

The Jamaican Bauxite Industry & Decolonization

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Abstract: This paper looks at the role of multinational corporations (MNCs) in the bauxite-alumina industry of Jamaica from the industry's establishment in 1952 to the implementation of a tax levy on bauxite and the partial nationalization of the industry in 1974. The examination of the positive economic and societal developments resulting from the presence of bauxite companies in Jamaica will be contrasted with a discussion of the negative economic and social implications caused by MNCs. It is argued that the effects of multinational investment in the bauxite-alumina industry were largely more negative than positive. MNCs contributed to poor economic and social conditions in Jamaica which respectively led to the rise of social activism in the late 1960s, and subsequently the election of the People's National Party (PNP), a democratic socialist government responsible for the major structural changes to the bauxite-alumina industry in 1974. The reforms made to the bauxite-alumina industry by the PNP are addressed in this paper along with a discussion of the economic, political, and ideological motivations involved. In addition to improving social conditions in Jamaica, this paper contends these reforms reflected a form of national resistance against MNCs as neo-colonial actors.

Since the discovery of alumina rich soils in Jamaica, Guyana, and Suriname, North American corporations have dominated the bauxite-alumina industry within the Caribbean. Some critics argue that MNCs are a form of neo-colonialism; it is also argued that the presence of MNCs have contributed to the economic growth of lesser-developed countries (LDCs). Both arguments are valid with regard to the Caribbean bauxite-alumina industry.

Bauxite is the raw ore from which aluminum is extracted after under-going a three-stage refining process. First is the mining and drying stage, where the ore is extracted from the earth and dehydrated. In the second stage, beneficiation, aluminum oxide (alumina) is chemically separated from the ore by washing it with

hot caustic soda.¹ The third and final stage is the extraction of aluminum from the alumina through a smelting process which requires large amounts of power.² The value added is about 250% in the second stage and 225% in the third stage – Jamaica however only participates in the first and second stages.³ The alumina produced after the second stage in Jamaica was shipped directly to ports on the Gulf of Mexico and thereafter to alumina plants in Louisiana, Arkansas, and Texas to complete the process of aluminum extraction.⁴

Jamaica's bauxite deposits were discovered in 1942. Since Jamaica at this time was a British colony, it was proclaimed by the British government that all bauxite lands were exclusively Crown property.⁵ The people and government of Jamaica were not given a voice when England leased Jamaican bauxite land to MNCs from the United States and Canada. The exportation of bauxite began in 1952, and three major U.S. companies (Alcoa, Kaiser, and Reynolds) became involved in the flourishing bauxite extraction industry in Jamaica.⁶ Alcan, a Canadian company, was also involved but the initial agreement regarding the price of Jamaican bauxite concerned only U.S. companies. In the initial agreement, the British government and the MNCs determined the division of bauxite revenue, leaving the Jamaican government out of the negotiations. It should be noted that even though Jamaica was still a colony, the parliament elected in 1944, which was Jamaica's first general election with universal adult suffrage, enjoyed a degree of internal self-government. Under the initial agreement, Jamaica received "an incredibly low royalty" which was "deliberately fixed at a low rate of a shilling [or about 12 cents (U.S.)] per ton for the first five-year

¹ Norman Girvan, *The Caribbean Bauxite Industry* ([Mona] Jamaica: Institute of Social and Economic Research, University of the West Indies, 1967) 15.

² Iserdeo Jainarain, *Trade and Underdevelopment: A study of the small Caribbean countries and large multinational corporations* (Georgetown, Guyana: Autoprint Ltd., 1976) 273.

³ Jainarain, *Trade and Underdevelopment*, 273.

⁴ Norman Girvan, *Foreign Capital and Economic Underdevelopment in Jamaica* ([Kingston] Jamaica: Institute of Social and Economic Research, University of the West Indies, 1971) 28.

⁵ Thakoor Persaud, *Conflicts Between Multinational Corporations and Less Developed Countries: The case of bauxite mining in the Caribbean with special reference to Guyana*, (New York: Arno Press, 1980) 55.

