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BASIC PLANNING FUNCTIONS:
*A presentation of three papers
prepared by Caribbean experts*



ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

PREFACE

A High-Level Seminar on Basic Planning Functions was conducted on 5 and 6 October 2000 in Port of Spain, Trinidad and Tobago by the Economic Commission for Latin America and the Caribbean (ECLAC) and by the Latin American and Caribbean Institute for Economic and Social Planning (ILPES). A similar seminar had been held in Santiago, Chile, in 1999. A book highlighting the papers presented at that seminar was prepared and circulated to a wide number of agencies involved in various aspects of planning.

The seminar was useful in that it allowed for the sharing of country experiences from the Caribbean as well as Latin America through the participation of the three experts who had presented papers at the seminar in Santiago, Chile, in 1999. The papers of the three Latin American experts were published in the ILPES publication No. 46 of Cuadernos del ILPES. The present publication, in English, parallels the ILPES effort and brings the benefit of the Seminar to a wide Caribbean and world audience. It presents the papers presented by the Caribbean experts and complements the ILPES document mentioned above.

The Seminar was attended by a number of economic and social as well as physical planners from the Caribbean. Participants expressed satisfaction at the topics presented and the level of discussion emanating from the presentations.

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ABSTRACT

At the end of the 1990s, an examination of the achievements of economic and social planning revealed a mixed picture. Indeed, the results differ depending on what is understood by the planning process or system in each country. What seems to be clear, however, is that whatever style of development or reform is ultimately adopted, certain basic, unavoidable tasks must be entrusted to a State agency or entity. Both opening speakers, Dr. Len Ishmael, Director of the ECLAC Subregional Headquarters for the Caribbean, and Mr. Edgar Ortegon, Coordinator of ILPES and Liaison with the Office of the Executive Secretary of ECLAC, underscored that point. They urged that planning in all its aspects, economic and social as well as physical, be taken fully on board in a serious way by Caribbean governments.

Three basic tasks were the focus of the seminar and the touchstone for discussion over the period of the seminar. They were:

- The evaluation of public management
- The coordination of plans and sectors
- The development of long-term strategic vision

Three Caribbean experts joined the three experts who had presented similar papers in Santiago in 1999 to impart a Caribbean perspective to the presentation of facts and experiences and to stimulate a discussion of the Caribbean experience in these areas. The papers of the Caribbean experts are presented in this document.

OPENING SESSION

Ms. Len Ishmael, Director of the ECLAC Subregional Headquarters for the Caribbean, welcomed participants to the seminar.

Opening remarks of Ms. Len Ishmael, Director, ECLAC Subregional Headquarters for the Caribbean

“Excellency, the Honourable Errol Ennis, Minister of State, Jamaica,
Mr Edgar Ortegon, Coordinator of ILPES,
Distinguished Participants, Guests and Colleagues,

On behalf of the Caribbean Headquarters of the United Nations Economic Commission for Latin America and the Caribbean and the Latin American and Caribbean Institute for Economic and Social Planning - ILPES, a division of ECLAC, it gives me great pleasure to welcome you to the commencement of what I consider to be an important meeting to discuss models and strategies for the coordination of planning functions within member States.

As a planner myself, I have witnessed, firsthand, a singularly critical weakness in the nature of planning in these countries – namely the systematic lack of a development planning framework equipped with the mechanisms necessary for the effective coordination of the different planning functions at the national level. This weakness is a function perhaps of the tendency to assume that the only planning undertaken in these islands is economic in nature - what we referred to in the 1960s as development planning...and, more recently, medium- term planning, involving issues related to the performance of various economic sectors, the allocation of inputs, the funding of capital projects and so on.

However, important aspects of planning, essential to the socio-economic well-being of a nation, are also undertaken in the areas of social policy formulation, physical planning and environmental management. In very few member States is any attempt made to reconcile the demands of the various types of planning into a rational, composite whole; to coordinate their processes, allocate resources and set targets and benchmarks for evaluating success, in a systematic way. Indeed, more often than not, the very process of policy formulation is itself fragmented, resulting in policy prescriptions which are sometimes in mutual conflict. Development proceeds in a manner which is ad hoc and incremental driven by the execution of projects. The planning horizon is quite often no further than the next electoral cycle.

In few of our countries has any attention been given to the need to devote attention to the "big picture" - the overall path of development which a country will take in pursuit of developmental objectives which are sustainable in nature. It, therefore, comes as no surprise that a coherent approach to the formulation of policies, the retooling of institutions to meet explicitly defined socio-economic objectives, the assessment of resources required to move a country from where it is, to where it would like to go, are initiatives which are conspicuously

lacking. Quite often, the dreams, hopes and aspirations of the very people in whose name development is meant to proceed, are noticeably absent.

Planning is an important function of the development apparatus of every country, on a recurrent basis. At the very core of the planning process is the need to devise practical solutions and approaches to the issue of coordination. Responses to this need by member States have spanned a broad spectrum ranging from informal to formal, with demonstrably limited success.

In many of the islands, coordination among the different forms of planning is entirely informal, based on an array of interpersonal relationships and old friendships. The removal of an official from one department to the other, for example, has quite often severs the vital link via which information on which such informal attempts at coordination, at the very basic level, have been based.

In an attempt to give more national prominence to planning for environmental management by integrating it more functionally into the national planning apparatus, for example, some member States have established environmental desks, attached to ministries of health. Invariably, lack of resources, the absence of the perception of any real legal authority or "teeth", together with attachment to a ministry with a public health, as opposed to an environmental/sustainable development focus has led to the creation of "paper tigers" doomed to a predictable demise.

Other countries have felt that the answer to the dilemma of coordination has laid in the establishment of an array of committees and sub-committees with representatives from various ministries and departments of government. Many of these, too, have failed. Experience has shown, that if the composition of the committees themselves is not carefully constructed, if their mandates are not clearly defined, if they are not seen to be operating with some degree of authority, they too, are likely to fail.

Member States are increasingly coming to grips with the need to make the transition towards the adoption of practices which lead to an integrated approach to planning. Indeed, some countries have already embarked on that process.

In 1997, the office of which I am Director, responded to a request for technical assistance to the Government of the British Virgin Islands for the development of a national integrated development strategy, in an attempt to coordinate the various forms of planning and diverse developmental objectives, in a systematic way. Three years later, the BVI point to their strategy and the experiences of implementation, as a success, providing the basis on which the recently concluded initiative at public sector reform, among others, were successfully undertaken. Later on during these deliberations, representatives from the BVI will share with you the framework of their model, and their experience with its implementation.

Continuing with this trend, a few weeks ago, this office received a request from the Island Administration of Nevis to provide technical assistance in the formulation of a five-year national strategic plan, as they, too, prepare to grapple with the need to devise a coordinating strategy to reconcile the various developmental objectives integral to the pursuit of sustainable development options for their country.

The Government of Saint Lucia over the last 18 months or so, has itself been experimenting with a model to achieve an integrated framework for planning. In fact in the case of Saint Lucia, the country has included national consultations to debate a very basic question: What sort of country do we want? - as the critical first step in articulating an integrated approach to planning for that country.

In an attempt to coordinate the planning process in the island of Barbados, the Government has established a Planning and Priorities Committee, comprising cabinet members as well as high-level technocrats. The Committee is chaired by the Prime Minister and includes the Deputy Prime Minister, the Minister of Tourism, the Attorney-General, the Chief Town Planner, and the Technical Director of Public Works, among others. All projects and plans are vetted and approved by this committee. Every ministry makes a written submission on ongoing programmes and plans to the committee on a quarterly basis.

It seems, therefore, that we are at a rather fortuitous juncture with both with the timing of this meeting, and the readiness of member States to search for approaches to the development planning process which will position them to better meet the challenges of development which lie ahead.

Generally speaking, it would seem fair to say that member States are themselves increasingly aware of the need to develop and, more importantly, *implement* a systematic and integrated approach to planning so as to better discharge the responsibilities with which the State is entrusted. These are not solely economic in nature; they are social and environmental; they deal with policies which speak not only to economic prospects and viability, but issues of governance and citizenship, with equal care.

It is with this in mind that I speak to the timeliness of this meeting. Planning is far more complex than it ever was before, and the *certainty* of uncertainty far more a characteristic of these times. The 20-year planning horizon of the master development plans of the 1960s and early 1970s are no longer practical or relevant, but neither perhaps is a planning horizon at the other extreme - of three to four months, as member States in the 1980s and 1990s tried to weather the trauma of structural adjustment programmes.

The time has come for us to put these issues on the table, and come away with a better understanding as to how these challenges will best be addressed. We have an opportunity over the next two days to learn from the experiences of our neighbours in South America, and sister States here in the Caribbean, and this we should grasp.

Participants gathered here today are not only from the area of economic planning, but are physical, environmental and social planners as well. We hope for debate and discussion that will be truly rich and lively. At the end of the day, however, we hope that the insights which we take from these next two days, provide us with the very real basis for hope for the future.”

Other welcoming remarks

Mr. Edgar Ortegon, Coordinator of ILPES and Liaison with the Office of the Executive Secretary of ECLAC, apologized for the absence of the Executive Secretary of ECLAC and Director of ILPES, Mr. Jose Antonio Ocampo, which was due to unforeseen circumstances. He informed the meeting that after the High-Level Seminar on Basic Planning Functions held in Santiago de Chile in October 1999, the Director of ILPES had emphasized the importance of organizing a similar seminar for the Caribbean countries. Such an event would serve to promote ECLAC/ILPES activities in the subregion at the start of the new millennium. The seminar was, therefore, an excellent forum to discuss and share national development experiences that would eventually set the stage for new and innovative strategies for solving crucial socio-economic problems.

Mr. Ortegon observed that as a result of our experiences the following lessons had been learnt:

- That planning had to be inserted into the decision-making process in the Caribbean subregion;
- That we are beyond the stage where planning was considered as a purely technocratic task, isolated from its political and social context and directly linked to the major objectives of a society at a given time;
- That planning cannot be left out of the important task of resource allocation and, particularly, out of the investment process; and
- That there is no kind of long-term planning which cannot co-exist with and be closely linked to the major short-term problems.

He noted the importance of other aspects of planning, such as:

- The learning process of planning bodies regarding their national problems;
- The in-service training of personnel of planning ministries and offices; and
- Their innovative work of introducing new topics and approaches to deal with the development problems faced by the Caribbean.

Mr. Ortegon warned that with this in mind, and in light of the challenges presented by globalisation, integration, privatisation and decentralisation, the meaning of planning needed to be clarified. ECLAC and ILPES, in close consultation with the member countries, had agreed that the following three major areas should be the focus of planning in Latin America and the Caribbean:

- That there is a new sense of anticipation, which should give planning a much more urgent and imperative character than before. The Caribbean must anticipate the future;
- Planning must play a fundamental role of serving as a critical conscience for countries about national problems;
- The challenge of construction of a modern State. To create a new type of State. To this end, evaluation of State performance was crucial.

Mr. Ortegon hoped that the seminar would positively contribute to the theory and practice of planning in the Caribbean.

**POLICY AND PROGRAMME EVALUATION IN THE ENGLISH-SPEAKING
CARIBBEAN: CONCEPTUAL AND PRACTICAL ISSUES**

Deryck R. Brown

Section 1: Introduction

The purpose of this discussion paper is to promote and broaden an awareness of the potential role of policy/programme evaluation in improving public sector decision-making in the English-speaking Caribbean. It begins with the assertion that very little, if any, evaluation takes place in the public sector independently of external donor conditions. Several reasons may be adduced for the non-institutionalization of evaluation research within the regional public sector, not least, the absence of appropriate incentives and the non-trivial transactions costs associated with carrying out evaluations (Reid, 1998: 271). Yet much of what is included on the contemporary menu of public sector reform calls, either explicitly or implicitly, for an unbiased and probative evaluation system to give meaning to the reforms. In the absence of such a system, reforms, such as the use of benchmarking and performance indicators, or the introduction of programme budgeting, become nothing short of trendy buzzwords with a distinctly hollow ring.

The paper begins with a brief description of what evaluation is and what it is good for, and takes the view evaluation is fundamentally an heuristic learning device. It then focuses on the contemporary public sector reform agenda both globally and more specifically in the Caribbean, and highlights the common core features of the reform agenda. The thrust of current reform efforts demands the introduction of a system for monitoring and evaluating results, outcomes and impacts. But when we turn to the actual practice and use of evaluation across the English-speaking Caribbean, we find that there is a huge void in terms of the evaluation function. Very little, if any, systematic evaluation takes place outside of what is mandated under the terms of financing agreements with bi- or multilateral donor agencies. Evaluation is therefore perceived not as an opportunity for reflection (on policies, programmes and projects) and learning, or even as an accountability mechanism, but rather as a way of exerting punitive control over an executing agency. Jamaica is perhaps the only exception, although it may be argued that even here the introduction of evaluation systems has been inspired by their relatively longer history of involvement with donors and the need for coordination of donor programmes. In the final section, some preliminary thoughts on the possible locus of the evaluation function within national governments are presented.

Section 2: Evaluation: what is it?

Evaluation has been defined as “an assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, its design, implementation and results” (OECD, 1986). The main aim of an evaluation could be to determine the relevance and fulfilment of objectives, efficiency, impact and/or sustainability. An evaluation can be conducted prior to, during or after implementation. For the most part, this paper is confined to evaluations that take place while an intervention is under implementation or after it has been completed, although it is recognized at the outset that *ex-ante* evaluations are extremely helpful in collecting baseline data on a problem situation which may be used later on in measuring the progress achieved in remedying the situation.

From its origins in the American Federal bureaucracy, evaluation as a tool of public administration and project management filtered into the Washington-based multilateral development banks (MDBs) and some United Nations (UN) agencies during the early 1970s. It soon became part of the *modus operandi* of bilateral aid agencies, most notably the United States Agency for International Development (USAID), and has gained acceptance as a decision-making device in many developing countries around the world. Cracknell (1988) discerned three phases in the development of evaluation systems among donor agencies. The first phase, described as “early developments”, took place from the late 1960s to about 1979. The second phase was marked by an “explosion of interest” from 1979 to around 1984. Finally, the third phase, in which evaluation seems to have come of age, was after 1984.

Interest in evaluation in the developing world was stimulated largely by the Operations Evaluation Department (OED) of the World Bank, which sought to develop capacity through an Evaluation Capability Development Programme during the early 1990s. Through this programme, the World Bank initially assisted six countries (including Brazil, Chile, Colombia, and India) and one regional development bank to strengthen their evaluation capability. The emphasis was primarily on assuming responsibility for the preparation of project completion reports, but some countries (such as Brazil and Colombia) did have much broader interests in seeking to integrate evaluation within their national planning framework (Valadez and Bamberger, 1994: 33). Colombia institutionalized ex-post evaluations in 1992 through a legally established National Management Outcomes Evaluation System (SINERGIA), and the evaluation function falls within the purview of the National Planning Department (see Wiesner, 1999: 12).

It has, nevertheless, always been the case in developing countries that evaluations are mostly donor-driven. Certainly, this is indisputable in the English-speaking Caribbean. Left to themselves, executing agencies very seldom evaluate performance of their own volition; evaluation has tended to be seen largely as a control and justification mechanism employed by donor agencies to satisfy their fiscal accountability requirements. As the OECD Review of 1982 put it:

A particular consideration on the donor side is that public opinion should be able to identify clearly and visibly the results of aid and that the use of funds must be capable of being monitored for reasons of accountability to national and parliamentary authorities. Many donors have expressed the belief that failure to trace the use of aid funds may undermine the continued support for aid programmes (OECD, 1982: 99).

Donors have long ago recognized this unsatisfactory situation. The literature on evaluation reflects an awareness that recipients have, for the most part, been excluded from the evaluation process. And even where donors have encouraged the development of in-country evaluation capacity, such as the World Bank programme referred to above, cynics might argue that this has been more for the donors’ convenience than the recipients’. A 1995 evaluation by the Dutch Ministry of Development Cooperation found that recipients tend to see evaluation as a step in an aid agency’s procedures for determining whether to modify, extend or terminate a

project (DGIS, 1995: 98). Lawrence (1989: 246) found that the enduring perception among recipients is that “evaluations are conducted *by* donor agencies *for* donor agencies, and that the involvement of recipients is usually minimal....” Recipients’ distrust of evaluations is widely acknowledged (see, for example, Cracknell, 1984 and Stokke, 1991); instead of viewing them as either policy or management tools or opportunities for learning, recipients tend to view evaluations as audits or onerous control mechanisms imposed on them by donors. Quinn-Patton (1990: 129) observes that “one of the negative connotations often associated with evaluation is that it is something that is done *to* people: One *is* evaluated!” The learning aspect of an evaluation is therefore lost on recipient institutions – a curious circumstance when it is considered that they are the ones who actually implement the project or programme and are expected to continue after the donor financing is exhausted. To quote Lewin (1994: 68):

Those who have the greatest need of learning gain least from the lessons provided by evaluations. There are therefore pressing reasons to pay increased attention to improving feedback and learning mechanisms within recipient countries.

Section 3: Evaluation: what is it good for?

Evaluations may be done for several different reasons. Naturally, perspectives and priorities tend to vary with stakeholders: they are differently perceived by those who are responsible for higher-order policy functions and those responsible for day-to-day management and implementation. For those responsible for overall policy formulation, evaluations serve an important function in terms of providing feedback on ongoing or past activities that can inform future planning and policy development. By synthesizing what is known about a problem and its solution, and developing new information on policy or programme effectiveness, evaluations could be useful for most important policy decisions (Chelimsky, 1995: 4). On the other hand, for those responsible for day-to-day management, evaluations help to keep everyone focused on objectives (Reid, 1998: 271) and to assess the appropriateness of the activities undertaken and identify ways of improving the effectiveness of delivery or implementation (Brown, 1998a: 9). In either case, the benefit of evaluation lies in the lessons learnt from past experience.

