

**TOWARDS A NATIONAL ECONOMIC AND SOCIAL  
DEVELOPMENT PLAN FOR ST. VINCENT AND  
THE GRENADINES, 2008 – 2020**

by

**Dr. The Honourable Ralph E. Gonsalves**  
Prime Minister of St. Vincent and the Grenadines



Delivered on January 22, 2007, at Methodist Church Hall at  
the Launch of Consultations on the National Economic and  
Social Development Plan 2008 – 2020

Office of the Prime Minister  
St. Vincent and the Grenadines

January 22, 2007

**TOWARDS A NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT  
PLAN FOR ST. VINCENT AND THE GRENADINES, 2008 – 2020**

by

**Dr. The Honourable Ralph E. Gonsalves**  
Prime Minister of St. Vincent and the Grenadines

## **THE PLAN**

In my Budget Address for the fiscal year 2007, delivered on December 11, 2006, I announced that the Government of St. Vincent and the Grenadines will be embarking on the preparation and production of a National Development Plan for the period 2008—2020. I offered the view that:

*“This plan, a veritable ‘2020 Vision’, will be codified in a comprehensive National Economic and Social Development plan before the end of 2007. This document will constitute, metaphorically, the runway for our advanced economic take-off, socio-economic strengthening, and further enhanced ‘good governance’. Sectoral plans will be elaborated in various areas including Education, Poverty Eradication, Health, Agriculture, Fisheries, Tourism, Manufacturing, Housing, Physical Infrastructure, Sports and Culture, Investment Promotion, International Financial Services, Export Marketing, the Fiscal Situation and Budgetary Processes, Disaster Management, Social Development, Rural Transportation, Development. These sectoral plans are for the years 2008 – 2020.”*

Financial resources have been provided in the 2007 Estimates for the fashioning of this Plan.

## **PLANS HITHERTO**

We do not begin this national exercise with a blank sheet here in St. Vincent and the Grenadines. Since the end of the Second World War there have been at least six attempts of “development plans”: One before the arrival of universal adult suffrage; three between 1963 and 1973; and two between 1986 and 1995. These were relatively loose, and, in some cases, a disjointed amalgam of partial sectoral or ministerial programmes. They appeared to have been driven by the requisites of some external funding agency or institution. Their impulses did not appear to me to have been autochthonous or home-grown. Certainly, they were not people-driven or oriented; there was no sense of ownership of these plans by the people nor even by the very officials who crafted the Plans. Indeed, the political directorate at the time hardly made reference to them in the fashioning of on-going public policies or in any sequencing of implementation. It may be too harsh to assert that these Plans constituted “Decorative Planning”, a new additional category to those fairly-well known in the literature as “directive planning”, “incentive planning”, and “indicative planning”. Surely, though, they were species of dramaturgy — impression management, impression planning. Collectively we must ensure that a not-too-similar fate befalls our current efforts.

All this is not to say that the outcomes of the earlier planning endeavours were useless. It is simply that their utility or usefulness was limited. To be sure they provided a brief summary of some relevant socio-economic data; they outlined, though sometimes in an inconsistent or contradictory manner, several public policies;

they enumerated some projects and programmes, though more in hope than in reasonable expectation; and they offered some insights into the perspectives of the policy-makers but very often by stylising facts in search of a theory of explanation. Indeed, there was not in these “development plans” hitherto a comprehensive framework for development, no credible trajectory for change, no overall economic strategy save that of constructing, in real terms, a transition to a dead end.

### **EXPERIENCES ELSEWHERE**

In this Caribbean region and elsewhere, in both developing and developed countries, there have been experiences of development planning, historically and in the contemporary period, from which we can draw appropriate lessons for our current exercise. At our disposal, too, are academic studies on socio-economic planning, including those of our own Caribbean scholars and professionals. After all, the entire field of development economics and socio-economic planning has been a rich terrain for our academics to plough, starting with the seminal works of our esteemed Nobel Laureate, Sir Arthur Lewis, on “Development with Unlimited Supplies of Labour” (1954), The Theory of Economic Growth (1955) and Development Planning (1966), right down to the so-called “New World” School of political economists (Best, Beckford, Girvan, Thomas, Brewster), to the younger generation of economists, including Dr. Wendel Samuel of St. Vincent and the Grenadines and Claremont Kirton of Guyana and Jamaica, two persons who have

consented to be engaged with us in the quest for an integrated, strategic relevant, workable, and useful National Economic and Social Development Plan, 2008 – 2020.

