



A Review of Henderson Carter,
Business in Bim: A Business History of Barbados 1900 – 2000
by Carlon Walkes*

Introduction

In this enlightening book, well-known Barbadian historian Dr. Henderson Carter traces the development of business in Barbados from the era of the sugar cane plantation economy to the present age. Along the way he highlights the origins, progress, challenges, personalities, contributions and pitfalls of local businesses. The book adds to the body of existing literature by assessing businesses in the manufacturing, distributive and financial sectors in the twentieth century.

In particular, the book seeks to answer the following pertinent questions: Why were some black businessmen able to escape the economic stranglehold of the 1930s? What contributed to the rise and fall of the Roebuck Street merchants? Did post independence regimes favour large foreign establishments over small businesses? Why do black businesses usually fail to proceed beyond the second generation?

The author notes that the purpose of his study goes further than just filling the gaps in the Barbadian historiography. He suggests that the book has the potential to impart hope and inspiration to young and unborn entrepreneurs by providing success stories of Barbadian white and black enterprises.

Overview

The nine chapters of the book were developed through the use of both primary and secondary sources of information. The primary information was obtained from interviews with local businessmen, workers and public servants who operated in the business world of the twentieth century. The secondary information came from letters, newspapers, government reports and previous literature.

The chapters are structured as follows. Chapter one gives the details of the colonial business framework that characterised Barbados in the early 1900s. The chapter also addresses the economic benefits received by Barbados

as a result of colonialism. In addition, selected regulatory bodies, and communication systems of the first half of the twentieth century are highlighted.

In chapter two, the author documents the financial support extended by the Barbados Mutual Life Assurance Society to Britain in an effort to secure their victory in both World Wars. Issues relating to plantation ownership, constraints to black businesses and public transport are also discussed.

The third chapter of the book describes 1940 to 1965 as an era of opportunity for many non-white businesspersons and foreign capitalists from North America and Europe. The chapter identifies a number of businesspersons and enterprises that made notable contributions to business in Barbados during the stated period.

Chapter four is designed to assess the influence government policies had on the business sector during the 50 years since the 1930s. In particular, it seeks to determine whether or not the government was fair to all business sectors.

Chapter five, entitled *Challenges and Change for the Business Community, 1940 – 90*, reports the establishment of the Barbados Workers' Union (BWU) in 1941 and it explains how the emergence of supermarkets adversely affected rural grocery shops. In addition, the chapter showcases a number of business personalities from the period 1940 to 1990.

The sixth chapter of the book explores some of the challenges local businesses faced throughout the last quarter of the century.

Chapter seven investigates the causes of black business failure. The author sensitises the reader to the fact that many black businesses fail to make it into the second generation.

The business survivors are highlighted in chapter eight. This chapter focuses primarily on businesses that have reached the 100-year mark, but special attention is also given to selected influential companies that emerged in the twentieth century.

Finally, Carter notes that no article on the history of business is adequately written without making reference to globalisation. In chapter nine: *Business in the Age of*

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Globalisation, the author analyses globalisation and its impact on business in a small island state.

Business Development in Barbados 1900 – 1940

The British colonial system that typified the first six decades of the twentieth century in ‘Bim’¹ began in 1627 and lasted for over 300 years. Carter explains that after the abolition of slavery in 1834, colonialism was quite beneficial to both Britain and Barbados in terms of cross border trading. During the colonial period the sugar industry was the largest industry in the island and as a result Britain was able to benefit from the import of sugar cane products manufactured in Barbados. Due to this, Britain served as the main distributor of Barbados’ sugar, molasses and rum on the international market. On the other hand, Barbados took advantage of the fact that they did not have to worry about competition from other sugar producing countries, since Britain consistently absorbed the majority of their exports.

