

BTC and the case for Black Empowerment

By DARRON B. CASH on 1/10/2011

The great debate of the moment is whether or not majority interests in the Bahamas Telecommunications Company (BTC) should be sold to a foreign company. This is both an issue of the head and the heart. It is not hard to understand why this is an emotional issue for many of us.

Frankly, I think it is fine that it is filled with passionate emotions. It should be.

Whether fairly or unfairly, this debate has also become - some say degenerated into - a political issue. Again, no one should be surprised by that. Sadly, what we see today is the fruit borne from the seeds that have been sown over the last 30 years.

This sad reality is why the country so desperately needs a new vision and a new style of leadership on all fronts. The operative word is LEADERSHIP, and more will be said about that in short order.

Let me make it clear from the outset that I am a member of the Free National Movement. In fact I am more than a member; I am an officer of the party, having been elected to the post of national vice-chairman at the convention of 2009. I am pleased to be a part of a party that not only accommodates but embraces differing points of views. Let me also state, that I am an enthusiastic supporter of this prime minister and his government and believe that they are doing their best to improve the lives of all Bahamians. In tackling the challenges of the Great Recession, they have taken the right steps to avert disaster, save jobs, and build for the future—both literally and figuratively. We agree on most issues. However, on the matter of the sale of controlling interests in BTC to a foreign company, our positions cannot be further apart.

I disagree with the government's proposed action. I believe it is wrong for the country. This decision sells the country short. It is a betrayal of future generations, and like a bad stock on BISX—in which you have little confidence—the government is selling the next generation (my generation) short. The prime minister believes that this is a good deal and one that is in the country's best interests. The response from those of us with a different generational view is “good, but not good enough”. Therefore, he should take the Cable & Wireless/Lime deal back to the drawing board and design a better deal. Here is why.

The sale of controlling interests in BTC to a foreign company goes to the heart of the debate about national development. This is not a debate about NUMBERS and those who believe that it is are sadly mistaken. But, even if it was a debate about numbers, the numbers don't add up. I expect that in due course the government will expand on the financial merits of the proposed deal and seek to counter the arguments raised by the opposing political parties and the unions. At the moment, the government is behind on points.

But to reiterate, this is not a debate about numbers. And, that explains why the government's nice, logical and well-reasoned arguments about process and how (in their view) the numbers make sense and why this is in the best interest of The Bahamas have not resonated. They have not resonated because they are not sufficiently compelling arguments in the face of this fundamentally emotional debate about a people's opportunity—some say RIGHT—for self determination. Even in the face of huge budget deficits and a burgeoning national debt, the critical question that this debate raises is how do Bahamians INCREASE, not DECREASE, the degree of their ownership and control of their economy?

Black empowerment

At this juncture, let me raise what may have become the “third rail of Bahamian politics”...at least perhaps for an FNM. (For those readers not familiar with railroad engineering, I credit Wikipedia with this succinct definition; “The phrase third rail is a metaphor in politics to denote an idea or topic that is so "charged" and "untouchable" that any politician or public official who dares to broach the subject would invariably suffer politically.

The third rail in a railway is the exposed electrical conductor that carries high voltage power. Stepping on the high-voltage third rail usually results in electrocution. The use of the term in politics serves to emphasize the "shock" that results from raising the controversial idea, and the "political death" (or political suicide) that the unaware or provocative politician would encounter as a result.”

So, within the FNM, talking about black empowerment may be the third rail, and a quick end to an otherwise promising political career. (P.S., I am being both self-serving and facetious. And besides, some things are just more important than personal political ambitions). So, be that as it may, I am going to live dangerously; I'll touch it anyway.

When it comes to the sale of BTC, what I would urge the prime minister to further understand and appreciate, is that my generation, and the one that follows, is less interested in simply having a job than we are in owning and controlling the companies. Ownership and control are and should be and will be the key measures of political and economic success in the coming years.

