ABSTRACT

The Political Economy of Debt Management During Economic Hard Times in Barbados: 2008 – 2016

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This thesis examines the dynamics of debt (its origin and management) and the extent to which recurring international financial crises threaten the limited economic stability of Barbados in an environment of high public debt and persistent deficits. To this end, the thesis examines how the 2007 global financial crisis has affected the post-colonial development project of Barbados. The thesis employs thematic data analysis to group and appraise related thematic trends that emerged from the data. These themes and related inferences drawn from analysis of economic data and important historical texts such as political party manifestos and government reports are then connected to the literature on debt management and on state-society relations in Barbados. Inferences drawn in this research are grounded in empirical evidence whilst some are based on value judgments after reflection on interpretation of historical data. The major findings of the thesis are that:

1. The economic policy of the government during the financial crisis was a patchwork of ad hoc taxation, quantitative easing and borrowing from internal sources in order to facilitate deficit financing.
2. Successive governments have continually failed to address the practice of good governance in Barbados.
3. Corruption (or incompetence at a minimum) appears to be endemic in Barbadian political economy.
4. Due to regime consolidation imperatives, successive governments have borrowed on international and local markets in order to finance social services and capital projects.

Collectively, these factors mean that the issue of addressing persistent debt is addressed only during economic hard times as taxpayers expect that government will spend more during periods of prosperity. However, it is precisely this spending during times of prosperity, combined with findings one to four noted above that makes it difficult for governments to address these debt problems during hard times.

Keywords: Barbados; Financial Crisis; Governance; Jason McCollin; Political Economy; Public Debt Management.