The unique socio-cultural characteristics of pre-independence Barbados are also featured in the book. For instance, the author explains that Barbados was once referred to as the ‘jewel in the English crown’ because certain aspects of its culture closely reflected that of Britain’s. He further notes that the local governments of British colonies were given greater independence in decision making, when compared to the French and Spanish models of colonialism. However, the author does not explain how this characteristic of the British colonial framework aided business development in Barbados. A brief analysis comparing the development of business between colonies that had less political independence and Barbados who had a relatively independent government system would have served well in the book.

Nonetheless, the historian documents well developments of the sugar industry. He reports that during the late 1800s sugar plantations utilised the majority of total arable land in the island, while absentee owners were responsible for more than 50% of these plantations. Upon

entering the twentieth century there was a decline in the number of absentee-owned plantations and an emergence of additional local family-owned plantations. Soon after, the industry saw yet another change in ownership of plantations, members of the mercantile sector accounted for a significant portion of the new owners of sugar estates. Carter remarks that the acquisition of plantations by merchants transformed them from being mere agricultural properties to corporate entities that were managed by a board of directors.

The new strain of plantation owners sought to maximise profits by minimising costs via estate mergers and factory efficiency. However, despite efforts to preserve the buoyancy of the sugar industry, by the year 1930 it was evident that the industry’s land monopoly was beginning to diminish. The primary reason for the reduction of sugar plantations was the narrowing profit margins of the estates that led to the sale of plantation properties to white speculators and Barbadians who acquired substantial sums of money from working in Panama.

Although the impact of the falloff in the sugar industry on other sectors of the economy is not explicitly stated in the book, Carter alludes to the fact that after its decline, the distribution sector, which was second to agriculture in terms of market share, became the leading sector in Barbados’ economy. The author notes that despite numerous challenges, the black population of Barbados made significant contributions to the development of the new dominant sector in the island.

Constraints to Black Businesses

Although colonialism yielded significant macroeconomic benefits, the book suggests that the system was not conducive to the development of black entrepreneurs.

Carter informs the reader of the small black business class that existed in Barbados and other British colonies of the Caribbean during the colonial period was nothing more than a continuation of a practice that started during slavery. The small society of emerging entrepreneurs consisted of hucksters (vendors of small confectionary items), hawkers, washerwomen and small traders. However, even after the abolition of slavery, this ambitious class was

¹ Bim is short for ‘Bimshire’: a name given to Barbados during colonial times. Barbados was once referred to as little England because of its political and cultural resemblance to Britain. Due to this, like many counties in England, Barbados was given a name that ended with ‘shire’.

unable to expand due to land and capital constraints, racial discrimination, poor wages and lack of encouragement.

Carter points to the issue of land deprivation as a significant source of poverty and small-business corrosion. He suggests that emancipation without ownership of certain assets was virtually a means of keeping the once-enslaved in a form of bondage. Landlessness forced many Afro-Barbadians to remain on plantation tenancies. Although a few free villages were established in 1841, the sluggish pace of land subdivision and out-of-reach land prices kept the majority of freemen poor. He further explains that the condition of landlessness prevented many black small business people from setting up small shops and growing crops on a large scale, making business expansion impossible.

The author does not ignore the ‘capital’ factor either. He asserts that while the planter elite (the white sugar plantation owners) and commission merchants easily obtained loans and mortgages from various financial institutions to finance their businesses, Afro-Barbadians were not that fortunate because the state of landlessness rendered them as unfavourable candidates for loans.

Indeed, the issue of race was an important facet of the Barbadian business environment in the twentieth century. It served as a major source of bias in the banking system. The author reports the rampant prejudice that existed among the white minority against the black majority in all spheres of life during the beginning of the 1900s. He portrays a society where whites and mulattoes were given preference over blacks, while whites were preferred to mulattoes.