Evaluations also serve an important accountability function, so vital nowadays in the context of good governance. The notion of accountability – which is understood as answerability for performance – is a universally accepted standard for public sector management (see Wolf, 2000; Romzek, 2000). Wolf (2000: 17) identifies three purposes of accountability: the control of abuse; the assurance of well-performing public institutions and learning in pursuit of continuous improvement in governance and public management. The learning aspect of accountability, as manifested in the increasing use of benchmarking, value-for-money audits and policy evaluation, reflects a radical departure from the “blaming” approach to accountability. The Inter-American Development Bank (IDB) sees an important role for evaluation in this regard:

Generation and sharing of sound evaluation data is one of the ways countries provide transparency and instill public confidence in government. An evaluation

culture can reduce the potential for public corruption and make public officials more accountable for performance of public investments. Public sector managers need evaluations to provide reliable and valid data on performance, and the capacity to learn from the data, in order to facilitate strategic decision-making in the public interest. Because they assist on-going review of public policies, programmes and investments, effective and well-performing evaluations are a good tool to support public accountability (IDB, 1997: 55).

Ultimately, learning is what evaluations are all about (Sandstrom, 1995: 12). Learning in this context refers to the capacity for accumulating knowledge from one's own experiences, reflecting on it and using it as a basis on which to build planning and programming activities, to adapt and to cope with change. Organizations and the individuals within them are continuously learning, but it is possible to improve the learning process in order to reduce the repetition of error and enable the relatively smooth achievement of change (as opposed to change brought about by periodic crises). The recurrence of errors or faults, with "disconcerting regularity", is one particularly troubling feature of development policy and management which applies equally to donors and recipients. Detecting and correcting errors at the programme or project level, and developing what might be called "questioning insight" at the policy level, are the products of learning. According to Honadle and Van Sant (1985: 99):

Learning starts by realizing and admitting that a mistake was made, and not repeating it. Learning also takes place by repeating a practice that appears to have worked. But when it is not understood why something did or did not work, it is much harder to predict whether different circumstances will lead to different results.

Learning is an ongoing and dynamic developmental process which is more of a journey than a destination. In other words, learning in any sense, but certainly in the institutional and policy sense, is not an end in itself but is a means to achieving far broader ends (Brown, 1998b). Uncertainty, instability and change can have potentially disastrous consequences for any policy, programme or project, and institutionalized evaluation can provide the wherewithal to recognize and respond to environmental changes before a painful and wasteful crisis situation arises.ⁱ

What evaluations are good for also depends, in part, on the type of evaluation being conducted. Broadly speaking, evaluations may be formative or summative. Formative

ⁱ Despite the association of learning with change – and perhaps somewhat counter-intuitively – the underlying purpose of learning is stability; that learning could help maintain the stability of basic organizational values by adapting the environment to the organization or realigning the organization's relationship with the environment to the same end (cf. Bugoyne, 1992). An interesting view of change is the concept of "punctuated equilibrium" associated with the Harvard zoologist S.J. Gould, who sees change as consisting of long periods of stability (equilibrium), punctuated by short periods of intense change and reconfiguration. Change is therefore not continuous, as implied by much of business management literature nowadays, but rather discontinuous, particularly where an organization finds that its past does not prepare it for its future. The resulting paradox is obvious: an organization must remain in a continuous state of readiness to recognize an event that is, for all intents and purposes, unrecognizable given its past experiences. (For a brief but insightful summary of Gould's arguments, see Limerick, Passfield and Cunnington, 1994.)

evaluations typically examine processes with a view to contributing to learning *during* the period of implementation. Mid-term evaluations are one example of a formative evaluation, which identifies problems and suggests corrective actions to be taken. Summative evaluations, by contrast, contribute to learning *after* implementation. Hence, they may be referred to as post-implementation or *ex-post* evaluations, and typically focus on outcomes and/or impacts, which lie at the heart of current initiatives in the area of public sector reform and modernization. A third type of evaluation that has gained currency in recent years is what is referred to as value-for-money (VFM) or comprehensive auditing, typically carried out by an Auditor-General's or some equivalent department. These are essentially audits of "the economy, efficiency and effectiveness with which the audited entity uses its resources in carrying out its responsibilities" (Lonsdale, 2000: 73). Although value-for-money audits employ a wider range of methods to collect and analyze information than was previously the case, their use has not become widespread outside of a few developed countries.

Section 4: Contemporary public management in the English-speaking Caribbean

Governance and public sector reform are now recognized as being central to the process of development. As Wiesner (1993) argues, "one of the most striking legacies of the debt crisis has been the discovery that public sector reform and institutional development appear to be the critical link between macroeconomic correction and sustainable growth." Beginning with the publication of Osborne and Gaebler's best-seller, *Reinventing Government* (1993), the 1990s witnessed the ascendancy of what has come to be called the "new public management" (NPM) paradigm. This is characterized by, *inter alia*, an increased concern with outputs, results, outcomes and impacts, and a corresponding movement away from reliance on input controls and bureaucratic procedures. Among the central themes or elements in NPM are the:

1. Devolution of managerial authority and controls, and the corresponding development of new accountability mechanisms;
2. Focus on privatization, corporatization and contracting out of services previously provided exclusively by the public sector;ⁱⁱ
3. Introduction into the public sector of systems and processes previously thought to be the preserve of the private sector, such as strategic planning, Total Quality Management, benchmarking, performance-based rewards and management information systems (cf. Dorsch and Yasin, 1998; Kouzmin *et al.*, 1999); and
4. Increased emphasis on effectiveness, efficiency and customer satisfaction (cf. Hood, 1995; Minogue, Polidano and Hulme, 1998).

Donors now include governance high on the list of developmental priorities. The World Bank (1997) has progressively come to accept the vital role that governance and institutions play in development, culminating in the publication of their *World Development Report 1997* on the

ⁱⁱ This has both profoundly affected and been affected by the redefinition of what in economics have traditionally been regarded as "public goods" in the provision of which the state could justify its monopoly.

theme of the state in a changing world. As the President of the Bank says in his Foreword, “[Without an effective state, sustainable development, both economic and social, is impossible” (World Bank, 1997). Governance was included in the European Union’s (EU) agenda for the recently concluded negotiations for a successor agreement to the Lome IV Convention, although the focus seems to have been on accountability, transparency and corruption. This sparked resistance from some developing countries, resulting in a somewhat diluted section of governance being included in the final agreement signed at Cotonou in June 2000. Only recently, within the past few months, the British bilateral aid agency, the Department for International Development (DFID), has put out a discussion/policy paper entitled ‘Making Government Work for Poor People’, which establishes a clear nexus between improved governance structures and processes and poverty reduction. And closer to home, the Caribbean Development Bank (CDB) has recognized that it must place governance at the top of its agenda if it is to succeed in gaining support from its donor members for the replenishment of its Special Development Fund (SDF).

Not surprisingly, the “new global paradigm” of governance (Hood, 1995) has found its way onto Caribbean shores. While administrative or public sector reform is nothing new or novel in the region, its most recent incarnation reveals an almost wholesale acceptance of some of the key elements listed above. In Jamaica, for example, where the Administrative Reform Programme (ARP) began in earnest as far back as the early 1980s, there is now a Public Sector Modernization Programme (PSMP) supported by the World Bank and DFID the objectives of which are to:

1. Bring about major improvements in the quality of services provided by selected public agencies, including the introduction of Citizen’s Charters;
2. Improve the ability of selected ministries to (a) formulate sound sector policies, technical standards and operational norms, (b) effectively monitor and evaluate downstream agencies to ensure that desired policy objectives are achieved, and (c) efficiently perform corporate management functions;
3. Continue the rationalization of the public sector through (a) privatization of water supply and sewerage, and (b) privatization or contracting out of other facilities of services where government has no comparative advantage;
4. Improve efficiency, value-for-money and transparency in government procurement and contracting;
5. Enhance public sector accountability by strengthening internal and external controls; and
6. Improve the quality of financial and personnel management in the public sector through computerized information systems (World Bank, 1996).

The Jamaican PSMP also includes an Agency Development Programme (ADP), which seeks to introduce executive agencies or special operating agencies fashioned after the “Next Steps” model in the United Kingdom. A recent Ministry Paper from the Office of the Prime Minister opens with the statement that “the country’s growth and development are, to a large extent, predicated on the concept of good governance, which requires that it be effective, honest, equitable, transparent and accountable” (GOJ, 2000).

In Trinidad & Tobago, a 1997 White Paper on public sector reform established policy objectives on a number of issues. Among them were: the use of operational efficiency audits, strategic planning, quality management, human resource management and development, service excellence, financial management/accounting and procurement/supply management, property management and information technology (GOTT, 1997: 25-34). There have also been suggestions concerning the introduction of performance contracts for senior officials (see Mark, 1998) – a very New Zealand idea on public sector reform. Performance contracts were attempted in Belize with limited success, but have been introduced into Guyana and Jamaica. In the former case, several retiring Permanent Secretaries were replaced with contract officers in 1999 while, in the latter case, all existing Permanent Secretaries were required to sign performance agreements as of March 31, 2000.

The Government of Barbados (GOB) also produced a White Paper on Public Sector Reform in 1997/8, identifying six (6) critical elements to their reform programme as follows:

1. Refocusing the public sector in response to the changing role of government to provide opportunities for the private sector, unions and citizens to collaborate and participate in the system of government;
2. Creating customer-focused government whereby the public sector becomes more sensitive and responsive to the needs of citizens and other users of public services;
3. Reorganizing ministries and departments in keeping with the new focus of being responsive and results- and performance-oriented;
4. Reviewing the centralized system of decision-making vis-a-vis central ministries and line ministries as well as within ministries;
5. Enhancing human resource management to ensure that the public service has a suitably trained and qualified workforce who can optimize the use of resources and ensure that government operations are carried out in a more effective and efficient manner; and
6. Enhancing financial management to ensure accountability and discipline in the use of government funds in an effort to bring about intended benefits to the public and the nation (GOB, 1998: 3).

As in Trinidad & Tobago, GOB set out to utilize strategic planning as a management support system to assist in adopting a more proactive approach to long-range planning and to adjust their operations to meet the opportunities, threats and demands with which small island states are confronted in their external and internal environments. Strategic planning is also being used to set the parameters for the new programme/performance budgeting system, which was introduced in 1996-7 and the performance appraisal system. The implementation of the former signals a strategic focus to budgeting, with the establishment of programme goals and indicators against which performance is supposed to be measured. VFM auditing has also been proposed as a way of ensuring that public agencies are accountable not only for financial management, but also for their performance and results achieved.

In the Organization of Eastern Caribbean States (OECS), although there has been considerable interest in and discussion of reform within recent years, the evidence suggests that

some countries are more committed it than others. There have been sporadic attempts at reform in several countries such as Grenada, Dominica and St. Lucia, but very little tangible in St. Vincent, St. Kitts-Nevis and Antigua.ⁱⁱⁱ Of all the OECS countries, St. Lucia has perhaps traveled the furthest distance thus far since the Government of St. Lucia (GSL) has set up an Office of Public Sector Reform and appointed a Director to head the Office. GSL has issued a Green Paper on Public Sector Reform which presents a detailed and lucid analysis of the problems affecting the public sector and outlines a vision for the reform effort, which is to:

Develop a more effective and efficient Public Service capable of delivering quality service at optimal cost, and is imbued with a strong ethical, professional and national development orientation.

In doing so, the Green Paper argues that the reform effort must aim at:

- The design and establishment of appropriate structures and the introduction of innovative management approaches;
- A heightened sense of responsibility with a focus on accountability and productivity;
- Enhanced self-esteem, job satisfaction and better customer services;
- Improved effectiveness of revenue collection agencies;
- Coordination and integration of ongoing actions into a rational plan;
- A change in the work culture of the Public Service;
- A focus on management, leadership and technology; and
- Eliminating waste in all its various forms (GSL, 1999).

One area in which considerable attention has been focused in the OECS as a whole (with the possible exception of Antigua) has been the area of economic and financial management. Since 1986, the Canadian International Development Agency (CIDA) has funded the Eastern Caribbean Economic Management Programme (ECEMP) with the objective of supporting the member states and regional institutions in the OECS in planning and implementing their priority fiscal and financial management reforms. The first phase of the programme (known as ECEMP I) ran from 1986 to 1993 at a cost of CA\$8 million, and it was seen as being so successful that it was followed by a second phase (ECEMP II) from 1993 to early 2000 at an additional cost of CA\$14 million. A third phase is scheduled to begin in the year 2000 and is expected to run until 2007 at a cost of approximately CA\$10 million.

ⁱⁱⁱ Antigua & Barbuda has received funding from the CDB to carry out a public sector review, which is expected to provide direction for a comprehensive public sector reform programme. The review is due to begin in October 2000 and should be completed by March 2001.

ECEMP I comprised twelve (12) country specific pilot projects and two sub-regional projects. Its main focus was on required changes to strengthen planning and control based on three modules:

- Inland Revenue Tax Administration (TAX) – which introduced comprehensive tax reform, including the preparation of relevant legislation;
- Financial Planning and Management Project (FINMAN) – which strengthened the Accountants-General Departments and introduced budget reform in the form of programme budgeting systems, strengthening of capital budgeting and public sector investment programming. Project cycle management was a key component of this module, as well as improving the accounting and budgeting functions within the public sector;
- Cooperative Departments Strengthening (CO-OPS) – which focused on strengthening the departments responsible for regulating cooperatives, particularly credit unions (CIDA, 1998).

The primary objective of ECEMP II was to promote structural adjustment and sustainable development in the OECS by strengthening economic and financial planning and management. It involved a replication of the country-specific pilot projects defined in ECEMP I throughout the sub-region. An assessment of the programme indicates that both phases I and II were reasonably successful (Kirton, 1997). Hence CIDA is currently preparing to embark upon ECEMP III, which aims at further tax reforms and the strengthening of the tax administration, budget reform. This objective will be met by linking expenditures to priorities and improving budget management, enhanced supervisory and regulatory frameworks for credit unions, improved identification and analysis of emerging policy issues, better implementation of policy decisions, enhanced performance management systems. ECEMP III will build capacity at the sub-regional level for economic management, including improvements in the management of donor assistance. ECEMP III is intended to build on the progressive changes that have been made under ECEMP I and II in terms of legislation and policy, organization and management, information systems, budget reform and human resource management, by focusing on improvements in the planning, monitoring and evaluation functions (CIDA, 2000).

Almost every item on the wide-ranging menu of public sector reform in the contemporary period – from the emphasis on results, outputs, outcomes and impacts, to the use of benchmarking and performance indicators, from the increasing attention to customer satisfaction to the introduction of programme budgeting – calls for some system of measuring results. Of importance, therefore, is the gauging of performance and development of new mechanisms for learning and experimentation (World Bank, 1997: 119). In other words, it calls for a system of monitoring and evaluation that allows for an early assessment of whether policies and programmes are achieving their intended outcomes. Indeed, many of the reforms being undertaken become meaningless if there are no evaluative safeguards in place. How is it possible to speak of a results orientation if there is no way of measuring results? What is the point of benchmarking and establishing performance indicators if they are not being routinely checked? How are quality and customer satisfaction to be assured if service delivery is not subjected to

rigorous evaluation? What are the benefits of programme budgeting if no one reviews the performance of programmes funded in the previous year's budget? Sadly, when the reform agenda is carefully reviewed, evaluation is precisely the one thing that appears to be lacking. Little, if any, attention is given to the evaluation function in the public sector bureaucracies of the English-speaking Caribbean.

Section 5: Caribbean experience with evaluation

As argued elsewhere, there is no tradition of systematically evaluating development policies, programmes and projects in the English-speaking Caribbean, except where these are funded by external development agencies (Brown, 1998a: 14). Several reasons can be adduced for this neglect, among them:

- The long-standing tradition of “line item budgeting” in use in most Caribbean territories up until recently has militated against the use of evaluation as policies and programmes were subsumed under the annual estimates of revenue and expenditure submitted by ministries and departments to the relevant section of the Ministry of Finance (usually Budgets);
- The high cost of systematic evaluation has made it difficult to justify because the benefits are not immediately tangible;
- The inherited “Westminster” system of parliamentary government concentrates supreme decision-making power in the hands of a relatively small political elite (the Cabinet) and makes real accountability a marginal issue; and
- Shortcomings in public sector capacity and skills levels inherent in small countries/economies place constraints on what can be done – priority invariably goes to operational issues rather than reflexive ones.

First, “line item budgeting” has historically been the dominant approach to budgeting in the region. The budget is seen as the major policy instrument of the government, outlining its aims and objectives for the coming fiscal year and explaining how these policy objectives will be translated into actual programmes of action (Barsotti, 1992: 176). Government ministries and departments are required to prepare estimates of likely revenue and expenditure for each fiscal year, and these are then considered by the Ministry of Finance with a view relating revenue to expenditure in some way. Expenditure includes both capital and recurrent costs; the capital budget obviously has implications for the recurrent budget. The tendency has been for the Finance Ministry to “cut and prune” arbitrarily, without regard to the actual performance of ongoing programmes.^{iv} Thus activities undertaken by the state at enormous cost to taxpayers routinely flounder, and yet funding continues by way of annual budgetary allocations from the Treasury with no system for checking performance and impact.

^{iv} Ministries and departments have traditionally approached the preparation of these estimates with the firm belief and expectation that “to receive at least the same appropriation in the forthcoming or ensuing fiscal year, funds allocated for the current year must be exhausted at all costs. Thus, while there may be careful husbanding of resources for the greater part of the year, it tends to give way to wild abandon in the closing segment of the financial year, especially in regard to items of capital expenditure.” This has been referred to as the “end-of- year spending spree” (see Commonwealth Secretariat, 1979).

Second, evaluations are not cheap. The costs involved in managing the affairs of a country are high in any circumstances and tend to be higher on a per capita basis in small countries (Slusher and Blackman, 2000). The scarcity of resources means that tough decisions must be taken about their prudent use. Allocating resources to carry out evaluations could seem a luxury to some, particularly in countries where the government experiences difficulty in raising the resources required for major investments. This partly explains why evaluations have largely been restricted to programmes and projects funded by external donor agencies.

