

# DEVIANT RESPONSES TO AN ECONOMY IN CRISIS: THE EMERGENCE OF THE PARALLEL ECONOMY

(RESPUESTAS DESVIADAS A UNA ECONOMIA EN CRISIS: EL  
SURGIMIENTO DE LA ECONOMIA PARALELA)

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## ABSTRACT

*The first section of the paper deals with economic indicators that highlight the present economic crisis. These indicators are essential since they help to explain the emergence of the parallel economy (whose activities are primarily illegal) while the second section examines its dynamics and potentials for growth despite the illegal definition that it has earned.*

*Most activities of the parallel economy run afoul of the prevailing laws and regulations of the wider society. Here illegality is generally due not to the nature of the economic activity but to an official limitation of the access to legitimate activity. However, most of the participants in the parallel sector are not perceived as law-breakers or deviants, neither do they regard themselves as such. Thus, the general public adopt a condoning, an to a lesser extent, an indifferent or ambivalent attitude towards parallel sector activities and its participants. The government has to maintain law and order and given this responsibility, appropriate law enforcement measures are often pursued in order to bring recalcitrants to justice. However, firm law enforcement could not be sustained largely because of Police and Customs operational limitations. This leads to continuing parallel sector activities which are also facilitated through the lucrative returns enjoyed by participants.*

*Given a number of considerations the authors postulate that despite the incidence and trend of illegal behaviour within the parallel economy, activities and participants would continue to grow partly because the rewards are substantial and partly because "no law could be effective unless it has the answering reaction of the public."*

## RESUMEN

*La primera sección de este trabajo trata de los indicadores económicos que resaltan la actual crisis económica. Estos indicadores son esenciales ya que ayudan a explicar el surgimiento de la economía paralela, (cuyas actividades son primordialmente ilegales), mientras que la segunda sección examina sus dinámi-*

cas y su potencial de crecimiento a pesar de la definición de ilegal que se ha ganado.

La mayoría de las actividades de la economía paralela han tenido problemas con las leyes actuales y con las regulaciones de la sociedad. Aquí, la ilegalidad surge no por la naturaleza de la actividad económica sino por la limitación oficial del acceso a una actividad legítima. Sin embargo, la mayoría de los participantes en el sector paralelo no son considerados como violadores de la ley o de conducta desviada, ni se ven ellos mismos como tales. Por eso, el público general adopta una actitud ambivalente, de perdón, o hasta cierto punto de indiferencia, para con las actividades del sector paralelo y para con sus participantes.

El gobierno tiene que mantener la ley y el orden, y por esta responsabilidad las medidas apropiadas de aplicación de la ley son a veces buscadas como manera de llevar a los recalcitrantes ante la justicia. Sin embargo, la aplicación en firme de la ley no puede ser mantenida largo tiempo debido a las limitaciones operativas de la policía y de las aduanas. Esto lleva a las actividades continuas del sector paralelo las cuales son, a su vez, facilitadas a través de las ganancias lucrativas de que disfrutaban los participantes. Después de un número de consideraciones, los autores postulan que a pesar de la incidencia y las tendencias del comportamiento ilegal dentro de la economía paralela, las actividades y los participantes continuarán creciendo parcialmente, debido a que las recompensas son substanciales y en parte a que "ninguna ley será efectiva a menos de que tenga una respuesta efectiva de parte del público."

## PREFACE

This article represents the first systematic effort aimed at analysing the emergence and consequences of the parallel or alternative sector of the Guyanese economy. This sector has been referred to as the "bazaar-type economy" as opposed to the "firm-centred economy" by Clifford Geertz and as "lower circuit" vis-a-vis "upper circuit" by Milton Santos. These concepts, according to Sethuraman, emphasize the distinctive organization of productive activities as opposed to the 'modern-traditional' dichotomy which relates primarily to the level of technology used in the production process. It was Hart's study of Ghana, however, which introduced the notion, of formal and informal income opportunities. (ILO, Vol. 114, No.1, 1976<sup>1</sup>).

An international Labour Organization (ILO) study of Kenya in 1972<sup>2</sup> reported that the major differences between informal and formal sector activities are:

### Informal

- a. Ease of entry;
- b. reliance on indigeneous resources;
- c. family ownership of enterprises;
- d. small scale of operation;
- e. labour intensive and adaptive technology;
- f. skills acquired outside the formal school system; and
- g. unregulated and competitive markets.

### Formal

- a. Difficult entry;
- b. frequent reliance on overseas resources;
- c. corporate ownership;
- d. large scale operation;

- e. capital intensive and often imported technology;
- f. formally acquired skills, often expatriates; and;
- g. protected markets (through tariffs, quotas, license, etc.)

According to the ILO (1972), informal sector activities are largely ignored, rarely supported, often regulated and sometimes actively discouraged by the Government. In the context of Guyana, especially over the past two years, this sector (which is referred to as "parallel" or "alternative") has begun to receive increasing attention -both official and unofficial-. Such a preoccupation is compatible with Sethuraman's view that "it takes a very long time for the benefit of general development policies to trickle down to the poorest sections of the population". In consequence, the writer indicates that "effective development needs to be focused directly on a specific "target" population and the employment mission considered that perhaps the most important such target group in urban areas was what it described as the informal sector" (pp 69-70). The economic crisis that grips Guyana at the moment has further sharpened the focus on the activities of this sector especially from the perspective of deviance.

In Kenya, the ILO reports that "many of the economic agents in this sector operate illegally... Illegality here is generally due not to the nature of the economic activity but to an official limitation of access to legitimate activity" (p.504). In Guyana, an almost similar situation prevails but there is a relatively high incidence of predatory crimes such as robbery and burglary which are often perpetrated in order to acquire items of gold and, sometimes, foreign exchange, with which purchases of com-

modities-both locally and abroad-could be effected.

As in the case of "white collar" crimes, the Guyanese public appears to have adopted indifferent, condoning and ambivalent attitudes towards the numerous acts of deviance committed within the parallel economy. For example, while some members of the public are indignant over the high prices chargeable for consumer goods, some do recognize/appreciate that it offers the only avenue through which scarce and prohibited items could be procured. Attempts at regulation are haphazard, sporadic and limited in time and space.

Initially, imported consumer goods formed the nucleus of economic activities. However, there is recent evidence to suggest that other types of goods (e.g. motor vehicle parts, drugs, books, etc.) are now entering the parallel economy. Unlike other countries, this sector lacks a technological base and the skills required for the pursuance of specific tasks are those of "verbal facility", the "ability to make and have contacts" and an ability to assess consumer needs and demands. There is both forward

and backward linkages with the modern and traditional sectors but personnel, as distinct from institutions, facilitate these flows. Further, not only low-income persons involved, but also high-income and "respectable" ones. This sector becomes a new haunt for some white-collar criminals.