Racial discrimination coupled with poor wages restricted the economic and social mobility of blacks. The book brings to light the ‘low wage bill’ philosophy of the plantation system, which was developed to maximise the profits of plantation owners. The example provided is that of a first class agricultural labourer earning only one shilling and three pennies a day in 1838 and 100 years later in 1938, there being no change in the wage rate. The author also brings into perspective the planter-merchant elite dominated government, a characteristic of the political economy that compounded the challenges facing plantation workers. For example, trade unions were non-existent in Barbados during the 1900 to 1940 period, even though at that time trade

unions were very active in Britain. This gave motivation for some employers to exploit their workers, which eventually led labourers to join together and riot violently against the system. Nonetheless, employers still remained unsupportive of trade unions.

Restricted educational opportunities and high licence fees for selling discouraged blacks from pursuing business ventures. Poverty was the main reason why most blacks were uneducated, this translated into a vicious cycle that forced them to work for low wages on sugar plantations. At the same time, since most Afro-Barbadians were poor, the elevated licence fees enforced by regulatory agents prevented street-side vending.

The historian presents emigration as the critical path that led to the strengthening of the small black business class, enabling them to break out of the stranglehold of the 1930s. Prior to this period, many black Barbadians ventured to Panama, Cuba and Costa Rica in search of employment. The author points to evidence from Savings Banks, Postal Records and life stories of many emigrants as a suggestion that foreign remittances bolstered the growth of small black businesses in earlier times.

The Rise and Fall of the Roebuck Street Merchants

Roebuck Street saw most of its renowned businessmen in the area of provision² during the 1890 to 1920 period, at a time of substantial rural-urban migration and remittance inflows from Panama, Cuba and the USA. These inflows helped boost the provision merchant class of that time. Some of the prominent names from this era were J. R. Bancroft, Stuart and Sampson (two black entrepreneurs), C. A. Rogers, A. A. Cole, C. S. Pitcher & Co. and C. M. Manning. James Tudor later joined the Roebuck Street merchants in 1937.

Carter maintains that the demise of the Roebuck Street merchants resulted solely from competition and failure to adjust to change. He describes the introduction of the supermarket as one of the major causes of the decline in small shops and provision merchants. Since supermarkets offered a wider variety of goods, and their prices were generally lower than those of the small shops, this presented a severe challenge

²For example: butter, flour, meat, rice and the like.

to shop operators. Moreover, he also points to the price ceilings of the 1970s and lack of storage space as significant constraints to the provision merchants. The author declares that the falloff in shops inevitably altered the operations of the Roebuck Street provision merchants in an adverse way, since shop-owners were the main customers of the Roebuck Street provision merchants. The commission merchants who were the main importers of merchandise at that time adjusted to suit the situation by supplying shops with goods directly, avoiding the provision merchants, the middleman.

The drastic drop in the number of merchants on Roebuck Street stemmed from the fact that most of them failed to restructure their businesses in order to be compatible with the changing times. However, a few provision merchants were taken over by commission merchants such as S. P. Musson and K. R. Hunte, while others like R. L. Seale and Co. Ltd and M. E. R Bourne and Co. Ltd moved their businesses to more spacious locations that offered them the much needed elbow room for growth and diversification.

Success Stories and Survivors

The book showcases many intriguing success stories of business personalities. However, this review will highlight only three of the individuals who displayed strong determination and the willingness to take risks. This section will also list businesses in Barbados that reached the one hundred-year milestone.

Personalities

Carter depicts the story of a young poverty-stricken black man who accumulated \$150.00 and started a small retail dry goods operation in Upper Roebuck Street, Bridgetown, in 1912. That young man was James A. Tudor; who by 1937 had erected a resilient business in wholesaling and retailing. Coupled with his business in Upper Roebuck Street, Tudor also controlled 23 village shops, which offered goods supplied from his store. Tudor's establishments increased to somewhere between 30 and 35 by 1952.

Joseph N. Goddard was another outstanding Barbadian who defied the odds. Goddard was a descendant of the poor white servants that migrated to Barbados in the seventeenth century. The book describes the immense poverty

experienced by Goddard at various stages of his life. First he moved to Bridgetown and acquired a job in a shop in Milk Market. Later, he ventured into the trading of livestock, starting by leading one cow from St. John to Bridgetown, which helped him obtain enough money to establish his shop on Prince William Henry Street in 1921. After a series of local and regional business acquisitions and amalgamations, Joseph Goddard and his children eventually built the most progressive family business in the history of Barbados: Goddard Enterprises Ltd.

