their total

[37] My textbook for the class ECON 2001.03H, N. Gregory Mankiw, *Principles of Microeconomics: 7th Edition*, Boston: Cengage Learning, 2014, a standard text, is primarily what I am referencing here, as well as lectures in ECON 2001.03H, ECON 4001.02 and ECON 4002.01 taken at Ohio State University.

income.[38] Or to the 2007-2008 financial crisis, when the Obama Administration approved a more than $787 billion stimulus package to salvage Wall Street financial institutions from ruin.[39] In both of these cases, state intervention was actually *requested* by corporations. In practice, when it comes to the question of the role of state intervention, the question does not turn on the mere fact of intervention but instead on the notion of *state capacity*.

Here, I will draw on developmental state theorist Vivek Chibber's characterization of state capacity.[40] There are two components that make up state capacity, intrinsic and extrinsic. A state's intrinsic capacity concerns its operational cohesiveness as a strategic actor and ability to formulate and implement policy in a coherent manner. A state with high intrinsic capacity (China, for example) would be able to coordinate across bureaucratic departments toward a unifying goal. When a country prepares to host a massive event like an Olympic Games, they aim to demonstrate a high level of intrinsic state capacity. Related to but distinct from intrinsic capacity is a state's extrinsic capacity, or its ability to enforce its mandates on nonstate actors, such as setting regulatory standards on corporations or influencing the form and direction of investment flows toward a given end. Another way of framing a state's extrinsic capacity is to think of it as a state's "ability to discipline capital," or ability to impose limits, regulations, and guidelines on capital.[41] Perhaps unsurprisingly, it is a state's potential for strong extrinsic capacity that corporations are opposed to and often seek to undermine. A state with effective

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[38] Brian Barth, "Congress Finally Passed a New Farm Bill and It Continues to Pay Homage to the Cult of Corn and Soy," *Modern Farmer,* 7 January 2019.

[39] Or, for example, days before the completion of this thesis Congress passed a monumental multi-trillion dollar bailout of the American economy in response to the economic impact of Covid-19.

[40] See Vivek Chibber, *Locked in Place: State-Building and Late Industrialization in India,* Princeton: Princeton University Press, 2003, chapter 1.

[41] Chibber's citation for the concept of "disciplining capital" is Alice Amsden's groundbreaking study of the Korean developmental state: Alice Amsden, *Asia's Next Giant: South Korea and Late Industrialization,* Oxford: Oxford University Press, 1989. However, the phrase can in fact trace its roots back to Max Weber's pioneering treatise on social life: Max Weber, *Economy and Society: An Outline of Interpretive Sociology,* Berkeley, CA: University of California Press, 1978 [1922].

intrinsic capacity may benefit capital by providing the societal stability that markets operate best in. A state's extrinsic capacity, however, often poses a real threat to the agility and autonomy of capital's decision-making and is crucial for the effective formulation of a developmental state. This is where one source of real tension lies, and one reason why capital often opposes the developmental state project.

Though not always, however. In the developmental state projects of both South Korea and Botswana, domestic capital was able to be brought on board the developmental state's agenda without a knife to its throat. This begs the question. The following section will answer this question by examining two developmental state cases, the successes of Korea and Botswana, in order to explain the ways in which it actually became *in the interest of capital* to accede to the developmentalist project. It will explore the elements that make up effective state capacity and the limits of these elements, as well as the particular historical situations that aided or hindered development in each context.

Developmental Successes and Failures in Korea and Botswana

South Korea

The success of the developmental state in the Republic of Korea has brought such astounding levels of economic growth and development that scholars have taken to calling it the "Korean miracle."[42] Between 1960 and 1980, while the GDPs of low-middle income countries like Peru, Morocco and Thailand grew annually by an average of 2.5%, the Korean GDP grew more than 10% annually. Capital poured into the country to build up industrial capacity, resulting

[42] See, for example: John Minns, "Of miracles and models: The rise and decline of the developmental state in South Korea," *Third World Quarterly* 22:6 (2001): 1025-1043; Mike Douglass, "The Saemaul Undong: South Korea's Rural Development Miracle in Historical Perspective," Working Paper Series No. 197, Asia Research Institute, Singapore, 2013.

in a Korean economy more heavily based in industry and manufacturing at 36% of output than the United States' 21% in 2005. Enormous conglomerate corporations, known as *chaebols,* were created during this period and remain household names in the United States today.[43] By 2018, Korea's GDP/capita was more than $31,000, a figure greater than in Portugal, the Czech Republic or Spain.[44]

The Korean developmental state was the central driving force for bringing about this real economic development. However, as a cursory look at state planning in recent history countries will tell you, developmental state planning is not a sufficient condition, but merely a necessary one for pursuing the ends of development.[45] In other words, it was not the mere fact of state intervention but the specific *modality* of that intervention that allowed the Korean miracle to become reality. An attempt at state intervention that ignores the profit incentive entirely in favor of an independently determined development path will inevitably lose the support of domestic capital and will soon be left without the resources to pursue its ends. The key is for the state to intervene in such a way where both the masses and domestic capital benefit from the intervention, and where the surpluses accumulated in early periods are reinvested into expanding domestic production and consumption in ways that reinforce the national development project.

This was accomplished in Korea through a disciplined transition from Import-Substitution Industrialization (ISI) to Export-Led Industrialization (ELI). ISI was a common development strategy for poorer states in the years following World War II. It was basically a subsidization plan for domestic industries to build up their manufacturing capabilities behind a protectionist tariff wall, with the intention that eventually the domestic industries would possess

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[43] Think of Samsung electronics, Hyundai automobiles and industrial manufactures, and LG electronics and chemicals.
[44] World Bank, "Republic of Korea," Data, Accessed 22 Jan 2020, https://data.worldbank.org/country/korea-rep
[45] See, for example, India's many attempts to implement developmental state planning to limited success.

the capability to compete in international markets without the aid of subsidization or tariffs. Brazil, for example, put in place steep tariffs on foreign automobiles while subsidizing the Brazilian automobile industry with these ends in mind.[46] ISI had serious shortcomings, however. It often generated monopolies, where the first entrant gained a dominant market share and policymakers limited the number of firms to minimize overinvestment and incentivize economies of scale. This monopolistic advantage, coupled with the high tariffs blocking international competitors, put the state-subsidized firms in a position where there was no systematic pressure to upgrade their operation efficiency or innovate cost-reducing technologies. There was no threat of losing market share, and the state would continue to subsidize costs as long as the industry maintained production. The firms would never become independently competitive in international markets. This is not a situation that is amenable to developmental planning; the state has no leverage to demand innovation, because threatening to withdraw subsidies or protection would lead to the state to suffer alongside the firms as the markets flood with cheap, untaxed, internationally-made products and the state's coffers sit empty.

The Korean transition from ISI to Export-Led Industrialization (ELI) allowed it to attain development nirvana. Under ISI, firms have an interest to accept state subsidies (as free money) but oppose any state attempt to regulate or monitor the flow and utilization of investment. The result for ISI is that "capitalists will support the idea of planning as state subsidization of industry but not the project of building the institutional basis for a *disciplinary* planning regime."[47] Through ELI, the leverage that the state possesses over domestic capital creates the dual alignment of incentives: for firms to orient toward competitive production and for the state

[46] Werner Baer, "Import Substitution and Industrialization in Latin America: Experiences and Interpretations," *Latin American Research Review* 7:1 (1972), 95-122.
[47] Chibber, *Locked in Place*, 34, emphasis in original.

to subsidize successful firms. Under ELI, it is *in the interests of capital* to conform to the direction of the developmental state strategy.

In Korea, the state managed the transition to Export-Led Industrialization (ELI) after the ascension of the Park regime in 1961. His administration immediately set about reforming the state bureaucracy, purging the civil service of its obviously corrupt actors that acted under the U.S.-backed Syngman Rhee regime. A mere two thousand governmental employees were dismissed on corruption charges – certainly not the full extent of the offenders, but enough to send a signal that graft would no longer be blindly tolerated, particularly if it interfered with the administration's economic policy. Park also announced a new Economic Planning Board (EPB), a nodal agency that quickly acquired power as the central decision-making body on matters concerning the Korean developmental plan.[48] Banks were brought under state control, requiring that their annual budgets and top management receive state approval, and the power of the Monetary Board, the U.S.-preferred arm for seeking influence in Korean economic policy, was greatly curtailed. Park even went so far as to arrest some leading industrialists on charges of corruption and "illicit accumulation" before quickly releasing them and fining them. He instructed them that although they would not have their property seized, their fines must be paid through new investments that aligned with the development plan.[49] In sum, the Korean state gained significant control over domestic capital. But Korean domestic capital was not hung out to dry.

A firm emerging from a developing country without state support will generally be unable to compete on the world market. First, a certain threshold of starting funds is required to

[48] Many important matters concerned the Korean development plan – the EPB gained full control of statistical operations, budgetary operations, and overall plan coordinating authority.
[49] Eun Mee Kim, *Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960-1990,* Albany, NY: State University of New York Press, 1997, 112-117.

make the minimum scale of investment. Then the firm needs to acquire and learn how to use the technologies that competitors have already been using and may have created themselves. Upstream and downstream partners in production need similar levels of investment in order to keep pace with the firm's production. There are significant overhead costs in establishing marketing and sales networks in countries where the firm has not previously been (and where the firm's competitors may be based). Finally, the firm must do all of this while competing with other firms that are likely aided by state subsidies in their country of origin, just as the U.S. agricultural industry is. It is unlikely firms are able to generate enough profits to survive, if they even get that far. Thus, this is where the developmental state comes in. The state supplies a steady stream of finance, provides information on technology, helps establish marketing networks, and most importantly, coordinates investment within the domestic economy to ensure complementary industries keep pace and there is no needless adversity. There is a small number of large conglomerates, in Korea known as *chaebols,* and it is in the developmental state's interest to see them succeed.

ELI is less common in recent history than ISI, though it is often confused with export promotion strategies, which abound. Export promotion strategies are almost always based on the export of raw materials and primary commodities – goods like sugar, bananas, and beef. These are often tacked on as additions to already existing ISI or ad hoc development strategies; the more goods sold, the thinking goes, the more money for development even if the goods are sold at prices that are pennies on the dollar. In contrast, ELI is based not solely on manufactured goods, but emphasizes moving up the value chain from basic primary commodities, to products that entail increasing technological sophistication in order to sell at higher prices. Pace neoliberal ideology, strict controls on imports are still maintained and the domestic market remains

shielded. However, engagement with the international market is undertaken with the support of the state, allowing firms or *chaebols* to compete on a better playing field.

To briefly recapitulate, the Korean economy moved from a development strategy centered on ISI to one centered on ELI under the Park regime's leadership. Korea was able to undertake this transition because the United States wanted South Korea to succeed (so allowed market access).[50] The state and the firms were aligned in a shift toward export production. This concise account of the history raises the question of why other states did not follow the same path: U.S. pressure and domestic market saturation were present in many developing countries. What else was needed? The answer becomes clear when turning to geopolitics, and in fact a better question emerges: who else benefits from a Korean miracle?

Jim Glassman makes a convincing argument that off-shore procurement (OSP) contracts for the US military drove the success of many of the so-called "East Asian miracles," including South Korea. He contends that geo-political economic factors were crucial to both the industrial transformation of Korean *chaebols,* independent of developmental state activities, and that developmental state activities were themselves enabled by these same geo-political economic factors.[51] The United States' protracted war in Vietnam produced lucrative industrial contracts for South Korea, simultaneously fulfilling the need to feed the war machine and to "win South Korea for the capitalists" in the larger Cold War game against communism. This contingency (in all its geo-politico-economic and historical actuality) is often overlooked when considering the

[50]Chibber argues that U.S. aid conditions are an overlooked aspect driving this period. Before 1961, U.S. aid given to Less Developed Countries (LDCs) took the form of grants for the purchase of capital goods, but a prohibition on exporting commodities through their use came with it. In 1961 came the U.S. Foreign Assistance Act, which altered aid from grants to loans and actually encouraged countries to export (so that the loan could be repaid).