The craft and petty industries, which are central to many, if not most, urban informal sectors in Africa and Asia do not exist in Guyana. A basic difference is that most of the goods offered for sale here are obtained and often disposed of, through illegal avenues -such as smuggling and the making of false declarations-. In this regard, the "parallel economy" has more features in common with that of Jamaica, as opposed to, those countries in Africa and Asia.

The impact of the parallel economy on the social and economic transformation of Guyanese society must become the subject of a critical appraisal before its positive and negative aspects could be identified. The present exercise should be viewed as a modest attempt in this direction.

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Everything is going  
Everything is gone  
Except for cats and  
rats or rather  
Empty man left watching  
A fellow empty man.

(from poem on Corruption  
by Kampta Karran)

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This is how one of the University of Guyana's final year students describe the current Guyana situation in his prize-winning entry submitted to a literary competition sponsored by the University of Guyana student body in 1981.

Guyana's economy is perceived as being in a state of crisis. The re-scheduling of our international debts<sup>3</sup> is but one of the many indicators that grave economic problems are confronting the country. The large scale retrenchment of over 6,000 workers from the public sector and another 4,000 from private firms in the first quarter of 1982 and the likelihood of further retrenchment, leaves little doubt as to the rapidly deteriorating economic and social conditions that prevail in this

country. To reinforce this claim, the following data are provided.

In 1960 sugar contributed 17.6 percent to the GDP. It fell to 12.4 percent in 1970; fluctuated over the decade 1970-80 and finally reached a percentage of 14.8 in 1980. Rice contributed 5.3 percent to GDP; 3.7 percent in 1970 and 3.8 percent in 1980. In 1960, sugar contributed 41.9 percent to total exports; 26.4 in 1970 and 31.0 in 1980. Rice comprised 10.7 percent of total exports in 1960; 6.05 in 1970 and 8.8 in 1980. In 1960 bauxite accounted for 20.57 percent of total exports; in 1970 the percentage was 30.49 and 1980 it was 36.48. In 1961 alumina as a percentage of total exports was 17.27; in 1970 it was 15.34

TABLE 1:1

## GDP (at constant prices)

Country	1977	1978	1979	1980	1981 (Est)
Barbados	3.3	4.1	9.0	6.0	-2.7
Grenada	5.8	5.3	2.1	3.0	2.6
Guyana	3.0	-2.6	-1.4	1.8	-0.5
Jamaica	-1.9	-0.3	-1.4	-5.4	1.3
Suriname	14.2	13.2	-2.8	-2.0	0.0
Trinidad y Tobago	7.8	7.9	5.3	7.3	6.0

For developing countries growth rate averaged 5.8 percent a year during the 1960's, 5.6 <sup>o</sup>/o during the 1970's, 5.0 <sup>o</sup>/o in 1980 and 2.2 <sup>o</sup>/o in 1981.

Source: *World Bank (cited in Bank of Guyana Caribbean News Review, July - August, 1982)*

TABLE 1:2

INFLATION RATES  
PERCENT CHANGES

Country	Year					
	1972-6	1977	1978	1979	1980	1981
Barbados	17.6	8.3	9.5	13.2	18.3	14.6
Guyana*	9.4	8.3	15.2	17.7	14.1	24.8
Jamaica*	15.2	11.4	34.9	29.1	26.8	10.5
Trinidad	14.7	11.9	10.2	14.7	17.5	14.3

Source: *Bank of Guyana, Caribbean News Review, July-August, 1982.*

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/Computed from Consumer Price Indices.

\* In the case of these countries when one takes into consideration the level of black-marketing, these percentages would spiral upwards. One estimate, in respect of Guyana, that takes into consideration blackmarketing, puts the inflation rate (unofficial) somewhere between 40.0 to 50.0 percent.

and in 1980 it was 11.23. These figures suggest little or negative growth rates within the three major sectors from 1970 to 1980.<sup>4</sup> (Data on growth rates for Guyana and some other Caribbean territories between 1977 and 1981 are reflected in Table 1:1) Between 1973-5 the money supply doubled.

From 1975 to 1978 it increased by 38.0 %/o. The public debt which was \$267m(G) in 1970 jumped to 638m(G) in 1973 and skyrocketed to an estimated \$2.5 billion (G) at the end of 1980. Unofficial sources suggest that our current national debt is 3.1 billion(G). In 1980 debt charges incurred by the state accounted for 37.0 %/o of current expenditure vis-a-vis 32.0 %/o and 31.0 %/o respectively for personal emoluments and social services (Thomas: 1981). Guyana's foreign exchange reserves have plummeted from \$250m(G) in 1975 to minus \$350m(G) in 1980. At the end of 1981 it reached the staggering figure of minus \$500m(G) (Thomas: 1981). The unemployment figure in 1977 was given as 14.3 %/o of the labour force (USAID Survey): 1982), but independent sources have indicated that a more reliable estimate is 25.0 %/o.

The rate of inflation for Guyana from 1977 to 1981 has increased from 8.3 %/o in 1977 to 24.8 %/o in 1981. Comparative rates for four Caricom territories are shown in table 1:2. Thomas indicates that between 1976-80 real per capita income declined by 44.0 %/o.

Another indicator of Guyana's poor economic performance is the 'Balance of Payment' on current account. It plummeted from -98.8 million dollars (US) in 1977 to an estimated -198.4 million dollars in 1981. The comparative data for some other Caribbean countries are reflected in table 1:3. This sharp decline is symptomatic of the negative growth rates recorded for the period 1978-81 and is partly attributable to, what some observers refer as a 'production crisis'. For example, in 1971 sugar production was 369,000 tons compared with 270,000 tons for 1980. The target set by GUYSUCO for 1980 was 335,000 tons while the estimated production capacity of the sugar industry was 450,000 tons. Between the period 1972-6 it was envisaged that 65,000 housing units should have been realized; instead only 6,000 units were built (Thomas: 1980). Poor performances were also reported for the other two major industries viz: bauxite and rice (See Table 1:4).

TABLE 1:3  
BALANCE OF PAYMENT ON CURRENT ACCOUNT

Country:	Year:				
	1977	1978	1979	1980	1981(Est)
	\$(US) Millions				
Barbados	-27.3	-7.5	-25.2	-13.5	-93.7
Grenada	5.3	-4.4	-15.1	-15.1	-21.6
Guyana	-98.8	-28.9	-81.9	-101.2	-198.4
Jamaica	-47.0	-90.0	-143.0	-209.0	-410.0
Trinidad & Tobago	229.8	52.9	70.5	419.7	532.9
Suriname	-81.1	-46.0	-37.0	-58.2	-110.0

Source- World Bank

Political 'hot bed' that Guyana is, the question as to what factors are responsible for the present state of affairs tends to be shrouded more in the reviews and subsequent validity of a party's policy than in any other debate. Supporters of the ruling party seek to place the problem mainly on external factors such as world recession which leads, among other things, to a contraction in the demand for our main exports -sugar, rice, and bauxite in the international markets. It is this type of explanation that Randolph George, Co-President of the Guyana Human Rights Association (GHRA), had in mind when he remarked that the collapse of the economy is presented at two levels:

One is the technical explanation of foreign exchange, balance of payments and low productivity... The other level is... human what it means in terms of human persons and families, suffering, hunger, rising illiteracy, longer lines, higher incidence of nervous diseases, increase of crime (*Open Word*: 1982: Vol. 29.)

