

In pursuit of the Co-operative Republic: Guyana in the 1970s

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FOR multi-racial Guyana the decade of the 1970s has become a most significant one in that nation's brief independent history. With the compelling questions of the 1960s—racial violence between East Indians and Africans and political instability—apparently contained, the Black-dominated Government of Prime Minister Forbes Burnham and his People's National Congress (PNC) served notice that the nation must move in new directions in order to resolve its varied problems and survive as a modern state. It is this manifesto that found expression in the establishment of the Co-operative Republic in 1970 which provides an understanding of Guyana's contemporary status and problems.¹

In form, the change to a republic was to be relatively simple. The Governor-General, who was appointed by the Queen, was replaced by a President elected in the National Assembly. More consequential was the introduction of the co-operative approach in planning and development. Co-operativism represented an effort towards formulating both a national ideology and goals, allowing Guyanese a greater role in the economy 'to make the little man a real man', and creating a method of resolving some of the nation's acute socio-economic problems.² It was to provide a Guyanese alternative to the rival systems of capitalism and communism. The Opposition leader, Dr Cheddi Jagan, and his People's Progressive Party (PPP) denounced the changes as being merely of form and not of content. But government apologists cited examples from local history to support their assertion that the co-operative approach represented an expression of the historical and psychological make-up of the Guyanese people.

In an economy previously dominated by private and foreign interests, the public and co-operative sectors were soon to assume a dominant role. However, initially a more moderate approach characterized the Burnham Government as it proclaimed its objective of seeking joint rather than complete control of foreign enterprises. But as negotiations with the

¹ For background, see Embert Hendrickson, 'New directions for Republican Guyana', *The World Today*, January 1971, pp. 33–9, and R. S. Milne, 'Guyana's Co-operative Republic', *Parliamentary Affairs*, Autumn 1975, pp. 352–7.

² Forbes Burnham, *Control of Our Natural Resources* (Georgetown: The Government Printery, 1971). An address delivered on 23 February 1971.

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Canadian-owned Demerara Bauxite Company (Demba) faltered, the Government nationalized the entire operation, a decision also applauded by local opposition parties. Although the Prime Minister praised the acquisition of Demba as the nation's declaration of independence and 'the building of our form of socialism', there was still little evidence that large-scale nationalizations were imminent.³ As for the co-operative sector, there had already existed a small number of co-operatives in Guyana. But now the PNC Government promoted their expansion, highlighted their importance and upgraded government agencies dealing with them, including the establishment of institutions for special training. Consequently by 1973 there were over 1,000 recognized co-operatives and a Ministry of Co-operatives and National Mobilization. Most of the initial enthusiasm was generated by PNC activists while East Indians remained suspicious or indifferent. The new emphasis also resulted in a new five-year development plan which focused upon the goal of enabling the nation to feed, clothe and house (FCH) itself by 1976.

The more controversial and dramatic innovations of the Republic's first years occurred in diplomatic relations. Its redefined national goals, coupled with a new sense of security on its frontiers following discussions with Surinam and Venezuela regarding boundary disputes, brought a reorientation to Guyana's diplomacy. A commitment to non-alignment began to surface in 1970 when discussions with the Soviet Union were undertaken to establish diplomatic relations and Guyanese attended the Third Summit Conference of Non-Aligned States in Zambia. During 1972 Guyana established relations with Cuba and China. The Georgetown Government then proclaimed it was the only independent Commonwealth Caribbean country which had diplomatic relations with every leading Communist state.⁴

PNC policies

Foreign policy, however, was soon overshadowed by the general election of July 1973 in which the PNC achieved its objective of obtaining a two-thirds majority in the assembly. Again as in the earlier election of 1968, the opposition parties alleged that there had been massive electoral fraud, but this time Jagan's party boycotted the assembly in protest against the irregularities. Following the election, Burnham's party, now enjoying a more secure political position than ever, expanded the public and co-operative sectors and accelerated efforts toward nationalization of the economy and mobilization of human resources. The domestic shift reflected not only the PNC's ideological stance and desire for unity but also a response to a faltering economy. During 1972 and 1973 a decline was recorded in the Gross Domestic Product while the annual growth

³ *ibid.*; *New York Times*, 16 August 1970.