The author makes a deliberate effort to highlight the females of the business arena. In his discourse, he gives a miniature autobiography of Enid Maxwell, a black businesswoman, emphasizing her vast management skills and notable contribution to the hotel industry. Her career as a hotelier started after her father's death in 1969, when she took up full responsibility for managing the Atlantis Hotel, which her father had owned.

The book explains how Maxwell provided business for small farmers by incorporating Barbadian dishes in her menu. Her sound management skill gave the hotel a unique identity, particularly in the area of personalised service. In addition to its Sunday buffet and lunch, the hotel also made its mark in catering for weddings and other social events. In January 2001, Maxwell retired and leased the hotel to Bathsheba Hotel Co. Ltd.

Survivors

The book identifies a number of businesses that have survived one hundred years or more in operation. The list is as follows: The Barbados Mutual Life Assurance Society, BICO Ltd, Cole's Printery, Harcourt Optical, Carter and Co., Collins Ltd, The Barbados Advocate, Harrison's, Dacosta and Co., Knights Pharmacy, Barbados Fire and General Insurance Company, R. S. Nicholls and Son, Cave Shepherd and Co. Ltd, D. M. Simpson and Mount Gay Distilleries Ltd.

The author outlines three common features of the centenarian businesses. He notes that although all of them started with fine products and services, they diversified their product lines in order to stay competitive. Secondly, the majority of them adapted to the social and technological change that comes with time. Thirdly, many of the survivors extended their businesses beyond Barbados, hence widening their market.

Government Policies and Business

The fourth chapter emphasizes the key role that the state plays in facilitating business development. According to the author: “Businesses do not operate in a vacuum. The development or regression of any business is determined by the nature of government policy, as much as the internal management decisions by an entrepreneur.”

Opportunities

Carter reports some of the strategies implemented by government in support of the business sector. He also documents the establishment of certain institutions that fostered a climate conducive to the development of business. In particular, this review will focus on manufacturing incentives, hotel development, international business incentives, and regulatory and training institutions. Additionally, the issue of whether or not post independence regimes favoured large foreign establishments over small businesses is addressed.

The book shows that from 1951 to 1974 the Barbados government formulated numerous pieces of legislation to kindle growth in the manufacturing sector. These involved tax holidays on profits (five to ten years), tax holidays on dividends and interest payments, depreciation allowances, carry-over losses, duty-free concessions on raw materials, machinery and equipment and the provision of factory space.

These and other government incentives provided impetus for foreign companies such as Bottlers (Barbados) Ltd, a soft drink plant otherwise known as ‘The Ju-C factory’, and Banks Breweries, to establish operations in Barbados during the 1950s.

Government continued to support the manufacturing sector by encouraging locally developed industries. The book chronicles the development of Solar Dynamics: a manufacturer of solar water heaters. The company started its operations in 1973 with a relatively small capital investment from a certain non-financial institution. According to Carter, the Fiscal Incentive Act of 1974 allowed Solar Dynamics and other solar energy businesses to enjoy exemptions from the import duties on materials used to build the solar water heaters. To further encourage the industry’s growth a 30% consumption tax was levied on electric water heaters.

In the services sector, the tourism industry has been a major focus of government policy since 1958. Under the Hotel Aids Act of 1958, tax relief was offered to any person or party who desired to construct or upgrade a building to be used as a hotel. The Coral Reef Club and Colony Club were constructed in 1961 under the umbrella of this Act. Government itself became a major player in the development of the tourism plant. It constructed the Hilton Hotel in 1964 then leased it to Hilton Hotels International to manage it.