According to George, the first version is officially popular because it is possible to discuss it without reference to responsibility. *'The technical phrases place it somewhere in the middle of the global crisis, beyond the control of policy makers.'*<sup>6</sup> He further contended that, for the ordinary man, *'this treatment makes debate an alternative extremely difficult'*.

However, the T U C General Secretary did identify a number of internal negative factors that contributed towards our rapid economic decline. He indicates that *'there appears to be reasonable justification for the view that the down-turn in the economy has resulted from the many negative developments which had been allowed to take place in the country more particularly from 1977'* (Pollydore: 1982). After noting that some people seem to think that 90.0 per cent of our current problems stem from the international economic situation, he pointed out sixteen internal issues that contributed to the present economic crisis:

Some of the important ones are:

- Loss of man-hours by workers trying to obtain essential consumer items which are in short supply

or non-available.

- Circumvention or disregard for established channels of recruitment, appointment and promotion in the Public Service and Public Corporations.

- A strike in the sugar industry which lasted from 12 July to 23 August, 1979, over the non-payment of increments (The reported loss was nearly \$50 million to the industry).

- Insecurity of employment of public sector employees arising from non-compliance by the political hierarchy and the administration with established regulatory procedures or provisions concerned with disciplinary action including dismissals.

- Large scale emigration.

No statement on corruption nor political alienation has been included in the list.

Opponents of the government are unanimous in their accusations of partisanship and ineptitude against the administration. The Guyana Human Rights Association (GHRA) claims, for example, that *'it has found it difficult to avoid the conclusion that the collapse is linked with the erosion of political rights and freedoms which the country has suffered in recent times.'* (Ibid) Such a view has its parallel in the contention that the flouting of price and exchange control regulations is directly related to the question of legitimacy and alienation from the political process by some segments of the wider society.

However, they tend to disagree with regards to the type of economic policy which ought to have been pursued by the government. For those on the right of the ruling party, there need to be greater encouragement of private foreign investment: A leading trade unionist appears to share this view when he asserts:

We have got to throw overboard some of the non-productive nationalistic policies which are only frustrating, to say the least, and try to stimulate, rather than restrict, the growth of local and foreign investments in this country. This is not our side for ideological posturing. The truth of the matter is that it is a case where business has not been

bad for the Government but that the Government has been bad for business. (Todd: 1982).

Those on its left (e.g. the PPP) insist that enough effort has not been made towards the creation of a 'truly' socialist society - not the type of state monopoly capitalism that seems to exist now. The PPP is constantly urging the Government not to adopt an ambivalent approach (ideological pluralism) but to honour and quicken the pace on the path towards Socialist development.

Whatever the disagreements, there is consensus as to the performance of the three main pillars of Guyana's economy. In a word, they were dismal<sup>6</sup>. In the 1982 Budget speech, contained in the Guyana Chronicle of Tuesday, March 30, 1982, the following data were presented in relation to their performance during 1981. (See table 1:4).

One noteworthy feature of the Guyanese economy is the dominance of the public sector; it has been estimated to be in control of over 80 o/o of the economy.<sup>7</sup> While it is true that part of its operations would consist of the administration of

public institutions - some of which are not necessarily meant to be profit making - there is the general expectation that these enterprises should be operated on strict business principles. However, this has not been the case, and a number of public corporations recorded substantial losses. Analysts have listed such factors as lack of adequate accountability (especially financial)<sup>8</sup>, lack of adequate expertise, political patronage and interference, too heavy bureaucracy, reduced productivity and other technical problems to which we have already alluded. Figures contained in the 1982 budget speech, and relating to their performance in 1981 are as follows in table 1:5.

A country dependent on its export earnings as Guyana is, and suffering from severe cuts in foreign trade and having the additional burden incurred by operational losses in domestic enterprises, must seek some form of assistance. In the budget speech previously cited, reference was made to Guyana's relations with the International Monetary Fund, and the country's failure to satisfy the requirements stipulated by that agency, hence its 'ineligibility' to draw upon the resources which were made available under the loan agreement.

TABLE 1:4

EXPORT PRODUCTION AND EARNINGS, 1981

Industry	Tonnes		Export Total GSM	Earnings Actual GSM
	Target	Actual		
Sugar	315.000	306.000	402.0	300.0
Bauxite				
1) Dried Bauxite	919.000	637.000		
2) Chemical Grade	400.000	333.000		
3) Calcined Bauxite	735.000	513.000		
4) Alumina	240.000	170.000		
5) Other Grades	25.000	27.000	636.0	428.0
Rice	220.000	165.000	128.0	110.0
Other Merchandise	-	-	1.56	1.25

TABLE 1:5

Corporations -----	*Losses in GS. Millions -----
Guymine (Bauxite)	96.0
Guysuco(Sugar)	81.0
Guyana Electricity Corporation	21.0
Guyconstruct (A subsidiary of Guymine)	19.0
Guyana Fisheries Limited	6.0
Guyana Timber's Limited	3.0
Guyana Rice Corporation	2.0

\$3.(G) : \$1.(US)

There prevails in Guyana a general feeling of economic pessimism so much so that even the announcement that there are indications of oil in the North Rupununi region of Guyana did not seem to evoke much enthusiasm especially when it was learnt that the country would not immediately benefit from any discovery. It has been reported that Home Oil (of Canada) has just abandoned their search for oil in that area. In fact, most persons seem to be primarily concerned with 'fighting for survival', and this kind of situation tends to breed a high level of subjectivity and selfishness (-the society becomes a large collection of 'rats and cats'-) cats whatching rats but/and find themselves, stealing when the opportunities arise.

Economic strategies first, and the desire to pursue certain policies have forced the Government to institute certain measures (e.g. import restrictions) and we shall be seeking in this paper how different sections of the Guyanese population have sought to circumvent these. This paper will first assess the role of the business community, in this period of 'crisis' and then other interests groups would be surveyed.

### THE GUYANESE BUSINESS WORLD

Traditionally, the Guyanese business world was dominated by the multinational corporations such as Bookers, Sandbach Parker and Alcan.

However, local families of European descent did own some large-scale businesses (e.g. Banks DIH Ltd. was initially owned by Peter D'Augiar, a Guyanese of Portuguese extraction). The interests of these two groups were protected through the activities of such agencies as the Georgetown Chamber of Commerce<sup>9</sup> locally, and by their capitalists representatives both in the Guyanese and British Parliaments.

