



GENERAL

LC/CAR/G.259/Rev.1

14 December 1988

ORIGINAL: ENGLISH

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

CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE

Eleventh Session  
St. Croix, United States Virgin Islands  
18 - 22 November 1988



PLAN OF ACTION FOR SMALL ISLAND DEVELOPING COUNTRIES



UNITED NATIONS

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

100

100

100

## PLAN OF ACTION FOR SMALL ISLAND DEVELOPING COUNTRIES

### INTRODUCTION

The ninth session of the Caribbean Development and Co-operation Committee (CDCC) of the Economic Commission for Latin America and the Caribbean (ECLAC) held in Port of Spain in 1985 adopted Resolution 18 (IX) mandating the CDCC to develop a programme of action in favour of small island developing countries. After consultation with a number of governments and agencies, it was agreed to hold a meeting of officials to assist in the development of the programme.

The meeting was held in Saint Lucia from 24-28 August 1987 and the report of the meeting was presented to the tenth session of CDCC where it was agreed that CDCC and CARICOM should combine efforts to develop and implement the plan.

In the meantime, in response to General Assembly Resolution 41/163 calling on the Secretary-General to assist in the developmental efforts of small island states, UNCTAD convened a meeting of experts from 24-25 May 1988 in Malta, as part of the preparation for a thorough review of special problems and needs of island developing countries to be presented to the forty-third session of the General Assembly of the United Nations as mandated by the resolution. The report of that meeting is now available and appears as UNCTAD/ST/LDC/9.

The joint efforts envisaged with CARICOM took a longer period to materialize than had been anticipated and it was not until 8 September that a meeting was possible. Because of this delay, the secretariat had gone ahead and circulated a draft plan and invited comments from governments and organizations. The response was generally good and these comments have been incorporated in the plan. It is expected also that CARICOM's efforts will be complementary to the development and implementation of a final plan of action.

The meeting in Saint Lucia proposed a number of areas for attention and projects for consideration, and the plan attempts to put them within a inter-disciplinary and multi-sectorial framework. It is also recognized that a number of organizations and agencies are mandated to deal with some of the specific areas in the plan and as a consequence collaborative efforts will be required in the preparation of projects and programmes.

There are, however, a number of areas that the secretariat can operationalize directly and these will be the main thrust of future work, in addition to those ongoing activities that are



900017393 - BIBLIOTECA CEPAL

indispensable to the developmental efforts of small developing countries.

The plan, therefore, in its present form emphasizes operational activities of a developmental nature.

There is the additional work to be done of winning support for the concept of the special regime of small island developing countries and development of arguments and data to support this concept. The secretariat is convinced that ECLAC, along with ESCAP, should take the initiative in work in this area and assist the efforts of other agencies such as UNCTAD, UNDP, CARICOM, OECS and UNESCO in sensitizing the international community to the special problems and needs of small island developing countries and territories. Document UNCTAD/ST/LDC/9 addresses some of these problems in Part I. but it needs some further elaboration.

#### THE PLAN

As has been noted, the rationale and objective of a Plan of Action in support of small island countries have been developed in a number of documents<sup>1</sup>. Nevertheless, the plan lays emphasis on a number of operational points and contains not only needs and assistance assessments, but activities which the small countries themselves can consider undertaking within the limits of their own resources. The emphases are as follows:

- (a) The development of internal linkages between industry and agriculture and the related proposals for the strengthening of agro-industry through the upgrading of agro-labs or produce chemist laboratories;
- (b) The promotion of greater integration between tourism and agriculture;
- (c) Strengthening capability in science and technology;
- (d) Upgrading of infrastructure; and
- (e) Administrative and especially governmental administrative reform to better facilitate development planning and implementation.

The Plan will concentrate on the identification of programmes and projects, based on discussions emanating from the Saint Lucian meeting. No attempt will be made to designate either short, medium or long-term activities as they may vary depending on the various stages of activity in the various Caribbean small states.