What offends me and others with the BTC/C&W deal... what leaves a bad, lingering taste in ones mouth... is the idea of taking that which is already Bahamian owned and controlled and ceding part ownership and more importantly, control, back to our previous colonial masters. I am being intentionally emotive and controversial here, and I hope it does not detract too much from my central point. Of course, colonial masters refer to American or British or South African or Indian, or any other controlling nationality. Essentially, I argue that ceding control is a retrogressive step.

Additionally, I use the words “black empowerment” intentionally. I could have opted for the words “Bahamian ownership”, but that would be far too nebulous, and nebulosity is

not what I am seeking to accomplish. I do really mean black ownership, and by black ownership I mean NOT the usual suspects when we say “Bahamian ownership”. By black empowerment, I mean promoting ownership and control among those black Bahamians that never had those before, because they lacked both the opportunity and the means to do so.

As a side bar, consider when the first wave of construction contracts for Baha Mar were announced. This was the first part of the Bahamian participation in the much heralded \$400 million Bahamian/local component. What was announced and or reported as “Bahamian” participation was pretty much the “usual suspects”. Both literally and figuratively, there was no apparent indication that anyone was breaking any new ground.

In my view, this is the appropriate time for us to open the chapter and discussion about HOW we achieve the paradigm shift, and how we... actually Mr. Ingraham and Mr. Christie... propose to write that new chapter. So far, their results have been both unsatisfactory and inadequate.

Let me repeat what I said earlier; by black empowerment I mean promoting ownership and control among those black Bahamians that never had them before, because they lacked both the opportunity and the means. I used the word “lacked” (past tense) purposefully. Increasingly, black Bahamians are acquiring the intellectual, academic, professional experience and access to the financial firepower to be significant players. Where they continue to fall short is in being afforded the opportunity. The playing fields are NOT level and shame on any government that tries to suggest otherwise.

Having made that assertion, this is an appropriate point for me to put this issue of black Bahamian empowerment into some historical perspective.

Remembering the ideals and the struggles for Majority Rule and Independence

As the nation contemplates (or swallows, depending on your perspective), the Cable & Wireless/Lime-BTC deal, this is an appropriate time to reflect on how far we have come. I have. I adduce for the reader’s consideration, extracts from Michael Craton’s excellent work, Pindling—The Life and Times of the First Prime Minister of The Bahamas. I quote from the text quite extensively and provide the context for the extracts.

A speech by Lynden Pindling on the eve of the 1972 general elections
“Having left our Egypt on January 10, 1967...our pharaohs and their mighty hosts were drowned in our Red Sea on April 10, 1968. We have been wandering in the proverbial wilderness these past forty days and forty nights.”

And in the old tale there were some who for fear of perishing in the wilderness said that they might as well have remained in Egypt. Men were sent ahead to reconnoitre Canaan. Some came back with gloomy reports; the land was impossible to take because it was defended by giants. Others, however, reported a well-favored land that could be taken. “They saw obstacles to be overcome, yes indeed, but they had faith in their own and their

people's ability successfully to tackle them." And, as in the times of old, it was the advice of those who reported favorably that was taken, so that "when the people were ready they crossed over Jordan into their promised land."

"My fellow Bahamians," concluded Lynden Pindling, "we the Bahamian people will cross over tomorrow. We will cross over Jordan into our Canaan, which we will cause to flow with milk and honey. We have had forty days of testing, and forty nights to gather our strength. We have had our forty days of fasting and our forty nights of prayer. We are ready now to move forward into our new Bahamas." (Craton. Pg. 200).

Writing about and quoting From the Progressive Liberal Party's White Paper on independence

"The prime objective of the new nation, however, was said to be 'the economic independence of the Bahamian people based on (a) an effective level of control over the national economic environment, (b) the maximization of the benefits to The Bahamas arising from both domestic and foreign investment, and (c) an increase in Bahamian ownership and / or partnership in business activity where this is feasible.'" (pg. 204)

"The strongest pledge that the White Paper made included the statement that the government's policy was "to hold all public lands in trust for the Bahamian people." Crown Lands would no longer be available to non-Bahamians on a freehold basis, and would not even be leased without a degree of Bahamian involvement. Though foreign investment would be welcomed for commercial and industrial operations even without Bahamian participation, it was the Government's policy "to reserve the fishing and agricultural industries to the Bahamian people." (pg. 205)