The indentured Chinese who subsequently became businessmen started by monopolising the retail outlets and by the nineteenth century, they were also involved in wholesale business and the running of supermarkets. The East Indians, became involved in the retail business, especially in the sale of textiles and their farm produce; later they moved into the grocery business. Few Africans were committed to the business world; the 'better-off' ones were mainly artisans and aspired for a position on the government's payroll for their children.

A number of factors contributed to this kind of ethnic specialization in economic activities -and this continues though to a lesser extent and with some modifications - to the present day. Some relate to the selected sponsorship of certain race groups by the Europeans<sup>10</sup>; others, seem to be associated with the types of self-concept which members of different race-groups appear to have in-



culcated during the periods of slavery and indentured-ship. In respect of the former factors, one could cite the selected allocations of land -in lieu of return passages- to Indian immigrants and the practical support rendered to them in the village administration by the Immigration Agent General. The freed Africans were deprived of such assistance and were left to 'grope in the dark'. Their destiny was still in the hands of the plantocracy.

Independence (May,1966) found Guyana with an economy almost totally dependent on three (3) industries, with bauxite and sugar owned and controlled by expatriate firms; the third and smallest, rice, was under the supervision of a statutory body, the Guyana Rice Board, but heavily influenced by the owners of the large rice estates, almost all of East Indian origin. The interests of the latter were represented by the Rice Producers Association (RPA). (An alternative Agency, The Rice Action Committee (RAC) was created by the Central Government to partly fulfill the functions of the (RPA)). The relatively small manufacturing sector was mainly in the hands of local people, though some Indian nationals had come to Guyana and invested in some of these enterprises. Retail outlets continued under East Indian and Chinese domination, although a few co-operative societies, with a majority of Africans shareholders had begun to emerge. The existence of most of the latter was brief partly because of the failure (resulting mainly from individualism, lack of material and psychological preparation of the people, mismanagement, corruption, etc.) of the co-operative sector of the tripartite economy of the Co-operative Republic.

Probably to redress at least in part, this 'imbalance' in trade and commerce, the Knowledge Sharing Institute (KSI) was established in the late 1970's. According to reports, it is staffed, managed and financed primarily by PNC supporters (mostly Africans). It was assumed that the KSI could provide the necessary initiative to break the stronghold of the established business sector while shifting simultaneously some amount of economic power to the Africans who were traditionally excluded from this area. But its economic viability is now being questioned. There are allegations of discrimination in the delivery of goods, inadequate financial controls, lack of entrepreneurial skills, etc. Despite these deficiencies, many established busi-

nesses were 'squeezed out' or forced to contract the scale of operations/activities partly in response to the competition mainly from the KSI.

In July, 1971, the ALCAN owned and operated bauxite industry at McKenzie (now Linden) was nationalized. The one (i.e. Reynolds Metal Company) situated at Kwakwani on the Berbice River was nationalized in 1975. In 1974 the smaller sugar company (known then as Sandbach Parker and Company) and in 1976 the larger company (Bookers Bros McConnel Ltd.) were nationalized. A number of other industries were later taken over or established by the Government. This has placed a severe strain on the administration to find enough persons with the necessary skills and/or expertise. In addition, some Guyanese tended to benefit from their respective political allegiance.

The concept of party paramountcy has been a serious source of controversy as many persons argue that this means -in effect- that ruling party supporters must be given first preference and/or granted favours as of 'right'. Or from another perspective, this concept tends to legitimize 'political patronage'. Thus in choice of staff, or in terms of the application of sanctions or restrictions, the concept has been invoked to the benefit of supporters of the ruling party. Persons not belonging to the ruling party have grown to believe that they must seek the assistance of 'party people' if they need to get something done - and are usually prepared to pay a price in cash or kind for such favours. One could imagine what this means in an economy of which more than 65.0 per cent is directly under governmental control.

Further, the year 1976 when the Economy began to reflect symptoms of deterioration, saw the introduction of a number of measures - partly aimed at encouraging the use of local commodities as substitutes/alternatives for foreign items - and also reducing the outflow of money. In fact, the conservation of foreign reserves became a priority and a number of important food items were either prohibited or restricted and a ceiling placed on the size of motor cars (less than 1600 cc) allowed into the country as part of this policy to tie the utilization of foreign exchange to essential commodities

as dictated by the government. These resources were generally accepted; to some persons they meant a lowering of their standard of living; others felt that they constitute a direct attack on their culture since a number of the prohibited items are used as cultural events; in short, they entail a sudden shift in consumption patterns.<sup>11</sup> Again, there were others who felt that it was unfair for them to be asked to make sacrifices when they were not responsible for the state of affairs; together these groups provide a ready market for the sale and disposal of these items.

### THE PARALLEL ECONOMY

We have seen, as a consequence, the development of what is now commonly referred to as the 'Parallel or Alternative Economy'. The main participants are the 'buyers' (members of the groups above) and the 'sellers' ostensibly, mainly sections of the younger Africans. The latter straddle the social spectrum - from the criminals, who now see an opportunity to make greater returns with less personal risks, to erstwhile teachers, policemen, and public servants who are really concerned with the comparatively meagre returns 'which honest labour' pays, and have deserted their 'desk and chalk' for the street corner shops.

In the background, but possibly, the persons benefiting to a large extent from this 'illicit' trade, are many respectable businessmen some of whom are from other ethnic groups who have never been known to miss an opportunity to maximise profits.

Black efforts at business in the capital city, Georgetown, apart from the sale of agricultural products, cooked food and snacks, have seldom gone beyond the sale of haberdashery, cosmetic and other small items which are sold outside the markets and along the pavements of the shopping centres. During the last three years a new breed of vendors has appeared on the scene and some of the more established ones have joined them.

The Guytrader is well known around the Caribbean; he, but more likely she, travels with unaccustomed ease to Suriname, Barbados, Trinidad, Curaçao, and lately Brazil. Guyanese currency is

not legal tender in any of these countries, but because of the active illegal border trading which goes on at Nickerie and Boa Vista, Surinamese and Brazilian traders accept it quite readily. But money is not always necessary. There are a number of basic items which fetch reasonably cheap prices; in Guyana, e.g. sugar, rice, milk, toothpaste, etc., and these can be exchanged for sardines, potatoes, soap and, recently, wheat flour, all of which are either prohibited or scarce in Guyana. The latter are sold in Guyana at prices between five and ten times their normal cost. In Barbados and Trinidad, citrus and toothpaste form readily acceptable items for barter.

Up to January 1982, it was possible for adult Guyanese to send abroad each year, gift vouchers not exceeding fifty Guyana dollars. Guytraders used this system to good effect in that every possible relative, adult, juvenile or child, bought vouchers at every commercial bank, and posted them to friends in the countries in which they traded in anticipation of their visits. So 'abused' was the system, especially because of the administration's inability to monitor it, that the practice was discontinued with effect from 1 February, 1982.