---

<sup>1</sup> See UNGA 32/185, 34/205, 35/61, 39/212 and 41/163.

Specific projects to give effect to the overall plan will have to be developed for implementation.

#### AGRICULTURAL DEVELOPMENT

Whether the small island developing country depends on one or few crops for export or whether it seeks to reduce its food import bill, agricultural development will continue to play a significant role in the development of the region.

It is therefore important that a planned and sustainable effort be made in this sector to achieve the following:

- (a) More efficient utilization of land;
- (b) More efficient production patterns and greater productivity;
- (c) Reduction of import components in the sector; and
- (d) Development of export opportunities.

Assistance should be given to all the states in the OECS to carry out land capability and land use surveys. Recognizing that there could be difficulty in changing some lands now under cultivation in a particular crop to a more suited crop or activity, some form of compensation and incentive should be provided to farmers to encourage the conversion to the designated activity.

For the successful development of agricultural potential, assistance is required in the formulation and implementation of policies with respect to price support for local production. Proper methods of farm management must be adopted and encouraged with particular emphasis on costing and other aspects of financial management.

The foregoing constitutes a first step to crop diversification which has been recognized as necessary. Diversification, however, should not be limited to crops, and in some cases it may be necessary to move from crop to animal production. While it may be argued that the small land mass cannot support large scale pasturing and animal rearing, it has been shown to be capable of supporting small stock, such as goats, sheep, pigs, poultry and rabbits. While no attempt has been made prior to a survey to identify crops that can be used in a diversification programme, such potentially commercial crops that now grow wild in the region can be explored, for example, cashew, tamarind, aloe and sea grapes along with the cultivation of the more traditional crops: cassava and sweet potatoes.

In the marketing area, technical assistance is required in the standardization and grading of produce to ensure customer acceptance, while establishing a track record for reliability and dependability in terms of delivery to market.

### Marketing

The success of any diversification programme will depend on assured markets for the products. In some cases the markets already exist and what is needed is to supply information flows about them. Aloe and cashew are two such products. In these cases intelligence and information units should be established at various developed country capitals to seek markets and provide information on needs in the markets. While some work can be undertaken through the Consular offices in existence, there is need to expand the scope to include some of the newly emerging developed countries where arrangements may not yet be established. Assistance is needed by the small developing countries to mount such programmes.

Marketing units can also assist in locating less expensive sources of products imported to the region both in agricultural commodities and in other sectors of the economy.

A capability in agricultural statistics to complement other sectors and to assist the agricultural planning exercise needs to be developed.

The possibility of joint marketing of certain food items by regional or subregional producing countries should be investigated.

### Home economics and agro-industry

A shortcoming of the industrialization programmes adopted by some OECs countries is the lack of linkage with the agricultural sector. The reasons suggested for this are that traditional primary production and export activity suppressed the development of secondary processing, and the lack of a comprehensive home economics programme to link primary products to food and nutritional aspects.

The first reason need not be dealt with here as it is well known, and it is not the intent to advocate a curtailment of primary products export since for some commodities this remains the only option.

The second point can be addressed through the establishment of home economics and food preparation programmes at all levels of the society, in primary and secondary schools, and in the community at large.

An elaborate home economics and food preparation programme will encourage the use of local products, develop the taste for locally prepared foods and subsequently help to incorporate such foods on the menus of local hotels, thus providing increased exposure to our local cuisine. When planned, advantage can also be taken of the fact that a significant number of Caribbean people now live in other countries, and these products could be supplied to them. Assistance is therefore needed in strengthening marketing capabilities to reach Caribbean communities abroad.

The home economics programme suggested is a first step towards the development of a full scale agro-processing programme which will enable the development of new lines of products for commercial purposes. To this end the Produce Chemist Laboratories (PCL's) established in all the OECS States should be strengthened both in terms of their research capability, and in their role of providing technical assistance to the home economics programme.

The private sector is expected to play a critical role in this scheme to assist in the marketing of the products, to provide financial assistance for product development and to provide training opportunities. The marketing units proposed should liaise with the PCL's and the relevant ministries to co-ordinate activities and exchange information.

