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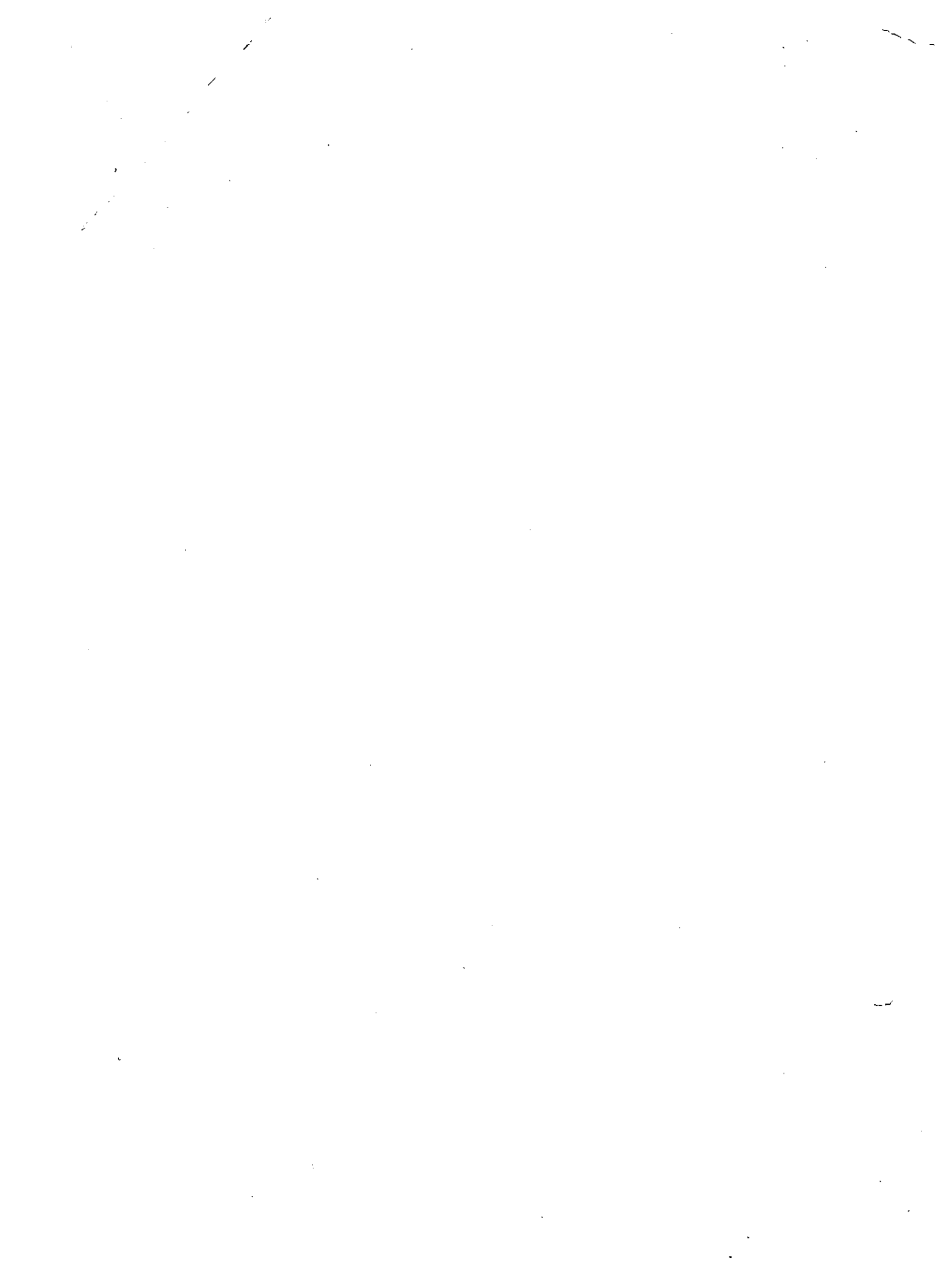
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DEVELOPMENT PLANNING IN THE CARIBBEAN ^{1/}

A Review of 1950 to 1975

by Max B. Ifill.

For the Caribbean, the 1950's was the era of political renaissance. The end of global conflict in the previous decade had left Britain, the major imperialist power in the area, a much weakened state struggling for its own economic survival. Its marginal Caribbean markets could have made little contribution to its recovery, therefore a shift to a political strategy which made the islands more responsible for their future was most expedient. Self-government packets were therefore dispensed in the area both collectively and severally. The French-speaking colonies stirred by the spread of revolutionary ideologies made attempts to establish a Caribbean identity, a movement which conflicted with the interest of metropolitan France. The larger countries in the Caribbean chain which had already freed themselves from European imperialist rule, but had through external influences achieved little control over their political and economic destinies, revolted against what they regarded as authoritarian leadership and sought to establish regimes with greater popular support. The climate of Caribbean consciousness was also felt in the Dutch possessions and domestic politics took on new dimensions which soon led to internal self-government, and eventually to independence.