⁶ Diane J. Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," *Journal of Sociology*, 11:3 (1975) 53.

period.”⁷ Renegotiations took place in 1957 between the government of Jamaica and bauxite companies that increased the royalties received by Jamaica to 14 shillings, or about \$1.68 U.S., for each ton of bauxite mined.⁸

The government of Jamaica welcomed bauxite companies and encouraged the expansion of the industry. They were eager for foreign investment which they believed would stimulate a flagging economy constrained by a low level of industrialization and small domestic markets.⁹ It was hoped that with bauxite development there would come an expansion of other infrastructural and export industries to replace dependence on the declining sugar industry.¹⁰ The role of the Jamaican government in promoting industrialization by attracting foreign investment reflects the ideas and recommendations of economist Sir Arthur Lewis. Producing such works as *Industrial Development in the Caribbean* (1951), and *The Industrialization of the British West Indies* (1952), Lewis argued industrialization was essential for economic development in the Caribbean, and that the process of industrialization should be stated through the attraction of investment from foreign businesses.¹¹ For Lewis, successful industrialization had to be export-oriented and attracting investment from those foreign businesses which were already established in foreign markets would be the fastest route to exporting manufactures.¹² While the Jamaican government did not follow all of his recommendations, Lewis’s influence is apparent by the legislation passed in Jamaica in 1956 to specifically encourage exports.¹³

The policies pursued by the American government also contributed to the expansion of the bauxite-alumina industry in Jamaica. American aluminum reserves were severely depleted by the Second World War. With the outbreak of the Korean War and the development of the Cold War and the arms race, concern to build up

⁷ Persaud, *Conflicts Between Multinational Corporations and Less Developed Countries*, 57.

⁸ *ibid.*, 59.

⁹ Austin, “Jamaican Bauxite: A Case Study in Multi-National Investment,” 53.

¹⁰ *ibid.*, 53.

¹¹ Mark Figueroa, *Class Issues in Industrialization Policy: Lewis’s Ideas and the Case of Jamaica 1945-1956*, (Department of Economics, University of Salford, 1991) 7.

¹² Figueroa, *Class Issues in Industrialization Policy*, 12.

¹³ *ibid.*, 18.

aluminum reserves heightened.¹⁴ The United States government wished to break up the monopolistic control of aluminum production held by the Aluminum Company of America (Alcoa) within the U.S. by providing handsome assistance to the expansion of other American companies, including Kaiser and Reynolds, which was provided under the Defence Production Act of 1950.¹⁵ The American government decided that on the grounds of national security, capacity in primary aluminum and related materials should be doubled; thus Kaiser and Reynolds acquired 65% of the programmed increase.¹⁶

At the outset of the negotiations, technical knowledge of the bauxite industry and of market conditions was monopolized by the MNCs. The Jamaican government entered negotiations without the benefit of expert advice. They lacked knowledge concerning types of resources, volumes of resources, grades of ores, and market conditions making it nearly impossible for the Jamaican government to calculate an appropriate rate at which to value their natural resources.¹⁷ The bargaining position of the Jamaican government was further weakened by the fact that there were many LDCs on the seller's side of the market for these resources, while there were just a few MNCs on the buyer's side.¹⁸ Previously, the U.S. primarily had exploited its own resources of bauxite for the production of aluminum, importing additional supplies from Guyana and Suriname.¹⁹ The vertical integration of U.S. aluminum production meant that the raw bauxite ore, as opposed to refined aluminum, rarely reached the U.S. market and consequently the Jamaican government had few guidelines for setting a notional value for its unrefined bauxite.²⁰ The colonial status of Jamaica further weakened their bargaining position as the British government was more active in the initial negotiations with the MNCs. These factors gave bauxite companies a considerable advantage in the negotiation process as the initial agreement ensured that the government of Jamaica received a very low royalty for every ton of bauxite mined.

¹⁴ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 53.

¹⁵ *ibid.*, 54.

¹⁶ Jainarain, *Trade and Underdevelopment*, 273.

¹⁷ Persaud, *Conflicts Between Multinational Corporations and Less Developed Countries*, 68.

¹⁸ Persaud, *Conflicts Between Multinational Corporations and Less Developed Countries*, 68.

¹⁹ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 54.

²⁰ *ibid.*, 54.