From Mr. Pindling's Convention speech on October 28, 1975

"Political independence for The Bahamas is almost meaningless unless it holds forth the prospect of economic independence, "he declared. "I envisage The Bahamas developing economically with a mixed economy in which there is struck the proper balance between public and private enterprise and between domestic and foreign investment. I believe in government investment on behalf of the Bahamian people in the essential services of the nation and in the key areas of the economy. By 'essential services' I mean public utilities like Water and electricity. By 'key areas of the economy' I mean economic activities like Tourism, banking, Agriculture and Fisheries."

"A philosophy of development which will promote a mixed economy," explained Pindling, "presupposes that there will be a central authority which will be responsible for the overall guidance of the economy in which both the Government and the private sector will participate and co-operate, consonant with national socio-economic priorities, to implement the tasks of development. Such a philosophy implies that the Government will lend its every support to the private sector to fulfill legitimate aims, but will also become directly and actively involved in such a manner as to compliment the private effort and set the pace.

“Such a philosophy, in the context of self-reliance, means that we will preserve rather than dispose of The Bahamas. It means that we will buy back rather than sell The Bahamas. It means that we will conserve for this and future generations of Bahamians the resources of The Bahamas rather than squander them. It means that The Bahamas must seek to utilise the domestic manpower and financial resources to assert her own economic identity. In my view, it is only in this way will we be able to direct a greater direct participation of the people in the emerging economic structure.” (pg. 230)

As an aside, this is exactly the philosophy of my generation. We want a Bahamas where a greater ownership lies within.

Mr. Craton writing about the Sir Lynden's last five years in power and privatization

“Much of the privatization debate and dispute swirled around the telephone and electricity corporations... The government was reluctant to pass them into private hands if only because with their virtual monopolies, they were sure money-makers. The FNM claimed that privatization would make their services more efficient and cheaper for the consumer—citing overstaffing, mismanagement and inertia.”... “An important political factor was that the opponents of privatization were supported by the trade unions, which organized protests against privatization because it would inevitably lead to worker cut-backs.” (Pg. 361)

Having provided that historical context, how far have we come? You be your own judge. My reflections on the push to majority rule and independence have given me much food for thought. I believe that we have come a mighty long way, but there is so much more land to be possessed. Messrs. Pindling, Ingraham, and Christie deserve credit for moving the ball forward. However, the BTC/C&W-Lime deal makes one wonder whether we are in fact going backwards. In this context, I have thought a lot about the role and importance of leadership, and specifically, national political leadership.

In my first fifteen years of writing and delivering speeches, I eschewed the dramatic, emotional, and hyperbole-laden speech. I had little interest in drama without substance. As I progressed as a student and student leader, business professional, leader of business and later as a political observer cum neophyte politician myself, I came to fully understand and accept this critically important reality—people and institutions need, want and expect to be led. Notice, I said led, not dragged. And in leadership, I have heeded the words of former U.K. Prime Minister Benjamin Disraeli, “With words we govern men.”

Leadership is not only about execution. It begins with a vision. It entails connecting with your people's dreams and aspirations and leading the way to their attainment. Frequently, however, leadership means inspiring people to connect with your vision. In a contemporary context, the presence of that CONNECTION explains the success and election of U.S. President Barack Obama (Hope); the lack of a connection explains the failure of George W. Bush (My way (to Iraq) or the highway. Get with the program). The presence of that CONNECTION, explains Lynden Pindling's success in feeding off the ambitions of a striving people for 20+ years. It further explains the success of the

FNM/Hubert Ingraham in 1992. The DISCONNECT explains my party's untimely fall from grace in 2002, and Mr. Christie's election that same year.

Former U.S. President John F. Kennedy's words and methods can be very instructive in how Mr. Ingraham (and his ultimate successor) can LEAD this nation. Consider the words of the late president extracted from a message to the U.S. Congress on urgent national needs delivered on, May 25, 1961.