Boosting the services sector remained high on the list of government’s priorities well into the latter half of the twentieth century. For instance, offshore businesses received tremendous incentives from government since their entry into Barbados in the late 1970s. However, to avoid the suspicion of fraud and money laundering in the island’s offshore business arena, government has put tight regulations in place to maintain the integrity of its financial sector.

Barbados Institute of Management and Productivity (BIMAP), a combined venture between government and the private sector was created in 1972 to enhance management expertise in Barbados. Since its establishment over 30 years ago, BIMAP has trained more than 12,000 individuals and more than 1,200 small businesses have participated in their Entrepreneurship and Small Business and Development programmes.

Carter also credits the establishment of the Central Bank of Barbados in 1972 for spurring growth in the business sector. He posits that the institution supplied the needed regulatory mechanism for commercial banks and an array of schemes in support of the business sector. For example, through the Industrial Credit Investment Fund, the Central Bank provides medium and long-term credit to enterprises capable of creating jobs, and earning substantial foreign exchange. He also notes that the Central Bank, along with Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) provided technical support for the Young Entrepreneurship Scheme (YES), a programme for young aspiring entrepreneurs.

In response to the question of whether or not post independence regimes favoured large foreign establishments over small businesses, the evidence suggests that even after independence in 1966 government supported small business development. The author notes that tax incentives and the provision of training facilities all aided in nurturing small

businesses. The book does not state who was favoured more between the large foreign establishments and small enterprises but in surveying the book it seems government might have struck a relatively fair balance between the two.

Challenges

In reviewing the impact of government policies on enterprise, the author takes the reader back into 1991, a year of immense economic turmoil for Barbados. During this period the business community expressed great distrust in the then government, mainly because of an unusual mini-budget that increased customs and stamp duties on raw materials and other manufacturing inputs.

For the first time in the twentieth century in Barbados the business community demanded the removal of a Prime Minister. Six major business associations were responsible for this call. These associations were: The Barbados Chamber of Commerce and Industry, the Barbados Manufacturing Association (BMA), the Barbados Employers Confederation (BEC), the Barbados Sugar Industries Ltd, the Barbados Agricultural Society (BAS) and the Barbados Hotel Association.³ The associations accused the government of fiscal irresponsibility and expressed their displeasure that it had entered an agreement with the International Monetary Fund (IMF) without properly consulting with the social partners and the masses.

Reasons for Failure of Some Black Businesses

In the seventh chapter of the book, the author attempts to answer the question: 'Why do black businesses normally fail to proceed beyond the second generation?' He discusses a wide range of issues that affected black businesses for much of the twentieth century, pointing out some of the reasons behind the collapse of black businesses.

The issue of white dominance is addressed in the book as one of the possible reasons for failure of black enterprises. The example is made of black provision merchants, such as J. A. Tudor and Stuart & Sampson, who still had to depend on white commission merchants for

imported goods, which they bought on credit.

In addition, it is alleged that black businessmen used the revenues from their businesses to finance extravagant lifestyles consisting of expensive cars, plenty girlfriends and frequent overseas vacations.

The author also suggests that the one-man type business usually operated by blacks did not work. He reports the argument that the one-man-show philosophy was an effort geared towards the preservation of ownership and management status.

On the subject of succession, Carter notes that many black entrepreneurs of the early 1900s opted for their children to pursue professional careers, rather than taking up ownership of their business after they retired or died. He reasons that the proprietors saw professional qualifications as a prized attainment in a society where in times past black children were not allowed the privilege of a decent education. Secondly, the book argues that quite a few black businessmen were sole traders; therefore the structure of the business did not lend itself well to succession. Partnerships and shareholding enterprises are more likely to carry on in the event of an owner becoming unavailable. Thirdly, evidence suggests that some children just did not want to deal with the stress their parents bore as proprietors.

Carter concludes that no single factor caused the failure of some black businesses in Barbados. According to him, many who failed to survive were quite different in age, size, product offerings and managerial expertise. Therefore, generalising on the causes of failure is inappropriate.