Another condition of the initial negotiations was the duration of the mining lease or permit obtained by the company. In 1957 and 1967, Jamaica granted leases to the companies operating there for twenty-five years.²¹ These leases not only covered bauxite, but all natural resources existing in the lease-hold area. To ensure that the profits over time met the cost of establishing the plants, and to control competition, the bauxite companies bought land in Jamaica far beyond their ability to utilize in the immediate future.²² Often deposits of bauxite were depleted before a company's lease on the land expired. These lands were commonly used for agricultural production so that companies could fully capitalize on their lease. For example, Alcan used bauxite-depleted land under their lease to raise cattle. Alcan admitted in 1971 that their agricultural operations were a way to help eliminate the cost of importing items necessary for alumina production.²³

Given the superior power of MNCs to control capital flows and exploit markets in the international arena, it is unrealistic to suppose that Jamaica would have easily developed an independent competitive aluminum industry.²⁴ It can be argued that MNCs have provided capital, expertise, and markets for the exploitation of Jamaican bauxite more efficiently than could an independent effort by the Jamaican government or private Jamaican entrepreneurs. Several positive economic and societal developments have occurred in Jamaica resulting from the bauxite-alumina industry's presence. Within a decade of productive operations, bauxite-alumina rose to constitute almost half of Jamaica's domestic exports by value.²⁵ Moreover, bauxite companies' activities have had positive spill-over effects on other industries in Jamaica. For instance, bauxite companies spend locally well over \$3,000,000 a year on materials, supplies, and services and in 1963 freight payments to the government-owned Jamaica Railway Corporation exceeded \$1,500,000.²⁶

²¹ Jainarain, *Trade and Underdevelopment*, 274.

²² Tramm, "Multinationals in Third World Development: The Case of Jamaica's Bauxite Industry," 4.

²³ Tramm, "Multinationals in Third World Development: The Case of Jamaica's Bauxite Industry," 4.

²⁴ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 56.

²⁵ B.S. Young, "Jamaica's Bauxite and Alumina Industries," *Annals of the Association of American Geographers*, 55:3 (1965): 451.

²⁶ Young, "Jamaica's Bauxite and Alumina Industries," 452.

The government used the revenue generated from the mining industry to finance the development of public infrastructure and social services including housing, water supplies, sanitation, community development, education, and health.²⁷ Those employed by the bauxite-alumina industry were also paid significantly higher wages than those in other sectors of the Jamaican economy.²⁸ Since people were making more money their standard of living increased; this combined with an increase in government spending. Bauxite companies have also been credited with expanding educational opportunities for Jamaicans and decreasing illiteracy.²⁹ The development of schools in bauxite industrial regions, such as Mandeville, can be attributed not only to an increase of government spending but also to an increase of population (Jamaicans migrating to these areas looking for work in the industry) and the pressure from bauxite workers, now sufficiently wealthy to send their children to post-primary schools.³⁰ Mandeville also experienced an increase of entrepreneurship which is further indicative of the industry's positive influence on societal development: "In Mandeville, the proliferation and success of such businesses as boutiques, gas stations, and fast food restaurants, all catering to the needs of newly arrived and consumer-oriented bauxite industry personnel attest to the positive influence of the multinationals on social mobility."³¹

While the growth of the economy, an increase in the standard of living, and high wages were all seemingly positive effects of the bauxite-alumina industry in Jamaica, there is more to the story. The negative consequences of the industry include problems of land acquisition and environmental damage. When companies first approached local farmers to buy their bauxite-rich soil, many saw it as an opportunity of a lifetime.³² They sold much of their land and after a brief period of economic comfort, they found themselves almost or entirely landless. Bauxite companies became large landowners and according to company statistics (which are believed to be understated) Alcan in 1972 owned 49,000 acres of Jamaican land and Alpart owned 26,000 acres in central and southern

²⁷ *ibid.*, 460.

²⁸ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 57.

²⁹ Young, "Jamaica's Bauxite and Alumina Industries," 460.

³⁰ Tramm, "Multinationals in Third World Development: The Case of Jamaica's Bauxite Industry," 7.

³¹ *ibid.*, 8.

³² *ibid.*, 3.

Jamaica alone.³³ Together Kaiser, Reynolds, and Alcan own almost 30% of the parish of Manchester.³⁴ With so much land designated to extractive industries, one can imagine the severity of the environmental damage caused. The environmental damage that has ensued includes loss of soil fertility and the disruption of long-established topographical configurations.³⁵ Other environmental dangers include the threat to indigenous water supplies, air pollution to nearby areas from the plants themselves as well as from mud lakes.³⁶

