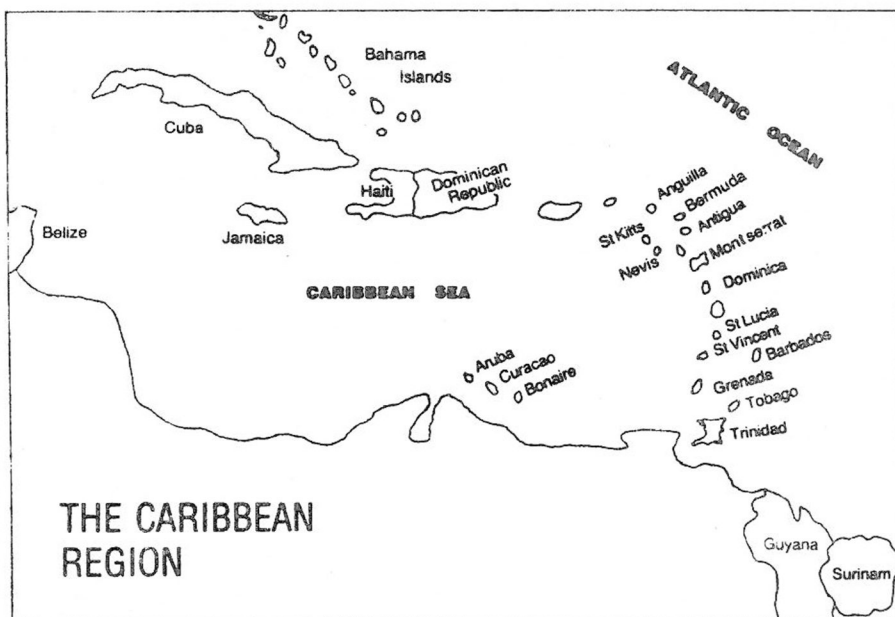


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NOTES ON DEVELOPMENT PLANNING IN ST.VINCENT
the experience of the past fifteen years

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INTRODUCTION

This paper attempts to trace briefly the attempts at development planning in St. Vincent over the past 15 years. The approach is descriptive rather than analytical or prescriptive and the discussion concludes with an overview of the present official planning policy and the institutional framework within which the planning machinery is expected to function.

1. BACKGROUND

St. Vincent, a less developed country (LDC) of the Eastern Caribbean is situated in the Windward Islands chain. Its constitutional status is that of State in Association with Britain but independence is likely to be achieved before mid 1979.

Territorially, the State comprises the main island of St. Vincent, 18 miles long and 11 miles across at its widest part, together with the Grenadines - a string of 9 tiny islands (5 of which are inhabited) dotting the sea between St. Vincent and Grenada to the south. The total land area of the State is 150 sq. miles with/less than 50% of this area suitable for agriculture or settlement.

The island of St. Vincent is dominated topographically by a virtually inaccessible longitudinal range of volcanic mountains from which transverse spurs run sharply to the coast. The climate is equable, rainfall ample and the valleys and plains well watered and fertile. The Grenadines are sunny and drier and set in internationally acclaimed sailing waters.

The population of the territory at the 1970 census was 89,000 and reflected a net annual increase of 1.1% over the 1960-1970 intercensal period. The present population is estimated to be 116,000 with a male:female ratio of 107.53. Fifty-one percent of the population is estimated to be under 15 years of age.

In accordance with its endowment, export agriculture has traditionally been the main stay of the St. Vincent economy. Over time, different crops have tended to predominate - sugar, cotton, arrowroot, bananas, Today,

St. Vincent boasts a fairly well-diversified export agriculture based on the production of bananas, arrowroot, coconuts, sweet potatoes, carrots, ginger and tobacco. Bananas however account for some 60% of total export earnings. Other sectors of importance to the economy are: domestic agriculture, construction, government, manufacturing, tourism and distribution.

The sectoral distribution of employment showed a significant shift from agricultural and industrial employment to service jobs in the 1960-1970 intercensal period during which the number of persons employed in agriculture decreased by 14%, and in manufacturing by 4%. On the other hand employment in service jobs doubled during the same period.²

Mainly because of favourable external conditions, the St. Vincent economy was buoyant during the decade of the sixties. Drought, energy-induced inflation and reduced external demand for primary products however combined to plunge the economy into stagnation during the seventies and output, exports and living standards were seriously and adversely affected. A measure of recovery however was achieved in 1976 and 1977 due mainly to improved weather, commodity prices, and international demand, the development of non-traditional exports, a modest expansion in tourism and significantly increased public sector spending. G.D.P. growth between 1975 & 1976 and 1976 & 1977 were 7% and 5% respectively and is now estimated at EC\$60m in current prices.

