

UC Irvine

UC Irvine Previously Published Works

Title

Twenty-Five Years of Ministerial Government: The Socio-Economic Context

Permalink

<https://escholarship.org/uc/item/9dw359s9>

Authors

Maurer, WM

O'Neal, ME

Publication Date

1992

Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at <https://creativecommons.org/licenses/by/4.0/>

Peer reviewed

THE SOCIO-ECONOMIC CONTEXT

By Michael E. O'Neal and Bill Maurer

As the twentieth century marched into second quarter, the economic activity of the British Virgin Islands consisted of small-scale agriculture, fishing, charcoal production, and livestock, with continuing dependence on the markets of the United States for BVI produce and labour. By the 1960's however, commentators note the increasing flight of young people from agriculture as a way of life. Agriculture was fast becoming "subsidiary to wage earning occupations and to trades" (Faulkner 1962:5)

During the 1950s, and particularly with closing of Cuba to tourists from the United States after the Revolution in 1959, the USVI experienced dramatic increase in tourism - the number of tourists increasing from 16,000 in 1949, 164,000 in 1959 to 1,122,317 in 1969 (Dookhan 1974:286). This windfall prompted the British Virgin Islands Government to express the hope that "some of the influx may eventually spill over" into the BVI, while at the same time recognizing that "conditions are different and the initial obstacles to tourist development are greater" (in Harrigan and Varlack 1975:130)

As one means of surmounting these obstacles, the Legislative Council in 1953 passed incentive legislation in the form of a Hotels Aid Ordinance. The 1950s, consequently, witnessed the opening of a small American-owned private club/resort on Guana Island and a small hotel in Road Town.

In 1962, Dr. Carleen O'Laughlin of the University of the West Indies undertook "A Survey of the Economic Potential, Fiscal Structure and Capital Requirements of the British Virgin Islands" on behalf of the Government. The study recommended tourism as the primary vehicle of economic development, with fishing and agriculture becoming ancillary activities (O'Laughlin 1962:passim). The acceptance of the basic premise of the 1962 O'Laughlin Report marked a watershed in the development planning approach of the British Virgin Islands Government. Henceforth, the promotion of tourism as a development strategy was to be pursued as "firm policy" (Dookhan 1975:231). The construction of Laurence Rockefeller's Little Dix Bay Hotel in Virgin Gorda, completed in 1964, constituted the economic take-off, the so-called peasant economy was dead. The era of tourism had arrived.

The development of tourism occurred concurrently with the advent of constitutional reform and ministerial government. After 1950, the politico-constitutional apparatus of the BVI underwent relatively rapid transformation, reflecting, in part the impetus of post-War metropolitan decolonization concerns. In 1965 a constitutional review commission was appointed, chaired by Dr. Mary Proudfoot of Oxford. In the meantime, Dr. William Phillips, a UN economic advisor, had been appointed to make "Recommendations on Measures for Accelerating Economic and Social Development" of the BVI. The connection between constitutional advancement and development planning within the colonial context was quickly recognized by British Virgin Islanders both in the main and in the Legislative Council. (see Development Advisory Committee 1966:40).

In 1967, the process initiated by the Proudfoot Constitutional Review Commission, culminated in the establishment of a system of Government based upon the British Westminster model. This constitutional change also resulted in the reorganization and expansion of the civil service. Thus, the administrative-bureaucratic apparatus necessary to effect the planned economic development was created.

The socio-economic problems which the development of tourism would seek to address were enumerated in the Phillips report as follows:

1. A heavy reliance, present and prospectively, on tourism as the principal means for raising levels of income and providing employment opportunities;
2. A static or declining agricultural industry due to relatively low returns to farmers coupled with;
3. A drift of younger members of the work force to the American Virgin Islands for employment;
4. Lack of capital resources by Government sufficient to provide the necessary infrastructure and facilities to speed up the growth of tourism and revitalize the agricultural sector;
5. Insufficient local Government revenue to cover local Government expenditures;

6. Inadequate education and health facilities and:

7. Relatively low level of human resource development (Phillips 1966:2-3).

Development objectives focussed on raising the level of well-being of British Virgin Islanders, generating employment opportunities for the youth, expanding service sector industries education, health and social welfare and, eventually, creating financial self reliance (Phillips 1966:3-4). In the final analysis, the stimulation of tourism was considered the optimal means by which most of the other development objectives could be attained. Private initiative and private investment were deemed essential; but Government was charged with providing "certain basic facilities such as harbours, airports, roads, communications and utilities." as well as "attracting inducing both local and foreign capital investment" in hotels, guest houses, private residences, stores, restaurants, and other facilities which will make extensive tourism a reality" (Phillips 1966:7-8).

