

Olivia Glandorf  
Garner Magnet High School  
Garner, North Carolina  
Barbados, Public Debt

### **Public Debt Crisis in Barbados**

Barbados is a Caribbean island surrounded by coral reefs and is the birthplace of the grapefruit. Despite these riches, Barbados has a national debt of \$6.75 billion, incurred when independence was gained from Britain in 1966. In addition, Barbadians suffer from public debt, an issue that has been on the rise because of “the shift to tourism as the island’s leading industry” (Chase, 2019). The debt is also high because of the “decline of the sugar industry, and the migration of citizens” (Chase, 2019) who are looking for better opportunities on the island. Public debt is a problem in Barbados because of weak economic growth due to the 2009 global financial crisis and lack of agriculture products.

Barbados has a maritime tropical climate. The temperature does not “rise above the mid-80s F or fall below the low 70s F” (Tikkanen, 2022). Prominent geographical features include “lowlands or gently sloping, terraced plains, separated by rolling hills that generally parallel the coasts” (U.S. Library of Congress). Barbadians normally live in chattel houses. Chattel refers to the movability of the houses, and most are small and wooden. Chattel houses have steep gable roofs “constructed of corrugated iron” and are “adapted to suit the climate of heavy rains and winds” (“Barbados Architecture: Chattel Houses”) because of the angle of the roof. The people in Barbados are “friendly, fun-loving, and warm” (“Barbados Culture”). They are also “spiritual and religious conscious” (“Barbados Culture”), as well as friends to nature. Bajans, as the people of Barbados are sometimes called, are people-lovers, regardless of background or other distinguishing characteristics. They aim to make everyone happy and are always up for a good time in order to make the most of life. The culture itself is a blend of West African and British cultures, with English being the official language, lending Barbados to be a hot tourist spot.

To be considered a Barbadian, one is either born in Barbados or they have a parent who is from Barbados and maintains their cultural ties to the nation (Wickham, n.d.). A typical family in Barbados can consist of a married couple and their children, or it can be centered around a mother and her children. Forty five percent of households have married couples and children while the other thirty five percent consist of mothers and their children (Wickham, n.d.). Households in Barbados can range in size from just a man or woman to groups of up to fifteen people. Households can also be multi-generational, housing as many as three generations. The multi-generational housing shows how Bajans are devoted to family and like to keep their loved ones close to them. The typical Bajan family is very similar to that of those in the US, but it also has aspects of other cultures that like to have more than one family living at home. Barbadians are also no stranger to mixed race families. They love and support anyone regardless of who they are; family is family.

In earlier times for children in Barbados, boys and girls were given work around their house at young ages. Boys were spoiled by their mother, given work that would not take as long as what girls had to do, resulting in more free time (Wickham, n.d.). Girls, on the other hand, had to stay home most of the time and attend to housework. As boys grew into men, they were expected to take care of their mothers and provide for them. Even today, these ideals still hold up, although girls can now get jobs as lawyers, business women, and university professors. Women expect the men to help out with the kids, and they are usually the ones caring for elderly parents more often than not.

Barbadian families are a matriarchy. Women head the household, as they are the caretakers and nurturers. Men are the protectors and economic providers. The men do not partake in the care of infants very often because they believe the women are better suited for that job. However, they are not entirely absent in childcare, becoming more involved as the children grow older, particularly the males. Most families are multi-ethnic, with the most common makeup being African-Caribbean, making up eighty to ninety percent of families (*Caribbean Families - Family Structure - Single Parent, History, Development, Children, and African - JRank Articles*, n.d.). Other makeups include Indian-Caribbean and Chinese-Caribbean, both of whom are very similar to their Indian and Chinese counterparts.

All in all, Barbadian families are welcoming of anyone from any and all cultures. Men are still the hard workers in the family and the women take care of the household. However, women are being given more job opportunities to make a name for themselves. Both men and women can work and bring money home to their families. The children grow up in a loving household surrounded by one or many parental figures and are supported in their endeavors. They are shown what is expected of them as they grow up, but are encouraged to carve their own path, depending on the background they come from.