[51] Jim Glassman, *Drums of War, Drums of Development: The Formation of a Pacific Ruling Class and Industrial Transformation in East and Southeast Asia, 1945-1980,* Chicago: Haymarket Books, 2019, 12.

success of the developmental state in South Korea, Glassman argues, resulting in a faulty and misplaced understanding of that success.[52]

In concluding this extended study of Korea, there are three important takeaways for our ultimate study of Belize. The first is that the effectiveness of the developmental state relies on *state capacity*, both intrinsic and extrinsic. The state must be able to coordinate planning across agencies toward a coherent development strategy while also fortifying its ability to discipline capital. The second is that a transition from ISI to ELI must also be made to be in the interests of capital, alongside the state; domestic capital and the developmental state must be working symbiotically and in alliance in order for the national economy to maintain the structural ability to weather the neoliberal world storm. And finally, it appears that while the first two takeaways are indeed necessary conditions for a successful developmental state, they are not sufficient on their own. In the Korean case, crucial geopolitical developments aided the formation of a developmental state. Glassman's general argument about the importance of geopolitics resonates with my conclusion from Belize, i.e., that the international conditions were set against Belize's establishment of anything like a developmental state.

Botswana

Botswana is the developmental state project with the most similarities to Belize. A former British colonial possession, the international position of the new nation-state at independence was marginal and fragile at best, dangerously precarious at worst. Botswanan society was one of the monetarily poorest nation-states in the world with a GDP per capita per year between 45-60 Rand (this is equivalent to roughly $3.50 per person per year in 1960 or $30 per person per year

[52] This is an example of one of Glassman's broader critiques of the developmental state school, i.e., that it basically excludes the international, geopolitical dimension of the 'internal' class politics of the 'developmental state'.

in 2020). 75% of its territory was composed of deserts – not an ideal geographical makeup when looking to internal resources to exploit comparative advantages. The British themselves had paid little attention to Botswana during their colonial rule, investing the bare minimum in transportation and infrastructure. The productive sectors of Botswana had received little to no capital investment, leaving the more fortunate citizens to raise and sell cattle while the less fortunate became itinerant miners across the border in South Africa. Those that did raise cattle were ravaged by a drought that destroyed more than 30% of the national herd during the year Botswana officially became independent. In addition to all of this, the racist South African apartheid government consistently put forth overtures threatening the violent annexation of their weaker neighbor.[53] In sum, Botswana was not in an especially well-situated position to succeed.

And yet, Botswana became the "African miracle."[54] Between 1960 and 1980 the Botswanan GDP increased by an average of 12% annually, outperforming all countries in Africa, in addition to the Asian tigers (Hong Kong, Thailand, Malaysia, Indonesia, even South Korea).[55] When the foreign exchange crisis swept through Latin American and other African countries in the 1980s, forcing nation-states into structural adjustment agreements with the International Monetary Fund, Botswana was able to sidestep the crisis and maintain its stability without signing such an agreement. Crucially, the marginalized in Botswana benefitted: institutions were established to coordinate the best market prices for the peasants' cattle, roads and other infrastructural arteries were built, communication lines became commonplace, employment was high, education enrollment skyrocketed, and food and water became more readily available than

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[53] Samatar, *An African Miracle*, 63-65.
[54] Samatar's meticulous analysis of the Botswanan developmental state proved incredibly relevant and useful for setting up this comparative analysis: Abdi Ismail Samatar, *An African Miracle: State and Class Leadership and Colonial Legacy in Botswana Development*, Portsmouth, NH: Heinemann, 1999.
[55] World Bank, "Botswana," Data, Accessed 29 Jan 2020, https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=1980&locations=BW&start=1961&view=chart

at any point during the colonial period.[56] As with South Korea, we should ask: how did they do it?

Botswana succeeded in forming a developmental state because of their effective class leadership, particularly from Seretse Khama. Khama took the reins of power in Botswana at decolonization and never faced a serious internal challenge. As the grandson of the former Botswanan king, he enjoyed a legitimacy that few could dare contest. This young, Western-educated, English-speaking man was also the chief of the largest tribe at independence and the largest cattle owner in the entire Protectorate. Thus, he was able to command unquestioned authority because "cattle were a fundamental pillar of the traditional authority structure in Botswana [and] political and economic power rested with royals and appointed clients." [57] Although there existed many constraints on the king's authority and he was not an infallible sovereign personified, he nevertheless "commanded unfailing loyalty from his people and was the morafe's [Botswanan tribal nations'] supreme authority." [58]

Under Khama's leadership, the Botswanan elite sought to implement a development strategy that would satisfy the masses while simultaneously maximizing profits for their cattle industries. Their chosen path was to build "an autonomous and effective state apparatus," or a developmental state, for implementing capitalist development and delivering the goods to the people." [59] Rather than pursue a revolutionary restructuring of the existing class relations, Khama and his party sought to articulate "a modernist capitalist project that preserved a national role for the chiefs without challenging the economic dominance of chiefly families."[60]

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[56] Samatar, *An African Miracle,* 3.
[57] Samatar, *An African Miracle,* 43.
[58] Samatar, *An African Miracle,* 43.
[59] Samatar, *An African Miracle,* 76.
[60] Samatar, *An African Miracle,* 7.

In order to implement this development strategy, Khama needed to reform the Botswanan state apparatus. The British colonists had not built the state structures necessary for articulating a disarticulated economy; this would have been contrary to their interests as the colonial metropole. Khama would need to reform the state before he could effectively discipline capital. In one of his first actions, Khama thus created the Ministry of Finance and Development Policy (MFDP). With Khama himself as its head minister, the MFDP quickly became the nodal agency at the center of the state apparatus. Every policy needed to be signed off by the MFDP (and thus, Khama himself) before it could be implemented, effectively subordinating all policy to the national development strategy pursued by the MFDP. The power of the central nodal agency had the more obvious effect of consolidating the Botswanan state's intrinsic capacity, or its ability to coordinate and plan effectively across the bureaucracy, but it also had the additional effect of increasing extrinsic capacity. Given that Khama was the most powerful *economic* elite in the country alongside being the most powerful political elite, he was able to prevent a contradictory cacophony of elite demands from descending on the state and instead guided a more insulated policy in a single direction. In other words, rather than allowing a series of elites to bribe officials into giving them leeway, Khama was able to use the MFDP and his status as the biggest elite to coral officials into sticking to the development strategy. This had the effect of increasing the Botswanan state's ability to discipline capital in the ways it saw fit.

Why were the Botswanan elites able to unify so completely around Khama and his development strategy? Why was there not more resistance by elites who wished to go their own way? Samatar identifies six reasons why the Botswanan elites were "conscious of the demands of their class's collective project,"[61] and as we will see, few of them held true for Belize. The

[61] Samatar, *An African Miracle, 76.*

first is that the Botswanan elites retained a significant degree of autonomy through their resistance to British colonial rule and South African annexation; they were not absorbed into the colonizers' circles nor made irrelevant through South African dominance. Secondly, the traditional leadership maintained its hegemony over the masses during the colonial transition. Third, witnessing the destruction of black South African leaders ingrained a strong and proud sense of Botswanan identity. Fourth, the traditional (chiefs), political (king), and economic (cattle owners) elites were almost one and the same. Fifth, Botswanan cooperation with Europeans in the fight against South African annexation meant that they had worked in tandem with one another on a single goal before, and sixth, the dominant class was unchallenged by any other domestic groups (a civil servant class, major commercial/settler interests, or a mobilized peasantry were all either not realized or too small to effective challenge the elites). [62] Unlike Botswana, Belize was only able to realize the benefits of the first and second reasons, and even then albeit only to a degree.

The case of the Botswanan developmental state cannot be examined without critique; what were some of the problems that accompanied developmentalist policy? Given that the priority of the developmental state was to maximize cattle production (also later, diamond mining) and increase the Botswanan value-added, this meant that Botswana grew very little of its own food, leaving it dependent on foreign food imports. As climate change intensifies and the large expanse of desert in Botswana engulfs previously fertile regions, this will continue to be a growing problem. In addition, the HIV epidemic in Botswana has been particularly intense, effectively wiping out most of the gains made in life expectancy from years of 10% annual growth.[63] Democracy cannot be said to be meaningful in Botswanan governance, as the elites

[62] Samatar, *An African Miracle*, 76-77.
[63] Rachel L. Swarns, "Free AIDS Care Brings Hope to Botswana," *The New York Times*, 8 May 2001.

make all decisions and only one party is dominant. Khama's son was president after him, confirming the perception that power is for a small elite group, and what is thought of as "civil society" in Botswana is minimal. Finally, Botswana's indigenous peoples were left out of most of the developmentalist process, being neither consulted nor seeing the benefits of development. Botswana's leadership acknowledges most of these problems and says it is committed to working on them;[64] the rise of a viable second major party in recent years (the Umbrella for Democratic Change won 36% of the vote in 2019) may be a sign of steps in a more democratic direction.

Despite not being perfect, the Botswanan developmental state was able to bring real development to the Botswanan people. Under the leadership of Seretse Khama, the state was able to achieve a high level of intrinsic capacity through the formation of a nodal agency, the Ministry of Finance and Development Planning. The state was also able to achieve sufficient extrinsic capacity through the effective assertion of Khama's uncontested leadership and the historical conditions that allowed elites to recognize and act on "their class's collective project." Botswana began post-colonial independence in a place not completely dissimilar to that of Belize. Why was Belize unable to form a developmentalist state? To begin our proper exploration of this question, I will first turn to the colonial political economy of Belize in order to situate Belize at the time of its own independence.

[64] Sheila Rule, "In Botswana, A Democracy in Full Voice," *The New York Times*, 31 July 1988.

Development in Belize: Colonial Political Economy

Though many details about the earliest settlements in Belize remain obscure due to the paucity of records and scholarship, we know that by the middle of the seventeenth century Europeans had begun settlement and resource extraction in Belize. Indeed this resource extraction was fundamental to Belize's *raison d'être* for many decades, prompting sociologist O. Nigel Bolland to conclude that "until the middle of the nineteenth century the British settlement at Belize resembled little more than a trading post attached to a massive timber reserve."[65] Many British buccaneers had established small settlements in order to cut a particular type of tree known as logwood. Forced to reconsider their livelihoods after a 1667 treaty suppressed privateering, many buccaneers established settlements and were "selling the [log]wood at £25 and £50 a ton and making great profit" as early as 1670.[66] Profitability continued, even amidst Spanish harassment, well into the eighteenth century – a British Board of Trade report documented over 15000 tons of logwood imported primarily from the "Settlement in the Bay of Honduras" over a four year period in the 1710s and by 1751 more than 8000 tons were sold to England in a single year.[67]

The formation of the settlement around the marketing of logwood shaped way the settlement developed from the beginning. Logwood (*Haematoxylum campechianum*) is a tree native to Central America that can be manufactured into dyes for fabrics. The settlers who sold the logwood would cut it down, strip it of its bark and sap, and haul it into piles to be floated down rivers or creeks in canoes so that when it reached the sea it could be loaded onto ships and

[65] O.N. Bolland. *The Formation of a Colonial Society: Belize, From Conquest to Crown Colony.* Baltimore: Johns Hopkins University Press, 1977, 6.
[66] Sir John Alder Burdon. *Archives of British Honduras: Volume 1.* London, 1935, 50.
[67] Cited in Bolland, *The Formation of a Colonial Society,* 26.

exported.[68] According to historian Norman Ashcraft, "without a cheap means of getting the logs to the coast, timber extraction would have been prohibitive in the Bay."[69] In other words, while virtually the only element essential for production was the labor used to fell trees (land was freely exploited and the tools needed to do so relatively accessible) adding land transportation costs likely would have significantly limited extraction. This labor was managed by the settlers themselves until the early eighteenth century, when the first African slaves were imported.[70] The settlers maintained their settlements close to mouths of major rivers and did not develop roads that extended into the territory's interior.

As population grew and resources to extract became competitive and scarce, rules were developed to regulate land holdings. During the first century or so of settlement the small population allowed extraction to occur without needing its method to be codified into law. Those who sought to cut down and sell the logwood would work an area until they depleted it before picking up to move to another. Ashcraft notes that "notions of permanent occupation and conservation were unimportant, if not foreign, to early forest operations."[71] However, the growing number of settlers and their competition had reached a point whereby in 1765 the settlers called a "Public Meeting" to determine regulations regarding land usage. The resolutions that they passed outlined the process for acquiring a logwood plot, the limit on the number of plots one could own, and the size of such plots. Together they became known as "Burnaby's Code" – "When a person finds a spot of Logwood unoccupied, and builds his hutt [sic], that spot shall be deemed his property; … [and] no Inhabitant whatever shall occupy two works at any one

[68] Bolland, *The Formation of a Colonial Society,* 28.
[69] Norman Ashcraft, *Colonialism and Underdevelopment: Processes of Political Economic Change in British Honduras,* New York: Teacher's College Press, 1973, 29.
[70] Bolland, *The Formation of a Colonial Society,* 4.
[71] Ashcraft, *Colonialism and Underdevelopment,* 27.

time in any one River." Logwood works were defined as encompassing "a straight line of two thousand yards or paces, to be begun and ended at the rivers side."[72] No one could claim extra land to represent a partner unless that partner also lived in the Bay.