⁴ *Guynews*, June 1973.

rate since independence had produced little improvement in the standard of living.⁵

The PNC formally announced its new policy, known as the Declaration of Sophia, at a Party Congress held in December 1974. It declared itself a socialist party and would assume 'paramountcy over the Government which was to be one of its executive arms'. The suggestion of the integration of the party and state, a concept indicating the establishment of a one-party state, evoked criticism from the opposition. Other goals included the drafting of a new Constitution, new conditions of land ownership, local investment and foreign trade, and reforming the national system of education.⁶

National unity was promoted in various ways. One divided the nation into six regions, each headed by a Minister. Besides serving to direct and co-ordinate development, the Minister would also provide the region with the direct representation lacking in the National Assembly. Another unifying measure involved the state acquiring control over all daily newspapers, except the PPP-owned *Mirror*. This occurred when the Government purchased the *Guyana Graphic*, the nation's major news publication. A third method established a programme of national service, which Jagan condemned as 'another diversion because of past failures'. Other critics suggested that national service was the Government's solution to the unemployment problem. The East Indians resisted participation in the programme, identifying it more with the PNC than with the national interest.⁷

A crucial stage in the nationalizations was reached in late 1974 with the acquisition of Reynolds Bauxite Company. Not only had Guyana acquired control of the bauxite industry, but it had seized a foreign investment owned by interests from the United States, the hemispheric power and Burnham's metropolitan sponsor. At a public rally, the Prime Minister warned that American aid and credits would be reduced. That did happen and Burnham turned more towards Cuba, China, and Third World nations. At this point identification with socialism also became more important in PNC rhetoric. During 1975 and 1976 the Government accelerated its policy of nationalization, and in 1976 a foreign giant fell when the vast and diverse holdings of Booker, McConnell and Company were secured by the Government. The enterprise predated British acquisition of the colony, provided 40 per cent of Guyana's exports, 35 per cent of the Gross Domestic Product, and operated as the nation's largest sugar producer.⁸ Before independence the extensiveness of its

⁵ Facts on File, *Latin America 1977* (New York: Facts on File Inc., 1978), pp. 5, 19, quoting Inter-American Development Bank, *Annual Report 1976*.

⁶ *News Release, Embassy of the Republic of Guyana*, no. 4, September–December 1974, pp. 2–3.

⁷ Cheddi Jagan, 'Guyana at the Cross-roads', *The Black Scholar*, July–August 1974, pp. 42–3.

⁸ *News Release, Embassy of the Republic of Guyana*, no. 1, January–April 1976, pp. 1–3.

holdings occasionally prompted the quip that British Guiana was in reality Booker's Guiana. As a result of these and other nationalizations, by the end of 1976 the Government controlled 80 per cent of the nation's economy including the two largest export products, bauxite and sugar.