Guyana's gold enjoys a favourable reputation in the Caribbean and further afield; Guytraders find that it fetches a high price and is readily accepted everywhere. However, travellers are not permitted to take with them more than four hundred dollars (G) worth of jewelry in respect of males and six hundred dollars in respect of females. One of the ways in which traders, particularly women smuggle money out of the country, especially to Trinidad and Barbados, is by way of wearing expensive and fashionable jewelry. On arriving at their destination, they sell the jewelry and purchase the 'banned' items that are eventually resold in Guyana.

One other avenue available to women is the age-old occupation of prostitution. It is felt that a number of the female traders traffick in flesh, in fact, some persons claim that civil-servants and teachers are finding it lucrative to spend their holidays in neighbouring Suriname and Barbados, and use their earnings to purchase cosmetics and lingerie for re-sale to other more timorous and conservative colleagues.

The purchase of foreign currency locally, was once relatively easy, but it has become very hazardous, not so much because of increased police surveillance but on account of the likelihood of the notes or drafts being counterfeited<sup>12</sup>. The police has smashed a few 'gangs' that were involved in the manufacture of counterfeit money. It has been estimated that nearly one million counterfeid dollars (US) are in circulation in Guyana. The denominations are mainly 20 and 100 dollars notes. Only recently (13 August, 1982) a man was convicted for being in possession of two \$100 counterfeit notes.

Not everyone can fish in the international waters; some persons, because of their past, cannot obtain a certificate of character which would enable them to be acceptable in some neighbouring countries. Their activities are restricted to the local scene.<sup>13</sup> Given the assumption that nearly every basic item is in short supply, these persons obtain many of these and sell them at 'exorbitant' prices. Some attempt is being made to monitor the distribution of some basic food items. Sometimes the administration would apportion supplies to certain established and licensed traders, hoping that they would sell the goods at the control price i.e. that which is fixed by the administration. It is claimed that some of these businessmen would pass the bulk of their allocation to unlicensed who are willing it would seem, to run the risk of prosecution by selling in excess of the control price. The takings are then shared.

At one end of the continuum are the unemployed and the lumpen-proletariat whose only possible investment is their time. The 'brighter' ones who have the gift of verbal facility and an axiom rich in imagery could employ themselves in a range of activities, offering for sale, land and buildings which are not theirs, or to obtain hard-to-get licences from government officials and visas from foreign embassies sometimes for a bribe (of course everyone has to 'pull a string' in order to obtain something), or posing as Price Control Officers and seizing goods from unsuspecting blackmarketers. The less clever ones resort to the least adventurous plays - they stand in queues from early morning as if waiting to make purchases and then sell their

'turns' to busy and tired housewives.<sup>14</sup>

It would be incorrect to assume that only Guytraders are involved with or participate in the activities of the parallel economy. Other 'respectable' persons and organizations partly in response to the economic pressures, have been incorporated within the system mainly through the intermediary or 'middlemen'. They operate, however, more subtly than Guytraders using their official connections to pursue illegitimate gains or questionable ends. For example, at the SPEEDWAY HOTEL on the east Bank of Demerara, it has been reported that the police and customs authorities raided the premises and detained a number of banned items including video sets. (Chronicle: 1982-08-11).

According to the USAID survey 'a significant leakage from official distribution channels' exist at the Guyana Rice Board (GRB) and it was pointed out that 'in excess of 10 percent of rice production in 1981 entered the so-called parallel economy'. (This 10 % equals to 33,000 metric tons). The authors of the report thought that most of such leakages is probably exported to Caribbean markets (Catholic Standard No. 31,1982). Recently, a government official referred to members of the Price Control Squad as 'perk collectors'. There is also an allegation that a former Special Political Assistant to the Executive President acted in collusion with a businessman to evade customs duties on clothing valued at seven thousand dollars (\$7,000), (Chronicle: 1982-07-31).

Recent disclosures suggest that the businessman was involved in a 'long-firm fraud' in the United Kingdom. According to the Catholic Standard (1982-10-21).

Heavy machinery, a dump truck, seven other vehicles, a computer system, and other goods, valued at over \$1.25 million exported by a UK businessman, Anthony King, to Guyana in half a dozen shipments in the past year are part of the proceeds of a massive liquidation racket in Britain in connection with which King is being sought by police in several UK counties as well as by British Customs Department of Trade and Inland Revenue.

The London observer's Business Section of 12 September, 1982, provided a detailed analysis of the racket in which at least 600 companies 'pass through the 36-year old King's hands in the last few years and in which it estimates that some \$75 million in their assets have disappeared.' The UK Customs and Excise have code-named the case 'Operation Imposter'. (Catholic Standard: No. 42, 1982).

It has been estimated that seventy eight million dollars (\$78 m) circulated within the parallel economy. With established businesses and agencies involved with and participating in the parallel economy, this figure could possibly be approximately \$120 million. It has been estimated that the illegal trading activities with Boa Vista is over \$12 m(G) annually. Illegal trading with Venezuela, it has been alleged, involves a few dollars and is mostly organised by established businessmen or 'respectable' persons. It would appear that a large proportion of gold that is mined in Guyana finds its way into the parallel economy. It is often used to pur-

chase foreign exchange or a medium of barter for prohibited and restricted commodities. 'A Guyanese businessman is quoted as saying that only 10 % of gold produced in Guyana is sold legally at home. The remainder leaves the country' (Catholic Standard, No. 37, 1982). The paper also reported that at the Geological Department of the Ministry of Energy and Natural Resources 'gold valued in excess of 2 million dollars has been removed from the department without proper documentation'. Further, in Boa Vista, Brazil 'Guyanese dollars are said to circulate as freely as cruzeiros... This money... returns to Guyana to purchase gold and diamonds.' In early September, 1982, a woman, who resides on the East Bank of Demerara, pleaded guilty to a charge of having illegally in her possession 10 ounces of gold. Such leakages have a tremendous negative impact upon our foreign exchange reserves. A columnist for the government-owned Chronicle newspaper commented: 'I heard on the radio that there are underground tariffs for connecting your lights \$200 and getting you a new phone \$500' (Chronicle: 1982-05-23). There are several other examples that one can cite linking the

TABLE 1:3  
BREACHES OF EXCHANGE CONTROL REGULATIONS 1975

Race Group	Urban		Rural		Total	
	N	%	N	%	N	%
Indians	17	73.9	6	26.1	23	67.6
Africans	1	-	1	50.0	2	5.9
Others	8	88.8	1	11.2	9	26.5
Total No.	26	-	8	-	34	-
Total %	76.5	-	23.5	-	100.0	-

Data for later years are unavailable

+ : Row Percentages

\* : Column Percentages

/ : We do not know what proportion represents Guytraders or respectable persons.

activities of established Agencies and 'respectable' persons with those of the parallel economy. However, we think that these examples are adequate to support our arguments on this issue.