Despite the profitability of logwood production and new laws in the form of Burnaby's Code to govern it, the price of logwood began a precipitous decline in the mid-1700s. Logwood exports peaked in 1756 with around 18,000 tons recorded entering England but had fallen to 7,500 by 1765 and by 1771 the logwood economy was unprofitable on the whole.[73] This was largely the result of the manufacturing of new chemical dyes in England during the Industrial Revolution that were cheaper than the dyes created from logwood extracted across the Atlantic in Belize. One particular new dye created in Glasgow was "chemically capable of manipulation of color gradations through pink and red to blue and purple" and the manufactured product "proved successful and long-lived."[74] The new chemical dyes undermined logwood's primary function and the demand for logwood fell. "As production rose above demand, the London merchants stocked up and reduced the price they paid" to the logwood exporters, further undermining demand for logwood from Belize.[75] With their fundamental export becoming increasingly obsolete, the settlers in Belize turned to another form of timber, mahogany, which was experiencing its own boom.

As mahogany replaced logwood, the social relations of production were altered to suit this new object of extraction. Despite the surface-level similarities between the two forms of timber, mahogany and logwood were in fact very different and required alternative methods of

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[72] Bolland, *The Formation of a Colonial Society*, 29-30.
[73] Barbara Bulmer-Thomas and Victor Bulmer-Thomas, *The Economic History of Belize: From the 17th Century to Post-Independence*, Benque Viejo del Carmen: Cubola Productions, 2012, 63.
[74] John R.R. Christie, "Chemical Glasgow and Its Entrepreneurs, 1760-1860" in *Compound Histories: Materials, Governance, and Production, 1760-1840,* ed. Lissa L. Roberts and Simon Werrett, Ledien, The Netherlands: Brill, 2018, 325.
[75] Bolland, *The Formation of a Colonial Society*, 26.

extraction. While logwood was a thinner tree that small groups of workers could easily manage, mahogany grew in thick trunks that typically towered more than 70 feet into the air. Additionally, the frequency of logwood trees near coastal areas was not matched by mahogany, which instead grew further inland and often in more scattered and infrequent patterns. The ease in which logwood could be cut and divided into shorter pieces of timber for more efficient transport was lost in harvesting mahogany, whose logs were necessarily kept intact so as to be worked into furniture or railcars. In sum, mahogany production required more capital, more slaves, and more land than logwood production, and with these came a greater concentration of power in the Bay. As Bolland notes, "the domination of the economy by a few settlers was encouraged by the shift from logwood to mahogany cutting as the basis of the settlement's economy."[76] In other words, the barriers to efficient competition were so high that the centralization of mahogany works were the only sufficient means for procuring the necessary capital and economies of scale.

The first slaves were brought to Belize from Africa through Jamaica in the early eighteenth century to supply labor to the profitable and expanding logwood business.[77] As early as 1745, the slave population made up more than two thirds of the territory's population and thousands of slaves continued to be imported until the slave trade was abolished in the British Empire in 1807. Unlike their counterparts in other parts of the Caribbean who mainly worked on sugar plantations, slaves in Belize were coerced almost exclusively into the timber trade. Small production units moved from location to location along creeks and rivers in otherwise "uninhabited terrain" cutting logwood trees.[78] However, with the decline of logwood and the

[76] Bolland, *The Formation of a Colonial Society,* 43.
[77] Bolland, *The Formation of a Colonial Society*, 49.
[78] Bolland, *The Formation of a Colonial Society,* 54.

surge of mahogany production in its wake, the social organization of slave life shifted. Mahogany extraction was a more seasonal endeavor, with slaves spending long periods of time away from their families in the settlements and in the isolated mahogany camps. It also required more arduous and dangerous labor, considering the constitution of the timber being felled.

A strong agricultural sector did not develop in Belize until well after the settlement's initial formation. This, however, did not occur because of any inherent lack of ability on the part of the inhabitants,[79] but rather was the product of the material interests of the growing local timber elite, or "forestacracy."[80] The small group of wealthy timber cutters that emerged from the transition from logwood to mahogany deliberately ensured the continual difficulty for poorer settlers to establish themselves in the economy. Using their legislative power in the Public Meeting, twelve cutters "claimed four-fifths of the entire area… or about two thousand square miles."[81] Even with their many slaves, it was not possible for these cutters to work all of this land; instead, their purpose was to monopolize land in order to control the price and quantity of mahogany. According to Bolland, these wealthy cutters acted as such "not only to exploit the timber resources, but also to wield power over the other inhabitants of the settlement."[82] In holding the land but not extracting its resources, the cutters were able to simultaneously maintain a high mahogany price while preventing the development of subsistence peasant agriculture. Finding a second avenue of profit, the wealthy cutters doubled as import merchants and retailers who provided the settlement with much-needed foodstuffs.

[79] Before the 1780s, the Spanish claim to the territory prevented large scale agriculture. However, after the claim was effectively dropped it was possible to pursue.
[80] To use a term from Bolland's study to characterize the local landowning elite.
[81] Bolland, *The Formation of a Colonial Society,* 43.
[82] Bolland, *The Formation of a Colonial Society,* 43.

The mahogany trade underwent a series of booms and busts in the mid-1800s that, by the eve of crown colony status in 1871, left the export trade at its lowest level since the beginning of the century. After booming alongside railroad construction in the late 1830s and 1840s, the mahogany trade slumped heavily in the 1850s and never recovered.[83] A series of factors led to the decline of mahogany exportation, most prominently among them the unregulated over-cutting of young trees during the boom years, leaving significant shortages and driving up the cost of harvesting as cutters were forced to move further inland. "Prices not only fell," one colonial servant stated, "but, as the larger trees became more difficult to find in situations near the creeks and rivers handy to the port of embarkation, the expense of bringing out the wood after it was felled and squared was much increased."[84] As mahogany exportation declined, the settlers saw their clout in the colony begin to be challenged.

Further undermining the local settler elite, or "forestocracy," was the shift of the entrepôt trade away from Belize City. For many decades Belize City served as the clearinghouse for British import merchants who brought goods for marketing and distribution in Central America. The civil strife and instability of the short-lived Central American Republic (1823-1841) encouraged many merchants to favor Belize for its colonial perks and political stability. However, with the collapse of the Central American Republican government and the rise of Rafael Carrera in Guatemala, a *caudillo* who was able to establish the necessary political stability to attract foreign merchants, many British merchants left Belize to establish direct ties with Guatemala City. This development, the effects of which being further compounded by the

[83] Bolland, *The Formation of a Colonial Society,* 145.
[84] Archibald Robertson Gibbs, *British Honduras: An Historical and Descriptive Account of the Colony from its Settlement, 1670,* London: Sampson Low, Marston, Searle, & Rivington, 1883, 114.

opening of the Panama railway in 1855, served to displace Belize as a center of regional trade and undermined the forestocracy's economic power.

Amid the declining mahogany export trade and the displacement of regional economic power away from Belize, compounded by the fact that persistent Maya "raids" on logging camps constantly threatened the security of the settlers,[85] the local elite turned toward London for survival. Whereas before the 1840s one could speak of the "local elite," "monied cutters" or "forestocracy" as the powerful class of local settler interests, a new development made these categories increasingly inaccurate as capital from the British metropole increased their direct participation in the colony. The newly incorporated firms that replaced the old production units were often hybrid entities "with a pronounced absentee or metropolitan element."[86] This was a major turning point in Belizean history, with significant political and economic implications looming fast on the horizon. Bolland captures this dynamic:

> Such a partnership, with access to more capital than a settler would have on his own, was able to increase the quantity of land it possessed by purchase. Particularly after the depression of the mahogany trade in the 1850s, many of the old settlers … were unable to meet their debts to London merchants and were forced to sell their lands. Those settlers who had such merchants as their partners, however, were able to survive and sometimes to become more powerful by engrossing the property of indebted settlers.[87]

The displacement of economic power from a group of local elites to a handful of local-metropolitan interests simultaneously served to centralize power among an extremely small group and to move the levers of power across the Atlantic. No longer would the locally-

[85] Joel Wainwright, "'The first duties of persons living in a civilized community,': the Maya, the Church, and the colonial state in southern Belize," *Journal of Historical Geography* 35 (2009): 435.
[86] Bolland, *The Formation of a Colonial Society,* 182.
[87] Bolland, *The Formation of a Colonial Society,* 183.

controlled Public Meeting be the primary institution of legitimated coercive power – it would come to be replaced by the Crown's representative as "economic control shifted decisively from the settler colonialists toward the metropolis."[88]

This economic control was most prominently manifested in the patterns of land tenure. Formerly legalizing their land ownership, the settlers instituted an Act for Quieting Titles to Land in 1858, which gave official legal titles to all land acquired through pre-legal land norms or after twenty years of "quiet and undisturbed" ownership.[89] Alongside this act was signed the Honduras Land Titles Act in 1861, with the purpose of reassuring entrepreneurs and strengthening the market for land by ensuring that land could be exchanged effectively through transactions even without a title. In passing these laws, the settlers and their investors in London "intended to encourage the emergence of capitalism that was not only extractive or speculative, but also productive."[90] With no laws in Belize limiting foreign land ownership until the Aliens Land Ordinance of 1973 more than 100 years later, land continued to concentrate overwhelmingly in the hands of a few corporations primary controlled by capitalists in London. By 1971, before the Land Ordinance was passed, 5% of Belizean landowners were foreign nationals, yet they owned more than 90% of all private land in the country.[91] The first significant steps toward this path were made through the efficient commodification of land in the 1850s and 60s.

Belize was declared an official British Crown Colony in 1871 after more than a century operating as the more informal "Settlement in the Bay of Honduras."[92] Crown Colony rule

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88 Bolland, *The Formation of a Colonial Society,* 182.
89 O.N. Bolland and Assad Shoman, *Land in Belize: 1765-1871,* Mona, Jamaica: The Institute of Social and Economic Research, University of the West Indies, 1975, 74.
90 Odile Hoffmann, *Property and Territory: Origins of a Colonial Order in Belize (19th and 20th Centuries),* Benque Viejo del Carmen, Belize: Cubola Books, forthcoming, 55.
91 Bolland and Shoman, *Land in Belize,* 110.
92 Bolland, *The Formation of a Colonial Society,* 192.

brought with it a Governor (technically a Lieutenant Governor, receiving orders through Jamaica) who reported to the Crown and a Legislative Council composed of nine members, all colonial officials and nominated (as opposed to elected) local members. The Governor presided over all meetings with the knowledge that the Crown could ultimately overrule any law passed by the Legislative Council.[93] The relocation of political decision-making within the metropolitan colonial apparatus and not in conjunction with the local elite reflects the developments discussed above. The few major interests with economic stakes in the colony, such as the metropolitan-controlled Belize Estate & Produce Company, jockeyed with one another for control; the colony lacked of any sort of institutionalized power for the *demos*.

Although Shoman has found evidence of Belizean workers resisting labor exploitation in the 1860s and 1880s, the first major event of massive labor unrest occurred in 1894. The colonial government made the decision to adopt the Guatemalan silver dollar, or *sol*, as the official currency in the colony in 1887 but by 1892 silver had depreciated considerably. The merchants lobbied for the adoption of a gold standard, which they successfully achieved. However, this cut the value of *sols* by half, dealing a major blow to workers' wages. Workers demanded to be paid the same in gold as they had in *sols*; the government, at the behest of the merchants, refused. Their wages had been reduced from $14/month in *sols* to $5/month in gold. More than forty members of the paramilitary mutinied in 1894 and seized the old army barracks, demanding that "the interests of the labourer classes … be more carefully looked after and protected."[94] They called themselves "the real inhabitants of this Colony" and lamented that they were "without a voice in the Legislative Council."[95] Employers argued that they could not afford to raise wages,

[93] Assad Shoman, *A History of Belize in 13 Chapters*, Belize City, Belize: Angelus Press, 2011, 76.
[94] Quoted in Shoman, *A History of Belize in Thirteen Chapters*, 2011, 132.
[95] Quoted in Shoman, *A History of Belize in Thirteen Chapters*, 2011, 132.

sparking an angry riot of over 600 workers in Belize City that attacked and looted major merchant houses. Alongside the class element of the riots existed a racial one, the vast majority of the merchants being white despite the population of Belize City being overwhelmingly black or Creole. An armed warship arrived to suppress the riot but not before the merchants conceded to a 50% raise in wages. Shoman concludes that the working community "demonstrated that there were limits to the levels of oppression they would tolerate" and in doing so "forced the ruling class to recognize the racist nature of the society."[96] Implicit in Shoman's conclusion is another observation as well: that there had finally formed a "working community," or urban proletariat, in Belize City.