The decision to nationalize the sugar industry was complicated by two conditions. First, the vast majority of the sugar workers were East Indians who still maintained a firm loyalty to Jagan and the PPP. Second, these workers preferred to be represented by the Guyana Agricultural Workers' Union (GAWU), a union closely associated with Jagan's party and not recognized by the Government. Moreover, the sugar workers in the past had frequently resorted to strikes which had troubled foreign ownership and adversely affected production.⁹ As a result, Burnham felt it necessary to reach an understanding with Jagan, the only leader able to mobilize this segment of the population. Circumstances favoured an accord in August 1975 when Jagan announced that his party would change its approach from non-co-operation and civil resistance to 'critical support'. Accordingly, in December the Burnham Government allowed the sugar workers to choose freely the union they preferred and they voted almost unanimously for the GAWU. It is possible that recognition of GAWU was the price Burnham was required to pay in order to be certain of PPP support when he moved to nationalize sugar. Jagan, however, insisted that 'critical support' resulted from the PNC's shift to an anti-imperialist stance and that recognition of GAWU came from pressure caused by labour strikes in the spring and autumn of 1975. But the PPP leader also recognized that his boycott of the Assembly had weakened his position and so in May 1976 the party's three-year absence ended.¹⁰ Yet Jagan's support was not unequivocal; he asserted: 'While supporting the co-operative movement, we know that turning nationalized enterprises into co-operatives is not the way to radically change the existing socio-economic structure and build socialism. Rather, it is the way to construct a new form of capitalism, which one PNC minister recently dubbed "people's capitalism".'¹¹

Fortunately for the Burnham Government, an upswing in the economy occurred during 1974 and 1975. The value of domestic exports rose from G\$281.9 million in 1973 to G\$592 m. in 1974 to G\$832 m. in 1975. Sugar played a key role; during 1974 it furnished 48.11 per cent and in 1975 49.65 per cent of the total value of exports. In 1975 the inflation rate was reduced to 6 per cent while the favourable balance of trade enabled the nation to increase its gross reserves. The economy's favourable per-

⁹ Office of Prime Minister, *Background of Action Taken by the People's Progressive Party to Disrupt Guyana Sugar Industry*, mimeographed papers relating to sugar strike.

¹⁰ Jagan, 'Guyana: A Reply to Critics', *Monthly Review*, September 1977, pp. 36-46; Jay Mandie, 'Continuity and Change in Guyanese Underdevelopment', *Monthly Review*, September 1976, pp. 37-50.

¹¹ Jagan, 'Political Flexibility, Ideological Implacability', *World Marxist Review*, December 1975, p. 24.

formance, according to the Government, stemmed from its promotion of a philosophy of self-reliance together with the extensive nationalization programme.¹²

External relations

Along with its shift towards socialism in domestic affairs, the PNC Government continued to widen contacts abroad and to increase the nation's international prestige through its orientation towards non-alignment and Third World identification. Economic and technical relations were also expanded with the Communist bloc. The presence of a Chinese mission in Georgetown together with an economic assistance programme caused some speculation about Chinese motives. One view suggested that Guyana would serve as China's answer to Russia's outpost in Cuba.¹³ Burnham, however, was more inclined towards Cuba in the fragmented Communist world and in 1973 Fidel Castro came to Guyana — his first visit to an independent Commonwealth Caribbean state. Along other lines, Guyana was active in founding the International Bauxite Association and in promoting co-operation within the Commonwealth Caribbean. In 1973 Georgetown hosted the conference which set up the new Caricom (Caribbean Common Market) that replaced the earlier Caribbean Free Trade Association. Among Caribbean and South American nations, Guyana has been one of the most active in world affairs.

Despite the foregoing events, any alleged successes in Guyana's radicalized Co-operative Republic were destined to be short-lived. The year 1976 brought a severe setback to an economy which was described earlier as exhibiting 'considerable economic strength'.¹⁴ During the year exports slumped from G\$832 m. to G\$668 m. and a serious balance-of-payments deficit resulted. A combination of unfavourable local weather, reduced demand and declining prices, and the inflation of import costs, notably oil and capital goods, all contributed to the nation's economic woes. In addition, two labour strikes by sugar workers further weakened the sugar industry's performance as its contribution to the export sector declined to 34·22 per cent in 1976. As a result, the target date for the realization of the nation's FCH goals was revised and Guyanese were instructed to tighten their belts in preparation for austere months ahead. The Burnham Government went to international lending agencies for assistance.¹⁵

Diplomatic problems surfaced the same year as relations with the

¹² Office of Prime Minister, *Value of Exports for Guyana, Table II*, mimeographed papers relating to sugar strike.