## **QUEST FOR A NATIONAL CONSENSUS**

Since my government assumed Office consequent upon the general elections of March 28, 2001, we have been seeking to build a national consensus around the central economic, social, and political policies and programmes. These are derived from our people-centred vision, a coherent philosophy of social democracy applied in the context of our Caribbean civilisation and its magnificent Vincentian component, and a careful analysis of the condition of our political economy and society. Indeed, my party's Election Manifestos of 2001 and 2005 sketch the substance and framework of all this. My administration brings these documents to the table for a further national conversation.

The work of fashioning a national consensus has been done, in part, through on-going consultations with all relevant interest groups and stakeholders, including those institutionalised within the National Economic and Social Development Council (NESDEC) and the Tri-Partite Committee on the Economy (TCE). This collaboration or partnership between the State and civil society has produced The Interim Poverty Reduction Strategy, The Social Contract, The Draft Fiscal Covenant, strategic sectoral plans in several areas, and many other vital public policy documents. It is this partnership which is

intended to shape and drive the elaboration of a comprehensive National Economic and Social Development Plan for the years 2008 to 2020. Our gathering here is a manifestation of this. The process commences today.

### **NO RIGID CENTRALISED PLANNING**

First, let me say what it is not our intention to do. You and I are not being called upon to elaborate or craft a rigid plan. Experience has shown such rigid or centrally-directed plans to be wrong in principle, impossible in conception, unworkable in practice, and clearly more easily blown off course by events than ones which constitute indicative strategic reflections, and consultations.

I have been advised that, in our comprehensive focus and strategic frame, we ought rather to stimulate the likely consequences of alternative future scenarios for the economy and society, and particularise and prioritise the policies and programmes and their practical sequencing. But all this can only be effectively elaborated by discussing, and even negotiating on, the likely responses of major economic and social actors and their representative institutions.

### **THE CURRENT CONTEXT**

We are embarking on the fashioning of this “national plan” at a time when the economy of St. Vincent and the Grenadines is on the cusp of an advanced economic take-off. I addressed this issue, in a

strategic sense, in my Budget Speech for the fiscal year 2007. I urge the stakeholders to read or re-read it critically for our purposes here.

More fundamentally, though, the Unity Labour Party administration, your government, is engaged in the building of a modern, competitive, post-colonial economy which is at once national and regional. For all practical purposes the old colonial economy is in its death throes. The old colonial economy was one predominantly of primary producers, abundant unskilled labour, special metropolitan—hinterland relationships, protectionism in external trade, relatively closed and even undemocratic colonial or neo-colonial governance structures, limited educational and social opportunities, deep and widening poverty, and a most restrictive and constraining social organisation of labour.

### **PILLARS OF THE POST-COLONIAL ECONOMY**

The pillars of a modern, competitive post-colonial economy are acknowledged to be: Commercial agriculture grounded in agricultural diversification and increased local value-added beyond primary production; a viable, modern fishing industry; many-sided tourism; information technology services; renewable or cheaper energy; transportation, including viable air and sea transportation; international financial services; shipping; the film industry; music, entertainment, sports, culture, professional and skilled services. In this modern, competitive post-colonial economy a large pool of healthy, highly trained and skilled labour is required. Education and

health are thus not social luxuries or appendages as in a colonial economy, which demanded abundant unskilled labour, but vital production requisites for the modern, competitive economy. In this context, too, capital investment and skills from overseas are critical in helping to make the leap from the old colonial economy to a modern post-colonial one.

### **GOOD GOVERNANCE, FOREIGN POLICY, EQUITY**

This modern, competitive post-colonial economy cannot be constructed with or amidst ramshackle constricting institutional and governance arrangements. Thus, this administration's emphasis on reforming government to make it more open, transparent, democratic, responsible, responsive, effective and efficient. Similarly, our nation's foreign policy, and foreign economic policy, cannot be of the old colonial or neo-colonial kind; thus, your government's many path-breaking initiatives in external relations. This modern, competitive post-colonial economy, too, must be regional in nature, not just merely in trading relationships — though this is important — but in integrated production and the free movement of labour and capital. That is why your government is so emphatic on deepening regionalism in our people's interest. And above all this modern, competitive economy must benefit the people as a whole through the creation of quality jobs and wealth. Equity, too, must always be at the centre of our public policy to take care of the disadvantaged, the poor, and the marginalised.