The home economics programme should not be limited to the agriculture sector, and activities such as sewing, and handicrafts should be encouraged and financed.

Of particular importance is the establishment of training programmes in agriculture, home economics and agri-business in schools. Provision should be made to enable schools to undertake agricultural activities, to link these activities to the home economics programme and to foster the business aspect of production in order to develop and encourage entrepreneurship among the young people of the region.

#### Research and extension

It will be necessary to increase and improve the research capability at the national level and relate the research to problem solving and the development of new products. As an example, one obvious area would be the Banana Industry of the Windward Islands where close to 20% of fruit is not exported due to poor quality. A programme of research and development into alternative uses of bananas would be needed to reverse this wastage while at the same time improving quality control standards.

Agricultural extension programmes should be better co-ordinated to work along with home economics and community development personnel. Extension personnel should also be trained in community development in order to assist in the development of

the farmers' homes and families. As such, extension personnel should be better trained, more mature, and should be encouraged to reside and to take part in community development projects in their areas.

### Forest, soil and water conservation

Forest, soil and water conservation are probably the most critical aspects of development, which small developing countries cannot afford to ignore. Farmers should accordingly be advised on aspects of soil and water conservation and a rigidly controlled forestry programme undertaken to conserve soil fertility and rainfall, and to minimize erosion. An integrated and co-ordinated extension service can undertake these activities.

### Finances

Farmers will require ready access to finance if the plan is to be successful, and Agricultural and other Development Banks will need to provide appropriate credit facilities, with proper supervision to farmers, small entrepreneurs and home makers. A system of unsecured loans may have to be examined.

The following projects could be developed and undertaken on a priority basis:

#### 1. Agricultural diversification incentive project

It is envisaged that such a project will combine a number of areas identified under the specific programmes. Essentially, it should seek to assist and encourage small farmers to take up diversification and to convert marginal lands under cultivation in a particular crop such as bananas, to a more suited crop or activity.

It is further envisaged that a package of incentives should be worked out to assist the farmer in the areas of soil conservation, irrigation and the cultivation of specific crops. The choice of crop to be selected will depend on a number of factors including market availability, soil and slope characteristics, and so on. Since the farmer does not usually have the capital requirements for soil conservation, an appropriate scheme of incentives and assistance will be needed.

#### 2. Transfer of agricultural technology project

This project is aimed at the Extension Service and should seek to improve the capability of Extension Officers in transferring

agricultural technology to farmers. It should include such components as:

- (a) Extension training - farmer motivation;
- (b) Facilities and equipment to enhance field activities; and
- (c) If possible the location of extension offices in most communities.

The crops and the technologies to be transferred will need to be identified.

### 3. Bulk purchase of inputs

Agricultural production costs in the region are high. One way of reducing the cost of agricultural inputs is through bulk purchasing. The project could draw on the experience of a similar project in pharmaceuticals where costs to some of the islands are said to have been reduced by fifty percent (50%).

### 4. Agro-industrial development project

Various studies have shown that there is potential for agro-industrial development, however, little has been achieved due to lack of financing and investment. This project should identify crops and appropriate sources of funding for agro-industrial development.

Programmes for agricultural development suggested are:

- (a) Land capability and land use, survey and plan;
- (b) Small livestock development;
- (c) Establishment of marketing units abroad;
- (d) Development of a comprehensive home economics programme;
- (e) Agricultural research and agro-industrial development;
- (f) Improved agricultural extension training;
- (g) Improved agricultural credit and finance terms;
- (h) Formal and non formal agricultural education programmes;
- (i) Soil and water conservation and management;
- (j) Irrigation programmes; and
- (k) Forestry development and preservation.

## COMMUNITY DEVELOPMENT/CO-OPERATIVES

The concentration of governmental agencies and activities in the capitals of the small developing country has meant that the many scattered hamlets and villages do not receive their fair share of amenities. The problem is further aggravated by the dispersed nature of settlements, making provision of facilities difficult. An aggressive community development programme will be needed to resolve some of these problems.