The industry also in many ways contributed negatively to the economic and social development of Jamaica, particularly by sharpening inequalities. The Jamaican government gained certain advantages in the development of bauxite, but not nearly to the extent that foreign corporations did. The revenue garnered by Jamaica was far below the value of the bauxite and alumina which it exported. Between 1950 and 1956, revenue was merely 3% of the bauxite and alumina export value.³⁷ Even after renegotiations in 1957, revenue had amounted on the average to only 17% of the industry's output.³⁸ In 1970, Alcoa, the world's largest bauxite company, had total sales and operating revenue above the entire value of Jamaica's national production of goods and services.³⁹ As mentioned, only the first two stages of aluminum production were done in Jamaica. Based on the data for 1950-1967, it was calculated that a lack of forward linkages resulted in 95% of the gross value generated from Jamaican bauxite being accrued abroad rather than domestically.⁴⁰

The wages received by bauxite workers in Jamaica did not compare to their counterparts in metropolitan countries, yet they were still substantially higher than in other sectors of the Jamaican economy. Few benefited from the high wages paid by the bauxite

³³ Tramm, "Multinationals in Third World Development: The Case of Jamaica's Bauxite Industry," 4.

³⁴ *ibid.*, 4.

³⁵ *ibid.*, 4.

³⁶ *ibid.*, " 4-5.

³⁷ *ibid.*, " 8.

³⁸ *ibid.*, 8.

³⁹ *ibid.*, 9.

⁴⁰ R.M. Auty, "Multinational Corporations and Regional Revenue Retention in a Vertically Integrated Industry: Bauxite/aluminum in the Caribbean." *Regional Studies*, 17:1 (1983): 4.

companies as they only provided employment for 1.1% of the working population – this figure includes not only workers directly involved in the mining of bauxite, but also those employed in company-financed construction and farming activities.⁴¹ Moreover, the majority of high-ranking, managerial positions were held by personnel from metropolitan countries and rarely were Jamaicans trained to fill these positions.⁴² Thus, Jamaicans occupied the low-level, manual labour positions and lacked occupational mobility.

Wage inequalities between the mining sector and other sectors of the Jamaican economy had destabilizing effects on the economy, for example wage disparities have exacerbated labour power distribution problems. Peasant farmers who represent the majority of the non-unionized workers in Jamaica were by and large frustrated with the marginal profits from small-scale farming when compared to the mining sector. This led to a persistent and increasing trend of internal migration from rural to urban areas, where it was hoped that more profitable employment, particularly in the mining and related industries, might be found.⁴³ The consequences of this internal migration led to fewer employment opportunities in the mining industry and thus many migrants were left unemployed or underemployed. Furthermore, the rapid urbanization of bauxite-producing regions initiated overcrowding and housing shortages.⁴⁴ Wage disparities between the public and private sector have also frustrated government expenditure on infrastructural industries and social services.⁴⁵ Generally speaking, the private sector pays considerably higher salaries to their workers than does the public sector. Thus, the government must now compete with the private sector for trained technicians and managerial staff who remain in short supply.

The impact of MNCs perpetuates a dependent economy characterized by radical disparities in wages, high levels of unemployment and a small group of privileged workers and expatriate managers. Ultimately the economic, social, and environmental damage caused by MNCs in the Jamaican bauxite-

⁴¹ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 56.

⁴² *ibid.*, 56.

⁴³ *ibid.*, 57.

⁴⁴ Persaud, *Conflicts Between Multinational Corporations and Less Developed Countries*, 141.

⁴⁵ Austin, "Jamaican Bauxite: A Case Study in Multi-National Investment," 57.

alumina industry far outweighed the benefits received by Jamaica at large. Only a small portion of the population experienced the economic benefits of the industry causing many to resent the presence of MNCs on the island.

Jamaica gained constitutional independence from Britain in 1962, and with it many hoped that the new national government, the Jamaica Labour Party (JLP), would improve the poor economic and social conditions. However, drastic change did not immediately occur and the structural economic crisis and deterioration of living standards at the end of the 1960s was one of the main causes of the subsequent increase in social activism in Jamaica.⁴⁶ Along with calls for more social justice and equality, an awakening of racial self-consciousness led to a greater public interest in political and cultural affairs.⁴⁷ With this came the election of the People's National Party (PNP) in 1972, publicly committed to the ideology of 'democratic socialism' and determined to reshape Jamaican society, economy, and external relations accordingly.⁴⁸ Led by Michael Manley, the PNP held office for some eight and a half years (between 1972 and 1980) and instituted a series of social reforms involving significant changes to the bauxite-alumina industry.