## **GET RID OF MENTAL SLAVERY**

A huge question to be posed is this: Can our nation thoroughly and successfully build a modern, competitive post-colonial economy if the mental make-up of its people, or a significant number of them, remains warped and distorted by debilitating colonial ideas, perceptions and attitudes? The answer is a resounding "No"! It cannot be done. We must, as the famed lyricist, Bob Marley, tells us, emancipate ourselves from mental slavery. But the freeing of the minds from mental servitude does not mean a nihilism, an acceptance of nothing or the putting of nothing in its place. The mind cannot, and will not, allow itself to be vacant; it must be occupied with something. It is for this reason that I repeatedly emphasise the articulation of the concept, and mobilising quality, of our Caribbean civilisation in which there is a wonderful Vincentian component. Our Caribbean civilisation is at once authentic, unique, and legitimate. It is grounded in the positive tried, tested and ennobling values of our people who have been beaten on the anvil of experience and forged in the cauldron of struggle. It does not admit to criminality, vagabondry or anti-social conduct. It is for the sake of our ennobling and evolving Caribbean civilisation that your government has embarked, actively, on a quest of historical reclamation, cultural authenticity, national unity, patriotism, nationalism, regionalism, love, caring, peace, justice, and the maintenance of law and order. All of this is evident in what we say and do as a government. We bring all of this, too, to the table of

national dialogue as we launch the process towards the drafting of the National Economic and Social Development Plan, 2008 to 2020.

## **THE MARKET AND THE GOVERNMENT**

National plans generally, and certainly in our context, must necessarily have at its core a practical consideration of the complementary roles of the market and the State or government. My reflections on this vital matter have been sharpened by my current reading of two recently published books Economic Theory and Development Options For The Caribbean (The Sir Arthur Lewis Memorial Lectures, 1996 – 2005), especially the lecture by Professor Gerald Merier, and Making Globalisation Work: The Next Steps To Global Justice by the celebrated Nobel Laureate in Economics, Joseph Stiglitz.

Sir Arthur Lewis, had, of course, in his famous presidential address in 1983 to the American Economic Association, considered this subject of the role of markets and governments in economic theory, policy and planning. He suggested then the modernising of government just as much as the market. Indeed, he called for a theory of government to complement that of a theory of economic development. He observed that the economists world had changed from viewing government as autonomous and an exogenous or external factor in any development analysis and prescription to making government endogenous. Thus we must now be concerned with “not taking government action as simply given

but must analyse why government does what it does and then determine how its actions could be more effective in promoting development."

In his commentary on this, Professor Meir opines that:

*"The task now is not to determine when one or the other {the market or government} gives a better outcome, but how the two in complementary fashion can improve the situation. Recognising the new market failures, we need to undertake cost-benefit analysis of government policies, and determine how state action can support the formation and deepening of markets. The objective should be----not replacing markets but instead enhancing their functions. This task of blending public policies with the market will involve much deeper conceptual issues than those that faced central planners in the 1950s. in many ways it will be more difficult to be a policy maker, policy adviser, or policy administrator."*

This is a salutary warning which has been picked up by Joseph Stiglitz in his recent book to which I have just referred. I shall quote Stiglitz at some length because he is relevant here:

*"Recent decades have seen marked changes in thinking, not only about what successful development means but now to go about it. During the 1960s and 1970s it was thought that what separated less developed countries from more*

developed countries was the former's lack of capital. Emphasis was placed on savings and investment. That is one of the reasons the World Bank was created in 1944, to help provide more capital to developing countries. When it turned out that foreign aid and easier access to capital did not lead to the hoped-for results, many in the development community pushed the idea that markets were the solution — although they had failed to produce development in the years before the end of colonialism. When the question 'Why hadn't markets already delivered?' Was posed, there was an easy answer: governments were in the way. All that was required for development, then, was to get government out of the way, privatising and liberalising — stripping away regulations, cutting government expenditure, and tightening restraints on borrowing."