Third, the Caribbean has inherited a system of Cabinet government in which decision-making power is highly centralized. In the words of the St. Lucian Prime Minister, “all roads lead to the Prime Minister”, who must be personally involved in every policy decision if it is to carry any weight. There is no tradition of openness, participation and accountability. Policy decisions are not the product of a participatory process, but rather a closed, highly elitist system in which the Prime Minister, a small coterie of senior Ministers (sometimes referred to as the “inner Cabinet”) and an unidentifiable political elite closely aligned with the party in power take the critical decisions affecting the society. In such a scenario, it is quite often the case that somebody’s “good idea” becomes a policy. The textbook definition of the policy process involving issue articulation, interest group politics, agenda setting, problem definition, policy formulation, implementation and evaluation simply does not apply. Accountability is not an engaging matter as the small size of the parliaments makes the elaborate system of parliamentary “watchdog” committees typically associated with the Westminster model wholly unworkable (see Ryan, 1999). Political leaders therefore have no incentive to permit the objective evaluation of policy and programme performance.

Finally, the small size of Caribbean populations means that there is a relative dearth of trained, skilled personnel to cover the ever-widening spectrum of activities for which the public sector is responsible. The range of areas to be covered inevitably means that overall coverage is usually thin, and public officials and technical staff have to shoulder a broad range of responsibilities. Training institutions produce a narrower range of skills than in larger countries with similar or even lower per capita income levels, reflecting both absolute resource limitations for training and the restricted range of job skills available to both public and private sectors (Slusher and Blackman, 2000: 2). The recognition that weak policy analysis, economic planning, project preparation and management capacity in Caribbean countries has had a negative impact on their ability to access donor funding and to implement funded projects in a timely manner has prompted the CDB to offer training programmes to its borrowing member countries in relevant disciplines. The University of the West Indies, with the encouragement and support of the IDB, only introduced a taught Master’s programme in Project Management and Evaluation in January 2000.

Admittedly, the experience varies across the region. It would not be untrue to say that no systematic evaluation of policies and programmes takes place in the OECS^v, Barbados^{vi}, Belize,

^v Interestingly enough, the most well-developed evaluation system in the OECS is not to be found in a national government, but in a regional organization - the Natural Resources Management Unit (NRMU) which is part of the OECS Secretariat. Once

Guyana and Trinidad & Tobago. Apart from the occasional Commission of Enquiry appointed when something has gone drastically wrong (such as cost overruns, fundamental design flaws or misappropriation of funds which all attract unwelcome media attention), there is really no agency or unit within the public sector whose mandate is to routinely undertake evaluations. Where special units or departments have been set up, they have usually collapsed under the weight of their mandates or failed to have any meaningful impact in terms of informing decision-making. This is not to suggest, however, that there are no evaluation units within sectoral/line ministries and departments. Ministries of Health, Education, Public Works and, increasingly, Social Services often have units responsible for planning, monitoring and evaluation. Where these units are not part of a special project implementation unit established to facilitate the smooth implementation of an externally-funded project or programme, however, they are seriously under-resourced and under-staffed.

Jamaica is perhaps the only territory which has long ago recognized the importance of evaluations and has sought to institutionalize them, albeit not necessarily of their own volition. It can be shown that GOJ's attempts to establish evaluation systems have largely been a response to external donors' diverse demands and reporting requirements rather than a deeply held conviction on the part of GOJ. Nevertheless, as far back as 1979, GOJ created a specialized agency called the Project Analysis and Monitoring Company Limited (PAMCO) to act as the principal agency for the monitoring and evaluation of central government projects. PAMCO has typically monitored major priority projects being undertaken by GOJ with external funding sources. These are referred to as 'B-projects' (as opposed to 'A-projects', which are funded from the government's own capital budget). PAMCO monitors such projects for the simple reason that they are usually better planned and documented, with clear project documents laying out the objectives and indicators against which progress can be measured. It appears that there is generally better record-keeping – the so-called "paper trail" – where external funding is involved. Selection of projects/programmes is basically left up to PAMCO, though the evidence suggests that they are predominantly physical development or infrastructure type projects (e.g. road construction/repair, water distribution, including irrigation), reflecting the strengths and

again, it is heavy reliance on donor support that has made monitoring and evaluation a core aspect of NRMU's work. The subject matter of the Unit – the protection and management of environmental resources – and the fact that it represents a significant sub-regional effort at achieving economies of scale and scope, may also have contributed to the emphasis on evaluation.

^{vi} No system exists for policy or programme evaluation in Barbados. Decisions on policies, programmes and projects are taken by a Cabinet Sub-Committee referred to as the Planning and Priorities Committee (PPC), which is chaired by the Prime Minister and Minister of Finance and includes the Attorney-General, Deputy Prime Minister and Minister of Foreign Affairs, the Minister of International Business, the Minister of Agriculture and the Minister of Tourism. Other Ministers attend meetings of the Committee when necessary. There is also an Advisory Committee to the PPC made up of senior officials. The PPC is serviced by the Public Investment Unit (PIU) in the Ministry of Finance and Economic Affairs. While the PPC decides on GOB's priorities, however, no effort is made to ascertain the impacts of previously approved policies, programmes and projects. Similarly, although GOB introduced programme budgeting in the mid-1990s that requires Ministries to speak to the issue of past performance of the programmes undertaken with the previous year's allocation, there is no systematic evaluation of that performance to inform the current year's allocation.

interests of the staff. Post-implementation evaluations are seldom conducted due to inadequate resources.

GOJ intends to rationalize several units and divisions in the Ministry of Finance and Planning with a view to linking the evaluation function more closely with budgeting and public expenditure management. It is proposed that four existing units – Budget Division, Financial Management Division, Public Enterprises Unit and PAMCO – will be rationalized to form two units: a Public Expenditure Unit and a Policy Formulation and Development Unit. With assistance from CDB, GOJ has introduced an Integrated Project Data Bank, which is a computerized information system designed to improve planning, preparation and implementation of development projects. At the policy level, there are several units within the Cabinet Office, and most specifically the Policy Analysis and Review Unit, which monitors and evaluates higher-order policy decisions taken by Cabinet.

An interesting evaluation mechanism for ensuring accountability in the performance of services under public sector contracts in Jamaica is the Office of the Contractor-General, which is established by Act of Parliament. A National Contracts Commission was also established to improve the system of procuring goods and services and it is mandatory that contracts over a certain threshold be sent to Cabinet. However, the Contractor-General is an Ombudsman-like parliamentary watchdog empowered to investigate or monitor any Ministry, department or agency of Government, statutory body or authority and limited liability company “in which the Government or an agency of Government, whether by the holding of shares or other financial input, is in a position to influence the policy of the company” (McKoy, 1992: 60). Government contracts are defined as including “any license, permit or other concession or authority issued by a public body or agreement entered into by a public body for the carrying out of building or other works or for the supply of services.” The Contractor-General’s investigations in effect serve as both process and impact evaluations as they highlight some of the recurring problems in public sector management such as excessive over-expenditure and time delays in the implementation of projects and programmes.

Although there is a longer tradition of evaluation in Jamaica, it still is far from obvious that the evaluations that are carried out actually inform policy- or decision-making. Davies (1986) long ago lamented the fact that programme evaluations done in Jamaica were not sufficiently policy-focused and action-oriented. Evaluation reports may be completed, but their utilization often leaves much to be desired. The problem in the rest of the Caribbean is not just about the institutionalization of the evaluation function, but also ensuring that, once completed, evaluation studies will actually be used. The resolution of these problems revolves around the location of the evaluation function and the kinds of pressures and incentives which may be required to make the system work. The following section presents a brief discussion of the most suitable institutional space for utilization-focused evaluation.

Section 6: Locus of the evaluation function

According to Wiesner (1999), “each country must decide on the institutional space that evaluation will occupy within its public sector based on its particular characteristics.” This paper merely seeks to offer some preliminary thoughts on the issue. First, if evaluation is primarily about learning, then it should involve critical self-evaluation as a matter of course. Public sector organizations should constantly monitor and evaluate their own performance in order at least to reduce the repetition of error as well as to equip themselves to respond to changes in their internal and external environments. The acid test of self evaluation is how well organizations use their own evaluations to deal with “discordant information”, that is “lessons ... which conflict with deeply-held views about what [the organization] is doing” (see Edwards, 1997; Brown, 1998b). Secondly, for evaluation to be meaningful, there must be a system of rewards and incentives. Organizations that perform well on an evaluation should be rewarded in some way, while those that perform less well should be provided with incentives to improve performance. Thirdly, for evaluation to be successfully institutionalized, the political will must exist not simply to establish evaluation units, but also to make use of their output in policy (re)formulation and programme/project (re)design. Each of these points is developed in turn.

Development is (or at least should be) a knowledge-based endeavour in which learning plays a vital role. Yet public sector organizations are constrained to operate with a short-term orientation that emphasizes the achievement of targets and performance indicators. The result is an uneasy tension between action or operational activities, on the one hand, and learning or reflective activities on the other. The dichotomy is a false one as there can be no action without learning, and learning is the process, which enhances the capacity for effective action. A policy, after all, is a theory of action, a set of hypotheses that if certain actions are taken, certain predictable results will follow. The base of any evaluation system must therefore be self-evaluation conducted at the level of the individual ministry, department or agency. An important unit in all government ministries and departments should be the evaluation unit, providing feedback on programme and project activities and challenging the mental models of managers.

The incentive and reward aspect of evaluation suggests that there must be an evaluation function linked to the department or division within the Ministry of Finance which is responsible for budgets. As Wiesner (1999: 15) put it, “if the results of evaluation have no effect on the budget appropriation process, it will be very difficult to create a real demand for evaluation.” This is consistent with the introduction of programme/performance budgeting, which, as demonstrated above, is a common element in the “global paradigm” of public sector reform. It is already planned in the case of Jamaica with the merging of the four units/divisions to form two new ones: the Public Expenditure Unit and the Policy Formulation and Development Unit. In the case of Barbados, the most logical place to locate the evaluation function would be either in the Public Investment Unit (PIU) or the Budget Section of the Finance Division. This will enable those whose responsibility is budgeting to review and consider project/programme performance in the previous fiscal year when deciding on budgetary allocations for the upcoming fiscal year.

Finally, at the policy level, evaluation must be located within the Cabinet Office, as is the case in Jamaica. Since policy is the preserve of the Cabinet, then policy evaluation should be reported to the Cabinet. Ministers need to know the impacts and long-term results of their policy decisions. Given the nature of policy-making in the Caribbean, it is often the case that decisions are not based on adequate information and careful analysis. This makes it all the more important that these policies be subjected to periodic evaluations in order to detect unforeseen or unanticipated consequences such as costs or risks and enable government to reshape policies accordingly. Unanticipated consequences might also be positive, of course, but how are we to know without the benefit of an evaluation?

Ironically, the factors that have served as a deterrent or disincentive to evaluation – the budgetary process, the high cost of doing evaluations, centralized decision-making and weak capacity – are precisely the reasons why improving evaluation capacity is so essential. The absence of policy and programme evaluation makes a nonsense of the now widely used system of programme/performance budgeting, and the high cost is outweighed by the even higher costs of making mistakes or failure to learn. There is a continuing need to accumulate knowledge about policies and approaches that work and do not work, and to share knowledge and experiences both within and across states. It may also be feasible to tackle the problems caused by limited capacity through regional approaches to take advantage of opportunities for achieving economies of scale and scope. An investment in evaluation capacity will go a long way towards improving overall policy and programme performance in the public sector of the English-speaking Caribbean.

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**THE BRITISH VIRGIN ISLANDS
NATIONAL INTEGRATED DEVELOPMENT STRATEGY**

Otto O'Neal

Summary

The purpose of this paper is to describe the effort of the BVI to change its approach to development planning through the formulation of a National Integrated Development Strategy (NIDS).

The paper is divided into 7 sections highlighting process, methodology, institutional arrangements and our experience in general. Section 1, Introduction and Background, describes the rationale for the NIDS and outlines the planning context including the socio-economic, environmental and spatial situations of the British Virgin Islands.

Section 2 describes the NIDS planning framework, extending the previous section and arguing that the concept did not happen overnight. This section continues with a description of the planning process, the project to develop NIDS, integrated development, the National Integrated Development Plan (NIDP) and the Operating framework of NIDS.

The third section outlines the NIDS implementation strategy, focusing on the existing institutional framework, the proposed framework and institutional reform. Section 3 highlights the critical role of political coordination, describes the key functions and key players and identifies their roles. This section also describes the monitoring and evaluation framework.

The fourth section of the paper discusses programmes, projects and initiatives arising out of NIDS.

Section 5 analyses NIDS in terms of its strengths and weaknesses while section 6 looks at lessons learned from the experience.

The final section of the paper deals with conclusions such as best practice, basic policy outlines, options for institutional organization and a strategic role for the new vision in planning.

Section 1: Introduction and background

The fundamental purpose of our NIDS is to balance development across economic sectors and the geographical districts of the British Virgin Islands and to establish our country on a path of sustainable development.

The successful implementation of integrated development planning in our context meant elimination of the disparities in economic progress across districts and in the provision of supportive activities such as competitiveness and business development, human resources development and infrastructural services.

In the past there had been many isolated attempts at improving the economic, social and environmental situation of the British Virgin Islands through development planning initiatives concentrated mostly on economic planning. Although a recognizable level of success is

conceded, there have been obvious shortcomings. The obvious shortcomings in this could be summarized as follows.

There has been no agreed strategic framework or clear targets and indicators against which progress could be measured. There has been a fragmentation of policy and a proliferation of initiatives that have been loosely coordinated, sometimes contradictory, and often distracting. A wide range of public, private and voluntary bodies, a potentially powerful partnership, has been prevented from applying the critical mass of effort and resources to achieve real and lasting change. The full resources of the community were not brought to bear on the decision-making process and our planning efforts did not directly contribute to the deepening of democracy.

There was no full partnership involvement in the preparation and implementation of our development strategy. There were no arrangements whereby the purpose and effect of relevant national policies and programmes were considered as a coherent whole and dovetailed with sectoral strategies across the British Virgin Islands. To address this situation the GBVI turned to integrated development planning and the formulation of NIDS.

The NIDS focuses on issues that are relevant to all stakeholders. However, the details are sensitive to the specific needs of individual and communities.

The basis of our National Integrated Development Strategy is to create a different kind of society in which people were the subject of their development. The passive and active social advocacy targeted the building of a society without the pitfalls of our neighbouring countries. Our desire for a different type of community grew in part out of the awareness of the benefits of a better balance between economic gains and social cohesiveness. The essence of the local advocacy effort was the building of communities around people's needs, and the integrated approach was promoted as the most viable mechanism.

Our NIDS aims to create communities where people are happy to live, work and play, where there is access to economic opportunity and benefits and a pleasant and safe environment. Implementation of the NIDS in our view would call for a strong programme of community action across all parts of BVI.

We envisaged NIDS, with its active community participation, as strengthening social cohesion, developing community networks and helping to find local solutions to local needs and issues. The NIDS would have improved the perceptions of where people live, and developed a sense of belonging and involvement. NIDS would have to improve the fabric of our communities being instrumental in breaking down barriers and encouraging social integration if all sections and cultures within the community were involved in the planning and decision making processes.

1.1. The planning context

The territory of the British Virgin Islands is an archipelago that is comprised of approximately 60 islands, rocks and cays. It is located in the northeastern Caribbean Sea, 60

miles east of Puerto Rico, at the eastern end of the Greater Antilles. The territory has a total area of 153 sq. km (59 sq. miles). There are four main islands on which the majority of the population resides.

A marked physical characteristic of the topography of the territory is the presence of a large number of distinct valleys. The terrain is relatively rugged and there is a relative scarcity of flat land, most of which is located in the coastal areas. This, together with accessibility to the road network and marine areas and the development of hotel and marina activities in those areas, has influenced significantly the pattern of settlement and land use. Most of the recent physical development is along the coastal low-lying areas, where the highest concentration of population is located. The topography also accounts for the relatively high percentage of undeveloped land. On the most developed and populated island of Tortola, undeveloped land accounts for approximately 73% of the acreage, with the majority of the development in the capital – Road Town, and East End.

The BVI is a British Dependent Territory that attained the ministerial system of internal self-government in 1967. Ten years later in 1977, the territory assumed constitutional responsibility for its internal financial affairs. The BVI receives no budgetary aid from the United Kingdom (UK). There is a unicameral legislature comprising fourteen (14) members, and elections are constitutionally due every 5 years. The UK Government, through an appointed Governor, retains responsibility for external affairs, defense, international representation, law and order, and the public service. The Governor has reserved legislative powers and normally acts on the advice of the Executive Council (the quasi-Cabinet) over which he presides formally, and which comprises the Chief Minister, the Attorney General, and three other ministers. The Governor also appoints as Chief Minister one of the elected members of the legislature.

Rapid growth apart, the age distribution of the population continues to change. There is an increasing active (working) segment swollen by substantial immigration. Relatively low return migration accounts for an unusually small proportion of the elderly, while a relatively low average fertility rate accounts for the small percentage of births. The average crude birth and death rates were 16.83 and 4.98 respectively between 1993 and 1997. While the population cannot be characterised as either “youthful” or “aged,” the age profile suggests that the percentage of the old will increase over time, such that eventually the BVI will have an increasingly older population than at present. In 1996, the “young” (< 15 years) represented 27.1% of the population, while the “active segment” (15-64 years) was 67.8% and the “old” a mere 5.2%.

Most critical is that, to date, our environmental management framework has not developed the capacity to deal effectively with all the concerns. The management function is dispersed among a number of departments including the Department of Agriculture, National Parks Trust, Conservation and Fisheries Department, and Town and Country Planning Department. The Conservation and Fisheries Department has the primary responsibility for environmental matters including environmental planning and monitoring, fisheries management, coastal zone and beach management, oil spills and environmental education. The Department of Agriculture is responsible for soil and water conservation, reforestation and the planning of

national parks and protected areas. The Town and Country Planning Department has overall responsibility for physical development and, in this regard, requests Environmental Impact Assessments (EIAs) on major developments, but there is no mandatory or legal requirement to undertake such assessments. Other environmental programs instituted by non-governmental organizations (NGO) and special interest groups include tree planting, environmental awareness campaigns, and recycling and reusing materials. Plans are also underway to integrate the management of marine and coastal areas into the overall planning effort, consistent with integrated planning.

The legislative framework is equally diffuse. While there are several pieces of legislation on the statute books, weak implementation and enforcement are major constraints that inhibit their effectiveness. In addition, other pieces of legislation to strengthen the legislative and regulatory framework have been drafted but not enacted. Government, however, is committed to improving the way in which it manages the environment. It has established the Conservation and Fisheries Department, and is a signatory to a number of regional and international treaties and agreements pertaining to environmental management.