### OFFICIALLY SANCTIONED DEVIANCE

Generally, business offences are not incorporated in the criminal statistics which are compiled by the police for publication in their Annual Reports. However, relevant data were separately provided by the police for the years 1975 and 1980 and these related to breaches of both price and exchange control regulations. Table 1:3 provides information on breaches of exchange control regulations.

TABLE 1:3

These figures reflect a gross under representation of the level of deviant activities committed by both Guytraders and 'respectable' persons. In view of the small number of arrests (N = 26) it would not be possible to make any firm statements or inferences but rather only tentative ones. However, focussed interviews yielded much data which were used in conjunction with those in table 1:3 and this provided a much better base upon which we drew conclusions.

Most of the Indians (73.9 percent) who violated exchange control regulations live in urban centres and some are established businessmen and, to a lesser degree, professionals. These businessmen and professionals appear also to have the greatest commitment to traditional Indian culture. If traditional cultural solidarity is an insulating factor against criminality (Singh: 1980) then this position appears to be paradoxical. However, it would appear, that we can explain this situation, in part, by the fact that Indians who violated exchange control laws do not perceive themselves as criminals (and their behaviour is generally supported by peer-group norms) since they contend that these laws were designed and enforced with a view to crushing their economical initiative.

They could not share the view of the government that these measures were introduced in order

to ameliorate the adverse conditions of a depressed economy. Rather, they tend to view such measures as anti-Indian and therefore, appear to be reluctant to attribute legitimacy to the state apparatus. According to A. Rabushka and K.A. Shepsle, 'The individual who perceives political institutions as biased in favour of goals incompatible with his own, who feels systematically discriminated is not likely to confer legitimacy on the ruling regime. In some cases such persons actively work to undermine the existence of the regime which systematically places them in strategically weak positions'.

Africans find it rather difficult to understand why a new opportunity of economic activity that had proved so elusive in the past and must now be grasped is thwarted by the government. They cannot understand why they are being harassed by government officials. They tend to view favourably a system of positive racial discrimination in trading in order to redress the imbalance. Such a position would transcend the wider issues of socio-economic transformations to which the PNC government attaches great importance. It would appear that traders are eager to be formally incorporated within the conventional business sector<sup>15</sup>.

That they, like other business criminals develop 'techniques of neutralization' to support their deviance is common practice. 'Why can't I control my own money?' 'Why should we suffer as a result of the (Government's) mismanagement of the economy?' 'Why is the government pressuring poor black people who try to get up in business and make an 'honest' living?'. Further, the public seems to have developed a 'condoning, indiferent, or ambivalent attitude' to such offences. Perhaps, this attitude is related to R.C. Fuller's contention that the great extension in 'modern criminal law has come in those fields where there is no unanimity that such behaviour is criminal either on the part of the general public or the important classes or groups involved.' It would appear that legislators are more concerned with the administrative ramifications of the modern state rather than with wider moral issues.

Many Indian businessmen claimed that other race-groups were jealous of their (Indian) economic

progress and that exchange control regulations, in conjunction with the increasing penetration of the state into the private economic sector (e.g. nationalizations of major industries and state ownership of other commercial undertakings) were not only designed to control the flow of capital and the regulation of trade, but also, to restrict their business activities to the extent that they would be forced out of business. Hence, they tend to flout these regulations in the context of their own 'survival' and they seek the support of some Guytraders in the pursuit of their objectives. Similar negative attitudes were reported to have developed among many businessmen who had violated O P A (Office of Price Administration) regulations during the 1939-45 War in the USA.

African traders on the other hand, tend to view exchange control regulations as a nuisance which prevents them from enjoying the 'better things' of life. They claim that political decision makers are not encumbered by such regulations while they suffer the opposite fate. Persons who commit business crimes experience little or no feelings of guilt and do not lose any status, at least within their peer groups whose response is generally one of sympathy rather than moral indignation<sup>16</sup>. Some sections of the business community, like some other groups within the society re-

gard the government as an illegal heir to political power and therefore, in their conception, the government could not make any justifiable claims to political legitimacy. The implication of this position is that laws enacted by such a government could lack the political will of a sizeable proportion of the Guyana population and therefore, these could not be invested legal sanctity. From this perspective, one can view breaches of exchange and price control regulations largely as normal responses to problems of adjustment on the part of those who have become disenchanted with the political system.

Breaches of the price control regulations during 1975 and 1980 are reflected in tables 1:4 and 1:5.

When these two tables are compared one would observe that the Africans' involvement in breaches of Price Control Regulations has increased from 17.8 % in 1975 to 42.9 % in 1980. However, in terms of absolute numbers there has been a decline (from 30 to 24). For Indians, the decline has been dramatic (from 131 to 28). These officially sanctioned deviance clearly demonstrate the limitations in police statistics and indicated the type of distortion that emerges within the crime picture.

TABLE 1:4  
BREACHES OF PRICE CONTROL REGULATIONS, 1975<sup>7</sup>

Race Group	Urban		Rural		Total	
	No.	%	No.	%	No.	%
Indians	63	48.1	68	51.9	131	77.9
Africans	28	93.3	2	6.7	30	17.8
Others	7	100.0	0	0.0	7	4.3
Total No.	98	-	70	-	168	-
Total %	-	58.3	-	41.7	-	-

% : Row Percentages

% : Column Percentages

TABLE 1:5  
BREACHES OF PRICE CONTROL ORDINANCE, 1980\*

Race-Group	Urban		Rural		Total	
	No.	%	No.	%	No.	%
Indians	9	32.1	19	67.9	28	50.0
Africans	18	75.0	6	25.0	24	42.9
Others	1	25.0	3	75.0	4	7.1
Total No.	28	-	28	-	56	-
Total %	-	50.0	-	50.0	-	100.0

The most one could interpret from these figures is the differential enforcement practices of the police. For example, one person observes: 'Thousands of vendors can be seen selling banned and blackmarket priced goods openly. On what basis are the few who are hauled to court selected?' (Open Word, No. 33, 1982). The breaches of price control regulations are so widespread that the majority of Guyanese are prepared to 'live with them'. Numerous newspapers articles, radio commentaries and law enforcement officials attest to this fact. Even the Executive President (Then the Prime Minister) had expressed grave concern over the prevalence of breaches of price control regulations and remarked that despite pregnancies, recalcitrant women, if found guilty, might be imprisoned.

Both rural (51.9 percent) and urban (48.1 percent) Indians display an almost equal tendency to violate price control regulations. However, this conclusion should be regarded as tentative since it is based on the assumption that rural Indians own a similar number of businesses as urban Indians. Table 1:4 reveals that of all arrests made for breaches of price control regulations, 77.9 percent were Indians while 17.8 percent were Africans. The greater proportion of Indian offenders could be partly

explained by the fact that Indians have proportionately more businesses than African. However, many Indian businessmen tend to view the disparity largely in terms of discriminatory enforcement practices, but the police reject readily these allegations. It is possible that such charges are levelled against the police partly in an attempt to rationalize their (Indians') involvement in deviant behaviour.

