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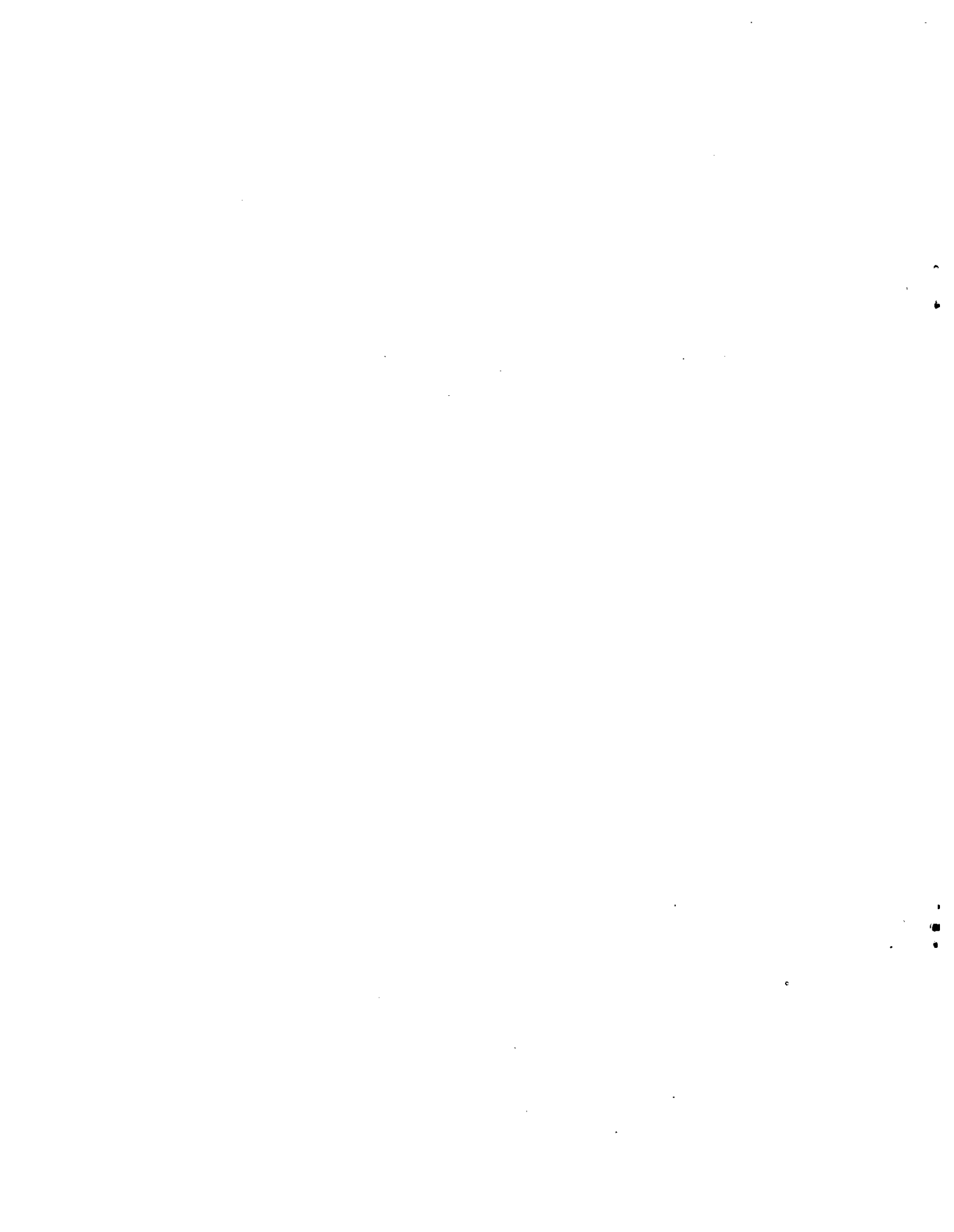
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A PROGRAMME OF SUPPORT FOR SMALL ISLAND DEVELOPING
COUNTRIES: SOME INITIAL CONSIDERATIONS



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A primary objective of the Caribbean Development and Co-operation Committee (CDCC) has been the promotion of the economic and social development of its member countries. In recent deliberations of the CDCC, there have been references to the need to study the impact of the international economic recession upon the development of those countries and to promote initiatives designed to strengthen co-operation among them. In that context, the CDCC has decided to address the particular problems facing the small island developing countries within its membership.