Therefore, while it is clear that a number of initiatives are underway to address environmental concerns, they are generally under funded and uncoordinated, and are being implemented without adequate institutional capacity and human resources capability.

Though generally similar in structure to the economies of the members of the Organization of Eastern Caribbean States (OECS) with small internal markets, extremely open to world trade, and very vulnerable, the performance of the economy of the BVI differs markedly from that of those countries. The economies of the OECS are characterized by low rates of growth and GDP per capita, high unemployment, and poverty. On the other hand, the BVI economy grew at an annual average rate of just over 6% in real terms between 1994 and 1997. This rate of growth is one of the fastest in the region, in comparison to a rate of less than 2% for the OECS. GDP per capita is estimated to have increased from \$20,815 in 1993 to \$26,875 in 1996, and is currently one of the highest in the world. There is almost full employment; labour is imported; the Human Development Index (HDI), which is a broader measure of social development than GDP, shows that the BVI falls in the high human development average range of 0.800, and there is little evidence of poverty.

Tourism and international financial services have emerged as the major engines of growth. Together, these sectors dominate overall economic activity. They account for more than two-thirds of GDP, wages and salaries, Central Government revenue, and international trade. The international financial services industry, which largely involves offshore company registration, is the largest earner of foreign exchange. It is a major employer of professionals and medium-skilled persons. The industry provides important linkages with accounting, legal, and banking services, and provides an important service to an international clientele. Tourism is the second largest earner of foreign exchange and the single largest employer in the private sector.

On the other hand, the once dominant agriculture sector accounts for less than 5% of GDP, and is now an insignificant employer of labour. In fact, the physical structure of the territory denies a comparative advantage in agriculture, while manufacturing potential is limited through high wages, limited skills, and weak infrastructure.

Fiscal operations are characterized by a pattern of steadily increasing revenue and expenditure. Between 1993 and 1997, revenue increased from \$70.3m to \$128.2m, while expenditure rose from \$56.7m to \$91.4m. As a result, there was a substantial surplus on the recurrent account that was used to finance capital expenditure and build up reserves. Over the period the overall budget surplus moved from -\$1.7m in 1993 to an estimated \$24.3m in 1997. On the recurrent account, Government has managed generally to contain expenditure on personal emoluments to less than 50% of total expenditure. This trend was reversed in 1997 when there was a significant increase of 8% that reflected public sector pay rises and a higher level of employment. This was matched by a commensurate decrease of 7% in expenditure on operations and maintenance. In fact, while recurrent expenditure has increased annually over the period from \$56.7m to \$91.4, capital expenditure did not keep pace with either growth in revenue nor recurrent expenditure. Capital expenditure rose from \$18m in 1993 to \$21.2 in 1994, but has fallen to \$13.4 in 1997.

Section 2: The BVI National Integrated Development Planning Framework

The advent of the integrated development strategy was not merely as the result of an executive, bureaucratic or political decision. The history of our modern day development depicts a small entity with a fragile development environment, a small endowment of raw materials for manufacturing and very poor conditions for sustained food production in agriculture and fisheries. The main industries that are today responsible for our economic growth in combination with the prevailing international operating environment for developing countries contributed immensely our decision to embark upon the journey into integrated development.

Embarking on this integrated approach to development was more the continuation of a process started some two to three decades ago more by circumstances of our international development partners than by rational design. Given our adaptation of the ministerial system of government, the development of separate economic and physical planning capacities under the auspices of the UN in 1970's and the commitment of the cadre of international investors, we were placed on path to balanced development.

A number of other domestic factors were responsible for re-enforcing this sustained path to the integrated approach. The exposure of our people to standards and achievements in the developed, industrialized countries of North America and Europe through mass media and the steady flow of tourist through our country annually all pushed decision makers to the integrated approach. Simultaneously, in the last decade or so with advent of mass tertiary education overseas in North America and Europe, educated nationals agitated and advocated for a more holistic form of development. Of course much of the social situation nationally was occasioned by the need for mass immigration as a result of sustained expanding economic development.

The process leading up to integrated development planning was an incremental one beginning the development of a planning capacity in economic and spatial planning. The establishment of major departments or agencies to address some crosscutting issues that arose in health, education and welfare followed this initial step. To address the rapid increase in population through immigration from diverse regions of the world, various new social services agencies, with strong encouragement and assistance from the international donor community, begun researching the issues and proposes measures to address them.

The sustained expansion of tourism, the growing consciousness of the domestic population and external governance interests gradually led the local political directorate to include organized environmental management as a day-to-day function of government. This step was highlighted by the establishment of a Department of Conservation and Fisheries to assist the Ministry of Natural Resources and labour with the administration of the environmental management portfolio. The action on the part of government proved to be the single most important factor signaling the inevitable move towards integrated development planning. However, the establishment of an environment management portfolio to handle related bureaucratic and legal issues contributed to the inevitable overlap between physical planning and environment management. This situation illuminated the weaknesses in the existing disaggregated approach to planning highlighting the legal and bureaucratic issues of not considering all issues simultaneously and preparing solutions to improve all areas and not compromising any particular area.

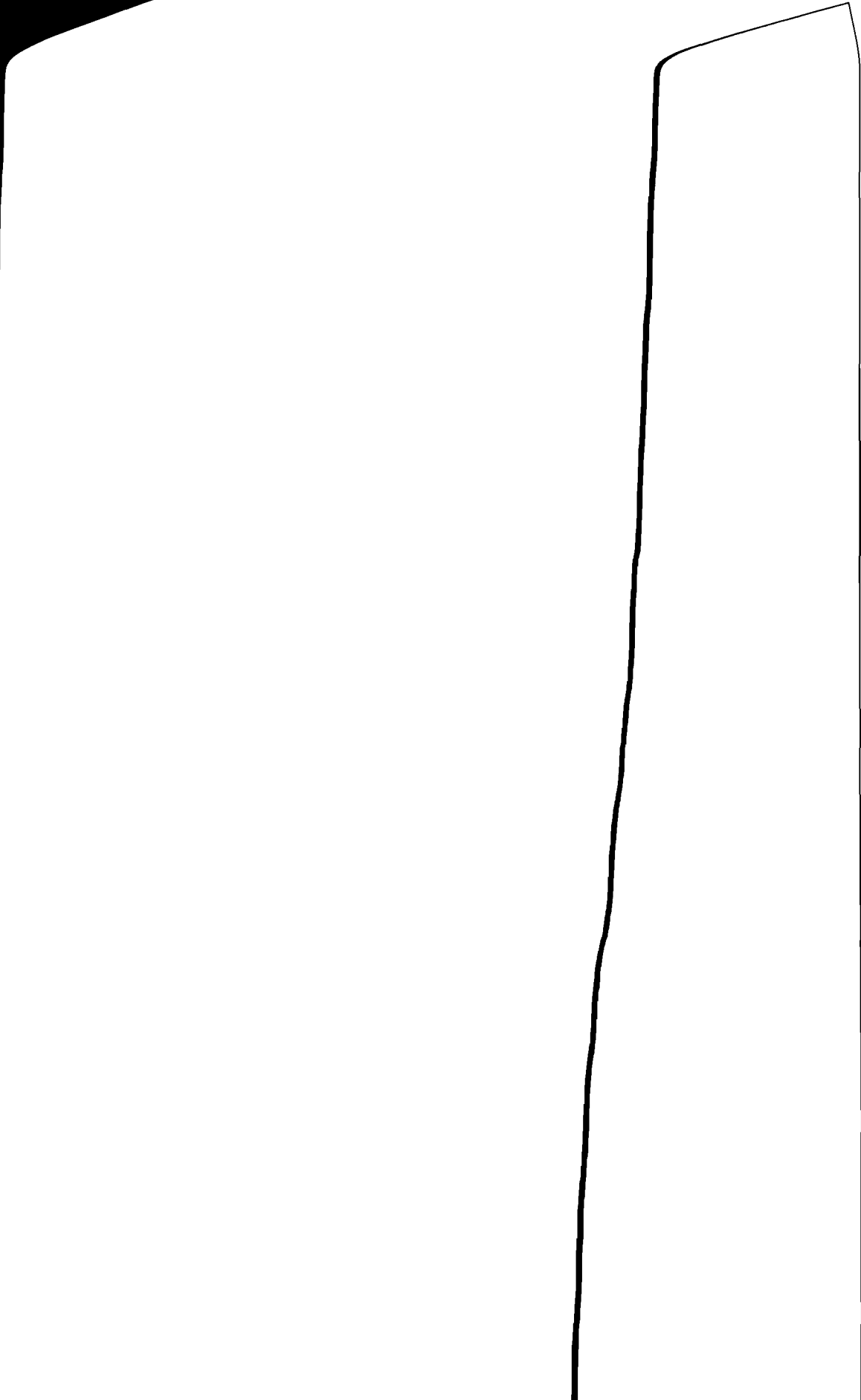
Ultimately, the process leading up to the decision to engage in integrated development was brought on by internal structural and sectoral imbalances, stimuli from the international development and local communities, the urge to manage our natural resources in light expanding economic activity, and our desire to seriously shift to sustainable development.

2.1. The planning process

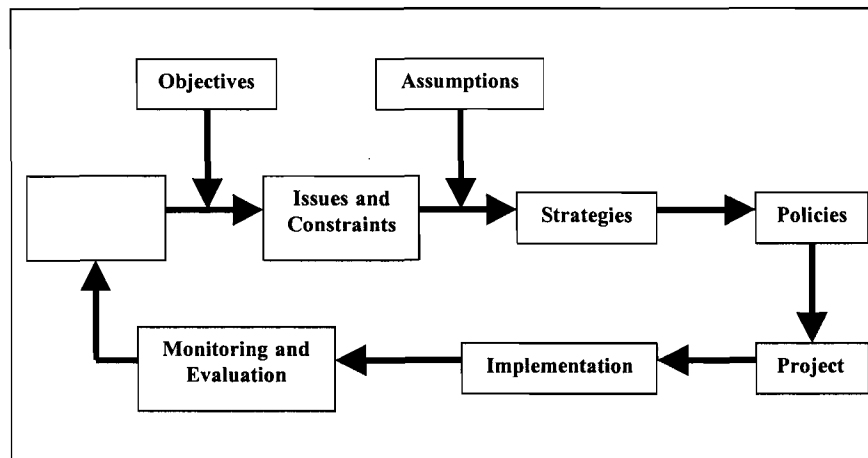
Crafting strategy is an exercise that is analysis-driven. Judgments/choices about what strategy to pursue should ideally be grounded in a detailed assessment of the external environment and internal situation. The strategy must match the full range of external and internal situation considerations. Failing this, the strategy is not likely to be adequate.

The critical path, therefore, begins with the situation analysis and moves on to strategic choices (or alternative strategies). Such analysis is the starting point of the exercise. It facilitates the understanding of the situation in each area/sector of analysis, identification of main issues/driving forces/critical factors, evaluation of strategic options, and definition of a chosen strategy.

The integrated planning process begins, like any planning process should, with the definition of objectives before action. Of course one could simply start before the objectives with how will the process be executed. In the case of the BVI with the development of NIDS, the implementation strategy required full participation of the stakeholders including the private sector, non-governmental organizations and special interest groups.



The formulation of a **NIDS** has its genesis in the improving the quality of life of BV islanders, and is in support of the overall goal of development. The NIDS aspects of life in BV



The research began with the formation of multi-disciplinary and cross-sectoral committees to investigate the past and current situation in 28 study areas divided into 5 broad categories. A public consultation process designed to validate the committees' findings and to add new information succeeded the preparation of sector papers outlining the basic situation. A further purpose of the consultation was to discover or confirm issues and their magnitude.

To finally confirm the issues and constraints, a two-day retreat with the key players in the research and public consultations allowed us to proceed to the development of strategies. However, before developing the strategies a number of planning assumptions were made.

The public consultation process continued leading up to the preparation of strategies and policies. Without the benefit of public consultation via media, meetings and television, another national retreat was held to develop policies and strategies.

The planning process continued with the development of performance targets and indicators to inform about the impact on the lives of the people. In other words, in order to measure the success of NIDS it was necessary to design measurement variables. Unlike most others processes in NIDS, measurement variables and indicators were designed by planning officials.

Although this process is still in progress, the identification of investment programmes and projects (to deliver the outputs) was the next step. Of course this process lead to implementation followed by monitoring and evaluation before re-commencing the cycle.

The basic planning process of NIDS may be represented graphically by the above.

2.2. Project

The formulation of a **NIDS** has its genesis in the concern of the Government for improving the quality of life of BV islanders, and maximizing their development and welfare. It is in support of the overall goal of improvement of the quality of life and sustainable development. The NIDS comprises a territory-wide strategy for development that touches on all aspects of life in the BVI. It is the most powerful influence on the economic and social life in the BVI. The strategy clearly recognizes this fact, and deals with it in an honest and straightforward way. The project was developed by the Government in collaboration with the United Nations Development Programme (UNDP)/United Nations Centre for Human Settlements (UNCHS).

The main objectives of the project are to ensure:

- Guidelines are established within which the economic, environmental, physical, and social elements of development planning are coordinated;
- There is coordination among all agencies and institutions involved in development planning;
- There is the widest possible participation in the development process;
- The process of integrated development planning is institutionalised in the BVI;
- A capacity for integrated development planning is established; and
- A NIDP is produced.

2.3. Integrated development

An integrated development strategy is one approach to development planning that is based on the notion of strategic management. It is perceived as more appropriate than the traditional “top-down” planning methodologies to cope with the challenges posed by the more prevalent dynamic and turbulent environments characterized by a high degree of uncertainty. It is consistent with the overall Sustainable Development Strategy (SDS). The elaboration of the integrated development strategy requires a number of elements, including:

- A long-term strategic view;
- An interdisciplinary and multi-sectoral approach;
- Strong overt political commitment;
- Institutional strengthening and/or administrative reforms;
- Wide stakeholder participation; and
- The establishment of practical mechanisms to facilitate continuing and meaningful interaction among the stakeholders.

The strategy is born out of a recognition that economic growth is no longer the dominant or exclusive concern and goal of planning. Development is now rightly seen as a global, multidimensional process involving all sectors of human activity, and on all factors that impact on the quality of life of the society – economic, environmental, physical/spatial, and social. The integration of all these facets of development is a necessary element of a successful development

strategy today. This approach ensures the balance between growing economic activities that may tend to be dominant and relatively limited space, and other more fragile natural, social, and cultural factors that are not easily reproduced.

2.4. The National Integrated Development Plan

The NIDP is the main tangible output of the NIDS. It is a blueprint for the future of the BVI. It articulates a vision, sets the goals, identifies the strategies and tactics, and details the actions needed to attain the vision. The phases of strategic management (mentioned above) facilitate the development of an NIDP, with the following key sections:

- Vision
- Situation Analysis
- Challenges/Issues/ Constraints
- Policies/Strategies
- Specific measures/actions (including PSIP)
- Implementation
- Monitoring and Evaluation; and
- Review

The foundation for the development of these components is the Integrated (Country) Situation Report, which is the pillar and fundamental building block of the NIDP. This report represents the integration of the background work that commences with the sector/issue papers and evolves into the “component” papers – economic, social, physical, and environmental, as well as those dealing with the critical demographic and international dimensions. The preparation of the situation report leads to the identification and prioritization of the main challenges, and the subsequent formulation of alternative policies/strategies/actions to address those critical issues and areas of concern.

2.5. Operating framework

The operating framework for the preparation of the NIDS consists of two interrelated components:

- The methodological framework, which outlines the approach and processes or set of activities leading to the development of the strategy – the plan development process; and
- The institutional framework, which outlines the network of human resources necessary for the elaboration of an integrated strategy and resulting plan – the management process.

The *Methodological Framework* combines two sets of activities – “operational” and “process” activities. The former is based on well defined and largely sequential phases. The latter outlines the combination of approaches utilized to undertake the “operational” activities in

each phase. For the elaboration of the NIDS, seven broad phases are identified. These are represented in a grouping of the major activities and tasks as follows:

- Conceptualization/Planning
- Analysis
- Strategy Formulation
- Approval
- Implementation
- Monitoring and Evaluation; and
- Review

In the first phase, conceptualization/planning is the major activity. During this phase, a vision and broad national goals are identified, the project scope is clarified, a draft conceptual framework and methodology are developed, and outline work plan is prepared. This is followed by the analysis phase, during which basic research precedes the situation and diagnostic analyses. The result is an integrated situation report, which highlights the major challenges, sets the development agenda, and facilitates the assessment of alternative solutions – strategies, policies and actions, based on different scenarios. It is important that the situation report should integrate the four major elements – economic, environmental, physical, and social - and be complemented by analyses of the demographic situation and the relevant international developments. This leads into the stage where strategy is formulated, and broad feasible policies and actions are identified. The Public Sector Investment Plan (PSIP), as well as effective implementation and monitoring and evaluation mechanisms, is designed. The fourth important phase in the process is its approval by the Executive Council. Next is the implementation phase, the success of which depends on the effective institutionalization of the process, and adequate institutional capacity in terms of organization and human resources. The sixth phase ensures the success of the project through effective monitoring and evaluation. The seventh phase comprises continuous review in the light of experience and changing circumstances.

The process of the development of the NIDS is based on three main premises:

- It is participatory
- It combines the top-down/bottom-up approach to planning; and
- It integrates

The resulting “process” activities are as important for the development of the strategy as the “operational” activities. They are based on a networking model characterized by continuing integration and interaction. This facilitates the combination of the more holistic and participatory “top-down/bottom-up” approach, instead of the traditional centralized and compartmentalized “top-down” directive planning. This “combination” approach is typified by the involvement of the political directorate and senior officials, as well as professionals and key stakeholders, in an iterative process of recommendation and feedback. This approach makes the NIDS an effective instrument of social dialogue.

In the development of the NIDS, integration is effected in the following three forms:

- The main elements of development planning – economic, environmental, physical, and social
- The efforts of the local agencies involved in the development planning process; and
- The efforts of international agencies assisting with or facilitating the process.