The credit union remains the single most effective mechanism to encourage savings among the lower income groups. Its development is therefore important for the purpose of mobilizing individual households and providing small amounts of entrepreneurial capital at the village level. Linkages with other co-operatives, both local and external, should be encouraged to provide much needed funds.

Assistance should accordingly be provided to develop these institutions and, where they already exist, to strengthen and network them so that maximum advantage can be taken of the philosophy of the movement. Marketing links should be set up between local and external co-operatives.

Specific programmes suggested

(a) Strengthening existing co-operative training units to undertake a clearing house function and develop training materials and courses;

(b) Develop promotional and educational material for co-operatives;

(c) Programme to strengthen and establish trade networks in co-operatives, locally, regionally and extra-regionally;

(d) Assistance in credit union management and networking to include external credit unions; and

(e) Assistance in the promotion and development of industrial co-operatives.

## FISHERIES, DEVELOPMENT AND MANAGEMENT

With its many reefs, grassbeds and mangroves, the Caribbean region has the potential to provide a substantial amount of its seafood needs and should with the improvement of techniques for offshore fishing be able to export excess catch.

Yet, before any definitive fisheries programme can be instituted, it is important that sufficient data and information on the resource be available.

Accordingly, there is a need for:

- (a) Determination of sustainable yields;
- (b) An evaluation of economic sustainable yields; and
- (c) Research into the biology of exploitable and other important species.

It is suggested, therefore, that a fisheries survey be made of the waters of the region to determine (a) and (b) above.

Research in the biology and culture of species such as lobster, conch, trepnuetes (sea eggs), the parrot fish (Scaridae), selected species of shrimps and mollusks, and snapper should be undertaken with a view to assisting in replenishing naturally occurring stocks and commercially cultivate selected species. There already exists some information on the larger pilargic species.

While the pirogue or canoe has its limitations, the large trawlers are costly to operate and at present seem to be beyond the capability of the majority of those engaged in the fishing business in the OECS. Research and experimental work is therefore needed into the type, use and development of fishing gear in order to determine the most effective methods of fishing.

There is also the need for training of fishermen to improve their skills and to introduce them to efficient business practices in the sector.

Although inland fisheries are not yet developed in the region to any great extent, a number of areas such as mangroves, rivers and ponds are suitable for such fisheries. High priced species of shrimps, can also be grown with relative ease to supply the needs of the tourist industry. Improved and more accepted species of Tilapia are now available and these could be cultivated to augment the marine fisheries.

Research and development work should be initiated with both fresh and salt water fish waste, aimed at the production of protein to be used in animal feeds so as to offset the high cost of imports. Fish by-products could then be mixed with such items as bananas, coconut meal, cassava and sugarcane waste to develop a balanced feed.

### Other Aspects of Mariculture

A number of algal species found in the Caribbean are of commercial value and need to be explored and exploited. Species of gracellaria (seamoss) and hypnea can be cultivated to provide a constant supply of the drink which already has a market in the U.K., U.S. and Canada. Additionally, agar producing species can be grown for the pharmaceutical industry. Research and technical assistance is, however, needed in these areas.

Work is ongoing on the Exclusive Economic Zone (EEZ) and fisheries legislation within the context of the Law of the Sea Convention. This work should be continued and expanded, as necessary.

The conservation of the marine environment remains critical to the development of a fisheries programme and assistance is needed to monitor and develop projects to foster conservation practices, while linking fisheries development with other activities impacting on the ecology of island countries.

#### Specific programmes proposed:

- (a) Stock analysis for the OECS region;
- (b) Research and development in type, use and development of fishing gear;
- (c) Training of fishermen to upgrade fishing technologies and business techniques;
- (d) Training of fishermen in the appropriate navigational aids and techniques;
- (e) Development of mariculture and aquaculture projects;
- (f) Development of fish protein for use in animal feed; and
- (g) Research and information dissemination on marine environmental problems and management.
- (h) Research into the Biology of exploitable and other important species of marine organisms.