¹³ *US News and World Report*, 1 December 1975, p. 10; Ronald Hilton, *The Latin Americans* (New York: J. B. Lippincott, 1973), p. 125.

¹⁴ *Guynews*, no. 2 1977.

¹⁵ Office of Prime Minister, *Value of Exports for Guyana, Table II*; M. Hamuludin, 'Tighten Your Belts for Next Year', *Sunday Chronicle* (Georgetown) 14 November 1976.

United States and neighbouring Venezuela and Brazil deteriorated. Following independence in 1966, the United States had viewed Burnham as the most viable alternative to the Marxist Dr Jagan and responded with financial and technical assistance. However, as the result of Burnham's turn to the left, especially after the election of 1973, relations between the two nations deteriorated. Following Guyana's recognition of Cuba, which the United States described as unfortunate, and its nationalization of the bauxite industry, Burnham openly predicted retaliation from Washington. In 1976, when Burnham suggested a link between the Central Intelligence Agency and the destruction of a Cuban airliner in which 11 Guyanese were killed, strong words were exchanged between the two nations. Also during the same year, reports were circulated that Cuban soldiers, and even possibly Chinese, were in the interior of Guyana training local troops. As a result, Venezuela and Brazil bolstered their frontier defences and several months of tense relations followed. In denying the reports, which were never substantiated, the Burnham Government charged that the allegations were part of a conspiracy to destabilize the PNC Government because of its surge towards co-operative socialism. Fortunately for the Prime Minister, the publicity regarding diplomatic events diverted attention from the depressed local economy. To counter the alleged threat from outside the country, the Government increased its military spending and in December 1976 established the Guyana People's Militia as an auxiliary to the armed forces. In a further effort at consolidation, all private schools were placed under the control of the state. It should be noted that at this time there were also charges by the Inter-American Press Association that freedom of the press was seriously endangered.

Internal confrontation

Within a year after Jagan's party had ended its boycott of the National Assembly, it was apparent that the rapprochement between the PPP and PNC was coming under increasing strain. First, Jagan's efforts to form a coalition government with Burnham were rebuffed. Then there followed a five-month sugar-workers' strike which came to symbolize a confrontation between the two rival leaders. The Government's Guyana Sugar Corporation refused to negotiate with the strikers on the ground that the walkout was politically inspired. Finally, in January 1978, the GAWU agreed to end the strike. In the aftermath, the Government claimed a victory and sought to discredit the strikers, while the GAWU declared that it was caught between a ruthless regime and a divided labour movement. Besides the bitterness, the loss in sugar revenues added another dimension to the problems of a troubled nation.¹⁶

¹⁶ *Guyana Chronicle*, 6 and 15 January 1978; *Trinidad Guardian*, 17 January 1978.

Against this background, the PNC Government in 1978 was required by the Constitution to call for an election. The PPP had claimed consistently that in an honest election it would win because of its support by the majority East Indian population. Burnham, however, proposed instead a national referendum in July requesting that the current parliament be designated as a Constituent Assembly with powers to alter the Constitution by a two-thirds vote. While the majority supported the need for a 'less colonial' charter, some interpreted the constitutional issue as a device to avoid an election in 1978. It should be noted, however, that the PNC in its earlier Sophia Declaration had advocated constitutional reforms. But its timing was for many too ominous. When the results overwhelmingly favoured Burnham, charges were levied that the outcome had been rigged.¹⁷ Although Burnham insisted that the delay in calling for an election would not extend beyond 1979, the opposition was not convinced and the nation was embroiled in another divisive issue.

In the midst of this controversy, Guyana was confronted in November by the disclosure of the mass suicides and murders at Jonestown. Although the principals were North Americans, their presence on Guyanese territory linked Guyana to the vast publicity given to this bizarre affair. Moreover, local opposition forces sought to embarrass the Government by suggesting complicity and a cover-up. However, Burnham's party successfully minimized local repercussions, insisting that the People's Temple tragedy was largely a United States problem. Despite some uneasy moments in the aftermath of Jonestown, the Burnham Government apparently survived the charges and rumours without appreciable damage to its position.