The *Institutional* Framework defines the groups of main actors involved in the participatory mechanisms, and the institutional mechanisms that they utilize in the development of the NIDS. The groups of the main actors are:

- The Public
- Public Service Professionals
- Public Service Managers
- Private Sector and other Non-Government Representatives
- International Organizations; and
- Political Directorate

The mechanisms through which they act and interact are:

- Workshops/Consultations
- Working Groups/Secretariats
- Sub-committees
- Project Management Team
- Strategic Change Team; and
- Executive Council

Section 3: The National Integrated Development Strategy implementation strategy/approach

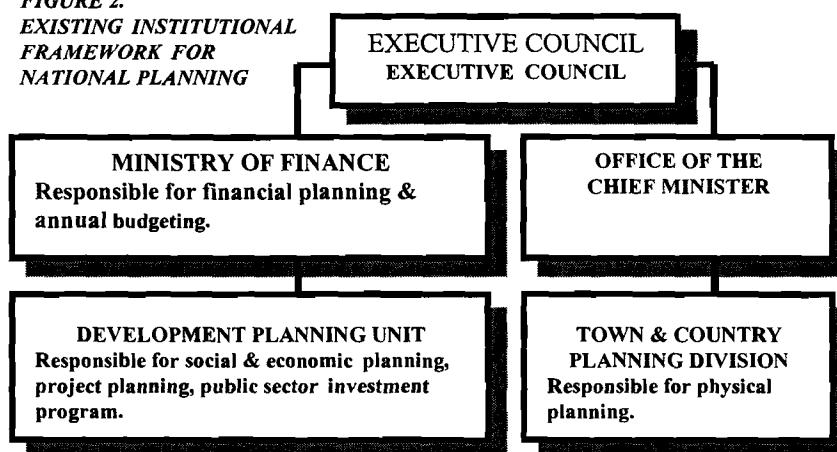
3.1. Existing capacity and planning implementation mechanisms

The decision to engage in the planning of national management in a formal and integrated way has fundamental implications for the organizational and institutional evolution of agencies directly responsible for the preparation, implementation, monitoring, and evaluation of the plan. Planning is acknowledged as a process that does not terminate with the preparation of the plan document; necessary complements of the process are implementation, monitoring and evaluation, review, and update. Experience also tells us that a number of attempts at plans elsewhere have been thwarted because of inadequate attention to these facets of planning. It is imperative, therefore, to establish, *a priori*, mechanisms to support the work of those who toiled to produce the plan. In this section, we present a framework for effective plan implementation, monitoring, and evaluation.

3.2. The existing institutional framework

The institutional framework for national planning in the BVI comprises formal and informal systems. Within the formal system, the overall responsibility is shared between the Office of the Chief Minister and the Ministry of Finance. The latter had direct responsibility for financial planning and annual budgets and is the reporting ministry for the Development Planning Unit that has general responsibility for national planning and the coordination thereof, and primary responsibility for economic and social planning, and project planning through the preparation and monitoring of the Public Sector Investment Program (PSIP). The Office of the Chief Minister, through the Town and Country Planning Department, has specific responsibility for physical development. This framework is depicted below in Figure 2.

FIGURE 2.
EXISTING INSTITUTIONAL
FRAMEWORK FOR
NATIONAL PLANNING



Sectoral planning is undertaken in line agencies, such as the Conservation and Fisheries Department and the Departments of Social Development and Agriculture.

The formal system is supported mainly by two *ad hoc* inter-agency committees – the Planning and Projects Review Advisory Committee (PPRAC) and the Capital Projects Monitoring Committee (CPMC). These committees comprise a number of heads of departments, and provide direction and oversight to the project planning and implementation process. The latter is also undertaken by the relevant line agencies. For the purpose of the formulation of this plan, a Project Implementation Committee was established.

The Office of the Financial Secretary undertakes a monitoring function that consists primarily of tracking expenditure on capital projects. Evaluation, on the other hand, is largely non-existent.

3.3. The political process

The players in the political process include ministers of the Crown, political parties, non-governmental organizations, interest groups and the people in general.

The present political process employs a number of mechanisms to complete the decisions about choices for development. However though, at the centre of the political process are consultation and participation. Like the overall NIDS process, the political process is complex with various players and a multiplicity of interactions at different times all in the name of democracy.

According to political operatives the planning process starts with the representative democratic process as consultation between the elected and those who elect them. In the present BVI situation this could mean either a minister of the Crown or any elected representative. At the same level there is also the participation of interest groups, non-governmental organizations and other stakeholders in deliberations.

The present political process has a multiplicity of players and it is therefore important to have someone or a body as the final arbiter. The politicians play a significant role here, managing the consultative process, arbitrating among the various interests, approving both the level and the distribution of benefits. In this connection the political process makes the investment choices, assigns benefits to various groups and individuals and assesses the outcomes on the life of BVI Islanders. The politicians in this context then are faced with coordination of a process that undoubtedly seems to sideline or marginalize the bureaucracy.

In the BVI, however, the political process is further complicated by the presence of the representative of the HMG, the Governor who is chairman of the decision-making Council of Ministers.

3.4. The bureaucratic process

The present bureaucratic system for planning is characterized by the lack of a clear separation between the allocation and the administration of investment resources (budgeting) and the determination of priorities (planning). The net result of this situation is that priorities are often decided in the budget process rather than determined in a more democratic way as the outcome of a consultative process.

Arising out of our colonial relationship with HMG representative as the Minister of Finance, this position was effectively used to influence public sector management, set parameters for finance and overall development. However, with the Minister of Finance being a local official, interestingly the situation has not changed appreciably.

The planning process essentially starts at the ministry or even the departmental level with no real macro direction or clearly spelled national priorities. National priorities arose out of the sectoral objectives brought forward by ministries. In the absence of national crises and emergencies, the determination of national priorities arises out of a political process sometimes reflective of “a power against power struggle.”

In the “planning process” the Ministry of Finance plays a key role as arbitrator influencing decisions mainly through financial limitations. This situation arose given that a

vacuum existed in the development process. Planning had been a political activity since the introduction of the ministerial systems that ministers concluded that their nearness to the people and their positions as elected representatives gave them the exclusive mandate to plan.

3.5. The proposed framework

Plan implementation is a formidable responsibility, which assumes:

- Acceptance of the culture and principle of integrated planning;
- Acceptance of and participation in the approach adopted for arriving at the plan document;
- Ownership of the plan; and
- Recognition of the plan as the basic tool for defining activities.

The institutional weakness of the public sector is a significant constraint to effective plan implementation. Yet, it is one constraint that is within the power of Government to remove. Efforts will be made over the plan period, earlier rather than later, to undertake a program of institutional strengthening of the public sector, with special emphasis on the planning capability. An international consultant is hired to review and make recommendations to strengthen the public generally and specifically. This intervention has the advantage of achieving the objectives of:

- The lessening and eventual eradication of the dependence in the form of external assistance in carrying out basic government functions;
- The enhancement of the indigenous capability for national management, and for coping with the requirements of international linkages;
- Improvement to the efficiency and effectiveness of the administrative structures; and
- The introduction of modern management techniques, and the streamlining of the procedures and mechanisms for decision-making.

At the DPU, for example, greater emphasis is to be placed on the areas of manpower planning, data collection, and analysis. At the institutional level, the planning capability may be enhanced by implementing an organizational model based on the integration and expansion of the traditional planning functions undertaken by the DPU and the TPCD, and the establishment of a planning hierarchy. The integration of the major planning functions at the national level could be achieved by the creation of a Department of National Planning, with the following divisions:

- Economic and Social Planning
- Physical Planning
- Environmental Planning
- Projects; and
- Information, Statistics, and Publications.

3.6. Policy coordination

The creation of a NIDS to map the way forward in our national development is expected to meet challenges both domestically and externally. On one hand the process of globalization now appears to be challenging the predominance of the autonomy of our political system advocating for a consolidated system of the various powers and elevating the logic of economic power to the dominating influence. Globalization has placed us on an irreversible path to increased transparency, global efficiency, production standards and international competitiveness.

The new global paradigm of development without protection of domestic systems dictated that a new role for planning had to be carved out. It became clear that the new challenges of globalization in our context could only be met with an institutional and systematic shift in our focus from the short-term present situation to a long-term perspective. To legitimize the longer-term perspective meant in our view a fuller participation of the persons affected. In the context of our constitutional arrangements this amounted to political representatives extending their activities into investigation, validation and prescription not only to the powerful or influential interest groups but also to all groups in our communities. But of course, given the level of political maturity and the structure of political parties, it proved difficult for political representatives to execute a series of complex activities amounting to research, analysis and prescription.

The role of planning under the NIDS focused on executing what was historically a political function but changed as circumstances brought on by globalization and domestic advocacy for enhanced participation in the political process took root. Yes, planning under the NIDS became a highly technical operation that essentially used a critical part of the political process and usurped some political functions in the interviewing process. While officials in the integrated development planning process represented the bureaucracy, they were in fact proxies for the political representatives. Planning officials were now required to execute coordinating activities between various institutions and also between the different groups of government programmes.

The implementation strategy for National Integrated Development Strategy puts a premium on coordination towards the strategic national priorities. From the broad priorities developed, the Project Management Committee formulated a series of integrated objectives designed to obtain the outcomes indicated. The Steering Committee, comprising high-level officials was given the responsibility of developing a set of integrated measures to achieve the broad objectives arising out of the NIDS process.

We are aware that responsibilities must be assigned in every area of implementation to facilitate the strategic functioning of government. The mechanism that seemed to be most appropriate for NIDS is the Planning and Project Review Advisory Committee (PPRAC), a multi-disciplinary body of ministers, high-level officials and technical officials heading up implementing agencies. This committee covers the full range of operational policies, strategy development and monitoring of the implementation progress.

The PPRAC by its multi-disciplinary nature performs a variety of coordination functions including the final stamp of approval in defining and formulating policies, agreeing on major operational policy guidelines, oversight on the supervision of programme implementation and final evaluation of results. This committee is divided into a technical and a main committee, with the latter being mostly responsible for the technical aspects and the former concentrating on policies and strategy guidelines.

3.7. Political coordination and the Integrated Development Plan process

In the context of the British Virgin Islands, with its colonial relationship with the United Kingdom and the limited autonomy we have in our democracy, political coordination of the development process is not only critical but it is also complex with the agenda of the various interests competing. The key to successful integrated development planning depends on the extent to which the consultative and participatory processes are managed to the satisfaction of all stakeholders.

While it is acknowledged that political coordination of the IDP process introduces some elements of reduced effectiveness and efficiencies in the short term, it is necessary for the processes of validation and approval of issues and strategies, respectively. For example, the non-participation of political representatives in the research and analysis area of the exercise delays moving forward with the approval process because of their need to validate the technical findings.

Political coordination spans the spectrum of strategic and operational planning if one is to ensure proper resources allocation, that aspirations and hopes of the people and the priorities of government are all aligned. In our context, there is another political layer added with the presence of the United Kingdom Government; therefore political coordination of the integrated development planning process becomes more critical as there must be a further alignment with the policies of the United Kingdom, and in some instances, the European Union. So political coordination is absolutely essential to strike the ultimate balance between “economic efficiency, social equity and political democracy” as they are played out in the integrated development planning processes in the bureaucracy, the markets and the political arenas.

Because political coordination requires the clear establishment of roles between it and the bureaucracy, the concept of political responsibility is absolutely essential. Policy coordination in the economic and social arena in terms of programmes integrating to achieve like results must have that political dimension. In the implementation of NIDS where ministers have management responsibility and exercise functional oversight two main functional committees serve to initiate and support political coordination. The first being the previously mentioned mixed Planning and Projects Review Advisory Committee (PPRAC) of bureaucrats and ministers and the latter being the Executive Management of the Public Service (EMPS). These committees are able to implement systematic coordination of integrated programmes eventually improving the coordination between sectors as the PPRAC focuses more on policies and strategies while the EMPS concentrates on effective and efficient implementation of same.

Political coordination serves as the enforcer and arbitrator in case of conflict and contradiction between various agencies of Government resolving differences of interpretation of the hopes and aspirations of the people as found in the NIDS.

3.8. Key functions and key players

In terms of the hierarchy of planning, we must distinguish and recognize the relative importance and distinction among different levels of planning, and the roles of the agencies at the respective levels. This will assist in removing some of the misunderstanding of the roles of functionaries in the planning and development process, and eliminate the duplication in efforts across agencies and possible conflict among those agencies. The proposed framework recognizes the resource constraints of the territory, and seeks to provide a simple but efficient integrated arrangement.

The first layer of the framework will be the Department of Development Planning (DDP), which will have responsibility for coordination, prioritization, and strategic direction. It will articulate, elaborate on, and integrate the strategic and sectoral development policies. These policies will guide the preparation of the national, as well as sectoral, plans. This will constitute the strategic level, or Level 1 of our planning effort. The preparation and implementation of plans and projects, monitoring and evaluation, and the reviewing outcomes and outputs will be undertaken by the line agencies as implementing units. This will constitute a so-called Level 2, but no less important, component of the planning activity.

Effective implementation is also a shared public sector responsibility that can be reinforced by the establishment of a Planning Oversight Committee (POC). This is an important aspect of the framework in the light of the resource constraint. This Committee will have coordinating responsibility with respect to plan implementation, monitoring, evaluation and review, and will report to the Executive Council. Its work, which will be critical for policy review, will be undertaken through sub-committees responsible for separate areas, with technical support from the National Planning Agency. The chairperson of the POC will be the Minister responsible for National Planning. Members will include other Ministers of Government, the Permanent Secretary to the Chief Minister, heads of the planning divisions, the Financial Secretary, representatives from the NGO and CBO communities, and at least two representatives from the private sector. A senior professional officer from the National Planning Agency will serve as secretary to the Committee on a permanent basis. The POC will meet quarterly, and reports on the outcome of those meetings will be forwarded for the information of the Executive Council. Like the National Planning Agency, the POC will focus on integrating the approach to development.

The DDP has responsibility for project cycle management and public sector investment programming giving it significant influence over the national planning process. Having a co-ordinating and at times an operational role in project development affords the DDP an excellent opportunity to co-ordinate the national planning process. The DDP, in the implementation of NIDS is only responsible for ensuring that programmes and policies are consistent with NIDS.

The line ministries are obligated to fine-tune their investment programmes in accordance with objectives arising out of NIDS.

3.9. The monitoring and evaluation framework

Monitoring and evaluation are part of a cycle. Monitoring refers mainly to performance measurement in terms of timing, costs, and progress of plan activities. It will be undertaken at two levels, through monthly, quarterly, and annual progress reports. At the ministerial level, it will be done for activities that fall within the purview of the Ministry. Within the DDP, those reports will be aggregated into the territorial report only on a quarterly basis.

Evaluation, on the other hand, focuses on the effectiveness of the plan, its policies, programs, and projects, especially in the long term. Basically, it will examine and review the monitoring indicators to establish or verify cause-and-effect relationships. In particular, evaluation determines whether the intended benefits are realized, and assesses the distribution of those benefits. It also assesses the effectiveness of the solutions proposed to eliminate bottlenecks. The primary responsibility for plan evaluation will reside with the line agencies and the POC.

Section 4: Programme/projects arising out of the National Integrated Development Strategy

The NIDS requires a new and expanded role for government, a closer and better-defined relationship between government and the wide range of stakeholders and a sharper focus on the development of democracy. If these new relationships are to be put in place to meet the 21st century challenges, then it is expected that a number of related initiatives must be added to the inventory of management tools and mechanisms. In the case of implementations of NIDS many new initiatives have been put in place or designed and are awaiting implementation.

4.1 Programmes/projects to improve planning

The initiatives arising out of the NIDS process centred around increased public participation, extension of the consultative process and increased effectiveness and efficiency in the delivery of public services. Increased public participation is featured in the relationship with the business community, the non-governmental organization community and individual citizens. The specific initiatives in public participation are highlighted by in the establishment of regular business forums to hear from and exchange ideas and information on subjects of mutual interest. Individuals are afforded an opportunity to provide input into the design of major investments projects and other policy or legal initiatives. Most major public measures or initiatives are taken to the public via discussions by the Department of Information and Public Relations on national radio and television for meaningful input.

To ensure the successful implementation of NIDS and to generate efficiency and effectiveness in the delivery government services, the PSDP has been developed as a Strategic Management Framework to establish the link to strategic planning and policy development with Operational Planning and Budgeting. To support the implementation of the Strategic Management Framework is a suitable Governance Framework to define the agreed roles and responsibilities of Ministers and High Level Bureaucrats in developing and implementing Strategic Plans Policies.

The PSDP in aiming to increase the productivity of the public service and quality of services delivered to customers. It identifies the processes in the various ministries and departments, re-defines job functions, scopes, responsibilities and mandates, provides new staffing levels and types, sets departmental standards of service and ensures that the public service is competent to implement the policies of the leadership.

Two related initiatives, which were brought on as a result of the NIDS, are the revised PPRAC and the new Board of Management designed to increase political coordination and policy coordination, respectively. The PPRAC consisting of a main committee and a technical committee of high-level officials and ministers who examine macro development policies, coordinate their development and monitor the implementation of programmes. The Board of Management is a committee of the Executive Management of the Public Service plus the Governor whose primary concern is coordinating the implementation of policy determined by the Council of Ministers. Both committees have about 75% same membership and meet on a monthly basis.

Initiatives such as Programme Based Budgeting and Accrual Accounting are intended to improve financial management and complete links between planning and budgeting to improve effectiveness and efficiency in the delivery of public services. The outcome of these initiatives will be an effective set of mechanisms linking the priorities of government agencies with the allocation of financial resources in accordance with programme objectives of the political leadership.

The final initiative of significance in this case that came as a result of the NIDS is the Sister Island Project. The initiative essentially seeks to improve the quality and the delivery of government services to the sister islands.

The projects above described all sought to increase public participation, information to the public and efficiency in the delivery of government services to the public.

4.2 Programme/projects to improve financial management

What follows are measures put in place as a result of NIDS to achieve better financial control and to improve the planning process.

The NIDS process is partially responsible for the introduction of three initiatives related to finance and planning. These initiatives are designed to develop better linkage between

ministry plans, national development and the budget. While the initiatives are not yet fully in effect, they seemed to narrow the gap between the resources allocation and priorities development process.

The measures include the introduction of finance and planning skills in all ministries to assist, as a **first** step, with the development of policies and plans consistent with national priorities and procedural criteria. The finance and planning personnel work in liaison with the Development Planning Department and the Ministry of Finance in the development of programmes/projects and budgeting matters, respectively.