What is important, however, for this analysis is that both rural and urban businessmen are prepared to violate, for example, price control regulations despite the prospect of heavy penalties. One is reminded of Clinard's observation (relative to breaches of Wartime Regulations during the Second World War in the USA) that although imprisonment is most feared by businessmen, it was seldom evoked as a deterrent. In Guyana, a similar situation appears to have existed in 1975. For example, of all those persons arrested, only 4.1 percent were imprisoned. The present situation in respect of the imposition of penalty has not changed to any marked degree since then.

This brief discussion on business crimes and business activities -though limited in some respects

due largely to such constraints as time and lack of adequate data - suggests that political disenchantment, political patronage, and withdrawal of legitimacy from the state, have greater implications for undertaking of business crimes and the operation of the parallel economy than factors such as personality maladjustment or faulty socialization. People are consciously adjusting to the exigencies of their life situations. In the process of making, what they conceive to, a rational choice, some of their actions happen to run afoul of the legal mores of the wider society. Thus, infractions of the law occur.

### THE FUTURE OF THE PARALLEL ECONOMY

There are signs that the alternative economy would not be allowed to continue to grow without official intervention<sup>18</sup>. The large body of traders appears to be growing; a senior official of the Inland Revenue Department estimates that more than 80 percent of the persons issued with tax exits each day are Guytraders. Because their activities are not officially monitored, they are not made to pay any licence, fee, nor do they submit income tax returns - they all claim to be unemployed and are going on a short holiday.

The established business houses are finding it difficult to obtain permission to make purchases through the official channels and are now resorting to buying items from these traders. In fact, it is not unusual to see traders sitting at street-corners selling scarce motor-car parts among their merchandise.

The main problem is whether or not the alternative economy should be discouraged. Those who support its encouragement put forward the argument that it has unleashed the kind of energy, initiative and entrepreneurship which a young nation like Guyana needs in order to develop. They feel that the government should legitimise their activities thus earning much needed revenue. At the same time, the traders will be helping to satisfy the needs of the community and procure foreign exchange for purchases made overseas.<sup>19</sup> We would postulate that irrespective of political intervention the parallel economy would survive. Some people

even argue that it is a functional growth point in the economies of Third World countries. Al Mabogunje contends, for example, that in many underdeveloped countries it is a dynamic area, providing employment and occasionally, the capital base for a more orthodox business career. Pursuing this line of argument Jones sees it as one of the growing points of the economy. 'The underdeveloped country cannot afford to dispense with economic growth points, and the more widely dispersed, the better. (Jones: 1981).

The opposing view is based on five main contentions:

- a) That the restrictions imposed on trading are helping to foster self-sufficiency in ensuring that persons consume what they produce, and that this would in itself create a larger home market.
- b) That there have been a number of robberies<sup>20</sup> in which the victims were either licensed gold dealers or were thought to be hoarding gold at home<sup>21</sup> and these restrictions could minimize the incidence of such robberies, as it is felt that much of the gold stolen is exported to procure foreign exchange and/or goods and services.
- c) That it provides an undesirable alternative form of employment; youngsters, who would have gone into agriculture (at a time when there should be a thrust towards agriculture development) and technical jobs, perceive trading as less difficult to earn money).
- d) That it provides a temptation to government officers to engage in corrupt practices; and
- e) That it offers unfair competition to established businesses which have to pay duties and taxes at prescribed rates, NIS contributions, professional fees, etc., while those involved in the parallel economy evade/avoid such payments. Such a situation would tend to have a negative impact upon prospective investors despite recent to clarifying the provisions of the Investment code. Interviews with business-



men suggest the prevalence of fear and insecurity among them in so far as investment is concerned.

### CONCLUSION

A society that is characterized by social cleavages and cultural diversity give rise to differential adaptive responses on the part of its members. Each sub-group reacts according to its 'definition of the situation' with which it is confronted. Thus, a segment of the African population, has become involved in commercial activities (that were once outside their grasp) within the parallel economy in the context of their survival in a hostile economic environment. Diversion of activities into such areas as agriculture would have been perceived as inconsistent with their traditional orientation towards white collar, service and factory jobs. The economic payoff of agricultural pursuits takes too long to materialize especially in view of their commitment, in general to short-run hedonism.

Others (criminals) have shifted their activities into less 'dangerous' areas and have become involved in the perceived less risky tasks of the parallel economy. Some students have argued that had it not been for this move, the crime rate -especially for robberies, burglaries and larcenies - would have escalated probably beyond the control of the law enforcement agencies, given the existence of the severe economic pressures (which are associated with sharp increases in criminal activities) that flow from the bankrupt state of the economy.<sup>2</sup>

Many indians, on the other hand, find that they have to secure "favours" from people who have the necessary connections. Some participate in the parallel economy mainly through financial inputs and having their merchandise retailed by African vendors. The less adventurous/clever ones have either closed down, or reduced the scale of their business operations. Some have emigrated.

Both 'respectable' people and Guytraders are involved/participate in the parallel economy. The available evidence points towards the existence of both 'forward' and 'backward' linkages with the 'modern' and 'traditional' sectors.

Whatever the arguments for or against the

existence of the parallel economy, it has to be recognized, that this sector (sometimes referred to as 'tertiary' or 'informal') has already been firmly established.

The question now is not one of elimination but rather control.<sup>2,3</sup> Studies in other Third World societies suggest that it could become a dynamic and functional growth point of the economy. Thus the authors of the ILO report on the Kenyan informal (parallel) sector observes:

We do not view this inevitable development with dismay, for we see in the informal sector not only growth and vitality, but also the source of a new strategy of development for Kenya... The informal sector is not a problem, but a source of Kenya's future growth...

Although it has the potential for dynamic, evolutionary growth, under the existing nexus of restrictions and disincentives, the seeds of involuntary growth have been sown. Unlike the determinants of growth of the informal sector are largely external to it. The relevant question is not whether the informal sector is inherently evolutionary or involuntary, but what policies should be followed to cause evolutionary growth. (pp. 505)

An indepth study of its impact on national development and growth should be undertaken with a view to properly assessing its role in a society in a "state of transition" and which has now become engulfed in a serious economic crisis.