"...if we are to win the battle that is now going on around the world between freedom and tyranny, the dramatic achievements in space which occurred in recent weeks should have made clear to us all, as did the Sputnik in 1957, the impact of this adventure on the minds of men everywhere, who are attempting to make a determination of which road they should take. Since early in my term, our efforts in space have been under review. ...we have examined where we are strong and where we are not, where we may succeed and where we may not. Now it is time to take longer strides--time for a great new American enterprise--time for this nation to take a clearly leading role in space achievement, which in many ways may hold the key to our future on earth.

I believe we possess all the resources and talents necessary. But the facts of the matter are that we have never made the national decisions or marshalled the national resources required for such leadership. We have never specified long-range goals on an urgent time schedule, or managed our resources and our time so as to insure their fulfillment.

Recognizing the head start obtained by the Soviets with their large rocket engines, which gives them many months of lead time, and recognizing the likelihood that they will exploit this lead for some time to come in still more impressive successes, we nevertheless are required to make new efforts on our own. For while we cannot guarantee that we shall one day be first, we can guarantee that any failure to make this effort will make us last. We take an additional risk by making it in full view of the world, but as shown by the feat of astronaut Shepard, this very risk enhances our stature when we are successful...

I therefore ask the Congress...to provide the funds which are needed to meet the following national goals:

First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the earth. No single space project in this period will be more impressive to mankind or more important for the long-range exploration of space; and none will be so difficult or expensive to accomplish."

Just over one year later, in September of 1962 at Rice University, Mr. Kennedy amplified his remarks.

He said, "There is no strife, no prejudice, no national conflict in outer space as yet. Its hazards are hostile to us all. Its conquest deserves the best of all mankind, and its

opportunity for peaceful cooperation may never come again. But why, some say, the moon? Why choose this as our goal? And they may well ask why climb the highest mountain? Why, 35 years ago, fly the Atlantic?...

We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win, and the others, too.

It is for these reasons that I regard the decision last year to shift our efforts in space from low to high gear as among the most important decisions that will be made during my incumbency in the office of the Presidency.”

I ask you, what have we in The Bahamas been asked to do that is long-term? and hard? and urgent?

To this day, Mr. Kennedy’s moon shot speech continues to be a standard for national leadership. It remains a model for national leaders who wish to awaken the imagination, creativity and can-do spirit of their people. “Yes You Can! Yes We Can. As your leader, I am fully confident that YOU CAN, and I’ll put my money where my mouth is to make this dream a reality”.

Progress on the path to greatness for a nation that is truly our own and for which we can be proud of having built it, is not for us to step backwards. The way forward and upward if not for us to throw in the towel and claim no we can’t. It is quite the opposite. Our leaders should embrace that ambition and nurture it. No government can squash the can-do spirit of an ambitious, striving people and then return eighteen months later and say, “Trust me. Have faith in me. Vote for me.”

Who are these ambitious, striving people? I believe these are the persons upon whom this nation’s long-term success depends. And yes, from an electoral perspective, many of them are swing voters.

Let me revert to the generational issue for a moment. Time will tell whether this chasm between the government and the next generation of the governed is limited to the issue of the sale of BTC. However, on that single issue, my view is that the Government of The Bahamas is out of step with the goals and aspirations of its people. Why are they out of step on this one and how have they gotten out of line?

The government has fallen behind the governed because, to borrow from George W. Bush—the “deciders” are not who they used to be. In 2011, the middle class, and the swing voters among them, is not your daddy’s or granddaddy’s middle class. Today’s swing voters—to focus on them for the moment—have different dreams and aspirations. Increasingly, what it means to be Bahamian and master of their own destiny goes way

beyond having a good job and working for international hoteliers and bankers.

That electorate (as I said, better known as the swing voters) are a lot more discerning. Not fickle, just discerning. If you doubt me, reflect on the last two general elections. In 2002, despite a relatively good economy and prospects, and a government with a good track record of leadership and performance, most indications were that the electorate (swing voters) had gotten the feeling that the FNM had become a bit too big for its britches. They (we) had lost touch. We weren't listening. We had become too arrogant. You remember how well that turned out.