The **second** measure is the introduction of the first phase of programme budgeting. This measure is designed to affect financial control and assist with the national planning process. Ministries/Departments are allowed to add only an inflation escalator to their previous year's budget. Any additional or new activities come only in the form of a new initiative with full justification and the requisite paperwork. However, these new initiatives are limited to the current budget.

The **third** measure concerns the capital budget process. Ministries are now required to put their projects through a well-defined process of development, appraisal and approval before they are placed in the pipeline for implementation.

Section 5: Strengths and weaknesses of NIDS

5.1 Strengths of the IDP

The NIDS is centered on coordinated, strategic and participatory planning designed to take advantage of the knowledge of the communities thereby introducing non-traditional processes and thought. The concept of integrated development planning is thus based on the idea that coordinated and fine-tuned planning will increase effectiveness and efficiency of development measures. It proceeds on the assumption that the alignment of instruments and measures for the planning processes can also generate synergy effects.

The specific character of integrated planning is the alignment of different sector planning objectives rather than the creation of one-issue plans. The aim is to set in motion a series of mutually supporting activities in different sectors with a general objective in mind. Planning procedures are to be coordinated effectively between all responsible government bodies from the national level down to the local level.

One of the fundamental strengths of NIDS is that it focuses on deepening democracy, expanding the knowledge base from which to find solutions, expanding the political process through the principle of inclusion and increasing the chances of communities buying into solutions.

The main way the integrated development planning process deepens democracy is through the participatory process. Participation in the decision-making process including research, deliberation and formulation of solutions deepens the appreciation of persons and cements the idea that the choice of the people is paramount. Use of the consultative process in the development of NIDS opened the process to the full range of ideas to the skills and to all knowledge available in our communities. In the case of the BVI it meant extending the process to the knowledge pool throughout the globe to the networks of partners British Virgin Islands firms trade in financial services, tourism and government. Another consideration is the use of extensive knowledge that foreign residents of the BVI have about environmental management and preservation.

Extensive and extended participation of stakeholders as a fundamental requirement of the integrated development planning process widens the political process, gives stakeholders the sense and the perception that they are part of shaping of their own destiny. Participation by stakeholders increases the communications between competing interest groups constituting a value in dialogue. The integrated development planning process with extensive participation allows the opposing and differing stakeholders to negotiate or bargain their positions without the intervention of the bureaucrat or political leader. This part of the process in the final analysis allows competing interest to compromise and reach solutions which would otherwise be, in some instances, time consuming or made by bureaucrats with out as much local knowledge as stakeholders.

Solutions derived out of a process in which the full knowledge of the community was brought to bear, where there was widespread participation by the various stakeholders, where people perceived that they played a role in determining their destiny have a positive effect on stakeholders. The feeling is that the solutions implemented have been bought into or owned by the majority of the people. Ownership of processes and community solutions almost reduce the planning process to a technical exercise. Stakeholders' ownership of the integrated development planning process proved to be critical, as the private sector became the largest advocate for the adoption of the NIDS.

The integrated development planning is the single process that can cause development of both vertical and horizontal alignment between budget and planning processes. The strength of the integrated development planning process that produced NIDS is highlighted in the fact that it presented a transparent, technically sound, and politically acceptable set of priorities on which the budget process could assign resources. In the case of the British Virgin Islands, the NIDS caused a clear and irreversible separation between the budget and the planning processes. Previously the budget process and planning process were essentially executed simultaneously and in the same forum.

Another significant strength of the integrated development planning process is its ability to align planning procedures across ministries, agencies and the whole of government thereby increasing the chance of better coordination at the bureaucratic and political levels. The integrated development planning process was able to initiate dialogue across ministries and departments that had never previously communicated except to criticize the efforts of one

another. The integrated development planning process changed the focus of government departments from competing with each other to creating together. Previously competing departments, assembled in teams on sub-committees, were able to satisfy their individual objectives and create strategies that satisfactory met national development criteria and sectoral objectives.

In facilitating better coordination and alignment of certain development processes the IDP process extends the efficiency and effectiveness of public services delivery. The IDP process is inclusive, proactive and affords transparency in some development processes previously very ineffective and unnoticed.

5.2 Weaknesses of the Integrated Development Plan

The integrated development planning process as executed in the implementation of the NIDS is an iterative one that introduces additional difficulty in consensus building for policy development.

A major weakness of our NIDS was the introduction of people who do not play by the customary bureaucratic rules thereby extending the political process. The opening up of the political and bureaucratic process to unconventional approaches, thoughts and methods proved to be challenging and difficult to co-ordinate. The introduction of private and Non-Governmental Organization (NGO) sector deliberations into the research and validation phases of the development process in NIDS brought on delays, extensions of time and differing views on approaches. In some instances the price of such inclusion was a less disciplined and questionable processes.

The rigid levels of transparency, accountability and responsibility ever present in the consultative process by which bureaucrats are disciplined to be guided were easily and often violated. The level of loyalty to government and ministers that is a guiding principle in the operational activities of bureaucrats was lost when one integrated procedure was employed outside the public sector.

The IDP process, in order to deliver NIDS, extended the capacity of the public service in that so many areas had to be dealt with simultaneously. Although private sector personnel played prominent roles in the sub-committees, it was bureaucrats who ultimately bore the responsibility for ensuring integrity of the process, timeliness of deliverables and quality of the output. As it turns out, one of the major strengths is also a major weakness. The diversity of the various actors in the exercise increased the manageability of the range of actors whose activities and inputs must be coordinated. Institutional measures such as meetings and seminars for deliberations and consultations are the arrangement, which are problematic in hosting.

Introduction of political coordination into the broad processes of conceptualization, research, validation and implementation subtracted from the efficiency of the process. The integrated development planning process is well defined in terms of the rules and procedures of engagement but the political processes including political coordination are less well-defined and

less disciplined. The performance criteria in the political processes are more likely to vary than in the bureaucratic environment.

In the British Virgin Islands our political processes and organizational structures were somewhat informal and weaker when compared with other developed countries and as defined under NIDS. The political processes cannot manage the consultative and deliberative processes as effectively or efficiently as the bureaucracy can in situations where all interests are adjudicated simultaneously. The major weakness here is that the political processes are more effective in managing consultations when interests are identified in isolated situations rather than in consolidated fora.

The political process by its nature is less open and transparent as it traditionally manages competing or differing interests through the management of information. Political structures in the British Virgin Islands must by necessity establish different protocols for the various actors while trying to manage the distribution or accumulation benefits arising out of the development process. The IDP process, with political coordination as an indispensable component, introduces a multiplicity of objectives commonly associated with political management of development benefits but very detrimental to efficiency and effectiveness in the delivery of public services.

Section 6: Lessons learnt from the exercise

The past five (5) years of involvement with the IDP process trying to build a NIDS for the British Virgin Islands has taught us some lessons in the areas of strategy development, political coordination, the bureaucratic operations and public consultations.

6.1 Lessons learnt in coordination

The success achieved thus far with the conceptualization, development and implementation of NIDS suggests to us that working together and making joint planning decisions about the same space is very possible with patience, prudence and politics. Integrated planning is a slow process which requires political involvement at every significant decision making point. For example, in the consultative process the presence and active participation of politicians added to the success of the proceedings. As well, politicians played a major role in identifying particular areas concerning the hopes and aspirations of the people.

In the processes of implementing the NIDS, the international development community is very influential and their presence is well respected allowing the local bureaucrats to incorporate sometimes-controversial strategies or measures. The international community is a good arbitrator in settling disputes or disagreements between the various competing local interest groups as opposed to the local bureaucrats like the Project Management Team of our NIDS project.

Implementation of such a complex and comprehensive initiative such as NIDS with its large range of stakeholders, its varied institutional measures and its slow iterative processes require very clear definition of the roles of all the actors. This clear definition of roles avoids duplication of activities, establishes responsibilities and pre-empts bitter disagreements between some sworn enemies (interest groups).

One of the lessons learned during the development of NIDS is that high level and extended political involvement is a central feature in the processes that determines the future of people. Political mandates, approval and coordination of the fundamental development processes in NIDS were the only incentives for many organizations in the bureaucracy to participate. Political coordination has the capacity to move issues forward in a legitimate way across the boundaries of the bureaucracy and the gates of the private sector and the NGO communities.

The IDP process has taught us that articulating a national vision and having it accepted require the full participation and involving of the entire community. While the individuals in the communities are eager and willing to participate they are not yet willing to consult or deliberate on major decisions without the full involvement of their political representatives. During our consultative process communities always referred to their meetings with their representatives and claimed that they had already enumerated their wishes and needs. The perception in the communities is that their needs are made known to their representatives and the follow-up on to implementation should be the purview of the bureaucracy.

6.2 Lessons learnt in the bureaucratic processes

In terms of the operations of the bureaucracy, the IDP process reduces the autonomy and independence of agencies and ministers given that the requisite level of coordination, formulation and research establishes links at all levels. Policy development requires a more equitable distribution of the importance of the objectives of ministries. Particular ministries dealing with topical subjects such as business, economy, environment or education must share the arena in policy formulation and implementation with other lesser-known subject areas.

We also learned that the political process is one that is not well defined, disciplined and unclear. The rules are not as rigid and well established as in the bureaucracy and coordination is somewhat a guessing game rather than a rational activity. The political process concentrates heavily, like the bureaucracy, on the management of information but with not as much openness. The political processes do well when centralized and not dispersed. Communities are not necessarily made fully aware of the choices made by their neighbours. The process of information exchange is limited except law or agreement mandates it.

Under the present institutional and constitutional arrangements successful implementation of the NIDS requires, as a prerequisite a high degree of reform in the structures, political management, institutional arrangements and operational procedures. For example, our Public Sector Development Programme, one of the major complementary initiatives to the IDP process requires many changes throughout government. The reform of the process includes a consensus-based transition from development policies and strategies to ministry based strategic and operational plans and onto annual budgets. Under the implementation strategy of the NIDS a cross-ministry, inter-disciplinary team of high level officials and ministers are responsible for coordination.

Section 7: Recommendations for the future

7.1 Best practice

Given the defining criteria for best practice the National Integrated Development Strategy qualifies as such in integrated development planning. It has been earlier demonstrated that the NIDS is integrative, participatory, strategic and sustainable in its aim to improve the quality of life in the British Virgin Islands.

The NIDS is put forward as a best practice in national development planning because it will positively and tangibly impact on the living environment of the BVI, improving the quality of life and raising the standards of living. Early indications are for improved environmental management, better-balanced development, improved social cohesion, better government services and a stronger economy.

Another criterion qualifying NIDS as best practice is the presence of partnership in the process. The partnership firstly includes the United Nations Committee on Human Settlements (UNCHS), the United Nations Development Programme (UNDP) and United Nations Volunteer Programme (UNV). A second-level partner during the process was the United Kingdom Government (UKG) in development of a MCaP laying out short-term goals and objectives, commitments by the BVIG and obligation of the UKG. The last level of partnership, not necessarily the least important was the partnership with the private sector, the non-government organizations, the Community Based organizations and the special interest groups.

The NIDS is a sustainable one in that together with the PSDP, it has created long-standing change in the national planning process, the delivery and structures of public services, institutional framework and decision making process and efficiency, transparency and accountability management systems. We are also confident that sectoral policies developed can be replicated elsewhere, especially in the region. Change is an underlying objective of NIDS, given that it aims to establish a new planning process based on participation, integration and inclusion.

The simplicity and clarity of the NIDS process lends it to replication, adoption and transfer to various countries in the region. The NIDS sub-processes, institutional framework and operating framework lend themselves to adaptability to all the governmental structures in the

region. The NIDS process triggered many new initiatives in public service management and added a participatory dimension to development planning, meeting the criterion of leadership and community empowerment. The consultative process afforded communities and individuals real opportunities to meaningfully participate in deliberations about their future, empowering them permanently. Communities participated fully in the research; policy formulation and programme development and their contributions were fully incorporated in the final product of NIDS. Of course, it was NIDS defining a new role for government in our national strategy that influenced public policy into the decision to implement the PSDP.

The NIDS has as one of its overarching strategies “the enhancement of social cohesion” and gender affairs feature prominently in the integrated strategies developed. By the nature of the IDP process, social inclusion is central. The consultative process included all interest groups in the communities. Cultural diversity is another area that is fully covered under NIDS in the detailed strategy under the overarching objective of “the preservation of the culture and uniqueness of the British Virgin Islander.”

Best Practice, which had their beginnings with the City Summit – the second United Nations Conference on Human Settlements (Habitat II), are understood to be initiatives which result in tangible improvements in the quality of life and improvements in the living environments sustainably. The NIDS processes resulted in formulation of integrated strategies and programmes. Although Best Practice initiatives are defined by positive impact, sustainability and partnership, the cornerstone of Best Practice is equitable partnership. The partnership referred to here goes beyond mere participation. The NIDS process placed a premium on working together and deliberating on points of interest with coercion or pressure. Individuals and communities were given a full opportunity to bring their hopes and aspirations to the planning process. Partnership forces the inclusion of wide areas of knowledge, various professional disciplines, different systems of values and a set of consultative rules different from those governing the public sector. Best Practices include multi-sectoral, multi-disciplinary and multi-dimensional approaches to solving problems of the community.

The NIDP process is a multi-disciplinary, multi-dimensional and multi-sectoral approach designed to achieve political objectives of democracy via a deepening of participation, consultation and deliberation. With these actions - the equitable partnership in the development of policies, strategies and programmes, the people of the BVI were given a full voice in the decision affecting their lives and the lives of their children.

A lasting partnership has been created between government, the private sector and the NGO communities. In this context individuals were able to define and clarify their priorities for the future development of the BVI. In this interaction between consultative partners we were able to promote and facilitate the exchange of experiences, expertise and knowledge about development planning that sought to improve the standards of living and quality of life of all British Virgin Islanders.

7.2 Basic policy outlines

The main question about the integrated development planning is always at which level do we really witness integration. Some professionals contend that integration should begin at the research level when issues are identified while others argue that integration can only occur effectively at least at the solutions level. The latter argument says that integration can first take place at level where policies and strategies are developed. Further yet, some planning professionals believe that integrated development is most effective if the focus is on the programme level where various stakeholders' interest could be addressed through a single initiative.

In the formulation of our NIDS we believed the integration process began with the multi-disciplinary, participatory approach. The multi-disciplinary teams participating in the consultative process initiated the approach of simultaneous identification and examination of issues. The solutions or strategies proposed to address the issues identified then began to reflect a multi-sectoral and simultaneous approach to development. However, it must be conceded that at this level the integration process did not seem obvious, nonetheless the integrated approach was present.

The real test of the integrated approach is designing programmes that meet the multi-objectives across the various sectors and the spectrum of stakeholders. The real test came with designing programmes that cut across sectors achieving the various objectives and contributing to the overarching goals of improving the quality of life and sustainable development. At this level one is examining outputs rather than outcomes.

The basic policy outlines for integrated development are listed immediately below:

- Expand range of services offered within the existing leading export sectors;
- Foster greater use of our natural resources for the expansion of sustainable economic activities strengthen the human resource and institutional capacity for economic management;
- Promote an investment climate that is conducive to private initiative/entrepreneurship. The level of integration here is noticeable as these strategies take into account the objectives of both environment and economic management;
- To provide another example of integrated strategies we believe are basic and could be modified to many regional situations.

The basic policies below address economic social and environmental objectives. The policies are:

- To adapt our educational system to respond to the evolving needs of the society;
- To enhance and expand the quality of services and facilities offered by the health, education and welfare systems;

- To rationalize the range of services offered in order to increase efficiency;
- To more effectively regulate the flow of immigrants in order to reduce the negative impacts on the social systems;.
- To expand and manage the range of sport and recreational facilities which are easily accessible to residents;
- To provide the youth greater opportunities for meaningful participation in the development process;
- To focus on the needs of the young male population with respect to the development of a variety of programmes and activities;
- To improve the circumstances of all vulnerable groups by providing a better measure of social, political and economic equality and providing the legal framework to protect their welfare.

As a further example of basic policies that contain a level of integration, presented below are the basic outlines that again could be improved upon to many regional situations. The policies below were developed by mostly environmental interests hence a slight bias is obvious. The policies are:

- To guide the sustainable use of the natural resources;
- To provide an environmentally protective waste management infrastructure in accordance with rate of economic development;
- To establish adequate environmental standards for monitoring and evaluating changes in the environment;
- To establish an effective mechanism for co-operation, coordination and consultation;
- To institutionalize environmental concerns as an integral part of the development process;
- To provide, consolidate, strengthen and extend environmental legislation for effective implementation and enforcement;
- To raise public awareness and incorporate environmental education material in the schools' curricula.

The final set of integrated basic policies in the context of the BVI is listed immediately below. Clearly these seem to be influenced by physical planning but the objectives of orderly infrastructural development are economic, environmental and social. There are others examples but here are the policies:

- To provide a coordinated and orderly development of physical infrastructure;
- To develop comprehensive local area plans;
- To strengthen the institutional capacity for the integration of environmental and spatial concerns;

- To strengthen the development approval process to ensure conformity;
- To provide a coordinated approach to monitoring and enforcement by various/relevant agencies.

There can be difficulties in seeing the integrated process at the research, policy formulation and programme output levels. However, the level of integration becomes more obvious further down into the development process. Of course integration is visible at the output level, but as planners our objectives and concerns should focus more at the impact or outcomes level. Our overriding concern should be how research, policies, strategies and programmes could impact on lives of the people for whom we are developing.

In the Integrated Development Plan process our final task was to develop integrated indicators to correspond with the objectives. The integrated indicators are what will be used to determine success and integration simultaneously.

7.3 Options for institutional organization

It is clear that the existing structure and grouping of the planning organizations in the public sector will have to be re-focused to meet the challenges of the National Integrated Development Strategy. The NIDS requires an organization that has the capacity to manage certain elements of the political process, to be technically sound in development analysis, to be sophisticated in research and to guide the development of strategic policy. The 21st century planning institution that has to develop and implement NIDS must be a flexible organization that can easily adapt to the rapidly changing global environment. It must be an entity that is globally connected and well versed in the application of information technology. The organization must be able to network and build lasting professional relationships with similar or like organizations globally. The new planning organization must be able to manage information much better and view it as a critical resource in its operation.