Manley expressed his government's commitment to the creation of an economy that would be more independent of foreign control and more responsive to the needs of the majority of the people.⁴⁹ The first sign of this change came in January 1974 when the government announced its intention of renegotiating tax agreements signed with the American and Canadian-owned bauxite and alumina companies. These agreements at the time produced only a token yield for the Jamaican government, and had not been altered since the 1950s when the industry was established. Jamaica had also been frustrated by the lack of significant revenue from its large alumina output and could point to no prospects for further expansion of its

⁴⁶ Holger Henke, *Between Self-Determination and Dependency: Jamaica's Foreign Relations 1972-1989*, (Jamaica: University of the West Indies Press, 2000) 14.

⁴⁷ Henke, *Between Self-Determination and Dependency*, 14.

⁴⁸ Anthony Payne, "Jamaica: the 'democratic socialist' experiment of Michael Manley," in *Dependency under challenge: The political economy of the Commonwealth Caribbean*, ed. Anthony Payne and Paul Sutton (Manchester, UK: Manchester University Press, 1984) 18.

⁴⁹ Payne, "Jamaica: the 'democratic socialist' experiment of Michael Manley," 23.

industry by the aluminum companies.⁵⁰ “It was in this context that the September 1973 nonaligned summit in Algiers crystallized the ideological legitimacy of the movement of Third World economic nationalism; it was followed rapidly by the Ramadan War in October and the OPEC [Organization of Petroleum Exporting Countries] offensive that doubled crude oil prices in October and then doubled them again in December of that year.”⁵¹

The oil embargo implemented by OPEC during the Ramadan War was a dramatic demonstration of what might be feasible in bauxite-exporting countries through collective action. Perhaps it even influenced the establishment of the International Bauxite Association the following year. The economic crisis that resulted from the sudden rise in oil prices severely affected Jamaica: in one year, from 1973 to 1974, the island’s oil import bill rose from J\$65 million to J\$177 million.⁵² The prices for other imports rose as a consequence, especially food and manufactured goods, putting further pressure on the cost of living and the balance of payments.⁵³ In this situation, economist Norman Girvan points out three options that were available to the Jamaican government:

1. Reduce oil imports severely, which would probably imply zero or even negative economic growth;
2. Reduce non-oil imports, which would have a similar effect, since most capital and intermediate goods are imported; or
3. Raise the additional foreign exchange required by higher taxes on the bauxite industry.⁵⁴

Jamaica chose the third option by implementing a bauxite levy in January 1974. After some unsuccessful negotiations with the aluminum companies, the Jamaican government imposed a new tariff on the production of bauxite mined in Jamaica and exported to North America. This new tariff raised the 1957 royalty by roughly 100% and replaced the old income tax with a levy set at 7.5 percent

⁵⁰ Norman Girvan, *Corporate Imperialism: Conflict and Expropriation*, (New York: Monthly Review Press, 1976) 136-137.

⁵¹ Girvan, *Corporate Imperialism*, 137.

⁵² Payne, “Jamaica: the ‘democratic socialist’ experiment of Michael Manley,” 27.

⁵³ *ibid.*, 27.

⁵⁴ Girvan, *Corporate Imperialism*, 137.

of the price of aluminum on the world market in the previous year.⁵⁵ The bauxite levy was very successful from an economic standpoint. Revenues increased from J\$24.51 million per annum in 1973 to J\$185 million in 1977.⁵⁶

Before the levy was implemented, Manley had met with governments in Washington and Ottawa. In Washington, he assured Secretary of State Kissinger that the levy was “purely economic in its implication” and that, recognizing the strategic importance of the metal, Jamaica “would never seek to affect US access to our bauxite through the legitimate channels of its multinational corporations.”⁵⁷ However, contrary to Manley’s declarations, the implementation of the bauxite levy suggests a political motivation as well. Taking office in 1972, it was the first time the PNP had held the majority in Jamaican Parliament. The bauxite levy was a way to demonstrate that the PNP were very different from the predecessor government and main political rival, the JLP, proving that the PNP were more nationalistic and quicker to defend the country’s sovereignty.

The action of the Jamaican government was not limited to taxes; the PNP expressed their support for the formation of the International Bauxite Association in 1974 and proposed a total revision of the terms of the aluminum companies’ operations in the country. The government stated that it would: (1) “find ways of increasing the foreign-exchange contribution of the industry” (other than higher taxes themselves); (2) “reacquire for Jamaica the large areas of land owned by the companies”; and (3) “secure government participation in the ownership of enterprises.”⁵⁸ Following the imposition of the tax levy, the PNP government partially nationalized the subsidiaries of the MNCs involved in the mining of bauxite. The first nationalization occurred in November 1974 when the PNP announced that it had reached an agreement with Kaiser Aluminum for state participation in its mining facilities. The government would acquire 51% share in the bauxite mines at a cost of J\$15 million

⁵⁵ Keith Worrell, *The Economy of Modern Jamaica: An Outline*, ([Kingston] Jamaica: Bustamante Institute of Public & International Affairs, 1987) 20.