Then, in 2007, it was time for a change, again. You remember, don't you? I can still remember Mr. Christie's sweet words. He sounded so, so, so, so good, he was very persuasive. I was a talk show host at the time, and it was clear that—pre- and post-referendum—Mr. Christie was connecting with people because of all that sweet talk. You know how that turned out. But, in the end, Mr. Christie could not deliver on his sweet promises, so back into the arms of the original Delivery Boy the swing voters went. Where do we stand today?

The jury has not yet begun its deliberations. However, if the government's position on BTC is part of the closing arguments, my government and party might want to reconsider our strategy. It is time to reconnect.

I fully expect that my contemporaries who presently sit around the Cabinet table would have sought to explain to their senior colleagues that the visceral, emotive reactions from people in their generation has come because of that generation's can do spirit and abundance of self-confidence. Yes we can! We know we can!

This raises another tough political "reality pill" for my government to swallow. Yes. Yes, the FNM deserves plaudits for increasing "Bahamian" ownership in local companies. BUT, this is a new day and those approaches are inadequate to the current times.

I am reminded of the U.S. civil rights movement, when President Lyndon Johnson used the powers and prestige of his office to push through the Civil Rights Act of 1964. He expected black people to shut up and be grateful. But there was more ground to be made up, so leaders of the movement continued to push for a Voting Rights Act. Their position was, well done Mr. President, but we still have some serious catching up to do. So in 1965 the Voting Rights Act was passed.

We are at a similar position in this country. We are happy and grateful for the progress, but a lot more needs to be done. The paradigm needs to be shifted. As a case in point, it is time to end the free ride that Royal Bank of Canada, Scotiabank and FirstCaribbean have had. There is far too little Bahamian ownership in these entities. I shall have more to say about these companies and the Grand Bahama Port Authority and the New Providence port deal on another occasion, but when I talk PARADIGM SHIFT, that is the realm of which I speak.

As I draw to a close, let me again express my regrets that politics have crept into this important debate. It is hard to tell just how much fuel it has added. Indeed, it is difficult to see where the unions' (leaders and members) self interests intersect with genuine public sentiment. I do believe that they have. I was a college student when Corazon Aquino's 1986 People Power Revolution ushered her into power in the Philippines. University students led the way. And, in December of 1989 public discontent with Nicolae Ceausescu brought millions of average people into the public squares across Romania and he fell from power under the weight of public opinion. I have no doubt that in both nations opportunistic politicians (and I mean that in the nicest way) who were able to smell blood in the water knew which side of the issues to take.

May I also state, that I am yet to be persuaded that unions can or should dictate to whom owners can and should sell their businesses. And notwithstanding the prime minister's thinly veiled caution to BTC employees about walking off their jobs, the fact is that the response to a bad employer is to leave or to use all means within the law to agitate for worker rights when they are being violated or threatened. For now, we are where we are, and people in the middle (the swingers) that wear wool but whom we have not yet been able to dip in RED or YELLOW dye, will have to sort out the politics from the populism for themselves.

Let me be clear; it pains me to give aid and comfort to the government's political enemies. In the case of her majesty's loyal opposition, the high road is not available to them. They ceded that ground before the general elections of 2007. This is in part a key problem with the state of Bahamian politics today. When you have been around too long, you find yourself in the uncomfortable position of having to defend your own previously indefensible positions. This goes for my party leader and for Mr. Christie. But, as I have suggested, the Official Opposition's position is not hard to figure out. Stick your finger in the wind and see which way public sentiment is blowing, find a way to nuance your previously indefensible position then, go with the flow of public opinion.

The problem my friends on the other side have is that they cannot claim chastity in this matter. Having agreed to free up on the goods by inking a deal with Bluewater under the table, behind closed doors in the dead of night, they cannot now argue about transparency. They have no credibility on this issue. No memorandum of understanding (MOU) was made public when they signed their deal. At least Alfred Sears has had the courage to come clean and acknowledge that their initial scheme was a mistake. His admission ranks high on the candor meter, but it is regrettable that he didn't have more sway over his cabinet colleagues or said or done something while in office.