As colonial domination and capitalist exploitation deepened, so did labor resistance and anticolonial nationalism. Even more explosive than the 1894 riot was the workers' revolt in 1919, referred to in Belize as "the Ex-Servicemen's Riot." Over 500 men in British Honduras were recruited for the British war effort in 1915 and 1916, though British policy prevented them from serving on the front lines, instead sending them to form a labor battalions in the Middle Eastern theater. It quickly became clear that although they were expected to die for Great Britain if needed, they were scorned and ridiculed because they were black and colonial subjects. Upon the return of over 330 members of the contingent in July 1919, a riot broke out in Belize City where rioters – "after experiencing racism, late and no payments, no access to land, and no access to jobs"[97] –

smashed the windows of merchant houses and assaulted some officials. Minimal economic gains had persisted for the laborers after the 1894 riots, and many perceived this as being partially due to rising merchant prices. Contemporary newspaper reports argued that civilians drove the riot

[96] Shoman, *A History of Belize in Thirteen Chapters*, 2011, 134.
[97] Delmer Tzib, *Rights: 1919 Revolution*, Belize City: Image Factory Art Foundation, 2019.

more than servicemen; one reporter was told that many were in the streets for "grievances against the merchants in Belize for alleged profiteering."[98] All accounts conclude that discontent with the merchants were the reason for the riots, and though it is impossible to say conclusively what each rioter's perceived motives were, the common conception that foregrounds racism is complicated, even potentially usurped, by the class dynamic. Martial law was declared and 31 people were given prison sentences for up to six years. Echoing the proto-nationalist sentiment of the 1894 mutineers, the rioters shouted "this is our country and we want to get the white man out," according to a report commissioned by the Assistant Superintendent of Police.[99]

Resistance continued through the 1920s and into the early 1930s, with some gains in popular consciousness about racism and colonialism, but no serious political challenges to British colonial capitalist authority. Many Belizeans found their common voice in the 1930s and 40s, during the wave of decolonization sentiment began sweeping through the world following World War II. Before the war, scores of Belizeans had found themselves without work during the Great Depression; when a hurricane destroyed much of Belize City in 1931, the masses experienced extreme hardship. The colonial government's relief efforts proved "woefully inadequate and insulting"[100] In February 1934, a group of unemployed workers marched in Belize City to protest because their families were starving.[101] In retrospect this march has been dated as the inception of the modern labor movement in Belize.[102] This movement formed the backbone of the struggle against colonialism during the 1950s.

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[98] Quoted in Shoman, *A History of Belize in Thirteen Chapters*, 2011, 135.
[99] Quoted in Shoman, *A History of Belize in Thirteen Chapters*, 2011, 136.
[100] O. Nigel Bolland, *The Politics of Labour in the British Caribbean: The Social Origins of Authoritarianism and Democracy in the Labour Movement*, Kingston, Jamaica: Ian Randle Publishers, 2001, 215.
[101] Bolland, *The Politics of Labour*, 2001.
[102] The Belizean labour movement, led by Antonio Soberanis, was significant in that it spread working class resistance to the various districts and led to the formation of the General Workers Union (GWU). The GWU was used as a springboard by early PUP leaders to reach the masses.

Development in Belize: Nationalism and the PUP in the 1950s and 1960s

George Price is *the* central figure in modern Belizean history, a man whose historical stature dwarfs any other comparable Belizean. Born in 1919 to an elite Creole family in Belize City, he initially sought to become a Jesuit priest before reorienting himself toward the nationalist Belizean cause. His devout Catholicism remained instilled in him throughout his life. Although Godfrey Smith, a PUP minister and Price's only "authorized biographer," insists that the Price family would have been regarded as "a middle class family," there is much to suggest their relative wealth – from their five in-house "attendants" to his father's vast 25,000 acres of property and love of horseracing.[103] Through his father, George was able to secure a clerk job for one of the richest men in Belize, Robert Turton, who gave him and the PUP much of the necessary financial support during the early years after formation. George Price was an anti-colonial, Christian democratic, and nationalist leader, but he was far from an organic intellectual from the peasant or working classes.[104]

Facing drought conditions in the colony and a rapidly declining timber trade after World War II, the colonial Governor used his reserve powers to override the Legislative Council in order to declare a devaluation of the Belizean dollar on December 31, 1949. Facing a postwar dollar shortage, devaluation was an attempt by the British Crown to stimulate colonial exports to the US by making them more competitive. Unfortunately, the immediate effect in the colony was that overnight, money held by the workers was worth half of what it been worth the day before. The Governor's decision immediately catalyzed a nationalist fervor in response. The People's Committee (PC) was formed days later, with George Price as its Secretary, and it immediately

[103] Godfrey P. Smith, *George Price: A Life Revealed*, Kingston, Jamaica: Ian Randle Publishers, 2011, 16.
[104] For an elaboration of the "organic intellectual," see Antonio Gramsci, *Selections from the Prison Notebooks*, trans. Quintin Hoare and Geoffrey Nowell Smith, New York: International Publishers, 1971, 6-14.

employed a deeper critique of the economic system to broaden the scope of transgressions beyond mere devaluation to challenge the essence of colonialism. Price called for national unity at a January meeting and in February the PC identified "colonial exploitation" and the potential federation with the British West Indies as threats to "eventual self-government."[105] In September of 1950 the PC transformed itself into a political party, the People's United Party (PUP), with the stated aim "to achieve and preserve for the people of this country national unity and political and economic independence."[106]

The PUP's calls for national self-determination resonated with the Belizean population. Immediately after formation, the Party successfully ran candidates for Belize City Council on platforms promoting self-determination and universal suffrage. The energy generated by the new Party is evident from the voter turnout in the election: two and a half times greater than 1947 despite the disenfranchisement of the majority of PUP supporters due to property qualifications.[107] The PUP captured 5 of 6 available seats. However, the PUP's support for swift decolonization was directly at odds with Britain's preferred method of "preparing" the otherwise ill-equipped colonial subjects for self-rule. The Party thus gained significant popularity among the population while at the same time acquiring the animosity of the British Crown.

In an effort to appease the growing nationalist party, the British passed constitutional reforms that allowed universal adult suffrage in 1954. Despite acknowledging the essential anti-British aims of the PUP – and speculating (falsely, so far as we know) upon PUP-communist links to Guatemala or elsewhere – the colonial officials assured London that there would continue to be an official majority in the Council and that the Governor would retain emergency

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105 *The Belize Billboard*, 15 February 1950.
106 Assad Shoman, *The Birth of the Nationalist Movement in Belize 1950-1954*, Belize City, Belize: BISRA, 1979, 14.
107 Shoman, *A History of Belize in 13 Chapters*, 160.

powers.[108] After passage of the reforms, the British persisted in attempting to loosen popular support for the PUP by staging an impartial inquiry to determine if the PUP was being influenced by Guatemala. The commissioner in charge of the inquiry found no evidence of such influence and the PUP proceeded to shock the Colonial Office by capturing 67% of the vote and 8/9 seats as 70% of the total electorate voted.[109]

Directly after their decision to institute universal adult suffrage, the British called in the International Bank for Reconstruction and Development (IBRD) for "consultations regarding the potential development of British Honduras."[110] One employee from the IBRD, a man named David Gordon, came to Belize for three weeks during the summer of 1954, touring the country with officials and businessmen before compiling his assessments. The resulting report indicated that development in British Honduras was perhaps not as promising as the British might have hoped. Among the problems identified by Gordon were the limited existing level of agricultural development, the extremely small size of the local market, and a "very shocking decline in export production per head."[111] On top of these existing problems, development progress would certainly face a series of challenges in the near future: "the availability and quality of manpower," "the availability of technical and managerial personnel," the "necessary preparatory studies" for making informed development decisions, and, most importantly, "the need for directly productive enterprise and investment, largely from private sources."[112] In other words, Belize lacked the quality and quantity of laborers, technical expertise, and private capital needed for strong economic development. Gordon concluded his assessment by emphasizing the need

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[108] Shoman, *Belize's Independence and Decolonization in Latin America,* 38.
[109] Shoman, *A History of Belize in 13 Chapters,*166.
[110] David L. Gordon, "The Economic Development Program of British Honduras," International Bank for Reconstruction and Development, Washington D.C., December 1954.
[111] Gordon, "The Economic Development Program," 1-2.
[112] Gordon, "The Economic Development Program," 5-6.

for "outside assistance" to be sought after and utilized for any hope at successful Belizean development.[113] To a British state burdened with postwar recovery in addition to the upkeep of its colonies, this report indicated that Belize might be transforming into a toxic asset. British capital, and eventually American capital, on the other hand, saw openings for profit to be made in the Belizean economy.

The decisive victory by the PUP in 1954 ushered in an uneasy truce between the PUP and British officials. Convinced that the will of the people was with the PUP, the British proposed a working relationship between the two. The PUP responded that it would cooperate as long as doing so "will not retard the campaign against the colonial system."[114] Cooperation provoked mixed responses within the leaders of the Party. Many leaders, including Chairman Leigh Richardson and Assistant Secretary Philip Goldson deduced that the country's best interests lay in working with the colonizers, while Secretary Price stoically remained in opposition to colonial compromise. When Richardson and Goldson came out in favor of the West Indies Federation as a result of cooperation talks,[115] a stance very unpopular with many Belizeans, the internal dissonance materialized into the resignations of twelve Party leaders, including both Richardson and Goldson. Price held out against supporting the Federation with the support of many of the

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[113] It is worth mentioning that David L. Gordon went on to have a very successful 25-year career at the IBRD. He made explicit his views on the purpose of development in a speech he gave to his colleagues in 1960, where he took pride in the Westernizing tendencies of development practice: "The essential rationale for our aiding economic development, it seems to me, is that the development process affords the most promising opportunity and means for the West to influence the revolutionary forces at work in Asia, Africa, and much of Latin America, to direct their energies toward constructive ends, and to foster the evolution of stable, responsible societies that we could live within reasonable security." David L. Gordon, "The Programming Function in Economic Development: Its Significance and Some Suggestions for Its Strengthening," speech given to the International Bank for Reconstruction and Development, 20 October 1960.

[114] Cited in Shoman, *A History of Belize in 13 Chapters*,166.

[115] The West Indies Federation was an attempt by the British to federate their many colonial possessions in the Caribbean under one governing authority. While space does not allow a full exploration of this dynamic, it was essentially opposed by many in Belize for reasons relating to nationalism and a fear of immigrants driving down wages.

rank-and-file PUP members and was elected undisputed Party leader at the PUP Convention later in 1956.[116]

In the late 1950s, Price was repeatedly subjected to attacks on his growing power. An incident in London in 1957 resulted in a rumor that Price was engaging in talks about cutting ties with Britain in favor of Guatemala. The colonial Governor dismissed Price from the Legislative Council and condemned him over the national radio. Price insisted on his innocence to this charge and the majority of the country believed him, though it soon gave an emerging opposition party, the National Independence Party (NIP), an issue to rally behind. In addition to the Guatemala rumor, the British charged Price (and a handful of his allies in the PUP) with sedition in 1958 for making uncomplimentary remarks about the Queen, but he was acquitted by a jury and his popularity soared.[117]

George Price and the PUP solidified their hold on state power. In November 1958, the PUP won 29 of 33 seats in municipal elections; Price became mayor of Belize City. He continued to advocate self-determination. In 1961, a new constitution introduced expanded ministerial powers for elected officials and the PUP again won big, securing all eighteen elected constituencies despite contestations from the NIP and the short-lived Christian Democratic Party (CDP).[118] More than 80 percent of the electorate voted, demonstrating their will that the country seek self-determination and that the PUP should be the ones to enact it.