At this point in time, the development issues which loom large have been identified as

- (1) Maintenance of the current economic momentum with emphasis on job creation and unemployment reduction.
- (2) Increased import substitution.
- (3) Diversification and expansion of exports.
- (4) Supplying the basic needs of the population.³

DEVELOPMENT PLANNING IN THE SIXTIES AND SEVENTIES

In the Commonwealth Caribbean, considerable emphasis was placed on the formulation of development plans in the early nineteen-sixties.

In a circular dealing with the Commonwealth Development Act 1963, the Secretary of State for the Colonies advised on British development policy as follows: "...it is a pre-requisite to the approval of Exchequer loans for territories that there should be a development plan approved by the legislative and myself. I consider it to be desirable also that grants and loans for Colonial Development and Welfare Schemes should be approved within the framework of approved development plans. ... Pending the approval of ... plans, I shall be prepared to approve new Colonial Development and Welfare Schemes only exceptionally, for projects of special importance and urgency."⁴

In response, the Government of St. Vincent prepared, and obtained approval of, an Interim Development Programme covering the period 1st April 1963 to 31st March 1966. This programme provided for an expenditure during the period of \$3,806,039 of which \$2,780,143 was to be met from the territory's allocation of CD&W funds under the Commonwealth Development Act. The proportion of total expenditure allocated to Agriculture was fixed at 10.7%; Tourism development - 0.8%; Medical and Health Improvement - 5.3%; Education (including school construction) - 15.6%; Water supplies - 13.0% and Road Development - 19.4%.

The Colonial office noted however that the plan included "no real assessment of the overall development picture, no phasing of projects, nor any estimate of the extent to which implementation of the Programme would increase recurrent expenditure or generate additional revenue ... [] and was inadequate to permit assessment [] ... of the true merits of the projects which it contained."⁵

It was agreed that a more comprehensive plan should be prepared for the 5 year period 1966-1970.

The St. Vincent Development Plan 1966-1970 had as its stated goals:

- (i) increasing per capita income by stimulating the economy at a relatively faster rate than its population.
- (ii) ensuring an equitable distribution of income
- (iii) creating employment opportunities
- (iv) raising the standards of public and social services to a level necessary for a modern state
- (v) economic independence at the earliest date possible

Capital expenditure required to implement the plan was estimated to be \$41,238,000 and was allocated in the main as follows: Agriculture - 13.5%, Tourism - 0.8%, Infrastructure - 45.4%, Education 8.1%, Health - 10.1%, Housing - 7.7%, Community Development - 0.4%.

The plan was published in two parts. Part I discussed "Resources" and Part II - "Projects". Preparation of Part III which was to have dealt with priorities, methods of financing, and its effect on the economy in general and Government's recurrent budget in particular was deferred pending consideration of the report of the Tripartite Mission then surveying economic problems of the region,⁶

In expressing serious reservations over the availability of the financial resources needed for implementation of the plan, the British Government also noted that "though the proposals are based on St. Vincent's needs and not on known sources of funds, there will need to be considerable forward planning to determine essential priorities against an analysis of the economic problems and of the bottlenecks holding up development so that the limited probable available finance and the real resources can be allocated in order to obtain the maximum returns. Furthermore, taking into account the present economic climate prima facie it seems doubtful whether St. Vincent's economy, which is mainly agricultural would expand at a rate which would support the expenditure proposed, whether the territory would have the capacity to spend at the rate indicated ... or that the potential increases in output would justify the expenditure."⁷

The 1966-70 Development Plan had provided for a planned expenditure of £26m over the period 1966-68. Actual expenditure by June 1968 was in fact a mere \$3m. The expected increase in the flow of aid to the territory as a result of the Tripartite Mission had not materialised, and CD&W capital assistance for the period barely exceeded \$3m. On Agriculture and Tourism actual expenditure represented 5% and 10% respectively planned expenditure. Infrastructure and Education fared better with 17%, but actual expenditure on Health, Housing and Community Development represented only 4%, 8% and 0.3% respectively of planned expenditure. In an official review of the situation it was acknowledged that implementation of the plan was unachievable. More

importantly, it was concluded that "directly productive investment in tourism and infrastructure ought to be given priority over investment in social services which rarely produce returns in the short-run though they put a severe strain on the capital budget". It was recommended that "government ... push ahead with directly productive investment in infrastructure, agriculture and tourism and then ... switch the emphasis to social services."⁸

A revised plan for 1969-1973 was drafted to reflect the new policy. Total capital expenditure was projected at \$17,541,250 to be allocated as follows: Agriculture 19.5%, Infrastructure 64.1%, Education 9.3%, Health 1.1%, Sewage Disposal and Sanitation 1.4%, Housing 3.6%, Community Development, Prisons and Library 1.0%.