### HEALTH AND HOUSING

Although health indicators in the islands are generally high, the question of inadequate low cost housing continues to pose a potential threat to the quality of life in the region.

Research and development work is required into the possibility of using the clays, pumice and other such materials found in these

islands, as material for constructing houses and household utensils. Assistance is needed in designing and building of low cost houses using indigenous materials and which are able to withstand local climatic conditions such as hurricanes and earthquakes.

The self help and co-operative approach should be encouraged in this sector with the provision of special credit facilities for low cost/low income housing.

Assistance is needed to develop and implement community health programmes to include Primary Health Care, Dental Care, Child Care, and Environmental Health, and these should be emphasized as subject elements in schools.

#### Programmes suggested

(a) Research and development in construction material for housing using local products;

(b) Designing and constructing of low cost houses;

(c) Assistance in setting up community health care programmes to include a programme at the schools level; and

(d) Special financing arrangements and funding sources for low income housing development.

#### TOURISM

The Caribbean area continues to be attractive to tourists, and tourism is the major source of foreign exchange for many countries in the region. Apart from developing suitable infrastructure for the tourism sector itself, it is also important to develop linkages between the tourism sector and other sectors of the economy in order to maximize the retention of foreign earnings. Two key sectors which are identified for linkages with the tourist industry are agriculture and handicrafts.

If the programmes outlined earlier for Agriculture and Agro-industry can be put into place, agricultural production will increase and the countries will be able to meet their needs locally or regionally, for the provision of such items as cabbage, carrots, lettuce, poultry and pork and even beef products.

There is the need to train and expose Caribbean people to the middle and upper management levels of the tourism industry in order to have a stronger foothold in the industry and retain a greater percentage of the tourist dollar.

Specific programmes recommended:

- (a) Hotel classification and registration scheme for small island countries;
- (b) Tourism training;
- (c) Assistance in marketing the islands as tourist spots;
- (d) Financial assistance in providing infrastructure for the tourist trade; and
- (e) Assistance in negotiating contractual agreements with investors in the tourist sector.

## INDUSTRIALIZATION AND MANUFACTURING

Sustained economic growth and development is dependent on an industrialization programme that maximizes the use of indigenous resources. This can be affected by factors other than natural resources, for example low wages, ease of transshipment and proximity to markets as well as the use of appropriate technology.

The agricultural development plan outlined above can provide the base for endogenous industrial and manufacturing activities but it needs to be augmented by an education programme and the dissemination of technological information to entrepreneurs and business. Technology extension personnel should be available to assist in plant operation, quality control, labelling and standards, to provide information on equipment and to supply market information.

An incentive programme should be put in place to encourage the development of new technologies and products as well as the adaptation of imported technologies, bearing in mind the limits of resources and scale.

The manufacturing sector needs to be more responsive to the relatively low wages prevailing in the islands. For example, a number of operations requiring the assembly of semi-finished or primary products from the U.S. mainland by the OECS can be investigated. Assistance is needed in identifying such operations in the manufacturing sector.

Possibilities for development in the services sector should also be explored, particularly in areas such as offshore data processing, subregional insurance companies, revitalized distributive trades and operating offshore financial centres.

### Programmes suggested

#### 1. Technology advisory and extension services.

This involves assistance to potential entrepreneurs in identifying sources of technology and finance and in negotiating suitable arrangements.

#### 2. Development of entrepreneurial capability

An intensive training course should be conducted for existing and potential small-scale local entrepreneurs, to provide essential knowledge of management of small-scale enterprises which would be very useful for enterprises.

#### 3. Technical development and guidelines

The small developing country needs to evolve guidelines and a clear-cut strategy for technological development. It should include but should not be limited to the identification of processes that can be carried out on an island, although these may only be minor components of the larger technological package required to produce a finished product.