Public debt has been a longstanding issue in Barbados. It comes as a result of the “decline of the sugar industry, and the migration of citizens” (Chase, 2019), as well as weak economic growth due to the 2009 global financial crisis. Having public debt means the people are not profiting when tourists come to visit nor are they profiting from the export of their few crops. If the inhabitants of the island have no money, then there is no business, tourist or otherwise. The issue of public debt arose after Barbados gained independence from Britain in 1966. It is impacting people by getting them laid off from their jobs and having to pay higher taxes. As the sugar industry declines, more people are becoming unemployed because farming sugar was their way of living. The sugar industry is on the decline because of plummeting world market prices and the “upward spiral” of manufacturing costs (Callaghan, 2020). In addition, Europe is “drastically reducing the price it is willing to pay for sugar” (Callaghan, 2020) in order to protect its own industry. This affects Barbados in a negative way because Europe is their main buyer of sugar, and losing their income will not help the public debt situation in Barbados.

However, the Barbados Agricultural Management Company (BAMC) has a plan, and that is to “quit producing sugar for export at low prices to produce electricity for local use in the longer term” (Callaghan, 2020). This shift in focus will dedicate local resources towards local gain. The BAMC is also switching to producing molasses for the island’s “growing rum export industry” (Callaghan, 2020). Rum is one of the main exports in Barbados, so increased production of molasses will create value. The added product from producing molasses and rum will contribute to more general funds and will be beneficial to combatting the public debt crisis in Barbados. Shifting from global focus to local focus allows for more money to go towards the public and fixes Barbados from within rather than relying on other countries to bring in money that solely goes towards bettering the tourism industry.

Public debt also became an issue because of the switch to tourism as the leading industry in Barbados. As a result of the switch, much of the money is going back to the tourism industry and improving areas for tourists instead of benefiting the Bajans themselves. To address the issue of public debt, Barbados needs to stop relying on tourism as its main source of revenue, as much of it does not stay on the island. Even though it is a high source of revenue for the country, the majority of the money is going towards opportunities for tourists, including airline tickets and cruises. Prime Minister Mottley, the government of Barbados, as well as the International Monetary Fund (IMF) and Barbados Economic Recovery Program (BERT) will have to buy into the switch in order for it to be possible. It will cost money because tourism brings in much of the island’s revenue, and it will take some time for the new revenue-generator to accumulate income.

In other parts of the world, such as Germany, there is no reliance on tourism. Germany focuses on its exports and foreign trade opportunities. Germany is “one of the three largest exporting nations” (Orth, 2018) and has a high foreign trade quota due to their open economy. Other countries focus on how they can improve their products to make people keep buying it instead of making their country a hotspot for tourists.

The shift from tourism to focus on exports and foreign trade can be a possible solution because other countries already do it and it works very well for them. Liquor is the main export of Barbados, and their main trade partner is the United States. Barbados also has many other trade partners that rely on the export of liquor from Barbados to support their economy as well. Even though the sugar industry has been on the decline, there are many other exports that Barbados already participates in that they can profit off of and boost their economy, including liquor, rum, and petroleum oils. Instead of the money going to the tourism industry, it will start to go to the people who provide the liquor, petroleum, and other exports that other countries love so much. The shift will also provide opportunities for small farmers who can now begin to sell more of their products that were not as useful before the shift.

Eliminating Barbados’ public debt is very much a daunting task, and it is not something that the government and its trusted companies can eliminate on their own. The common Barbadians have to get involved. Their involvement will strengthen the sense of community and pride within the country because everyone is working together against a common enemy. One way Barbadians can get involved is by supporting small farmers. By buying the crops that small farmers cultivate, Barbadians are supporting their country because the money is going into the hands of the farmers and benefiting the economy. Their support allows for the small farming communities to grow and prosper like they used to. The money spent will benefit the people as a whole because it allows the farmers to continue to grow their crops. Bajans can also support local businesses by shopping and buying their products. Shop owners can create the products and use the money they receive from sales to continue to refine and perfect their products, making them more appealing to local buyers.

Through the switch from tourism to foreign trade and exports as the main source of revenue, Barbados can slowly begin to eliminate their \$6.75 billion debt instead of adding to it. Even though the debt has been accumulating for fifty-six years, it is not too late to try and make a change. The revenue switch is something many Barbadians can get behind because they are the ones suffering from public debt. Although many of their jobs are related to the tourism industry (taxi drivers, hotel managers, etc), and fear of losing those jobs will be prominent, the switch will work out for everyone in the long run. There will never not be tourists, but it may be a smaller crowd than what they are used to. Bajans want their economy to prosper, and even though that means they may have to make a few sacrifices along the way, they are willing to support a change in revenue generator in order to boost the economy and get back on their feet.

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