### NOTES

- 1 S.V. Sethuraman, "The Urban Informal Sector: concept, measurement and policy", in the *International Labour Review*, Vol. 114, No. 1, 1976.
- 2 International Labour Office, *Employment, Incomes and Equality*, Geneva, 1972.
- 3 It has been reported from one source that Guyana 'has recently been defaulting on a number of its debts, and is one of about 20 nations which are expected to be approaching the Paris Club shortly for relief on their offi-

- cial debts, while planning new talks with the IMF'. (Catholic Standard: Vol. 37, 1982.)  
It has been indicated from another source that commercial and banking circles are 'buzzing with the news that the Guyana Government has defaulted on the first payment of its re-negotiated debt to the Royal Bank'. (Open Word: No. 33, 1982.)
- 4 Calculated from IMF international statistics: 1972 supplement and other Annual Issues up to 1980: Annual Statistical Abstracts, Ministry of Economic Development, Statistical Bureau and Annual Statistical Digest, (1979-80).  
With the exception of 1980, negative growth rates for Guyana have been recorded effective from 1978<sup>+</sup>. The sharp decline in Suriname's GDP is conspicuous. A positive growth of 1.3 in 1981 has been reported for Jamaica for the first time since 1977.
  - 5 Such a position is supported, it would appear, by the TUC President when he claimed 'earlier this year, we were faced with large scale retrenchments in the public sector which have created considerable domestic crisis and dislocations among the families of workers. Faced with this situation, which it is recognized to do with the state of the economy...' (Presidential Address to the TUC Delegates Conference, 1982).
  - 6 As if things were not already bad enough the Guyana Catholic Standard (May, 23) has announced our loss of the USA Calcined Bauxite market to China (see story headlined 'Bauxite Market Collapsed, Tens of Millions Lost') The alumina market has been faced with fierce competition from Suriname, China and Australia to the extent that alumina operations had to be scaled down earlier in the year and subsequently ceased production effective from around July, 1982.
  - 7 The USAID Survey calls into question the size of the public sector (80.0 percent). It indicates instead that about 65.0 - 70.0 percent is owned and controlled by this sector which employs 64.0 percent of the total labour force (USAID, Georgetown: 1982).
  - 8 The Guyana government has retained the services of a group of financial advisers 'to review and evaluate the operations of the state enterprises and to propose policy options for a strategy to strengthen their financial performance.' (Bank of Guyana Caribbean News Review, July-August, 1982). The banking combination is known as the Trioka and comprises the following three firms viz. Kuhn Loeb Lehman Brothers of New York, S.G. Warburg and Lazard Frères of Paris and New York.
  - 9 Now renamed the Georgetown Chamber of Commerce and Industry.
  - 10 They were initially displaced by the Portuguese and then the Chinese who were accorded preferential treatment by the colonial administration. This had the effect of blunting their enthusiasm/interests for trade and commerce. With little resources and lack of support for them by the administration they could have not withstand the stiff competition offered by the 'favoured' Portuguese and Chinese businessmen. One consequence is the Angel Gabriel riots. 1856).
  - 11 There is a tendency to argue in favour of local substitutes/alternatives by some people, only after the items have been banned. For example, in August a public health nutritionist argued that when 'the nutritional content of 100 grams of each is compared it is found that whereas the energy content of both is approximately the same, the protein content of rice flour is about half that of wheat flour. But the quality of rice protein is higher and so its usefulness to the body is greater than that of wheat flour.' (Chronicle: 1982-08-15). In August 1982 the Chronicle newspaper reproduced part of a report relating to cassava flour and which was written by Dr. Omawale. The impression obtained from a perusal of this article - by many people - is that cassava flour is an adequate substitute/alternative to wheat flour in terms of its nutritional value. However, Dr. Omawale clarified any misconceptions when he asserted that a substitution level up to 10 percent of cassava flour for wheat flour could be nutritionally safe. 'Anything in excess would call for the addition of protein rich components like peas and beans.' A switch would also involve a change in baking technology and adequate time for consumers' adjustment. He further contends: 'It would probably make more sense to sell the rice, earn the foreign exchange and buy wheat... Since rice is a foreign exchange earner, rice would be unlikely to make an important contribution to wheat replacement in the near future. (Open Word: Vol. 32, 1982.)
  - 12 Some Surinamese businessmen do not accept travellers cheques from Guyanese because they had accepted forged ones that worth thousands of dollars (US) in 1980.
  - 13 Some would buy footwear, milk products and other scarce items from established businesses and recycle them into the parallel economy at a relatively high mark-up rate. Some of the items are re-packaged and this practice has evoked fears from the health authorities that such products may not only be sub-standard but also, contaminated. Towards this end, the Ana-

- lyst Department has warned the public not to purchase goods without a registered trade mark. But the issue of sub-standard, diluted and contaminated products is not only confined to the parallel economy. Recently, for example, it was alleged that the bacteria content of pasteurized milk has not been overcome. "Nutrition sources say it will be unwise for nursing mothers to take the unsafe milk". A similar problem was linked with the production of a toilet soap which it is alleged causes skin distress. It is said that the GPC did not take kindly to a suggestion from the Analyst that their toilet soap contained an excess of Sodium hydroxide (caustic soda). (Open Word, No 25, July 26, 1982.)
- 14 This practice of selling one's 'turn' was first introduced outside the American Embassy in Georgetown by urban youths who sold their 'positions' in the lines of persons from rural areas. This practice is increasing as 'turns' are being sold at almost every queue that exists, e.g. food, cigarette, income tax, cinemas, etc.
  - 15 The traders have just formed an association which is headed by a local Member of the Parliament. The main objective of this organization is to legitimate their commercial activities.
  - 16 The Indian businessman sees that one of the techniques for survival is through the medium of bribery. Sometimes, the amounts are so attractive that the relatively poorly paid official succumb to such inducements. The \$7.6 m (G) Co-op bank foreign exchange fraud is a case in point. Africans are less inclined to offer bribes.
  - 17 Price Control Regulations fall under the Trade Act, Chapter 91:01 of the Laws of Guyana, Vol. XIII.
  - 18 The Guyana Trades Union Council's recently referred to those "unscrupulous members of our society who seek to exploit the present economic situation and create greater hardships for the working people by making available scarce items of foodstuffs at exorbitant prices. This parallel economy which robs the country of revenue and deals in illegal foreign exchange transactions must be roundly condemned (emphasis ours) by all right thinking Guyanese..." (Walker, 1982).
  - 19 One such view was expressed on the radio programme 'viewpoint' on May 18, 1982.
  - 20 There have been suggestions that some of the persons involved in the Commission of these crimes had some sort of military training.
  - 21 Foreign exchange is often purchased with gold that is smuggled out of the country.
  - 22 Guyana and the Dominican Republic have been listed as two nations in the world that are not bankrupt. (Time, 13 Sept., 1982).
  - 23 The Working People's Alliance (WPA) has expressed its unhappiness over the humiliation suffered by Guyanese who go to Trinidad to buy commodities for resale in Guyana. "WPA appeals to the Government and to the people of Trinidad and Tobago to be tolerant in the circumstances. The activity of the traders and of those who visit Suriname is often the only means of supplying wheat flour to those in Guyana who can buy it as a result of the activity of the travelling traders." "WPA will ask its support group in Trinidad and Tobago to attempt to negotiate with the authorities a workable solution. It does not wish to see the traders harassed, but accepts a possible stabilisation in the numbers of people engaging in the trade". (Open Word: No. 34, 1982).

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