#### 4. Development of negotiating capability

It is essential to develop an increased capability for negotiations on investment, technology and other contractual arrangements.

Special emphasis should be given to the implications and potential of new and emerging technologies for CDCC countries on various sectors, such as agriculture, industry (tissue culture, and so on).

Efforts in joint production among Regional and Sub-regional countries could be investigated as a means of reducing costs and reducing the disadvantages of small size..

### EDUCATION

In order to provide a cadre of skilled persons for the development programme, it is necessary to identify education programmes at all levels. Since a large percentage of the population attains only primary level education, emphasis should be placed on upgrading technical training at this level. Arts and crafts training should therefore be on the primary school curricula along with agriculture, home economics and business. An assessment should be made of the appropriateness of schools curricula given the rapid increase in the use of new technologies. Greater

emphasis should be placed on the sciences including computer applications.

While the present focus on the academic subjects should continue, it must be augmented by subjects that will better prepare the school leaver for employment in the economy at large.

A programme of apprenticeship training should also be developed for both the formal and non-formal students in various fields such as carpentry, masonry and simple electrical repairs.

Community type colleges should be encouraged, where possible, to provide early university education; but also to provide continuing education programmes to keep trained persons abreast of new trends and to assist in the dissemination of information through seminars, discussions and lectures. The Community College should extend its programmes to the outlying areas and villages by various means such as weekend training, evening sessions, and so on.

The close proximity of the small Caribbean states to both the French and Spanish-speaking countries necessitates greater facility with these languages in order to foster co-operation, trade, commercial enterprises and joint ventures.

#### Programme suggested

- (a) Assistance in setting up technical education programmes;
- (b) Assistance in setting up Community Colleges and innovative teaching methods;
- (c) An apprenticeship programme at both formal and non-formal levels;
- (d) Arts and crafts training at the primary school level; and
- (e) Language training programmes.

#### INFRASTRUCTURAL DEVELOPMENT

Any strategy adopted for development, requires a minimal level of infrastructure. Three basic necessities are roads, water and energy. Financial and technical assistance is needed to provide feeder roads for agricultural production and primary road construction is needed for general purpose travel.

Poor agricultural practices over the years and negative aspects of the development process itself have reduced rainfall and natural water supplies in all the small developing country. There is therefore the need for dam construction, storage

facilities, and, in some cases, the construction of desalination plants to provide adequate fresh water supplies.

Electricity generation continues to demand a sizeable amount of the foreign exchange through the purchase of petroleum, and, like the other amenities, such as water, the dispersed nature of the communities makes electricity generation and distribution costly. The potential for geothermal energy exists in some islands but assistance is needed in its development. In other cases research and development is needed in wind, solar and hydro-electric plants of the small unit type to provide electricity for small communities or even single households.

#### Specific programmes suggested

- (a) Research in small scale electricity generation for wind, solar and water sources;
- (b) Financing for building dams, drilling wells and the acquisition of desalinization plants; and
- (c) Financial and technical assistance in road construction.

#### SCIENCE AND TECHNOLOGY

It is not intended to treat science and technology as a separate activity bearing in mind that the development of science and technology in itself is beyond the capability of the small developing country. What is intended, is to show the role that a sound science and technology policy can have in the development process as a whole.

Firstly, the technology aspects of science and technology must be stressed to a greater extent in the school system. Although science is being taught, with much difficulty, the link between science and technology is not adequately made and principles are not related to everyday or real life situations. Science teaching methodologies should also be addressed to provide adequate training for teachers at all levels.

Assistance and incentives should be given to encourage the development of indigenous technology. A technology extension service has already been proposed, along with assistance in negotiating technology packages in the various sectors of the economy and especially with respect to technology transfer. Closer collaboration between the various research institutions in the region could enhance the promotion of science and technology activities.

Specific programmes proposed

- (a) Assistance in science teaching;
- (b) Assistance in setting up Community Colleges to foster technological development;
- (c) Assistance in negotiating technology packages;
- (d) Assistance in setting up National Science Councils and/or systems for science and technology planning; and
- (e) A science and technology popularization programme.