On the other hand, Carter makes mention of three black businesses that continued into the second generation: the credit union movement, Clyde B. Jones Funeral Home and Hinds Transport. The one important feature that stands out in Carter's historical report of Clyde B. Jones Funeral Home and Hinds Transport is that both started as sole proprietorships but later changed to limited liability companies.

Globalisation

The ninth and last chapter of the book seeks to define and explain the concept of globalisation, its philosophy, nature and impact on society. Special attention is given to business in a small open economy. The author states that

³ The name of this organisation was subsequently changed in May 1994 to the Barbados Hotel and Tourism Association.

Barbados was one of the first colonies to engage in the first wave of globalisation in 1640 with the advent of sugar and slavery. The English and Dutch capitalists used Barbados as a base for trading goods and services internationally to support the sugar and slave industry. This activity was constructed to generate wealth for the English capitalists. Carter views globalisation as: “simply another term for rampant capitalism in an integrated global economy”. The author propounds that neither technology, nor trade liberalisation by themselves can be defined as globalisation. He states that capital accumulation by metropolitan countries through a complex interplay of business activities is the root of globalisation. The author notes that capital accumulation is not an automatic process; he describes capital accumulation as a function of technology, consumerism, low production costs, efficiency, trade liberalisation and specific ideologies.

Globalisation has significantly changed the business conduct in Barbados. The book explores how the proliferation of technology over time influenced the Barbados business climate. To this end, the author makes reference to companies such as The Barbados Mutual, Barbados Shipping and Trading (BS&T) and the Foundry group, which invested large sums of money in computer technology in the 1970s. The Automatic Teller Machine (ATM) is not excluded from the discussion, as the author highlights the notable positive impact ATM technology has on commercial banks’ profits, as well as the business environment as a whole.

The historian documents the acceleration of Barbadian business takeovers by Trinidad and Tobago interests. In his report of this phenomenon he even goes beyond the twentieth century and lists some of the prominent local businesses that were absorbed by Trinidad and Tobago entities. He notes that the sale of Barbadian businesses to such interests was not viewed in a positive light by some and was described as selling the ‘family silver’.

The book however, makes it clear that Barbadian businesses also ventured into other Caribbean territories. Examples are given of Barbadian plantation owners and merchants that started businesses in Dominica, Nevis and Tobago during the 1700s and 1800s. Moving into the twentieth century (especially the latter half) numerous

Barbadian companies continued to expand their businesses into the sub-region. The author explains that Barbadian businesspersons who resided in the Eastern Caribbean served as a means of establishing contacts for other Barbadian entrepreneurs interested in operating in those countries. However, cross border expansion during the first half of the 1900s was constrained by the persistence of poverty and dilapidated public infrastructure in some of the Eastern Caribbean countries. The author also provides evidence which suggests that the risk averse attitudes of some local businessmen were responsible for the slow expansion of local businesses into the rest of the world.

Overall, the ninth chapter of the book is a fair disquisition on the relationship between business and globalisation, but the author overlooks financial liberalisation as a characteristic of globalisation although it is an integral part of the whole globalisation process.

Conclusion

Business in Bim: A Business History in Barbados 1900 – 2000, is a very informative, well-motivated book, which documents in some detail the development of business in Barbados over the twentieth century. The author communicates effectively with the reader by coherently tracing all the stages of enterprise in the small island economy. Most fascinating is the author’s ability to comprehensively examine all the dimensions of business in ‘Bim’. However, the major drawback of the book, is the author’s failure to speak to issues such as: (1) the benefits Barbados derived from its independent colonial political system, and (2) financial liberalisation.

For all who are interested in business, economics, sociology, politics or Barbadian history, the book is highly recommended. The book should be of special interest to the business community, academics, students, the political directorate and social commentators. Three major lessons emerge from the study: (1) determination and hard work foster success, (2) in order for businesses to stand the test of time the ability to adapt and diversify is of the utmost importance, and (3) sound government policies both sectoral and over arching, are necessary for business development and economic growth.