The events of 1961 precipitated a watershed moment in the nationalist movement. The electoral dominance of the PUP gave Price a considerable mandate to demand Belizean independence from the British. Aiding this end, the divisive West Indies Federation was

116 Shoman, *A History of Belize in 13 Chapters,* 166.
117 Shoman, *Belize's Independence and Decolonization in Latin America*, 40-41.
118 Shoman, *A History of Belize in 13 Chapters,* 170.

operating on precarious ground and would end up dissolving the following year. Their plans for the colonial Caribbean going awry, British officials indicated their willingness to work with Price on the independence issue. Seizing what he saw as an opportunity to achieve his goal, Price swallowed his earlier stoicism regarding non-cooperation with the British colonizers and elected to enter into talks over how and when Belize could achieve independence.

The cooperation talks between Price and the British were portrayed as mutually beneficial. The British assuaged Price with the promise of Belizean constitutional independence at more or less his own pace, and Price agreed to the British scheme for gradual decolonization along lines similar to those of Britain's other Caribbean colonies. In working with the British, however, the power structures of Price's support were shifting. The PUP leader "*now regarded the British as necessary* to help bring both constitutional independence and economic development" to Belize as opposed to relying on popular support.[119] From his strategy it seems that he had taken the politics of popular resistance to their endpoint and would work with the British using the leverage he had acquired. Price used his authority to depoliticize the movement and reoriented the PUP toward a carefully orchestrated transfer of constitutional responsibility. Rather than a full-throated overthrow of British colonial exploitation, Price would employ elitist *quid pro quo* tactics toward the same goal.

As promised in return for cooperation, the British granted Belize full internal self-government on January 1, 1963. While the British retained responsibility for defense and foreign affairs, the remaining duties were handed over to Belizean government officials.[120] One major sticking point was the inability for Belizean officials to restructure or discipline state employees, effectively keeping the state civil service and police force under the allegiance of the Crown.

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[119] Shoman, *Party Politics in Belize,* 28, emphasis mine.
[120] Shoman, *A History of Belize in 13 Chapters,* 170-171.

Price was free to implement policies he saw fit, provided they did not entail opposition to British interests. Locating full independence within the field of vision, Price began a campaign to win the support of the state bureaucracy and the local business elite for Belizean constitutional independence.

Reflecting this shift in tactics, the People's United Party began drifting away from the poor, rural masses and toward the various elements of the local elite – the state bureaucrats, officials in the Anglican and Methodist churches, Belize City merchants, and the colonial apparatus itself. George Price established a system of clientelism where, in order to get anything done, one not only had to support the PUP in government but practically had to "go the minister and beg."[121] This was the beginning of the formation of "clientelism and the hierarchical authoritarian antidemocratic qualities of the state in its functioning" under George Price.[122]

There was a strong ethnic component to this shift as well. Though there were initially many PUP supporters in the villages who were Mestizo, Maya, Garifuna and Creole, the local elite was almost exclusively located in Belize City and overwhelmingly Creole. Price, already inclined to disuse formal party power structures, removed decision-making functions from the mass party members and reinstituted them at the level of the party leadership. "The locus of power then shifted decisively to the party members in government," who were all Belize City-based Creole men.[123] The Party promoted the idea that they were the country's most legitimate and natural leaders; "they were the government rather than the party in government."[124] Decision-making going forward would take place exclusively in Belize City and would aim to incorporate the support of the local elite into the PUP. In doing so, they were preparing the

[121] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 28 July 2019.
[122] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 28 July 2019.
[123] Shoman, *Party Politics in Belize*, 28.
[124] Shoman, *Party Politics in Belize*, 29.

colonial apparatuses that would carry over (e.g., the state bureaucracy and the police) to see the PUP as the authority that was in their interests to support.

While he ceased relying on the popular support of the rural poor, Price continued to retain electoral support, in part through his land redistribution program. Taking ownership of land previously held by the Crown, he sold it to rural subsistence farmers in small enough quantities to ensure its affordability. The population density of the country made this both easy and politically workable; in 1960, the population of Belize remained just over 90,000 for a land area of 23,000 square kilometers (or ~4 people/ km^2).[125] This ensured that the rural masses would turn out for the PUP on election day, if not for any reason other than to secure land for their families. Left out of this scheme, however, was the growing urban poor and working class; in other words the needs of the urban proletariat in Belize City, the only proletarianized population in Belize, were not being addressed. Facing overcrowding, poor housing conditions and persistent unemployment, they began to feel cheated by the independence movement.

Price's realignment had real consequences in time for the 1965 elections. In the lead up to voting, the PUP released their "Manifesto for Belizean Progress," an electoral manifesto that prescribed the free enterprise and open market ideas of W.W. Rostow for Belize's economic development.[126] The manifesto declared that Belize was "about to take off to a prosperous economy" and would reach the "plateau of plenty" upon the implementation of their plans for capitalist growth based on the so-called "Puerto Rican model of development."[127] The Puerto Rican development model is essentially synonymous with import-substitution industrialization

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[125] World Bank Population Data: https://data.worldbank.org/indicator/SP.POP.TOTL?locations=BZ&view=chart
[126] W.W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto*, Cambridge: Cambridge University Press, 1960.
[127] *The PUP Government's Manifesto for Belizean Progress: We Head for the Take-Off*, Government Information Service, Belize Government Printer, 1965.

(ISI) from the discussion of Korea earlier. Under the PUP, they promised, Belize would seek economic development through "industrialization by invitation," a strategy that would make Belize attractive for foreign investors in the hopes of their capital spurring growth. In addition, Belize would seek to maximize profitability through its "comparative advantage" in exporting primary commodities – increasingly sugar and citrus. This clearly capitalist model helped to dispel notions that the PUP might have communist sympathies, affirmed the sentiment that they were nationalist, and emphatically not anti-capitalist, signaling that they would support the interests of the local elite in Belize City.

The PUP won the 1965 elections, but with noticeably less enthusiasm. Just under 70 percent of the electorate voted and the PUP captured 57.8 percent of the vote compared to the NIP's 39.3 percent. Despite coming away with sixteen of the eighteen parliamentary seats, it was the lowest vote tally the PUP had received in the four elections since its formation. Acting on his election promise to "modernize" the Belizean economy through foreign investment and industrialization through import substitution, Price played on American Cold War fears to drum up investment interest. In a speech made to the Economic Club of Detroit, he spoke about the "ideological struggle in the Americas … between armed and violent revolution emanating from Havana[, Cuba] and the peaceful constructive revolution … in democratic countries like Belize and the United States of America."[128] He portrayed Belize as an island of capitalist stability in a sea of socialist revolution, a counteracting force to Castro's radical Cuba next door. Though appreciated by American businessmen, these overtures were not enough to overcome the glaring

[128] George Price, "Belize and the United States: Together in the Americas," speech given to the Economic Club of Detroit, Michigan, 1970.

limitations in the Belizean economy that Gordon had identified in 1954[129]: minimal agricultural infrastructure, small domestic market, and the declining value of timber exports.

A series of development plans were written during the nationalist period as Belize attempted to define its own path toward prosperity. The first, written in 1955 for the 1955-1960 period and directly after the installation of universal adult suffrage in 1954, was minimal in scope and funding and focused mainly on the construction of roads and other physical infrastructure.[130] Subsequent plans were often delayed (the 1955 plan "carried over" until 1964 because a follow-up plan was not written), planning scope and capability remained unambitious and marginal, and the institution charged with implementing development plans was generally ineffective.[131] The 1964 and 1970 plans emphasized foreign investment in primary commodity export (primarily sugar and citrus) and set goals to pursue import-substitution industrialization (ISI) policies, though they were unsuccessful in achieving them.

Another opportunity for a reorientation of priorities came in 1968 when a group of radical students, returning from their studies abroad, came home to Belize to critique the PUP's development decision making. These students, having encountered and sometimes participated in the black power and anti-Vietnam War movements in North America and Europe, questioned the power structures of Belize five years after self-government.[132] To what degree, they asked, was the anticolonial struggle actually being carried out if Belizeans remained colonial subjects more than 18 years after the movement had begun? They pointed to the persistence of racial and class

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129 Gordon, "The Economic Development Program of British Honduras," 1954.
130 Joseph Palacio, *Development in Belize, 1960-1980: Initiatives at the State and Community Levels,* Belize City: Angelus Press, 1996, 8.
131 "There was often a shortage of staff, besides those working in the Central Planning Unit were not adequately trained in planning. Even if trained and experienced staff could be recruited from abroad, there was a general shortage of statistical data and other information needed to transform proposals into projects." See: Palacio, *Development in Belize,* 10.
132 Shoman, *A History of Belize in Thirteen Chapters,* 189.

oppression in Belizean society and asked what steps the PUP had done to correct it. They were dissatisfied with the PUP's answer, one that essentially amounted to "give it time." Two groups were formed out of this restless questioning in an attempt to reshape the orientation of Belizean development toward race and class justice: the United Black Association for Development (UBAD) and the People's Action Committee (PAC).

UBAD was the more influential of the emerging groups. A social and cultural organization based in Belize City, UBAD was directly inspired by the Black Power movement in the United States. Founded by Evan X Hyde, a Belizean man returning with a degree from Princeton University, UBAD called on Belizean society to grapple directly with the racist pretensions of colonial exploitation and to grow toward a society where non-white people were not only independent and respected, but celebrated. UBAD was radical not because it espoused a "Black is Beautiful" message (although this was part of their platform), but because they rooted their critique of racism in imperialism and capitalist exploitation.

PAC was less influential, but their political orientation left a scathing critique of social relations. Founded by Assad Shoman, Said Musa and a few others, most of them students returning from studies in England, PAC and its members fought "against the North Atlantic economic and cultural domination of their country … and perceived their fight as part of the wider struggle against capitalism."[133] They called for the right for every person to enjoy employment, a social security guarantee, a fair wage, and massive land reform. More than UBAD, PAC tried to carry their message to the towns and villages outside of Belize City where the majority of the workers were located. PAC drew condemnations from the PUP for being a "communist" organization; PAC's leaders denied the charge as a smear tactic. In truth Shoman

[133] Quoted in Shoman, *A History of Belize in Thirteen Chapters,* 189.

and Musa were among the only Belizeans who had studied Marx or Marxism in any depth, which deeply informed their analysis of Belize. The two organizations, UBAD and PAC, briefly merged in 1969 to form the Revolitical Action Movement (RAM), uniting in condemnation of the PUP, saying that the party in power "can no longer espouse a battle against poverty, ignorance, and disease and at the same time uphold capitalism and exploitation of the masses."[134] They called the hypocritical PUP practices "politricks."

RAM was heavily attacked by both existing political parties, the PUP and the NIP, as a communist organization. Tensions within the coalition surfaced, as some of the supporters of UBAD were uncomfortable with the radical politics of PAC members. After Price called snap elections in 1969 and won decisively, the radical movement went into rapid decline. RAM quietly dissolved in early 1970, with Evan X attempting to revive a less radical UBAD; PAC disappeared. Shoman and Musa later became members of the PUP and served as ministers of government in the early 1970s. Despite daring to challenge the prevailing system, they were unable to enact any systemic change and were absorbed into a system they once challenged. Although none of these groups were calling for a developmental state *per se,* they represented challenges to the status quo that may have led to its later formation. After their disappearance, there remained few agitating in that direction.

What avenues could Price and the PUP have pursued toward building a developmentalist state in Belize? One important potential avenue could have been through the masses. With Belizean workers and peasants electorally supporting the nationalist party in overwhelming numbers, the PUP could have channeled this support as pressure on the British to allow them to form a developmentalist state. It is not too difficult to imagine George Price rallying people in

[134] Quoted in Shoman, *A History of Belize in Thirteen Chapters,* 193.

Belize City to strike or to riot until the British capitulated to developmentalist demands, considering his potent anticolonial rhetoric and the PUP's insistent demands for "economic independence." A thoroughly capitalist yet protectionist developmental state would not have been out of line with PUP policy, even in the later years when economic policy became muddled and secondary. Secondly, and less likely, is that the local Belize City elites, of which George Price was certainly a member, could have pursued a developmentalist state agenda for their own benefit. The Creole merchants, bureaucrats, and lawyers could have taken control of the PUP for the purpose of leveraging its influence to achieve developmental concessions from the British. In other words, an elite-led, nationalist, developmental PUP could have negotiated a developmentalist agenda with the British in return for the management of the masses. Again, this did not occur but theoretically could have.