Quite apart from its acknowledgement of Government's inability to secure financing at the level required by the more ambitious 1966-1970 Development Plan, the more modest aims of the revised plan reflected a growing official awareness of the severe limitations of the administrative, managerial and technical expertise available in the public sector and the absorptive capacity of the territory's construction sector.⁹

Max Ifill in his paper Development Planning In the Caribbean: A Review of 1950-1975 identifies some of these deficiencies as "playing a significant role in the disillusion which developed among Governments in the early 1970's and which led to a shift from medium term planning to annual budgetary programming."¹⁰ And indeed in the case of St. Vincent no serious effort has been made during the seventies to prepare and adopt a comprehensive medium term, economic development plan and consequentially the economic planning apparatus (Planning Unit) established in the mid-sixties ceased to function.

Apart from what were essentially economic reviews and projections carried out periodically by international and regional agencies and traditional aid donors (World Bank 1978, CDB-sponsored Multi Institutional Planning Mission 1976) economic planning in this decade has been confined almost exclusively to annual budgetary proposals. And as the territory in the grip of the post-1973 economic stagnation became forced to place

increasing reliance on British grants to offset widening deficits in the recurrent budget, the British Government (through BDD) came increasingly to exercise a considerable measure of control over the capital budget.

Tangentially however (at least initially) Government began to show increasing interest in physical planning in the late sixties and early seventies. The need to synthesize the two processes ^{i.e. economic and physical planning} was not however immediately acknowledged and physical planning was treated as a discrete activity confined largely to development control. By 1976 however a new Town and Country Planning Act was enacted giving much wider scope to physical planning activity and permitting a more holistic and comprehensive approach to the whole question of development planning.

The new Town and Country Planning Act required that the Planning Board (on which both public and private sectors are represented):- prepare a National Plan which would deal with:

- (a) the distribution and any foreseeable variation of the distribution of the population;
- (b) the progress of, and current trends and policies relating to economic and social development;
- (c) prevailing physical and environmental conditions;
- (d) communications
- (e) the foreseeable need and availability of land for various uses
- (f) the availability of resources likely to be required for the purpose of carrying into effect the proposals of the National Plan.¹²

A draft National Plan was prepared by the UNDP Physical Planning Project then serving several Caribbean Islands and based in St. Lucia. It was presented in three volumes. Vol. I dealt with Survey and Analysis, Vol. II with official socio-economic and physical development policy and Vol. III with sector programmes and projects. The plan attempted to promote consistency between physical and economic development planning in the medium term and stressed the importance of National Planning coordination. It noted that: "There is need to bring in better coordination between physical planning and economic/project planning at the national level. As projects become analysed for purposes of funding, such coordination will become all the more vital. It is therefore proposed to

integrate physical and economic planning functions under one wing of Government ...".¹³

This advice in fact followed on a policy decision taken by the St. Vincent Government in 1975 and stated in the Throne Speech of that year to completely integrate all planning functions within an appropriate administrative structure. Progress to this end has gained momentum recently with the physical as well as administrative establishment of the Physical Planning Unit within the Ministry of Finance - the Ministry responsible for economic planning, and Government is at present seeking UNDP assistance towards the establishment of a viable and appropriate administrative organisation which in addition to physical and economic planning functions would also be responsible for the functions now performed by the Statistical Department. Pending the establishment of this organisation, its functions are being carried out by the Physical Planning Unit.

The institutional framework within which the proposed Central Planning Unit will function will be designed to enhance and streamline Government's project planning, coordination and management capability. The principal elements of this framework will be:

(a) A Planning Committee responsible for:

- (1) Acting in a policy advisory capacity to the Minister in the area of economic planning and development.
- (2) Review and updating of a rolling 5 year development plan.
- (3) The anticipation and elimination of bottlenecks in the capital programme.
- (4) Incorporating of new, and adjustments to the phasing of existing projects, and

(b) A statutory Physical Planning and Development Board which will include the key technical personnel of the Planning Committee and be responsible for:

- (1) Acting in a policy advisory capacity to the Minister in the area of land use planning and development.

- (2) Review and updating of the National (Structure) Plan, and
- (3) Ensuring that the land required for projects indentified in the rolling 5 year development plan is available and in appropriate locations.

The necessary technical services to the Committee and Board will be provided by the Central Planning Unit. It is expected that coordination of policy and activities will be enhanced through the appointment of the Director of Planning as secretary of both Committee and Board, and by ensuring replication of the same key technical personnel on both bodies.¹⁴

FOOTNOTES

1. Digest of Statistics, St. Vincent 1977
2. St. Vincent National Plan, UNDP, 1976
3. Economic Memorandum on St. Vincent, World Bank 1978
4. Government Files
5. " "
6. " "
7. " "
8. " "
9. " "
10. Development Planning in the Caribbean - A Review of 1950 to 1975, Max Ifill, CDCC 1978
11. CDB Sponsored Economic Development Plan for St. Vincent 1977-1981
12. The Town and Country Planning Act, St. Vincent 1976
13. St. Vincent National Development Plan, Vol. III p. 66
14. Draft Socio Economic Planning Project, UNDP, 1978