IMPROVEMENT OF THE ADMINISTRATIVE AND MANAGERIAL  
CAPABILITY FOR PUBLIC POLICY, NATIONAL DEVELOPMENT  
AND REGIONAL INTEGRATION

During the colonial period the governments of the countries and territories which now form the OECS and CARICOM were oriented mainly to keeping law and order and creating a positive environment for the economic activities of the colonial power and the local colonial elites. As a result, strongly traditional Civil Services developed mainly oriented to the processing of routine matters under strictly followed regulations and procedures controlled from abroad.

The first period after independence was characterized by Civil Services that continued to perform the duties and responsibilities inherited from the colonial period. They were not prepared for national policy formulation and decision making. They lacked the necessary management capability to confront the needs and conduct new complex functions of independent, developing countries. They were unable to play a dynamic role in the economic and social development of their nations.

In the current period the task of government has been particularly difficult. Governments have had to develop their capacity for self government, establishing institutions and functions never known before independence, such as foreign affairs, national defence, the need to exercise direct responsibility in education, health, public works, and so on. Moreover, they were required to embark on much more complex activities, to forecast and plan their national economic and social development, to promote and in some cases intervene directly in economic activities in agriculture, mining, transport and communications; to support the private sector in these and other areas of commerce and manufacturing and supplement policies with direct initiatives when the size and resources of the private sector did not allow it to embark on larger projects deemed necessary for development. In

addition, they faced complex decisions and policies with their participation in the regional integration agreements, within the OECS and CARICOM.

The simple and ritualistic government administration inherited from the colonial period was therefore compelled to evolve towards a larger, more complex administration to face the needs of self government, national development and the political and economic relations with the outside world.

The tasks to be performed have proved greater than the administrative and management capacity of the institutions and human resources responsible for them. For example, planning is limited to central units and to short term project formulation and follow-up, leaving unresolved the large and important issues of long-term medium and long-term national development. Financial administration and budgeting are not sufficiently related to social and economic targets; more attention is placed in legal and procedural use of public funds than to their impact and priority for the development process. The institutional organization of governments is insufficiently developed, not clearly defined, with uneven distribution of functions and responsibilities among public institutions. Decision making and policy formulation is slow and concentrated in the highest levels of authority, with scarce consultation and participation at other levels.

The problems of small size and the scarcity of human resources are reflected in the organization and management of the public sector, where there are important functions in technical and administrative areas which cannot be performed at all or at a reasonable cost because of problems of scale. There is the difficulty of recruiting and maintaining qualified persons with the scarce financial resources of the public sector, when set against their tendency to migrate in search of better salaries and wider professional horizons. The close interpersonal relationships in small societies can adversely affect personnel management, as many are related by family and social groupings in an environment where the government is the largest employer in these island nations.

Equally, because of Caribbean States' recent independence, and their relative inexperience in international affairs, their ability to derive benefits from their external contacts is limited. Moreover, the mal-administration of foreign policy remains a serious impediment to the effective conduct of their external relations.

It is obvious that the problems of scale, scarce human and material resources and limited managerial capability are compelling these countries to search for closer forms of co-operation and integration. Regional institutions and programmes have been established and common services are evolving. The constraints of

small size will ensure an increase in the number of common services that will be established in the immediate future.

The adaptation of the government administration of these countries to play a leading role in the development of their countries; to manage scarce resources in a more effective way, to improve the organization and management of their present institutions; and, identify new opportunities to accelerate their integration process, constitute great challenges to these island countries.