The truth however, I contend, is that it is not likely that either of these strategies would have produced an effective developmental state able to bring the goods of development to the poor and marginalized communities of Belize. To understand why, we must return to the earlier discussion of state capacity, both intrinsic and extrinsic. Recall that a state's intrinsic capacity is its ability to coordinate and plan effectively across the bureaucratic structure toward a coherent goal.

A Belizean developmental state would not have had hardly any *intrinsic capacity* at its conception, and would have struggled more than Botswana or Korea to develop it on its own. This is because Belize did not have a Khama-like figure to discipline and coordinate the state into coherence. Like in Botswana, the existing Belizean state apparatus was made to serve the interests of a colonizing power. Changing this reality would have been challenging. But even if Belize had been able to somehow wrest the state bureaucracy from British tutelage and reform

the state along the same lines as Botswana, bringing coherence to it, or making sure the bureaucracy functioned toward unified developmental goals, would have run into altogether different hurdles. There was no parallel to Seretse Khama in Belize; Khama held a place of political legitimacy and economic hegemony that no other Botswanan could hope to match, and he was able to wield it to whip the state into coherence.

George Price is the only comparable figure in Belize, and yet he held no such dominance. Price was consistently challenged by members of his own party and by opposition parties, and though he was economically among the elite of the colony he was certainly in no position to dominate them. He did not possess the economic and political hegemony to form a nodal agency for development planning, even if he had desired to do so. In truth, it does *not* seem that Price desired to do so; he lacked a substantive theory of development of his own and took the lead from the anti-communist USA. Additionally, Belizeans lacked a commonality in commodity production that was pervasive in Botswana and integral for that developmental state; Botswanans were able to unify behind a developmental plan that foregrounded cattle production because of the ubiquitous place of cattle farming throughout all levels of Botswanan society. Though there may have been bigger or smaller cattle farmers, everyone did similar work and what was good for the industry was generally good for everyone. This was far from the truth in Belize; instead of a single industry to unite behind, many sectors of commodity production – and thus many sectors of capital – jockeyed with one another. The result was that no single industry could claim to lead the developmentalist state under the banner of "benefits for all." Thus, where the Botswanan developmental state could draw on a common well for support for their project, a potential Belizean developmental state would have certainly encountered a well run dry.

Extrinsic capacity would have proved an even larger task to secure for a Belizean developmental state. In Korea, the Park administration was able to promote the formation of large commercial conglomerates, the *chaebol,* by entering into a productive and effective *quid pro quo* arrangements with local Korean capital. The government would assist them in accruing massive profits as long as the *chaebol* towed the line of the national development plan. In Botswana, what was good for the dominant cattle owners tended to also be good for the peasants and workers.

In Belize, neither of these conditions held true. Rather, the interests of Belizean workers and 'local' capital remained opposed, as they had since the days of slavery. Capital in Belize was overwhelmingly dominated by British capitalists with local agents, and their economic interest was to categorically oppose developmental state policy as an attack on free trade. Protectionist policies thrown up by any state, let alone a current colony of the Empire, were attacked by British capital as barriers to the more efficient flow of goods and services. To the extent there was truly a class-based local elite in Belize, this group wielded such a comparatively small portion of power as to be close to irrelevant. Thus, because capital was almost completely foreign dominated, any fledgling Belizean developmental state would not, in all likelihood, have been able to muster the capability to discipline capital toward developmental alignment. This was a direct legacy of Belizean colonial political economy, where land and forest extraction operations came to be commanded by British capital instead of a local elite group, or bourgeoisie, that was perpetually reconstituted from the late 19th century through the potential developmental state period.

After the anticolonial movement finally achieved constitutional independence from Great Britain in 1981, Belize ended up with a capitalist state, but not a developmental state; a

democracy, but a weak one. Assad Shoman argues that Belizean politics reflect this incomplete process of decolonialization:

> A real process of decolonialization did not take place [in Belize] because the political parties, controlled by middle-class leaders, chose to maintain the prevailing economic and social structures and effectively prevented mass participation in political decision-making. With economic, and therefore political power separated from political office, and with old and new elites (along with the transnationals) still dominating the country's productive resources, the role of the political parties and of the party system is to mediate between the dominators and the dominated, to give an illusion of popular autonomy, and to maintain a division of society along essentially irrelevant [party] lines.[135]

To a large extent this description still fits Belize. And today the economy has fallen into a serious recession. Could things have changed after Independence? Not with neoliberalism as the *de facto* development strategy. Only one real attempt to try something different has occurred. Let us consider it now.

[135] Assad Shoman, *Party Politics in Belize*, 1987, 89.

III. Case Study: The PUP and "Growth Economics," 1998-2005

I have demonstrated the factors that prevented the PUP from forming a developmental state in Belize during the nationalist period after 1950. But many years have since passed from that time: have things changed? Perhaps the conditions for the formation of a developmental state have now aligned, simply waiting for the now-independent Government of Belize to take the necessary steps? The preceding analysis would suggest that, unless things have radically changed, the conditions have not materialized. Indeed, I argue that conditions have *not* undergone radical change, but arguably become more entrenched than ever before.

The People's United Party of the 1998-2005 period attempted to pursue the formation of a developmentalist state and failed convincingly. Using the previously developed analysis of the non-emergence of a Belizean developmentalist state during the nationalist period, I will turn to this more recent period as a brief case study for understanding the structural limitations of a such a formation. Rather than the "corruption" of the PUP that is often blamed for the economic backfire during this period, I will argue that the Government of Belize never truly grappled with the limitations inherited from the nationalist period. In other words, the Government of Belize was unable to form a developmental state because they (1) were unable to effectively discipline capital due to its foreign character, and (2) lacked an analysis of the complex interests of social groups.

Without ever invoking the words "developmental state," the platform of the 1998 People's United Party emanated promises and commitments to bring the goods of development to the people through state intervention. Headlining the platform were the twin commandments – "build 10,000 houses for new home owners" and "create 15,000 new jobs" – that would drive

PUP decision-making.[136] They would pursue economic growth specifically with the marginalized in mind because "development only occurs when people, especially the poor and disadvantaged, benefit."[137] Asserting home ownership as "a right," they spoke to the needs of the landless in Belize who were a surprisingly high proportion, especially considering the state's low population density.[138] To accomplish these ends and preserve their longevity they offered extensive political reform (focusing on public governmental accountability), the formation of a national health insurance system, and the foregrounding of education and skills training so that future Belizeans could build have the foundations to "SET BELIZE FREE."[139] In sum, the 1998 PUP platform offered a state-led path toward development goals that Belizeans widely saw as desirable.

George Price was no longer in charge of the PUP. After helping to found the party and leading it for over half a century, he stepped aside. Suffering electoral losses in the 1993 elections, Price retired as Party Leader at the age of 74. This provoked a contested party convention where Said Musa emerged victorious in 1996 as the second leader of the PUP in its history. Musa pledged to "return to the PUP's original social justice agenda," or in other words, to reject the embrace of neoliberalism that had been PUP policy since the 1980s. He campaigned against the opposition United Democratic Party (UDP) by positioning the PUP as the party of anti-corruption and government reform.[140] Given Musa's background in the radical social movements of the late 1960s and early 1970s, some observers hoped that Musa would take the party leftward and correct the party's drift toward the political and economic center. When

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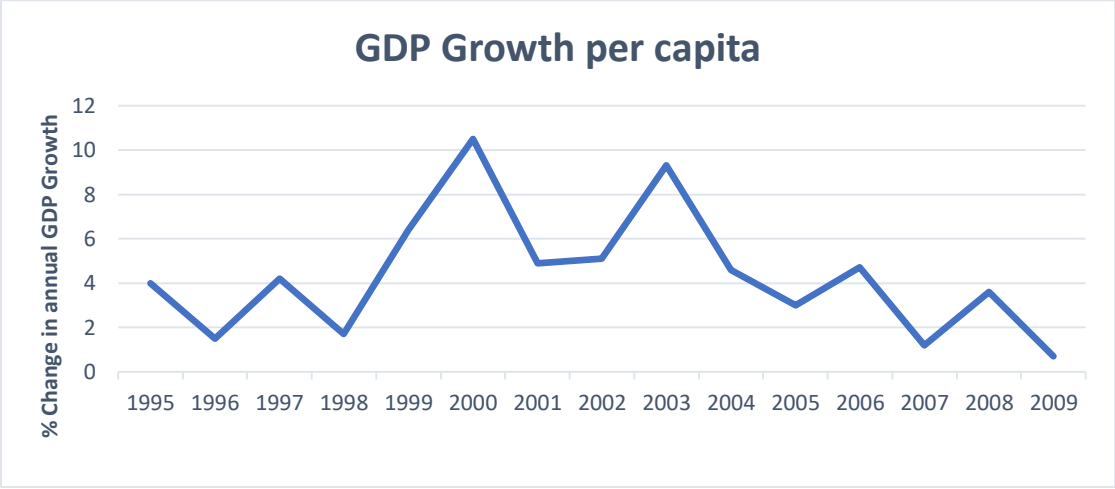
136 People's United Party, *Manifesto of the People's United Party 1998-2003: Strike 3, Set Belize Free*, 1998, 4, 11.
137 People's United Party, *Manifesto,* 6.
138 People's United Party, *Manifesto,* 11. Population density in Belize in 1998 was 10.1 people per km^2, among the lowest in the world.
139 People's United Party, *Manifesto,* Foreword by Said Musa, capitalization in original.
140 Shoman, *A History of Belize in Thirteen Chapters,* 321.

election day came, the PUP won decisively; thanks to a surge in voting participation that saw more than 90% of the eligible electorate turn out to vote, the PUP captured 26 parliamentary seats to the UDP's 3. The PUP had secured a mandate of legitimacy to pursue their platform practically unabated.

Over the next five years the PUP, led by Prime Minister Said Musa and his chief financial architect Minister Ralph Fonseca, undertook a project that they called "growth economics."[141] The hallmark of growth economics was to pump money into the economy to stimulate its growth, and this was done through the privatization of public assets and massive government borrowing, both of which were not unproblematic as we will see below. But in the short term the economy was indeed stimulated and saw record expansion in GDP, increased liquidity, and investment into some sectors of the productive economy. Between 1998-2005, annual growth measured in Gross Domestic Product (GDP) per capita averaged 6.2% every year, with the maximum at a whopping 10.1% growth in 2000 (Figure 3.1).[142]



[141] For detailed economic numbers before, during, and immediately after this period, see Appendix A.
[142] Data for Figure 3.1 is from the Central Statistics Office/Statistical Institute of Belize, Abstracts of Statistics 2001, 2006, 2009, 2012.

Much of this GDP growth can be attributed to the Government of Belize taking an active role in shaping Belizean economic development. They coordinated loans, pursued development projects, and promoted investment with goal of increasing economic growth. The PUP-led government:

- Opened a Small Farmers and Business Bank to oversee loans to farmers whose land and assets did not make them especially attractive to big investors. These loans led to substantial diversification in agricultural production as locally grown vegetables, nuts, and honey were produced in fields next to standard export crops like sugar and bananas.[143]
- Expanded loans through the Development Finance Corporation (DFC) and Social Security Board (SSB), particularly to Belize's main export industries (sugar, bananas, and citrus), allowing them to increase their international competitiveness.
- Enacted a deliberate tourism promotion campaign to market Belize as an attractive destination for luxurious vacation travel. This campaign was successful in many ways, one of which was that Belize saw a rise in tourists from 15,000 in 1999 to over 900,000 in 2007, and with it an important avenue for obtaining American dollars.[144]
- Refitted ports in Belize City to accommodate cruise ship docking procedures and constructed a Tourism Village where disembarking passengers could buy excursion packages and interact with the local economy. Conservation actions

[143] Shoman, *A History of Belize in Thirteen Chapters,* 345.
[144] Shoman, *A History of Belize in Thirteen Chapters,* 346.

were taken at many sites of ancient Maya heritage, both for the purposes of preservation and tourism promotion.