Seventeen of the twenty members and associate members of the CDCC are island developing countries,^{1/} twelve of which have a population of less than one million. Accordingly, special focus on the problems of the small islands was recognized as one of the priorities of the CDCC when the Ninth Session approved resolution 18(IX) on a "Programme of Support for Small Island Developing Countries."

Most developing countries face adverse effects arising from the global economic situation and the membership of the CDCC is no exception. There is, however, a clear appreciation, within the CDCC, that there are particular types of problems which derive from the combination of small physical size, low population and insularity which characterize small island developing countries.

A companion feature of small physical size is a limited resource base which entails options for the diversification of production patterns. The size of the economies of small island developing countries, when combined with low population levels, result in added constraints to economic growth and development such as diseconomies of scale, high costs of production and an inability to avoid high levels of dependence on external trade due to the openness of the economies. Efforts to diversify out of these production

^{1/} There is no clearly definitive assessment as to what constitutes "smallness" in the context of identifying small states but a commonly agreed criterion is population size.

constraints, through technological modernization and specialization, have generally resulted in an increase rather than a reduction of external dependence.

Small island developing countries also face special problems in providing the necessary social services for their societies and the human skills required for the effective functioning of those services. The range of social services required in a small, as in a larger, society is generally standard so that the costs incurred in the provision and maintenance of the services such as education, health, transport, communication and public administration, cause a relatively greater burden on small economies. Similarly, the provision and retention of adequate levels of human skills present additional difficulties.

Insularity poses further problems in that small island developing countries suffer from difficulties characteristic to their geography. They are prone to natural disasters and face the task of managing adequately, with their limited resources, the ecological systems which surround them. Services, such as transportation and communications, are often unable to meet the demands placed on them as a result of the archipelagic nature of the location of the islands.

The limited domestic resources available to small island developing countries are clearly unable to meet the complex economic problems which face those countries. If those problems are to be addressed successfully, then assistance from external sources needs to be provided. The task of mobilizing external resources has, however, been complicated by the present international economic climate where financing for development assistance is increasingly difficult to obtain. The small size and low absorptive rate of their economies often preclude them from attracting resources for assistance while limits on domestic growth encourage the outward flow of capital.

Compounding the problems of mobilizing external resources has been the phenomenon of a general application of criteria by international financial and development institutions which would seriously affect the availability of concessionary financing for small island developing countries in the Caribbean. These institutions propose to adopt a principle of "graduating"

countries, which have a GNP per capita above a certain level, from their programmes with the most favourable rates of interest. The fairly high levels of GNP per capita, in the case of most of the small islands, belie their rudimentary industrial infrastructure and limited scope for indigenous growth. The general application of the principle will lead to the exclusion of small, vulnerable economies from possible resort to vitally needed resources.

The need to formulate programmes and projects to meet the specific needs of small island developing countries has been recognized by a number of organizations. Within the United Nations system, the United Nations Conference on Trade and Development (UNCTAD) has established a Special Programme for Least-Developed land-locked and Island-Developing Countries within which it has been paying special attention, in recent times, to these countries. At the regional commission level, the CDCC adopted its resolution while the Committee of the Whole of ECLAC adopted resolution 473 (PLEN.18) on "Peculiar Economic Problems of Caribbean Island Developing Countries, especially the States of the Organization of the Eastern Caribbean States" (OECS).

The Sixth Pacific Forum has prepared a programme designed to treat the particular concerns of the small island countries in the Pacific region. An expert group, established by the Commonwealth Secretariat, has recently published a study on vulnerability as it affects small states. One important conclusion of that study was that constraints on autonomous development constituted a major factor underlying the vulnerability of small states.

The problems of small island developing countries are also being considered by non-governmental organizations. An international Conference on the Economic Development of Small Countries was held in Malta in 1985. A second Conference has been planned for 1987. The agenda for this conference will include a major component focusing on small island developing countries. A Committee of the United States' National Commission for UNESCO, "The U.S. Man and the Biosphere Program", is also planning an "Interoceanic Workshop on Sustainable Development and Environmental Management in Small Islands" in the second half of 1986.