Speaking of candor, let's take this a little further. If the powers that be and those that want to be were to tell the WHOLE truth of the matter, they would have to admit that if a Bahamian group bought BTC, BEC, BCB or B-Air, there is a very high probability that within months of closing the deal, there would be or could be substantial layoffs. This would be the reality for primarily one very simple reason, a significant number of public and quasi-government entities are overstaffed or inappropriately staffed.

Across administrations, We the Bahamian people have known about, funded and accepted an EMPLOYMENT-BASED UNEMPLOYMENT program. We have routinely hired people and placed them in whatever corporation had a vacant chair to accommodate them. In fact, chairs and an actual space to work were optional. But here is another truth; THOSE DAYS ARE OVER, thanks in great measure to the policies of the Free National Movement government.

For both financial and reasons of global competitiveness, the country can no longer afford that old way of doing business. It simply cannot be sustained. With respect to BTC, the government talks about the need to transform the telecommunications sector. And they are right. But in their approach, they are more wrong than right.

In almost every sector of our nation we are in dire need of transformation. The million dollar question is, do we the Bahamian people have the ability and the courage to tackle these challenges? When it comes to the transformation of our telecommunications sector, the position of the government seems to be “No We Can’t”.

The question we must now ask is, where to next? Well, be careful what you ask for. You just might get it. The people wanted a strong decisive man of action and drafted Mr. Ingraham back into service. Action is what the people got. In this case which action will Mr. Ingraham take? I am reminded of the time when those in opposition to U.K. Prime Minister, Margaret Thatcher’s positions on liberalization of the economy pressed her to make a U-turn. The Iron Lady’s famous response to the Conservative Party Conference in 1980 was, ‘You turn if you want to. The Lady’s not for turning.’

I doubt that Mr. Ingraham is for turning. He should, but he probably won’t. Tennyson’s words are apropos:

*Forward the Light Brigade!
Was there a man dismay’d?
Not tho’ the soldier knew
Some one had blunder’d:
Their’s not to make reply,
Their’s not to reason why,
Their’s but to do and die:
Into the valley of Death
Rode the six hundred.
Cannon to the right of them,
Cannon to the left of them,
Cannon in front of them
Volley’d and thunder’d;
Storm’d at with shot and shell,
Boldly they rode and well,
Into the jaws of Death,
Into the mouth of Hell
Rode Prime Minister Ingraham and his Cabinet.*

The prime minister and I are of one accord in this respect, there are times when one must take a principled position and stand against the tide of broad sentiment. Only time will tell what becomes of the two of us. In closing, I refer my government and party colleagues to a final piece of reflection on Sir Lynden O. Pindling. It comes from his testimony before the Commission of Inquiry into the public corporations. Sir Lynden's perspective is instructive for this moment in history and perhaps will give my Prime Minister Ingraham some comfort. Said Sir Lynden:

"Mr. President, Commissioners, one day, long after you and I will have answered to a higher trinity, your grandchildren and mine may chance on my testimony and your conclusions. By that time, of course, the partisan heat, the thrill of the hunt, the spirited defences, the anxiety and the wounded pride will all have passed away. All that will remain, will be a stark, cold testament to how poorly or how well we would have discharged our duty.

By then, also, a similar time will have passed since you tried to do your best under difficult conditions as how now passed since I tried to do my best under difficult conditions. And you will undoubtedly hope, like I hope, that your grandchildren will understand something of what it is like to attempt a vexing task under imperfect conditions and with imperfect selves while hamstrung by time and resources and battered to and fro by an unruly, ever-changing reality...

I have two grandchildren, both boys, and both still too young to understand what it is that together we are trying to achieve in this room today. But it is an effort to build a better Bahamas for them to share with other Bahamians of their generation that I embrace this opportunity, painful and anxious though it is, to assist this Commission to do a job which is as difficult as it is potentially beneficial." (pg 379).

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