The basic postulates of the Phillips report were accepted by the BVI Government and the report formed the basis of the BVI Development Plan for the period 1966-1971 -- the first years of ministerial government. Government undertook a series of infrastructural development projects, including major road work, airport runway extension, island-wide electrification, and construction of a deep-water port facility. Radio and telecommunications services were vastly expanded. The infrastructural prerequisites to make "extensive tourism a reality" were, thus, being put into place.

Legislatively, a number of measures instituted by the new ministerial government worked to further the process of infrastructural development and the attraction of foreign investment. These reflected both the needs of tourism industry and the socio-economic changes it caused. In turn, new legislation generated other socio-economic changes.

Previously the BVI economy had been characterized by emigration of labourers to the USVI (and, much earlier, to the sugar plantations of the Dominican Republic, Puerto Rico and Cuba); in 1960, ten percent of British Virgin Islanders worked in the USVI (Bowen 1976:69). By contrast, in 1969, after Wickham's Cay and Little Dix construction projects, upwards of 2,100 immigrants had come to the BVI (ibid., 78). Recent labour statistics show this trend continuing into the present, with over 3,000 work permits having been issued in 1987 (BVI Department of Labour 1987) and with a 47% increase in the population of the BVI since

1980, an increase attributed in part to the influx of migrants (BVI Statistics Office 1991).

In response to on-going concerns over increased immigration, the Legislative Council enacted several pieces of legislation designed to place certain controls on the situation. The legal categories of 'belonger' and 'non-belonger' were popularized in laws passed by the first ministerial government (most notably, the now-updated 1969 Immigration and Passport Ordinance and the now-defunct Non-belongers (Restrictions as to employment) Ordinance and the now-defunct Non-belonger (Restrictions as to employment Ordinance). The Labour Code of 1975 updated the work permit procedure; and the 1977 Immigration and Passport Ordinance together with the British Nationality Act of 1981 further added to the legal complexities.

With increasing land prices caused by developments such as Little Dix; Government took steps to prevent land speculation by expatriates and shored-up alien land holding regulations. The past twenty-five years have seen an ever-closer relationship between concerns over land and concerns over immigration, perhaps mitigated --but only somewhat--by the completion of the Cadastral Survey and the advent of the Land Registry in the early 1970s. The primary issue has shifted from speculation to settlement.

While the labour migration flows generated by tourism continued apace, the Territory turned to another service oriented industry in an effort to diversify: the offshore finance business. Amendments to the Companies and Banking Acts, Laws governing trust companies and International Business Corporations and external economic factors all contributed to the growth of this sector. Another class of 'migrant labourer'--office clerks, accountants and lawyers, some from Europe and North America--began setting its sights on the BVI.

The socio-economic context of the past twenty five years of ministerial government thus can be characterized by the rapid growth of the tourist industry, the development of infrastructure and concurrent influxes of migrants, the consolidation of the offshore finance industry and an overall increase in the complexity of the legal and administrative apparatus, all under a continued relation of formal dependency of the UK. It is a context significantly influenced by the problems of decreasing social and cultural homogeneity. The challenge for the next 25 years is to turn these problems into promise.

References cited

¹ Portions of this essay have been excerpted from O'Neal, Michael E. British Virgin Islands Transformations: Anthropological Perspectives (Ann Arbor, MI: University Microfilms International), pp 76-81, 104-120; copyright (c) 1983 by Michael O'Neal. All rights reserved. Used with permission.

Bowen, W. Errol

1976 "Development, immigration and politics in a pre-industrial society: A study of social change in the British Virgin Islands in the 1960s" Caribbean Studies 16(10):67-85.

BVI Department of Labour

1987 "Report of the Labour Department of the Year 1987."

BVI Statistics Office

1991 "1991 Population and Housing Census Preliminary Count." Mimeo.

Dookhan, Issac

1974 A History of the Virgin Islands of the United States. Essex, England: Caribbean University Press/Bower.

1975 A History of the British Virgin Islands, 1672 to 1970. Essex, England: Caribbean University Press/Bower.

Faulkner, D.E.

1962 Report on Livestock Development in the British Virgin Islands. Federal House, Trinidad: The Interim Commission for the West Indies.

Harrigan, Norwell and Pearl Varlack

1975 "A Survey of the Economic Potential, Fiscal Structure and Capital Requirements of the British Virgin Islands." Social and Economic Studies (UWI) 11(3).

Phillips, William

1966 A Report on the British Virgin Islands with Recommendations on Measures of Accelerating Economic and Social Development. Tortola: BVI Government (UNDP).
Development Advisory Committee

1966 Report of the Development Advisory Committee. Tortola: BVI Government.