A clear recognition, thus, exists of the problems facing small island developing countries and of the need to formulate programmes to meet those problems. Within the United Nations system, the mandates, extended by the CDCC in resolution 18(IX), call also for further action by the Secretariat. The action includes support for efforts to have special consideration given, within the organizations of the United Nations, to the circumstances and needs of these countries.

More direct mandates of the CDCC call for the identification of TCDC solutions for problems which hinder the development of small islands; the promotion of TCDC activities both among CDCC member countries and with other countries of the wider Latin American and Caribbean region in support of their development efforts; and the organization and facilitation of interregional exchange of information and experience with other regional and subregional organizations. Some activities have already been undertaken in implementation of the mandates, particularly in the areas of identifying and promoting TCDC activities in support of small island developing countries within the region (a report on those activities is provided separately).

The implementation of the mandates of the CDCC can be readily pursued by programmes within Latin America and the Caribbean as well as in co-operation with the Special Programme of UNCTAD. Other agencies of the United Nations system should also be made aware of the circumstances and needs of the small island developing countries.

The economic, financial and environmental problems which confront the small island developing countries are beyond the capacity of the United Nations organization to resolve. The need for external financial resources makes it imperative that a programme in support of these countries encompass an approach to multilateral development and financial organizations and donor countries which provide the type and level of resources required.

The approach should focus, inter alia, on the difficulties generated for small island developing countries by the generalized application of criteria, such as "graduation". The special circumstances, which the small islands face, argue in favour of special consideration being offered to them in the application of such criteria. Additionally, support for their needs

should be mobilized in the determination of quotas in financial institutions, the extension of foreign aid and the establishment of special programmes and funds.

A programme for special consideration would, of necessity, have to be universal in its orientation and relate to the needs of all small island developing countries irrespective of the regional or geographical location. The generic nature of the programme is necessary to ensure that the organizations approached see the demand for special consideration as justified by a commonly-shared perception of the problems by the countries concerned and as supportive of exceptional treatment for the special concerns peculiar to small island developing countries and not merely to developing countries, in general.

Considerable scope exists for more practical forms of endeavour through the exploration of TCDC activities. The scope includes the provision of expertise from the larger members of the CDCC to the small islands as well as the establishment of pooling or sharing arrangements of available expertise among islands themselves. Activities such as the functional co-operation programme within CARICOM need to be revitalized and utilized more effectively when the need for expertise available regionally arises in the small island developing countries.

At the wider regional level, TCDC activities offer opportunities for meeting the special needs and circumstances of the small islands, both through the exchange of information and experience and the establishment of projects and programmes. The intensification of interregional co-operation requires special attention. The need for a universal programme in support of small island developing countries, which was mentioned earlier, makes the encouragement of interregional co-operation between the CDCC and the countries of the Pacific and Mediterranean regions a sine qua non for the successful pursuit of programmes.

Activities have been undertaken, particularly in the Pacific, in support of small island development. It will be mutually beneficial if such information and experience are shared by the respective regions. Inter-regional co-operation would also be necessary in the formulation of a common platform on behalf of all small island developing countries.

The elements involved in the programme should, therefore, include a careful elaboration of the particular problems and needs of those countries; the formulation of a programme in a universal and generic manner, with close collaboration among all groupings of small island developing countries; and a concentrated policy of lobbying for the acceptance of the programme by institutions and donors.

A carefully considered policy of making donors and institutions sensitive to the special circumstances and needs of the small island developing countries will have to be pursued to ensure the acceptance of the issues and the success of the programme. One fact which must be faced is that a policy which seeks to make institutions and donors aware of the problems will be incremental in nature. The results of such a policy will also be gradual but will certainly increase over time.

A two-tier approach is recommended, initially, in launching a programme in support of small island developing countries. The approach should include the pursuit of measures within the United Nations system, in accordance with the mandates given by the CDCC: those would include TCDC activities within the subregion and wider region; interregional co-operation on common experience and information; and support for measures, within the United Nations system, in favour of small island developing countries.

Simultaneously, efforts should be made, in collaboration with the small island developing countries of the Pacific and Mediterranean regions, to evolve the elements upon which a common platform could be prepared for a démarche on multilateral institutions and donors. In the light of the nature of the problems and the need for their clear exposition, it is recommended that specific studies and follow-up action be carried out on these problems. The study should delineate the ways and means of pursuing programmes designed to respond to those problems and also recommend courses of action.