- Made investment easier and more streamlined through the formation of BELTRAIDE,[145] meant to "act as Belize's 'One-Stop-Center' for investment and trade activities."[146]
- Pursued a major development expansion in the southern districts, especially in Toledo under the Community-initiated Agricultural and Resource Development (CARD) project.
- The PUP's economic policies have combined social spending—especially for education—with an overarching neoliberal program. The government raised funds by privatizing a host of assets, including the electric company, the water company, the airport, customs facilities, and Belize's only deep-water port. (The UDP attacked the PUP for favoritism allegedly involved in these deals, but not the underlying strategy of privatizing public industry and property.)

Unfortunately, the increases in growth were to be short lived due to their construction on unsound foundations. Echoes of the past, from a time when the state had been unable to discipline capital, resounded forcefully in the present because the limitations existent back then had yet to be sufficiently addressed. In other words, the PUP's growth economics tried to sidestep solving the issues facing the developmental state project by trying to obtain the best of both worlds. They were unable to do so.

Growth economics brought the Belizean economy to the brink of disaster. As the IMF put it, "as a result of highly expansionary macroeconomic policies during 1999-2004 … external

[145] BELTRAIDE is the chosen acronym for the Belize Trade and Investment Development Service.
[146] Ralph Fonseca, "Presentation to U.S. Treasury Secretary," Government of Belize, Belmopan, 2003, 3.

current accounts widened sharply, public debt soared, and international reserves declined substantially."[147] To finance the growth, the government had run an annual fiscal deficit averaging 9 percent, and total public debt ballooned considerably. While in 1998 the total public debt was 55.8% of GDP, 49.1% of this owed to foreign entities, by 2004 total public debt had reached 100.2% of GDP of which 91.2 was foreign owed.[148] The Inter-American Development Bank (IDB) charged that this "unsustainable debt accumulation resulted in a near default and the country was near macroeconomic collapse."[149]

To those trained in economics, intuition may signal that this sounds a lot like Keynesian economic policy. Let us pursue expansionary fiscal policy, the Keynesians say, and the growth we acquire will be used to pay back those pesky debts. Indeed, postwar debt-to-GDP ratios in the United States were comparable to those in Belize and the US saw massive growth on its trajectory toward establishing its world economic hegemony.[150] Why, then, was this a problem for Belize?

The answer is twofold. First, and more immediately, funds were not being oriented toward further Belizean production capacity. The money being generated from commercial loans and mass privatization – the PUP government privatized telecommunications, electricity, water, and port services (not without disrepute)[151] – went largely toward outstanding debts and increasing government salaries. In fact, capital expenditures (the purchasing of equipment

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147 International Monetary Fund Country Report No. 08/88 – Belize, March 2008, 3.
148 Inter-American Development Bank, "Country Program Evaluation: Belize (2004-2008)," September 2008.
149 Graham Glenday and Gangadhar P. Shukla, "Belize: A Review of Public Expenditure," *Inter-American Development Bank,* October 2006.
150 Matt Phillips, "The Long Story of U.S. Debt, From 1790 to 2011, in One Little Chart," *The Atlantic,* 13 November 2012.
151 Many levied accusations that public assets were being sold to private actors at rock bottom prices. The Belize City Port, for example, was dredged before it was privatized for an estimated $44 million cost to the state, but the sale itself took place at $40 million. Belizean taxpayers had payed handsomely to have the port dredged just to see it be sold for less than the price of the dredging. See Evan X Hyde, "Editorial: $614 million of Musa/Fonseca 'Mistakes,'" *Amandala,* Belize City, 23 December 2008.

needed to engage in production) actually declined during the period, as an IDB report pointed out.[152] This provided a short windfall of growth but left the Belizean economy with no increase in its ability to produce alongside an increasing debt obligation. Second, the comparison falters when one compares historical realities. After World War II, with near-global military domination and the capability of manipulating the world's currency, the USA had the power to shape the terms and limits of "free trade" to suit its needs. It could pursue expansionary fiscal policy, accrue debt, and put up protectionist trade barriers because it was the global hegemon. Belize, as a former colony with a population smaller than each of the largest fifty American cities, lacked any such power and the American-dominated Bretton Woods institutions limited the fiscal agility of Belizean lawmakers to almost nothing.

A concrete example of non-productive fiscal expansion and how this put the Belizean economy on the brink of disaster is the case of the Development Finance Corporation (DFC).[153] In fulfilling the promise of the PUP's election platform to build 10,000 homes, the PUP government had the DFC finance the required construction through large loans. As collateral for making these loans, the DFC obtained the associated housing mortgages. This is all well and good. However, the DFC then pooled and securitized the housing mortgages and sold the newly created financial instruments in the Caribbean and U.S. This gave the DFC liquid cash instead of illiquid mortgages, and thus the ability to issue fresh loans for development. The problem is that the DFC is not a private investment bank; any loans defaulted on by the DFC are guaranteed by the Government of Belize itself. "The process transformed private debt – owed by the local

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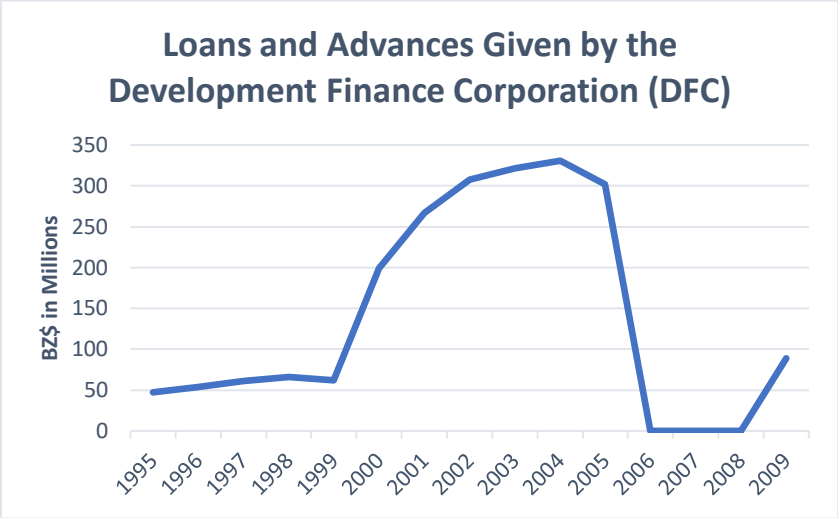
[152] "Public expenditure was not mainly driven by investments aimed at generating sustainable growth … capital expenditure has been falling during the last five years [2000-2005]." Inter-American Development Bank, "Country Program Evaluation: Belize (2004-2008)," September 2008.

[153] The DFC was a major point of contention in 2004-2005 as corruption cases made their way through Belizean courts. The DFC was shuttered in 2004 because of these cases. Space does not permit a significant exploration of this topic here, but see Adele Ramos, "Ralph Fonseca and his "growth economics" disciple, Glenn Godfrey, testify before DFC Commission of Inquiry," *Amandala,* Belize City, 16 March 2007.

private sector to DFC and the SSB – into sovereign debt."[154] The DFC was essentially its own guarantor, using its governmental status to make the financial instruments appear less risky. But by December 2003 this was a significant problem as the economy began to slow and over half the loans made to the Belize private sector were nonperforming. By 2005 the DFC had to be shuttered and the economy began to contract, exposing the evanescence of the PUP's growth economics.



Data from "Abstract of Statistics," Central Statistics Office, Government of Belize, 2001, 2006 and "Abstract of Statistics," Statistical Institute of Belize, 2009.

The PUP won re-election in 2003 comfortably riding on rapid economy growth, but they saw their strength begin to ebb. Election turnout depressed by 10% and four seats switched to the UDP amid a growing questioning of government policy and scattered allegations of PUP corruption.

After re-election, Musa appointed Ralph Fonseca as Minister of Finance, a promotion from his previous post as Minister of Budget and Investment and a move many considered

[154] Shoman, *A History of Belize in Thirteen Chapters*, 349.

merely a formality. Musa had appointed himself Minister of Finance alongside his Prime Minister position in his first term, but Fonseca was widely seen as the real lever of power on financial matters.[155] Fonseca's growing power unsettled other ministers in the party, and he increasingly came under fire as the growth economics strategy accredited to him showed signs of faltering.

To the extent that we can characterize the PUP as 'developmentalist,' Ralph Fonseca eludes this characterization. Speaking to John Snow, the U.S. Secretary of the Treasury, and a room full of American investors in 2003 he pitched Belize as an investment opportunity: "In Belize, we design our investment climate around three principles: profitability, livability, and stability." [156] These are not exactly the pillars of developmentalism; where, for example, is the language about development for the people, or raising standards of living, or achieving real growth in production capacity? One might ask profitability for whom? Livability for whom? If Fonseca had a hand in designing the developmentalist aspects of the PUP platform – there is, admittedly, little to suggest that he did – it does not appear that he particularly emphasized their implementation.

Crisis struck Musa's cabinet in August 2004 when seven ministers (the so-called "G7") resigned in protest over Fonseca's handling of the finance ministry.[157] They alleged that Fonseca had been manipulating figures to maintain appearances of a bustling economy to cover up an impending meltdown. Additionally, Fonseca's handling of the DFC and SSB, both institutions under his control, came to light regarding his role in the selling and re-selling of Belize Telecommunications, Ltd. (BTL). Their demands for Fonseca to be removed and for the nation's

[155] Shoman, *A History of Belize in Thirteen Chapters,* 325.
[156] Fonseca, "Presentation to U.S. Treasury Secretary," 3.
[157] Shoman, *A History of Belize in Thirteen Chapters,* 326.

finances to be placed under the cabinet as a whole were heard by PM Musa and things temporarily settled down. Further tensions came to light in 2007 when a government guarantee to a private healthcare provider was promised by some ministers without the knowledge of others, and four ministers left the cabinet in protest. By 2008, and despite massive growth in GDP a few years earlier, the UDP defeated the PUP in a landslide victory, taking 25 of 31 seats in parliament. With the faults of their economic polices under the microscope and with charges of corruption being levied at many in power, the reign of the PUP's growth economics had come to an end.

Why was the PUP unable to successfully implement at least some aspects of a Belizean developmental state? In a word, the most popular answer among Belizeans – as well as the one given by many intellectuals familiar with Belizean history and politics – is *corruption*. However well-intentioned the PUP was prior to the 1998 election, they were corrupted by power. For instance, Jules Vasquez, one of Belize's most gifted journalists, argues that the Small Farmers and Business Bank did more harm than good because "it only resulted in graft; it resulted in people just stealing money." [158] The founder of Belize's first television station credits the PUP's failure to "a lack of leadership" because politicians only focus on "short-termism" and "corruption." [159] Belizean teacher and development consultant Jerry Enriquez echoes the perceived reality of many when he states that "those at the top participated in levels of corruption to be able to gain what they have. … Governments of both political parties have proven to be very corrupt." [160] And even Assad Shoman says that "many in the PUP got corrupted," even if

[158] Unpublished personal interview with Jules Vasquez, 22 May 2019.
[159] Unpublished personal interview with Stewart Krohn, 1 June 2019.
[160] Unpublished personal interview with Jerry Enriquez, 5 June 2019.

he does not include Said Musa among them.[161] Those who take up state power in Belize, it seems, are doomed to selfishness. Corruption drives their country toward ruin.

No doubt there are people who exploit their position within the Belizean state to unfairly gain some advantage: access to a piece of land, a bribe, or whatnot. Yet an analysis that places blame on instances of corruption lacks the clarity and depth needed to address the root of the problem. The answer is too facile: corruption *can* occur in any state, but some states are more inclined to be used for personal self-gain. Hence, as many of the greatest modern state theorists – including Marx, Gramsci and Weber – have argued, corruption *as such* remains a weak, liminal concept: it ultimately derives its meaning from religious (particularly Christian) ideals concerning moral purity, where state leaders are implicitly compared to God or Christ. Labeling the problem 'corrupt politicians' is merely saying that once-good people are no longer doing good things, or that we are fallen sinners. On this implicitly metaphysical basis, substantive questions regarding structural motivations for adopting 'corrupt' behavior go uninvestigated.

What remains to be investigated are the positions of social groups, their complex interests and historical relationships. To ask whether a given person – Said Musa, Ralph Fonseca, or someone else – were *personally* corrupt is to miss the point. What should be examined is the organization of state power and the ways that certain social groups (and their representatives in the state) understand their interests and seek to pursue them through the state. Only such an approach can clarify the implicit incentive structures that have congealed historically and the means by which they may be reorganized toward more productive ends.