In terms of managing elements of the political process, the new planning organizations must encompass the consultative process, including deliberation and participation sub-processes, as a critical component of its research function. The organization must have the flexibility and creativity to work co-operatively with political interests to ascertain the hopes and aspirations of the people.

If one could use the Development Planning Department of the BVI as a model organization, we would see the new planning entity as being a combination of project management, public sector investment programming, policy development and research (statistics) skills. Essentially the new organization is a multi disciplinary one in which human resources flexible enough to allow operations outside of the normal parameters.

7.3.1 A strategic role for the new vision in planning

In the short history of the British Virgin Islands national planning and the development of strategies were never a part of the culture of our governments. Whatever level of strategy was employed in our development came as the result of our relationship with the United Kingdom government.

The United Nations Development Programme, mostly as a technical exercise featuring the use of foreign consultants to produce medium terms economic plans, introduced planning in the formal sense into our country. However, with the passage of time and the changing development circumstances, the idea of strategic planning became attractive. Through advocacy and agitation, a number of national community groups and the external community were able to persuade authorities towards strategic and integrated planning.

The Government of 1980s and 1990s gradually accepted the idea that our survival in international trade required a well mapped-out strategy. The total of our development circumstances including tourism and financial services growth, immigration, environmental management and social cohesiveness dictated a better planned approach. For this more inclusive and comprehensive approach, a new vision for planning in the BVI became essential.

The new focus on planning in the BVI emphasizes that it must firstly provide the umbrella strategy for development allowing a high degree of flexibility to enable rapid adjustment to changing circumstances. Strategically, planning must provide the development framework into which line ministries, departments and other agencies develop their integrated strategies. This new approach is designed to ensure that integrated planning reaches down to the programme level.

The new vision for planning requires that it must be integrated at the sector/activities, at the ministry and departmental levels and at the community level. Strategic planning must be the activity that deepens and widens democracy through the participatory and deliberative processes. Planning in its new role must essentially take on some of the activities previously reserved for politicians. Considering the nature of our economic development with international trade as the driver, by design our integrated planning is focusing on the development of a framework through long range planning, the application of foresight and the conducting of future studies.

The new strategic role for planning is the promotion and development of the political system, strengthening public sector development or reform and assisting to ensure good governance and guiding the operational frame works for managing key areas of our community.

Section 8: Conclusion

The NIDS, with participation, inclusion and integration as its fundamentals, places a premium on coordination as its attempts to bring a multiplicity of processes together in a simultaneous manner to achieve sustainable development.

This approach takes into account more than the traditional socio-economic parameters, giving equal and simultaneous consideration to all facets of development including the environmental, physical and spatial, which have been discerned through a participatory process and strategic analysis.

The hopes and aspirations of the people are captured in the development objectives that have been identified as:

- To reduce overall vulnerability;
- To ensure balanced development;
- To enhance human capital;
- To ensure environmental sustainability;
- To improve the physical infrastructure;
- To maintain social cohesion;
- To attain global competitiveness;
- To promote global connection;
- To promote good governance;
- To preserve the cultural heritage; and
- To ensure the meaningful participation of BVI islanders in the affairs of the territory.

The pursuit of these goals for a better quality of life is guided by a strategic vision of a society that is globally competitive and socially cohesive; that is able to satisfy the basic needs of its people. This strategic vision upholds the principles of equity, human rights and good governance. It manages the natural resources of the territory in a sustained and integrated way' and generates self-confidence among the people; and that maintains the unique cultural identity of the territory. In order to facilitate this vision, the primary mission of the Government is to mobilize and deliver resources to ensure the health, productivity, prosperity, cohesiveness and resilience of the people in a responsible and integrated manner.

To achieve that objective of NIDS, the BVI must change the way government operates and the nature of its relationship with the people. There must be a renewed emphasis on planning throughout government and the focus must be on the development of a flexible framework of long-range policies and strategies that allows quick response to changing global circumstances.

The new planning organization must be able to manage critical elements of the consultative process and establish broad guidelines that foster the deepening of democracy. It must improve the efficiency of the delivery of public services and must have the resources to effectively network to manage information in a 21st century way to the benefit of the people.

**LONG-TERM PLANNING: INSTITUTIONAL ACTION AND RESTRUCTURING IN
THE CARIBBEAN**

Andrew S. Downes

1. Introduction

In a recent paper on economic policy options in the Caribbean, Arthur (2000) highlighted two gaps which policy makers must confront. The first gap relates to “the current conditions of the region and what is required to support sustained and sustainable development” (p. 15). The second gap relates to the “current conditions of the region and what is required for it to function successfully in the emerging global economic order” (p. 15). It can easily be argued that closing these gaps requires structural and functional adjustments, which can be achieved through strategic development thinking and planning. Long-range development thinking sets out the broad strategic *vision* for the country or region, that is, what the economy and society of a country should look like in the future. Development thinking should be accompanied by development planning which involves the specification of the strategies, programs, policies and projects that are necessary to realise the vision. Long-term development planning is therefore concerned with the identification of the process and methods for achieving the vision.

Since long-term development thinking and planning relate to the future path of the economy and society, it is related to future and foresight studies. Future studies refer to that body of knowledge which poses systematic and organised questions about the future or long-term state of a country (10-30 years) [Medina, 1999]. An array of techniques, theories and principles has to be developed to support research in future studies. Bell (1983) has outlined six principles or underlying assumptions associated with the philosophical foundations of future studies. These are:

- ‘We are moving linearly, progressively and irreversibly through time from out of the past toward the future’,
- ‘Not everything that will exist has existed or does exist’,
- ‘In making our way in the world, the only really useful knowledge is knowledge about the future’,
- ‘There is no knowledge of the future’,
- ‘The future is not totally predetermined’,
- ‘To some extent future outcomes can be influenced by individual and collective action, by the choices people make to act in one way or another’ (p. 6-10).

Future studies therefore seek to “explicate and explore a fan of alternative futures that are differentially possible, probable and preferable.... and to make the results available to people, in order to increase their effectiveness in creating the world they desire” (p. 12).

In recent years, future studies have been extended to examine issues of *foresight*, especially in areas of economic, environmental, labour, social and technological development. Given the greater complexity of the world and the problem of handling and interpreting a large amount of data, a great deal of effort had gone into the process of anticipating and eliciting opinions on change in the socio-economic environment. Being aware of developments beforehand (i.e., foresight) helps to minimize any fall-out from future events.

The challenges posed by changes in the global environment and the limited resources available to the small countries of the region mean that economic planners must be acutely aware of changes taking place. Long-range strategic thinking and planning would provide the framework for responding to future events.

This paper examines the long-term planning process in the region (over 5 years). Some degree of planning has taken place in the Caribbean since the 1940s so that economic planners had had to adjust their plans and priorities to suit the exigencies of the period. In the next section, an overview of the development planning process since the 1940s is undertaken. An examination of the major challenges and constraints facing the region is presented in the third section. This examination sets the background for the presentation of a long-term planning framework to address the development challenges facing the region. The necessary institutional action and restructuring of the economy to effect development and transformation is discussed. The paper concludes by making a number of recommendations to enhance the long-term planning process in the Caribbean.

2. Development planning in the Caribbean: An overview

Development planning involves the formulation of a program of action undertaken by the political and economic authorities of a country in order to achieve specific national goals over some time period. Such planning may be sequenced in terms of the short-term (1-2 years), medium-term (5 years) and long-term or perspective (10-20 years) [Lewis, 1966]. Development planning in the Caribbean started in the 1940s with the passing of the Colonial and Development Welfare Act 1945. The pre-World War II economies of the region were characterised by high levels of unemployment and poverty and low levels of provision of social services. The colonial administration sought to address these problems by preparing long-term (10-year) development plans for several countries. For example, Barbados started with *A Ten Year Development Plan for Barbados: A Sketch Plan for Development 1946-1956*, while Jamaica had *A Ten Year Plan of Development for Jamaica, 1946-47 to 1955-56*. In the Organisation of Eastern Caribbean States (OECS) - St Lucia, Grenada, Montserrat and St Vincent - long-term development plans were also prepared.

These early long-term plans were prepared by colonial administrators who had little experience with economic planning [Seers, 1962]. The institutional support for such long-term planning was weak as the administrators were merely reacting to pressing economic and social problems extant at that time. These plans focused on improving social welfare - public health, housing, education, sanitation, etc. Little emphasis was placed on the transformation of the economies of these countries [Jainarain, 1976].

Following the granting of internal self-government in the 1950's and the granting of independence in the 1960's, several Caribbean countries (Jamaica, Trinidad and Tobago, Barbados and Guyana) there continued the development planning process by preparing a series of medium-term (5-year) development plans. For example, Jamaica prepared a *Five-Year Independence Plan 1963-68*, while Guyana published the *Guyana Development Plan 1966-70*. The major thrust of these medium-term plans was on economic growth and production

diversification. It was recognised that the attainment of substantial social development required economic development. The Diversification strategy adopted by the 'larger' Caribbean countries sought to overcome the problems of a narrow production base and high level of unemployment [Jainarain, 1976].

The growth and employment targets for Barbados over selected planning periods illustrate the focus on these targets [see Table 1]. The basic strategy in the 1960's was to promote economic growth in the various sectors of the economy - manufacturing, agriculture and tourism - with the expectation that employment would be generated (i.e., the trickle down effect). The inability to generate enough employment during the 1960's resulted in an explicit focus on employment (unemployment) targets in the 1970's to the 1990's. In the case of Jamaica, several development objectives and constraints were identified in the planning process [see Table 2].

Development planning in the region has been largely 'indicative' in nature with the government providing the institutional and physical environment and policy incentives for the private sector to provide the stimulus for economic activity. The development strategy adopted by governments was carried out through a series of measures, namely:

- The implementation of projects and programs;
- The enactment of legislation to provide the legal framework for social and economic change to take place;
- The use of monetary, fiscal, commercial and other economic policy measures; and
- The establishment of economic institutions.

Development planning is an important aspect of overall public policy. It is an attempt to coordinate and rationalize government policies for developing a country. In the cases of Jamaica and Guyana, attempts were made by the respective governments to design plans and policies to advance a socialist strategy in the 1970's. In the case of Jamaica, the temporary move towards 'democratic socialism' resulted in the preparation of an *Emergence Production Plan* (the People's Plan) in 1977. This Plan which was designed to deal with the economic difficulties experienced by the country at that time was abandoned shortly after its preparation. In the case of Guyana, the introduction of 'cooperative socialism' informed the 1972-76 development plan.

In many respects, the preparation of development plans in the region, especially during the 1960's and 1970's, was seen as a means to win the approval of financial agencies that provided development assistance and/or a showpiece of the government to show that it was serious about development. Williams (1972) also indicates that plans were prepared to "impart discipline and enthusiasm to the pursuit of development" by the private and public sectors and enable the country "to exercise a greater degree of control over [the] external environment" (p. 39).

Several assessments of development plans suggest that they have been largely ineffective, that is, many of the goals specified in the planning documents have not been achieved [Greene,

1974; Brown, 1975; Farrell, 1979; Hope, 1986; Jainarain, 1976]. Several problems associated with development planning in the region have been identified. Farrell (1979), identifies the six problems of development planning in the Caribbean as:

- The failure to control key areas of the economy which is necessary for effective planning;
- The nature and orientation of the political directorate which lack the technical and managerial skills required to manage the development process;
- The lack of the appropriate organisational structures and the failure to involve the population in the planning process;
- The inadequate information base upon which decisions are made;
- The lack of human and technical skills in the areas of planning, implementation and management, and
- The failure to devise effective development strategies.

Jainarain (1976) has also argued that development planning has also suffered from:

- An over-centralised planning machinery;
- The absence of coherent policies to diversify the economies;
- Weak extension of the planning process;
- The absence of full-scale evaluation of projects and policies; and
- The absence of “perspective planning”, that is, the identification of what type of economy/society should emerge in the long run.

Furthermore, Brown (1975) and Greene (1974) have argued that development planning in the region has been a technical exercise in the preparation of a planning document without reference to the political dimensions of the decision-making process [see also Williams, 1972]. For example, the role of strong interest groups in influencing the decision-making process cannot be discounted in small developing countries (i.e., rent-seeking behaviour). As an element of public policy, development planning is influenced by the short-term horizons of politicians who need quick short-term results in a competitive political system. There is no clear understanding on the part of the political directorate about the strategic role of the State in the development process.

Development planning in the region was largely abandoned in 1980's. For example, Jamaica did not produce a development plan during the 1982 to 1990 period, while there has been no plan for Guyana since the early 1980's. Trinidad and Tobago abandoned the preparation of a development plan between 1974-81 when it was experiencing an oil boom. In the OECS, little planning has taken place since the mid-1970's. Barbados has however consistently prepared development plans since the 1940's. One of the main reasons for the decline of development (long term) planning in the region during the 1970's and 1980's was the concern with short-run stabilisation policies. With the oil shocks in 1973 and 1979, Caribbean economies were suffering from economic decline (high unemployment and inflation rate, stagnant production sectors, fiscal and balance of payments problems). Several countries sought the financial and technical

assistance of the International Monetary Fund (IMF), the World Bank and the Inter-American Development Bank. The focus was on achieving short-run macroeconomic stability, with little attention to the long-run perspective path of the country.

In recent years there has been a gradual return to the principles and practice of long-term planning. For example, Trinidad and Tobago has been preparing rolling three-year medium-term policy framework documents. The main objectives of this approach are the strengthening of the country's macroeconomic policy framework and the implementation of sound sectoral policies and programs to lay the foundation for long-term growth and development. Like the previous development plans, these policy documents reflect the public sector investment program which the government plans to implement. Tobago has also prepared a Strategic Plan covering a 15-year period beginning 1998. It has also prepared a Medium-Term Policy Framework 1998-2000. Jamaica has focused on a *National Industrial Policy: A Strategic Plan for Growth and Development* covering the period 1996-2010. This national policy has three basic phases:

1. **Phase 1** is concerned with the establishment of a Social Partnership involving the Government, private sector and the trade unions;
2. **Phase 2** involves the promotion of economic growth in a climate of macroeconomic and social stability; and
3. **Phase 3** relates to export promotion with efficient import substitution.

In the OECS, a sub-regional development strategy is being developed to cover such areas as human resource development, production diversification, administrative and institutional reform and greater sub-regional integration. The planning agencies in these countries are being strengthened in order to handle the tasks of formulation, implementation and evaluation of plans, programs, policies and projects.

This overview of development planning in the region indicates that after a purposive start in the 1960's, there was a decline in interest in development planning occasioned by the advent of structural adjustment (structural) policies. While annual budgetary measures, which complemented long-term development plans [see Downes, 1989] still continued, the preparation of medium-term (5 year) plans just waned. Governments and their social partners have not had the opportunity to engage in specifying a vision needed to advance the development thrust. There has however been a recent return to planning in the sub-region, though tentative, as it faces up to major economic challenges.

2.1 Development challenges facing the region

Although there has been some degree of development and macroeconomic planning in the region since the 1950's, the same problems of development still seem to be present (low saving rates, low growth, unemployment and poverty, low levels of capital formation and production and export concentration). In addition, the economic and political environment today is quite different from that in the 1950's. When the first long-term plans were prepared

development financial assistance was available from the Colonial Office. Caribbean countries, as colonies of Britain, enjoyed special trade preferences and technical assistance. Social development was a priority for the administrators at that time.

The early medium-term plans emphasised economic development (production diversification, economic growth, employment creation) and social infrastructural development (port, roads, etc). The trade preferences were still in place for the agricultural products exported from the region. As newly independent developing countries, concessionary finance was available from international financial institutions and governments of developed countries. Development analysis was fertile with alternative policy options for the region. Given their small size, economic integration was advocated as a viable development strategy for the Caribbean. The Caribbean Free Trade Area (CARIFTA) was formed in 1968 and later extended to the Caribbean Community and Common Market (CARICOM). The emphasis was on promoting regional exports within a harmonized legislative framework.

The oil shocks of 1973 and 1979, which resulted in a significant increase in oil prices derailed the economic development process in the Caribbean. Attention was turned to short-run stabilisation issues associated with the twin deficits - fiscal deficit and balance of payments deficit. Structural adjustment programs were introduced and stabilisation policies were linked to structural reform programs. While structural reform programs contain elements that form part of the development planning, the time frames were too short and were linked to 'developmental' finance from the World Bank or IADB. Medium-term policy frameworks emerged from this experience. The international environment within which Caribbean countries have had to operate is now changing. A greater emphasis has been placed on deregulation, privatisation, trade liberalisation, removal of trade preferences, a cutback on concessionary finance and reduction of the role of the State in the development process. Global change involves the integration of commodity, financial and labour markets driven by developments in information technology, telecommunications, biotechnology, and consumer demand. New institutional arrangements govern the trade between countries as the World Trade Organisation (WTO) administers rules which promote 'free' trade between countries. In addition, regional trading blocs have emerged: the European Union (EU) and the North American Free Trade Area of the Americas (NAFTA). NAFTA is an agreement between the USA, Canada and Mexico to eliminate barriers to trade in goods and services, promote competition and increase investment opportunities. Negotiations are currently underway to extend the agreement to other Latin American and Caribbean countries to form a Free Trade Area of the Americas (FTAA) by the year 2005.

The external environment within which the Caribbean countries now have to operate is characterised by several dynamic processes: rapid technological change, the 'globalisation process', changing geopolitical relationships, new social trends, trade liberalisation and new institutional forms. These processes pose major challenges for the social and economic planners in the region.

The first development change relates to the formulation and implementation of policies, programs and projects to reduce the high incidence of unemployment and poverty in the region. Recent unemployment rates in the Caribbean vary between 7.8 percent in Antigua to 15.5 percent

in Jamaica in 1997. The recent information on poverty indicates that the percentage of the population living below a specific poverty line varied from 15.9 percent in Jamaica for 1998 to 43.2 percent in Guyana for 1993 [see Table 3]. Unemployment is particularly acute among young persons with low levels of human capital. Young females constitute the worst affected groups. The incidence of poverty is high amongst persons with a low level of human capital, in low-paying jobs and living in rural areas. Female-headed households and those with a high number of dependents are more affected by poverty.