Present technological limitations make outside support for this task necessary, to help identify specific needs and develop projects to respond to them. Some potential projects could be oriented to:

(a) Research on the administrative and managerial problems of the small OECS island countries, caused by the size of their land area, population, human, financial and material resources, the limitations of their market and work force. Assistance will be needed to solve those problems or to diminish their impact on national and regional development and integration;

(b) Improve the capability of governments to plan and implement public policy for economic and social development;

(c) Modernize of the financial and budgetary administration of the public sector;

(d) Develop the national capability to analyse, programmes and implement administrative reforms and to increase the capacity of government to play a more dynamic role in national and regional development;

(e) Increase the effectiveness of the human resources administration to recruit, retain and develop the needed personnel for national development and regional services;

(f) Assess the performance of public enterprises, including problems of policy-making, supervision, coordination and control. Clarification of the roles of the political directorate, the boards and management of the parastatals. The development of management information systems and a system of performance evaluation, the need to increase of the managerial capacity in the enterprises;

(g) Technical assistance in the establishment and training of the Foreign Service and in Foreign Policy Management;

(h) Assistance in understanding the international organisations in order to maximize benefits from them. This can be achieved through short-term postings at organisations and conducting national seminars about these organisations;

(i) Assistance in developing negotiating skills, especially in the area of trade and commodity negotiations;

(j) Analysis of the functions, performance, and management of the existing regional institutions and common services in the OECS countries and assistance in their further development. Assessment of additional fields in which common services could be established, and assistance to organize them, and to facilitate their integration into the OECS.

#### ASSISTANCE TO REGIONAL INSTITUTIONS

A number of institutions such as CARICOM, OECS and WISA have been established by the Caribbean Countries to combine their efforts in dealing with the problems outlined above. The success of these institutions, however, depends on the calibre of individuals staffing them while inadequate resources limits both the quality and number of qualified individuals that can be employed.

The United Nations system, in particular, and other agencies, organisations and governments can render additional technical co-operation to these institutions providing personnel under special programmes as staff members rather than United Nations personnel. The TOKTEN, OPAS or the CFTC programmes can be a model, with the understanding that preference be given to qualified national. The effectiveness of these organizations can also be enhanced by assistance in implementing some of the programmes and projects identified by them.

#### Programmes recommended

- (a) Continuation and expansion of TOKTEN programme;
- (b) Increased technical assistance to regional organisations through secondment from agencies; and
- (c) Increased financial assistance to these organizations.
- (d) Assistance for research in integration processes, both political and economic.

#### TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (TCDC)

An integral part of this plan should be a comprehensive technical co-operation input. A technical co-operation programme will have to be put in place especially through TCDC and increased funding will be necessary to identify persons and to make their services available for implementing those programmes that are beyond the capability of locally available personnel.

Attempts should be made to identify regional experts for recruitment before venturing outside, and to utilize TCDC mechanisms in the preparation and implementation of projects.

TCDC mechanisms are not meant to replace existing technical co-operation agreements but as a supplement to them, especially where the small developing country has to finance projects or programmes from its own resources.

#### Some Concluding Remarks

While it may have been said that some of the problems and needs outlined above are not peculiar to small island developing countries, it must be pointed out that the capital outlay necessary to undertake measures to deal with the problems are almost always beyond the capacity of the small island developing countries, due to the small size of their economies. It is the acute dependence on assistance to generate funds for development that distinguishes, the small island developing countries from other Third World countries.

The Plan itself is therefore dependent on a substantial amount of financial assistance as starter funds for implementation to enable these countries to reach a level of sustainable growth and development.

Yet when measured in terms of a percentage of either the GNP of some of the developed countries, or the funds available in some of the commercial institutions, the financial needs of these small island countries are seen to be minuscule. International financial institutions may need to take a new look at their formulae and re-think some of their policies when considering requests from these states.

What is advocated here is the provision of a sufficiently high level of aid and within a reasonable period of time so as to create an impact on the economies of these small developing countries. If and when that is done, the countries can sustain their growth and development through the generation of their own capital and requiring only limited assistance thereafter.

What has been achieved so far by them with the limited resources available deserves commendation and continued support.

A  
P  
P  
P  
P

■  
■  
■  
■  
■

A  
3  
4  
5  
6  
7  
8

A  
3  
4  
5  
6  
7  
8