Such an analysis would reveal that the failure to form a developmental state resulted from a combination of the state's persistent inability to discipline capital (a colonial legacy never

[161] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 28 July 2019.

directly grappled with)[162] and the state's lack of a developmental theory, or strategy.[163] In the case of Belize, this thesis has argued, the complex positions and historical relationships of social groups were never understood and acted on with an aim toward orienting their incentive structures toward developmentalist capacity. It was simply never done. The historical logic that resulted in the overwhelming dominance of foreign capital in Belizean political economy was permitted to continue without any fundamental challenge to its power, with predictable results. In concrete terms, a few powerful actors had an interest in ensuring that any sort of developmentalist project failed, so they acted on that interest.

Billionaire Michael Ashcroft, who holds dual British-Belizean citizenship, is arguably the single greatest player in the Belizean economy and an example of one such actor. He has, at one time or another, owned the biggest bank, the telecommunications company, the shipping registry, and a television company, as well as significant stakes in citrus plants, an electricity firm, and a hotel.[164] He regularly contributes massive sums to both political parties, and was rumored to have been a major donor to the 1998 PUP campaign.[165] The Belizean state has no ability to discipline just this one man, let alone foreign capital as a constituted body, in order to compel him to invest profits made in Belize back into the Belizean economy instead of repatriating them into his financial empire.[166] But rather than attempt to address the deferred economic governance of this single person, even the 1998 PUP did nothing to loosen his control.

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[162] This is not to say that it would be easy to discipline capital if only Belize would attempt to do so – it would certainly be difficult, if not impossible especially given the power of global finance amid neoliberal hegemony. Nevertheless, the reality is that capital was not disciplined.

[163] Recall that the 1998 PUP Manifesto never evokes the phrase "developmental state" nor does the platform cohere around the concept of developmentalism; one limit of this historical analysis is that the PUP case study is not a "pure" (i.e., totally committed) attempt to form a developmental state.

[164] Shoman, *A History of Belize in Thirteen Chapters,* 352.

[165] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 28 July 2019. See also: David Gibson and Joseph Palacio, *Belizean Strategic Culture,* Miami: Florida International University, 2011, 20.

[166] The constant repatriation of profits made in Belize out of the country has been dubbed "the Ashcroft factor" by Shoman (Shoman, *A History of Belize in Thirteen Chapters,* 371.)

Why not? If anyone would have attempted to discipline Ashcroft, or any representative of capital, surely it would have been a government led by Said Musa, former radical as he was. What held Musa's PUP back? The answer is relatively simple: Musa deferred to his finance minister Ralph Fonseca on economic matters and Fonseca did not want it done. Fonseca himself is a millionaire and a player in Latin American finance. He touted his experience to Musa as sufficient credentials that he alone would handle financial and economic matters, Shoman put it this way: "Ralph knew how to get money for the Party. Ralph also knew how to get money for the country. The cost of it was known later, I guess, but he knew how to do it. … The only person that Said [Musa] could rely on … to raise production and cut unemployment rates down… The only one he could turn to was Ralph."[167] Fonseca's financial support of the Party assuredly helped convince Musa this was the correct path because "Ralph brought in the money. … You could even say that his family had the pull from the bank that the party needed to win."[168] It is difficult enough to discipline capital *qua* Ashcroft, but with the levers of powers in government so dominated by capital there is no wonder why it was unable to be disciplined.

The Bulmer-Thomas's conclude their economic history of Belize with the following statement, calling out Ashcroft individually: "…[I]t is undeniable that the flawed growth model in Belize has taken shape during the period when Michael Ashcroft has been such a dominant force. No single person has been more assiduous in fighting for the fiscal concessions that have contributed to the failures of the growth model as well as leading to an oligopolistic banking system. … If Belize is to move to a more successful development model in the future, one that combines growth with equity, it will have to be very careful to avoid these errors of the past."[169]

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[167] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 28 July 2019.
[168] Unpublished interview with Assad Shoman, conducted by Joel Wainwright, 10 March 2020.
[169] Bulmer-Thomas and Bulmer-Thomas, *The Economic History of Belize*, 166.

Belize will have to be more than careful. Political leaders will have to be deliberate in their policy, they will have to base themselves in the grassroots needs of the country's poor and marginalized communities, and they must be willing to confront antagonistic power who has a real interest in seeing the developmental state project fail.

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Taking a step back, it may be useful to conclude with an understanding of where the limits of an analysis of the developmental state lie. Many of the theoretical tools employed above have their roots in the thought of Max Weber, especially the notions of "disciplining capital" and of state capacity.[170] They have proved foundational for the formation of a so-called neo-Weberian School – of which Amsden is a member, and from which Chibber and Samatar borrow concepts. While the neo-Weberian developmental state approach is useful, there are important criticisms that need to be considered.

Perhaps most prominent among them is that developmental state theory tends to ignore forces seen as exterior to the developmental state; international geopolitical economy is often considered inconsequential, if not overlooked altogether. This is a fundamental error. Amsden and the developmental state school explicitly downplay the role of the USA in their thinking and reject the language of 'imperialism'. The USA was effectively in charge of Japan at the end of World War II. This thinking may have been the reason that Chibber then overstated the influence of Japanese capital on the Korean developmental state. He did not consider the military-industrial implications of the geopolitical Cold War simultaneously being fought in Vietnam

[170] Max Weber, *Economy and Society: An Outline of Interpretive Sociology.* Berkeley, CA: University of California Press, 1979 [1922].

because he, and the school which he drew from, lacked an analysis of geopolitics and imperialism.

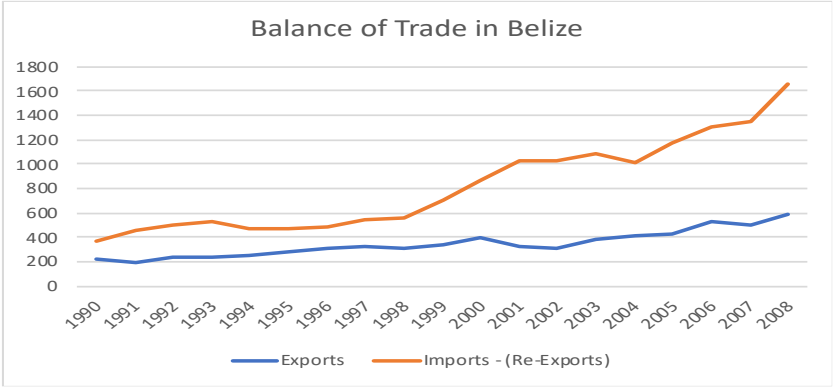
IV. Appendix A – Belizean Economic Data

Data Table A1 – Balance of Trade (in $BZ Millions)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Exports	216.9	197.2	238.4	237.9	254.9	285.7	307.1	318.1	312.8
Imports - (Re-Exports)	373.6	463.1	498.6	526.8	472.8	476.9	482.8	537.6	561.1
Imports	422.6	512.5	548.5	561.9	519.9	514.4	511	572.4	592.7
Re-Exports	49	49.4	49.9	35.1	47.1	37.5	28.2	34.8	31.6
Net Balance of Trade	-156.7	-265.9	-260.2	-288.9	-217.9	-191.2	-175.7	-219.5	-248.3

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Exports	339.2	398.9	325.5	316.7	381.7	409.8	425.7	536.4	507.9	585.2
Imports - (Re-Exports)	706.5	865.5	1023.9	1030.7	1080.4	1009.5	1172.9	1302.5	1343.1	1654.9
Imports	739.3	895.6	1033.6	1049	1103.2	1025.7	1185.9	1320.8	1368.7	1674.3
Re-Exports	32.8	30.1	9.7	18.3	22.8	16.2	13	18.3	25.6	19.4
Net Balance of Trade	-367.3	-466.6	-698.4	-714	-698.7	-599.7	-747.2	-766.1	-835.2	-1069.7

Figure A1 – Balance of Trade (in $BZ Millions)



Data Table A2 – Distribution of Loans and Grants by Commercial Banks in Belize (in $BZ Millions)

Sectors	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Government Services	0	0	0	5.1	3.4	6.5	6	11.7	21.7	42.3	37.3	28.9	36.9	16.4
Public Utilities	4.8	4.5	4.5	6.1	0	0	0	0	0	0	no data	no data	no data	no data
Private Utilities	no data	no data	no data	no data	no data	no data	4.5	28.9	32.6	65.6	61.6	32.1	25.5	15.7
Agriculture	60.4	61.2	73.6	69.2	55.6	65.5	73.8	77.5	87.7	96.2	95.9	106.5	120.8	135.8
Commercial Fishing	3.9	1.7	2.2	6.8	10.9	10.1	16.4	25.6	26.5	25.1	19.6	15.2	27.4	28.1
Forestry	1.3	1.1	1.4	1.2	0.8	0.8	1.3	1.7	3.7	1.8	1.7	2	1.8	2.3
Manufacturing	36.8	38.5	41.5	28.6	44.4	44.5	44.3	23	12.6	14.9	19.2	24.6	32	41.3
Tourism	19.6	18.9	20.9	33.6	31.9	25.8	44	51.8	73.1	84.5	71.5	79.3	133.2	132.8
Building & Construct	102.4	105.2	112.1	119	142.5	153.3	177.7	201.7	232.5	258.7	300.8	316.5	365.2	411.6
Real Estate	29	34.7	44.2	50.5	31	35.2	39	83.9	98.9	132.2	137.4	162.1	153.2	184.7
Financial Institution	1.9	2.7	3.7	4.6	2.7	4.1	5.8	3.5	3.1	4.2	6	6.7	3.8	1.3
Distribution	91	103.3	103.5	123	117.3	133	136.3	150.5	162.4	165.2	157.6	173.8	193.9	227.8
Professional Services	3.1	4.3	6	8.9	8.4	11.6	19.5	11.7	19.2	22.7	23.4	36.1	37.5	47.3
Transport	12.5	12.4	15.8	19.1	28.6	32.9	40.1	27.2	38.4	38.7	33.3	45.8	55.8	75.9
Entertainment	2.1	1.9	2.5	3.5	2.8	3.2	2.2	2.4	2.9	4.8	5.8	6.4	5.3	9
Mining & Exploration	0.9	0.6	1.3	1.4	0.8	0.9	4.7	11.9	17.8	22	24.5	32.1	32	31.7
Personal Loans*	70.9	90	114.1	145.2	169.9	167.5	173	191.5	208.4	197.1	259	322.2	375.3	380.7
Total	**440.7**	**480.9**	**547.3**	**625.6**	**651.1**	**694.9**	**788.5**	**904.6**	**1041.5**	**1176**	**1254.6**	**1390.3**	**1599.6**	**1742.3**

***Figure includes student loans**

"No data" indicates that the category was not included for that year

Data Table A3 – Distribution of Loans and Advances by the Development Finance Corporation (in $BZ Millions)

Sectors	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Government Services	0	0	0	0	0	9.7	9.3	8.9	8.3	7.9	7.4	no data	no data	no data
Agriculture	11.6	13.8	14	11.8	12.8	22.6	24.3	25.1	24.4	22.7	17			
Commercial Fishing	1.6	1.1	1.2	1.2	1.4	6.9	10.4	10.4	10.1	9.7	9.2			
Manufacturing	3.3	3.9	4.4	4.4	5.5	5.6	5	4.2	4.2	4	3.7			
Tourism	2.7	4	4.5	4.7	10.4	19.5	27.4	27.3	24.9	25.9	24			
Building & Construction	20.6	22.2	24.1	28.1	8.1	77.9	91.2	102.5	111.4	126	118.5			
Real Estate	0	0	0	0	0	1	6.9	7.5	5.5	5.9	6.5			
Financial Institution	0.4	0.6	2.2	2.6	2.9	3	2.5	2.1	1.9	1.7	1.3			
Professional Services	1.7	1.8	2.6	3.7	7.3	35.3	36.9	67	74.8	69.4	61.9			
Transport	0.5	0.4	0.3	0.5	1.3	2.7	32.9	31.7	34.9	29.3	28.8			
Personal Loans	0.5	0.5	0.6	0.7	1.3	0.7	17.8	19.4	19.3	18.6	14.8			
Student Loans	3.7	5	6.5	8.2	10.6	14.1	2.1	1.9	1.8	9.7	8.9			
Total	**47.1**	**53.8**	**61.2**	**66**	**61.9**	**199.3**	**266.6**	**307.9**	**321.5**	**330.8**	**301.8**			

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