⁵⁶ Richard Allicock, *U.S. and TNC Responses to Nationalizations by Left-Wing Governments in Chile, Guyana and Jamaica in the 1970s*, (Dissertation: University of Windsor, 1991) 91.

⁵⁷ Henke, *Between Self-Determination and Dependency*, 55.

⁵⁸ Girvan, *Corporate Imperialism*, 140.

payable over the next ten years at 8.5% interest.⁵⁹ Similar agreements of partial nationalization were subsequently reached with other bauxite companies operating in Jamaica. These agreements gave Jamaica majority equity participation in the bauxite exploiting and processing subsidiaries of the MNCs, and minority equity in the alumina producing subsidiaries. Management and effective control of the enterprises still remained in the hands of MNCs however.⁶⁰

All of the major bauxite companies protested the Jamaican imposition of the tax levy. They gave notice that they would apply for arbitration to the World Bank's International Center for Settlement of Investment Disputes (ICSID) and filed suit in 1974.⁶¹ Such an action proved useless since part of Jamaica's preparation for imposing the levy involved notifying the ICSID of withdrawal from that section of its convention dealing with natural resources.⁶² In effect, companies were left with no legal recourse and within a few weeks they indicated they would comply with the levy, albeit with verbal protests, but without any significant confrontations with the Jamaican government.⁶³ The companies reacted to the measures of the Jamaican government by decreasing exports from Jamaica to the U.S., and increasing the production of their plants in Guinea to supply the American market.⁶⁴ In 1975 the companies doubled their imports into the U.S. from Guinea, a new-comer to the industry, who were now threatened to experience similar economic and societal problems from the presence of these MNCs as Jamaica did.

The structural reforms made to the bauxite-alumina industry were not just a strategy to improve the poor economic and social conditions of Jamaica; there is also a broader component to these measures. The investment of MNCs in the Jamaican bauxite-alumina industry is argued to be a form of neo-colonialism or economic imperialism. As mentioned, the presence of these companies has resulted in unsustainable development and persistent underdevelopment in Jamaica. The economy of Jamaica was dependent on the activities of MNCs and the revenue produced by

⁵⁹ Allcock, *U.S. and TNC Responses to Nationalizations*, 91-92.

⁶⁰ Allcock, *U.S. and TNC Responses to Nationalizations*, 115.

⁶¹ *ibid.*, 154.

⁶² *ibid.*, 154.

⁶³ Girvan, *Corporate Imperialism*, 139.

⁶⁴ Allcock, *U.S. and TNC Responses to Nationalizations*, 156.

bauxite and alumina exports. As a former British colony only recently achieving political independence, the 1974 reforms symbolized the desire of the PNP to further decolonize by eliminating economic dependence on foreign corporations. The PNP stated that they were determined not to “accept our dependence as a natural and permanent condition” and to disengage from “a slavish obedience to the U.S.”⁶⁵

Jamaica, like many other Third World countries, sought to attract large-scale foreign investment, hoping that it would stimulate the economy and expand other infrastructural and export industries. Ultimately, the MNCs did effectively provide capital, expertise and markets for the exploitation of Jamaican bauxite, but they also gave rise to various economic and social development problems in Jamaica. The negative consequences of the MNCs in Jamaica have been addressed in this paper and include economic dependency on foreign capital, radical wage disparities, environmental degradation, increased rural to urban migration leading to an increase in unemployment as well as housing shortages and overcrowding which had put tremendous pressure on the Jamaican government to provide appropriate infrastructure and social services. For many, the MNCs were a symbol of economic imperialism and a hindrance to the decolonization process. The 1974 reforms implemented by the PNP government represented not only an effort to improve economic and social conditions in Jamaica, but a legitimate challenge to the MNCs who dominated the industry. Whether or not these reforms were the correct course of action for Jamaica is a subject beyond the scope of this paper. However, the 1974 policies that intended higher returns and greater Jamaican control of the bauxite-alumina industry were a powerful statement of national resistance against MNCs as a form of neo-colonialism.

⁶⁵ Henke, *Between Self-Determination and Dependency*, 54.

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