The second development challenge relates to developing industries (enterprises) which can withstand the rigours of international competition. With intensification of trade liberalisation, Caribbean enterprises need to be more price and non-price competitive. Some countries have used exchange rate policies to promote this competitiveness (e.g., Trinidad and Tobago) while others have used productivity improvement schemes (e.g., Barbados). Enterprises that are competitive internationally can lead the export promotion process, which is vital to economic growth and employment creation in the region.

The third development challenge relates to the promotion of a savings culture, which would provide the necessary funds for productive investment in the light of declining concessionary aid. Financial market development (e.g., capital market, securities/stock exchanges) is a vital aspect of this development challenge. Efforts have been made to develop a Regional Stock Market and a capital market in the OECS.

The fourth development challenge involves the ability to utilise developments in technology to foster new industries. In this regard, human resources development becomes an imperative for Caribbean countries. Some effort is being made to address this issue under the umbrella of a CARICOM Human Resources Development Strategy. Some reform is taking place in the education and training system with changes in curriculum, the introduction of information technology in the schools (e.g., the Edu-Tech program in Barbados) and the redesign of the provision of technical and vocational education and training (e.g., in Trinidad and Tobago).

The fifth development challenge relates to the maintenance of macroeconomic stability to create a stable and certain economic environment within which to promote foreign investment. As small developing countries (many of which are islands situated in a hurricane belt), the Caribbean is susceptible to shocks arising from external economic events and natural disasters such as hurricanes, volcanoes, floods and earthquakes. Both macroeconomic and development policy must take this vulnerability into consideration. Planners and policy makers must engage in risk management that seeks to reduce the exposure of the countries to these shocks, which are not only costly but highly disruptive. For example, Jamaica and Guyana have been struggling with economic recovery for several years, while Montserrat has been severely affected by a volcanic eruption.

The sixth development challenge relates to the forging of social cohesion and integration. In recent years, the Caribbean has been affected by a high incidence of criminal activity and violence associated with the drug trade. Such activities not only threaten the economic performance of the countries of the region, but can result in a depreciation of the social capital of

the affected countries. The seventh challenge concerns protection of the natural environment in light of increasing activities. The need for a 'sustainable development' strategy is crucial in small island states.

In meeting these challenges, planners and policy-makers must be mindful of the constraints and trends affecting the region. The main constraints are the small size of the domestic and regional commodity markets, limited diversity in production, a high degree of export concentration and the high costs of certain activities [Bonnick, 2000]. An understanding the demographic, technological, economic, social and political trends is important to planners (for example, the ageing of Caribbean populations, trade liberalisation, growing individualisms, strategic political and economic alliances). The planning approach to meeting these challenges requires a vision for the Caribbean, that is, a long-term perspective of where the economic and political leaders want to take these countries.

3. A long-term planning perspective

A review of development planning in the region indicates that governments in the Caribbean moved from long-term (10 years) planning in the 1950's to medium-term (5 years) planning in the 1960's and 1970's, then to short-term (1-3 years) planning in the 1980's and 1990's. Some countries, notably Barbados, maintained medium-term planning over the full period. Planning has been complemented by project planning and annual budgetary policy measures.

The problems and challenges confronting the region however need long-term perspective planning primarily because it takes time to build a base to handle adequately the changes taking place in the global economy. For example, it takes time to build up production plants, to establish a reputation and to educate and train a labour force. The economic authorities of a country therefore need to have a vision of the configuration they want for that country. Research on business forecasting in the Caribbean however indicates that businesspersons have short-term time horizons (that is, less than two years) [see Craigwell et al., 1998]. Such a focus reflects the fact that many companies sell their products in domestic or regional markets, which they know quite well. The impact of global changes on both the national and regional economies will necessitate a more strategic approach to business planning and forecasting.

In his analysis of economic policy measures for the twenty-first century, Arthur (2000) argues that the Caribbean countries should adopt a '*managed market approach*' to economic management. The State would play a creative role in the redesign of the economic architecture - human resource development, institutional development and sustainable development. The State should become more 'developmental' rather than relying on the market mechanism or the private sector for economic growth and development [Karagiannis, 2000]. In many cases, the private sector lacks the capability to contribute meaningfully to public policy (e.g., poorly staffed Chambers of Commerce). There is a need to move from crisis intervention to strategic planning' and adopting a balanced and properly sequenced approach to the implementation of economic restructuring and liberalization [Arthur, 2000].

Many Caribbean analysts have used the experiences of other countries to anchor this vision for the Caribbean. Singapore, Costa Rica and Ireland have been identified as small countries from which Caribbean countries can learn and form a vision for the future. Political leaders would like their Caribbean states to become the next set of countries to join the rank of “more developed country”. Such a vision however needs strong leadership and discipline among the region’s business, social and political leaders for its realisation.

It has been argued that small developing countries should seek to develop ‘niche markets’ in order to compete successfully in the global market. Niche markets involve the sale of *products* that have few direct substitutes. Since there is little or no perspective planning in the region, there is a need to establish the institutional framework for such planning in the private and public sectors. For small economies operating in a dynamic global environment, scenario planning can play a role in examining alternative policy options in the context of risk and uncertainty [Arjoon, 1996].

4. Institutional action and restructuring

The adoption of long-term strategic planning in the Caribbean requires a number of institutional changes and the restructuring of enterprises and agencies. Some of these changes have been taking place in a piecemeal manner in several countries. These changes have been taking place outside the context of a strategic vision for the respective countries.

Farrell (1981) has put forward a development planning framework with the acronym AFROSIBER which can be applied in small developing countries. AFROSIBER involves nine (9) steps:

- Analysing the current economic, social, political, demographic, cultural and psychological situation facing the country. This analysis/assessment would identify the problems and constraints associated with the development process and what resources are available for tackling the situation;
- Forecasting the future path of the country. This helps to set objectives, identify bottlenecks, assess the possible impact of policies and identify alternative paths or scenarios;
- Evaluating the available and prospective resources - natural, financial, human;
- Setting objectives and goals - economic, social, demographic, etc;
- Identifying and enunciating development strategies, that is, how do we proceed to achieve the objectives and goals which have been specified;
- Examining the implications of the chosen strategy;
- Calculating the balance between demand for resources and the availability of resources. This gives an idea of constraints and needs;
- Executing or implementing the plan;
- Reviewing and monitoring the success and failures of the plan, that is its effectiveness or goal achievement;

The AFROSIBER planning framework was applied to development planning in Grenada during the early 1980's [see Kirton, 1989]. In applying this framework, Kirton was able to identify specific factors affecting development planning in the country: "its small size, high level of economic dependence and backwardness, limited technical skills, weak organisational and administrative structures and the lack of any experience whatsoever in genuine economic planning" (p. 48). In effect, the "preconditions for planning" did not exist in Grenada for long-term planning. In an effort to meet these conditions, high priority had to be given to "the provision of technical training in planning techniques, improvements in data, collection, storage and retrieval and ensuring a necessary minimum level of control over the economy consistent with the implementation of comprehensive national planning" (p. 49).

The experience of Grenada can easily be extended to other OECS and Caribbean countries. The institution of long-term planning in the context of global change would require the implementation of a number of institutional and structural changes. The first change relates to public sector reform in order to lower transactions costs and boost efficiency in the planning system. Public sector reform has been a component of several structural reform programs in the region. The approach to such reform has however been piecemeal and largely unenthusiastic. In the case of Barbados, the public reform process consists of the following elements: financial management, human resources management, the use of information technology in the operation of public sector affairs, supplies or procurement management and customer service. The reform process, which began in the mid-1990's, has been coordinated through an Office of Public Sector Reform. Although there have been some positive changes, there is still much work to be undertaken.

In the context of long-term planning, there is a need for the establishment of a coordinating entity within the public sector. In Jamaica, a Planning Institute has been established to coordinate the planning process. In addition, the background research needed to inform the planning process is carried out through this agency. In other Caribbean countries, Barbados, Trinidad and Tobago and some OECS countries, the planning exercise is undertaken within a Ministry linked to other economic or social aspects of public administration. Long-term planning gets lost in such arrangements. What passes for planning is the identification of specific public sector projects to be undertaken over some 'planning period'. The Planning and Priorities Committee of the Government identifies the public sector projects which are administered or coordinated by a special, small unit in government (e.g., a Public Investment Unit). While some countries have a 'development planner', little long-term perspective planning is undertaken. There is need to strengthen or establish planning units within the public service to undertake research to inform the planning process and also to coordinate the exercise.

A second action, which is required for the institution of long-term planning is the establishment of a National Development Council which would allow different interest groups to present ideas for a long-term vision for the country. As noted by Brown (1975) and Williams (1972), the political process is very crucial to planning in the Caribbean. Rather than responding to the ad hoc demands of various interest groups, the Council would provide a forum to harness and debate ideas and suggestions in a comprehensive manner. These ideas and suggestions would be examined by a central planning body to determine their usefulness or feasibility.

Several attempts have been made to establish such bodies in the region. They have been established in the context of crisis management. When the crisis is over, these bodies die naturally. One example of the survival of a forum that can be used as a vehicle for long-term visioning is the Social Partnership in Barbados. The Social Partnership was formed during the economic crisis in the early 1990's and consisted of Government, the private sector and the trade union representatives. Three Protocols have been signed by these partners. With the end of the economic crisis, the original rationale for the arrangement came to an end. However, the partnership has remained as a forum for discussion on national economic and social affairs. The widening of the membership and focus of this partnership can form the basis for the partnership of different interest groups in the 'visioning process'. This arrangement can form part of a 'new governance model' for small developing countries since it would allow broader participation in the policy formulation and decision-making process.

A third aspect of the restructuring process is the need for private sector managers to reorient their thinking and management processes. With the need to focus on export markets for their survival, small developing countries need to direct their creative talents to the design of strategies for market penetration and maintenance. The current operations of several large and medium-sized enterprises are not conducive to long-term strategic planning in a highly competitive global environment. In addition, little expenditure is allocated to research and development in regional enterprises. Greater emphasis must be placed on research and development, innovation and management and technological restructuring of medium and large-scale enterprises. These enterprises must perform at world standards. The government can assist with the achievement of these standards with the provision of financial incentives and technical assistance.

A fourth element of the restructuring exercise is the development of information systems to inform the decision-making process in the region. One of the inadequacies of the development planning experience in the Caribbean is 'planning without data' on key economic and social variables. While some headway has been made with the collection of economic data, the progress with social data collection has been slow. Some initiatives are being taken to develop social indicators in the region, but this exercise should be undertaken within the context of a long-term development strategy. Within the OECS, there is an attempt to develop social indicators within the context of a sub-regional development strategy. If this linkage does not occur we could have 'data collection without planning'. Good accounting systems should be emphasised at the enterprise and agency levels, since they form the basis of national databases. The development and management of an integrated information system is critical to the success of long-term strategic planning. It provides the basis for economic intelligence and surveillance of global trends.

The technical and management aspects of planning are weak in the region hence there is a need for the greater education and training of persons in the area of enterprise and national planning. Given the integrated nature of planning, especially at the national level, an interdisciplinary approach to training is needed. Planners should be cognisant of the social, cultural, economic, political, psychological and environmental aspects of the planning process. In large countries such as Jamaica, Guyana and Trinidad and Tobago, regional dimensions of planning

should be considered. While a centralised agency can coordinate the process, there may be a need for an institutional arrangement whereby regional agencies (units) are established to plan local area activities. In addition, in multi-ethnic and multi-racial societies such as Guyana and Trinidad and Tobago, these ethnic and racial dimensions should be incorporated into the long-term planning process in order to maintain social cohesion. In some situations where class and not race is an issue, an understanding of the dynamics of class relationships is important in the design of programs, policies and projects in order to achieve long-term objectives and goals. These elements reflect the holistic approach to economic development in the region [Bonnick, 2000].

An important element of the long-term planning process is the maintenance of economic stability. An unstable macroeconomic environment adds to the uncertainty associated with the natural course of life. Since some investment decisions involve sunk costs and can be irreversible, all effort should be taken to minimize macroeconomic uncertainty. There will be a need to coordinate the activities of the planning agencies and other economic agencies (e.g., the Central Bank).

The formation of a Single Market and Economy within the Caribbean adds a regional dimension to the long-term planning process. The long-term visioning of one country now involves the visioning of another. There will be a need for greater harmonisation of planning systems and economic and social policies. As the countries of the region extend their membership of either regional groupings (the Association of Caribbean States, the Free trade area of the Americas), they will need information on the economic, social, cultural and political dimensions of the Latin American region. Despite the physical proximity of the Caribbean to South and Central America, there is a woeful ignorance of the history of these countries partly due to the language barrier. However, the long-term planning of development in the Caribbean would need to consider the relationship with South and Central America.

The return to long-term planning properly informed by an understanding of the principles of development in small states operating in a new global environment is needed in the region. There is however a need to introduce several institutional changes to make the process effective. In addition, a restructuring of both public and private enterprises and agencies would be needed to advance the process.

Conclusion

Long-term planning and visioning as proposed by future studies analysts are not evident in the Caribbean. Although the preparation of development plans during the 1950's to 1970's provided some opportunity for long-term visioning, the economic crises of the 1970's and early 1980's led to a focus on short-run economic stabilisation policies. There has been a gradual return to medium-term planning through the preparation of medium-term policy frameworks complemented by annual budgetary policy measures. As the Caribbean countries confront the changes in the global economy, there is a need to institute some degree of long-term planning and visioning so that there is an understanding of where each country wants to be positioned in

the future. Such planning would require institutional action and restructuring (more action and less talk). The strengthening of the planning units that would undertake research and guide the planning process is an important pre-requisite. This exercise would be coupled with the establishment of a national development council that would feed ideas and suggestions into the planning units. This council would allow broad participation of the interest groups in the planning process. These institutional arrangements would be supplemented by measures to boost the information and surveillance base, promote human resource development, especially in the planning area and create macroeconomic stability in each country.

Table 1
Growth and employment targets for Barbados
for selected planning periods

Planning Period	Planning Targets
1960 – 1965	<ul style="list-style-type: none"> ✓ Growth of national income of at least 4% per annum ✓ Provision of 40,100 new jobs at home and abroad ✓ Doubling the annual value of industries other than sugar
1965 – 1968	<ul style="list-style-type: none"> ✓ Average annual rate of growth of GDP of 4% (at 1964 prices)
1969 – 1972	<ul style="list-style-type: none"> ✓ A real GDP growth of 5% per annum (1968 - base year) ✓ A real per capita GDP growth of 3.5% per annum
1973 – 1977	<ul style="list-style-type: none"> ✓ An annual rate of growth of GDP of 5% (1972 - base year) ✓ Reduction in the unemployment rate from 7.3% in 1970 to 5.6% in 1977
1979 – 1983	<ul style="list-style-type: none"> ✓ An annual rate of growth of GDP of 4% (1979 - base year) ✓ Decline in unemployment rate from 13.9% in 1978 to 7.8% in 1983 (provision of 14,000 new jobs)
1983 – 1988	<ul style="list-style-type: none"> ✓ Average annual rate of growth of GDP of 3.5% (1982 - base year) ✓ Reduction in the unemployment rate from 13.6% in 1982 to 8% in 1987
1988 – 1993	<ul style="list-style-type: none"> ✓ A real GDP growth rate of 2.5% per annum ✓ Reduction in the unemployment rate from 17.9% in 1987 to 15.8% in 1992
1993 – 2000	<ul style="list-style-type: none"> ✓ A real growth rate of 3.3% per annum (1993 - base year) ✓ Fall in the unemployment rate from 24% in 1993 to 10.0% in 2000

Source: Development Plans of Barbados: 1960/65 to 1993/2000

Table 2
Outline of development plans of Jamaica

1957-1967	1963-1968	1970-1975	1978-1982
Objectives	Objectives	Objectives	Objectives
<ul style="list-style-type: none"> ✓Human resource development ✓Social services development ✓Diversified economy Import dependency ✓Poor economic and social infrastructure ✓Domination of economy by agricultural exports ✓Export dependency 	<ul style="list-style-type: none"> ✓Economic viability ✓Social and cultural development ✓Integration off social norms ✓Provision of economic, cultural and social services on a mass basis ✓Rapid development of selected sectors to provide employment and boost consumer demand as a stimulus for increasing output ✓Capital shortage ✓Deficiency of market demand ✓High levels of unemployment ✓Rapid population increase ✓Social constraints and cultural dichotomy ✓Low levels of investment ✓Low levels of income 	<ul style="list-style-type: none"> ✓Unemployment of less than 5% ✓Income redistribution ✓Increased exports ✓50%-60% increase in real per capita expenditure on food ✓Free education to high school level and compulsory primary education ✓Improved economic and social infrastructure ✓Achievement of social consensus ✓Unemployment ✓Shortage of skilled labour ✓Increased importation and its effect on domestic prices ✓Low exports ✓Need to rationalize the use of foreign exchange ✓Need to improve efficiency of state agencies 	<ul style="list-style-type: none"> ✓Inflation curb ✓Budget deficit reduction ✓Economic growth of 3%-4% per annum ✓Reduction of unemployment to 15% ✓Improvement of water supply and development of indigenous energy supplies ✓Establishment of the institutional framework for a mixed economy ✓Scarce foreign exchange ✓Unfavourable balance of payments ✓Budget deficits ✓High and fluctuating inflation and interest rates ✓Negative economic growth ✓Rising unemployment ✓Low levels of savings

Source: Planning Institute of Jamaica, Kingston, Jamaica, 1990

Table 3
Recent estimates of unemployment and poverty in the Caribbean

Country	Unemployment Rate (%)		Poverty Rate (%)	
	Year	Rate	Year	Rate
Antigua	1995	7.7	-	-
Bahamas	1997	9.8	-	-
Barbados	1999	12.3	1996	20.0
Belize	1997	12.7	1995	33.0
Dominica	1990	14.9	-	-
Grenada	1991	13.7	1998	30.8
Guyana	1992	11.7	1993	43.2
Jamaica	1998	15.5	1998	15.9
St Kitts/Nevis	1994	4.5	-	-
St Lucia	1995	15.9	1995	25.1
St Vincent	1991	19.8	1996	37.5
Trinidad/ Tobago	1997	15.0	1992	33.0

Source: Downes (1999); ILO (1998)

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