Well, that latter approach failed during and beyond the enthusiasm of the Thatcher and Reagan market-focussed era! Then a variant arose: "market plus" or "Washington consensus plus", by adding, for instance, the importance of human capital and especially female education. Still, the development process stalled. Stiglitz thus intones, accordingly:

"When these policies too failed, it became clear that what was needed was a deeper change in strategy, a more comprehensive approach to development — with emphases differing from country to country and from time to time. These

*strategies, however, were not really new: they were variants of the strategies that had worked so well and for so long in East Asia and elsewhere, but which had long been ignored by the believers in the Washington consensus and market fundamentalism."*

Obviously, countries cannot grow without capital; markets are essential; markets help allocate resources; fiscal prudence and consolidation are virtues. But that cannot be all. As Stiglitz puts it:

*"The comprehensive approach has involved strengthening government and figuring out, for each country as it reaches each stage of development, what the right mix of government and market might be."*

To all of this I say "Amen"! It is this broad approach which has been adopted in my governments management of our nation's economy. I should stress though that I depart from Stiglitz's overall thesis at several important junctures particularly as regards the role of history, the nature of political economy, and culture in our developmental model.

### **SOME QUESTIONS**

Much work is ahead of us in this planning enterprise. Many questions are to be posed, as broadly suggested by Claremont Kirton, for appropriate answers, including:

1. What are the preliminary issues related to the planning process and its fashioning?
2. What is the vision, philosophy, driving the Plan?
3. What is the actual concrete context which necessitates a Development Plan?
4. What are the issues that the Plan will address?
5. How is the Plan to be structured technically?
6. How will the Plan deliver on its objectives?
7. What kind of project governance structure is most appropriate?
8. Who are the interest groups or stakeholders and what is to be their role?
9. What kind of project team is suitable?
10. What are the regional and international forces relevant to the Plan and what role can regional and international institutions play in the Plan's elaboration and implementation?

### **UNCERTAINTIES AND RISKS**

The making and implementation of any National Development Plan must necessarily confront probable risks, uncertainties, and even accidents. As always, in life and living there are uncertainties or risks for which an adequate and sufficient preparation, at a minimum, must be made on an ongoing basis, to the extent that these uncertainties or risks are reasonably foreseeable. These uncertainties or risks relate largely, though not entirely, to the

specific consequences of trade liberalisation including the trading regime overseas for our bananas; war and terrorism externally; a sharp rise in oil prices internationally; epidemics or extraordinary health challenges of one sort or another; accidents and natural disasters; crime, especially those of violence against the person; and assorted anti-social conduct of such a type and scale which instinctively revolts right-thinking persons.

### **PLAN FOR UNCERTAINTIES**

As always, due consideration is taken of these uncertainties or risks in the design of our plans. But for this ULP administration, for me personally, and for the vast majority of our people, uncertainties or risks never induce learned helplessness, never dampen our fighting spirit or optimism, never dull our hopes and dreams, never drive us to despair, never paralyse us into inaction, never imprison our creativity, never rob us of our good sense or good nature, never make us overly-cautious, never shatter our sense of responsibility, never let us throw caution to the wind, never cause us to abandon our duty to be caringly responsive. Uncertainties and risks never shake the fundamental truth and certainty that this nation is founded on the belief in the supremacy of God and the freedom and dignity of man. Belief in such a fundamental truth necessarily engenders abundant hope, faith, and love; it is the well-spring of optimism, freedom and redemptive grace. It is this belief combined with reason, our history, the fact of our considerable achievements, our real condition today, our philosophy and vision, our policies and

programmes, and our foreseeable future which provide such high hopes and promise for 2007 and beyond, up to the closing date of this Plan in 2020. It is all this which makes us confident that we can glimpse sunrise before the dawn.

I end with one of my favourite poems by the master poet of St. Vincent and the Grenadines, Elsworth "shake" Keane, now deceased, from his collection The Angel Horn. This apt poem is called "Private Prayer" and was written in London in 1973 for Walter Rodney, the activist intellectual from the Caribbean, who had just then published his path-breaking study, How Europe Underdeveloped Africa:

"To understand  
How the whole thing run  
I have to ask my parents  
And even my daughter and son

"To understand the form  
Of compromise I am  
I must in my own voice ask  
How the whole thing run

"To ask  
Why I don't dream  
In the same language I live in

I must rise up  
Among syllables of my parents  
In the land which I am  
And form  
A whole daughter a whole son  
Out of the compromise  
Which I am  
"To understand history  
I have to come home."

Let us all come home, metaphorically, and commence this national dialogue on "the Plan" in our own voice.