Unresolved problems

As the decade of the 1970s concludes, Guyana's diplomatic outlook appears more promising than the local scene. Relations with the United States improved slightly following discussions with the new Carter Administration in late 1977. Burnham undoubtedly had recognized the severity of his nation's socio-economic crises and the tremendous power still wielded by the United States. Relations also improved with the neighbours, Brazil and Venezuela. However, the local economy has not yet recovered from the grave difficulties which overwhelmed it in 1976. Balance-of-trade deficits, declining governmental revenues, inflation, unemployment, shortages in consumer goods and a lack of developmental capital are only several of the economic problems confronting the PNC Government. Burnham has stressed the temporary nature of the setback, suggesting that forces of destabilization—both from within and abroad—have contributed to the crisis.¹⁸

¹⁷ *Christian Science Monitor*, 7 July 1978; *The Times* (London), 13 July 1978; *Trinidad Express*, 11 July 1978.

¹⁸ *Guyana Chronicle*, 7 December 1977.

Underlying the troubled economic scene is the persisting racial strife between Africans and East Indians. So far the PNC Government, in containing these tensions, has prevented a recurrence of the violence of the early 1960s. But the price paid for PNC order has caused many to question the future of Guyana's parliamentary government. The recent referendum has been interpreted by some as a gimmick enabling the PNC to remain in office indefinitely and open the way for a one-party state in which one racial group dominates the Government while the other remains largely without influence. The governmental bureaucracy, the police force and the military are all staffed principally by the urban-based Afro-Guyanese.

Most observers minimize the ideological differences between Burnham and Jagan while they themselves stress them. Burnham is more the pragmatist than the ideologue, the shrewd and adroit politician. His political strength is based in part on his reliance upon civil servants and technocrats in the governing process while most of his recent East Indian recruits have no political base. As party leader and Minister of Defence, Burnham occupies two additional positions of authority. Furthermore, a cult of personality is being built around the Prime Minister whose image is widely displayed. In 1977, his denial to charges of having received secret CIA payments along with other international political figures caused him some embarrassment but no loss of status in Guyana. Within the Black community, Burnham is challenged by Eusi Kwayana who has his own organization, ASCRIA (African Society for Cultural Relations with Independent Africa), and recently severed political ties with the Prime Minister.

As for Jagan's PPP, it no longer commands support from all East Indians, some of whom have now aligned themselves with the PNC. Among his racial group, Jagan too has encountered a rival for leadership, Moses Bhagwan, formerly leader of the PPP youth organization, who in September 1973 formed the Indian Political Revolutionary Association (IPRA). Following Jagan's decision in 1975 to give 'critical support' to the PNC Government, ASCRIA and IPRA formed the Working People's Alliance, proclaiming that they had bridged the racial animosity by stressing national urgency.

Whereas in the past political questions and racial tensions have pre-occupied Guyana, the PNC Government during the 1970s has addressed itself to the need for social and economic reform. Despite gains in some areas, the future is less than promising. As a supra-racial concept, the Co-operative Republic lacks acceptance among all groups. Moreover, the role of co-operativism in the economy is unclear and it is now dominated by the public sector. A recent study by the World Bank placed Guyana among the 'poor' nations of the world, those with a Gross Domestic Product of less than \$550 per person.¹⁹ Considering that many of the

¹⁹ *US News and World Report*, 31 July 1978, p. 56.

wealthier industrialized nations are experiencing economic difficulties, it is understandable that Guyana's problems become magnified. Perhaps the most difficult achievement for the moment would be for Guyanese to realize that the solution to their problems ought to come from within the nation and not from other countries, and that without self-reliance, national unity and racial harmony the goals of the Co-operative Republic will never be attained.