These political developments in the Caribbean established a climate in which for the first time in its history, there was fertile ground for belief that the future condition of the people could be determined by the wills of themselves and their leaders. A reflection

^{1/} The term "development planning" always has a political dimension, a fact which has not been ignored in this paper.

of this newly found confidence is evident in this statement, "Independence" has meant the assumption of complete responsibility for our own affairs. This is the first major test of how we, as Jamaicans, will carry out the responsibility which we have freely assumed in order to fashion our country in the mould of our own deliberate work, and not as others wish us to be. This right and the exercise of it, in the final analysis, is the essence of Independence".^{1/}

It is in the field of economic and social action that this new found confidence most revealed itself. The traditional economic role of the region as suppliers of agricultural commodities to metropolitan Governments and purchasers of food, industrial and manufactured goods, was seen as a consequence of foreign domination; and it was increasingly felt that by deliberate and planned action, Caribbean peoples could attain more satisfactory living standards. This, however, could not be done if world market forces were allowed to operate freely. Planning was therefore, seen as a necessary tool for achieving those economic changes which seemed desirable if political power was to be made meaningful. The following extracts from a speech made by the most dominant political figure in the English-speaking Caribbean in the past quarter of a century, speak for themselves.^{2/}

"Planning ... is a good thing".

(It is) "an instrument of economic development and social change".

1/ Foreword: Jamaica Five-Year Independence Plan 1963-1968

2/ Excerpts from "The Purpose of Planning", a Paper delivered by the Rt. Hon. Eric Williams at the University of Sussex in 1969 and published in "The Crisis in Planning", by Faber and Seers.

^{1/}"The purpose

"The purpose of planning ... is ... to impart discipline and enthusiasm to the pursuit of the development effort of both the public and private sectors of the economy. Externally, its purpose is to enable the developing nation to exercise a greater degree of control over its external environment".

"Planning is from start to finish, a political process".

From the late 1950's, therefore, Caribbean Governments began preparing documents entitled variously, "Development Plans" or "National Plans", all of which were intended broadly to determine the future course of socio-economic growth. The purpose of this paper is to look back over the past quarter of a century at the plan documents of Caribbean Governments for appreciation of their main characteristics. The approach is global, so that there will be no reference to the policies of specific Governments.

Plan Strategy and Purpose

With assumption of responsibility for future of their countries, Caribbean Governments had choices open to them in their attempts to improve socio-economic conditions. But these have to be seen against a background of what they conceived as their political options. Looked at in retrospect, only one Caribbean state, quite early in the 1960's opted for a clean break in its political orientation and made fundamental changes in both internal and external economic relationships. It recognized the exploitative characteristics of historical metropolitan ties, and opted for a managed economy which gave the state supreme control over investment, supply, demand and distribution. It terminated the dominance of private and foreign ownership of means of production and, following retaliatory action by its dominant trading partner, shifted its trading relationships mainly to other states with centrally planned economies. The historical

/antecedents which

antecedents which culminated in this drastic reorientation were unique and since the country's political will and sense of national purpose and determination were not duplicated anywhere in the Caribbean, its development experience should be seen more as an aberration, emerging from those circumstances, than as an indication of what was feasible in the area as a whole.

Of far greater moment for our analysis is the politico-economic course pursued in the rest of the Caribbean. It reveals greater reluctance of other Governments to change external relationships and therefore they did not threaten the existing traditional framework. They sought, instead to manipulate it to their advantage. Internally they accepted the domestic economic power structure which had developed during colonial times and which was the lynch-pin to the exploitative metropolitan system. These states did not explicitly declare preference for a neo-colonial policy but since they did not deliberately set out to change old politico-economic dependence, they in fact, had little room for manoeuvre. They adopted as policy, the same capitalist system of metropolitan powers which they had claimed was responsible for their under-development, and sought to apply it through traditional international economic structures.

Their economic strategies, therefore, have to be viewed against the limitations accepted by these Governments of their power to change traditional political structures, or more realistically, to introduce political variables which would have given them greater economic flexibility.

There were three important variations which it was thought would turn the scales in their favour. First, state power was used in such a way as to encourage and foster the development of an industrial sector which would reserve the domestic market for internal production. Secondly,

/since it

of Governments. There were also subsidiary organizations which had important roles to play in plan achievement. The most important were National Central Banks, Agricultural Development Banks, Worker's Banks, Development Finance Corporations, Industrial and Agricultural Development Corporations, Agricultural Development Banks, Prices Commissions and Industrial Courts.

The Planning Process

Plan preparation has been primarily an activity performed by Governments for management of public sector expenditure, and for establishing a climate which would inspire confidence in the private sector. The actual preparation of a plan usually took many months during which information on proposed investment for the plan period was in some cases collected from the private sector. Though most plan documents dealt solely with public sector investment, most of which was infrastructural, some of them also indicated proposed private sector production targets. There were no formal links between Governments and other elected representatives in national legislatures during plan formulation and preparation, so that plan documents were often more representative of political party policy than of national. After completion, however, these documents were presented in legislatures for debate.

The role of the public in the planning process is of particular significance for it illustrates the extent to which a Government sees development as an exercise dependent essentially for its success on human involvement and participation. The Caribbean Governments whose planning methods are being considered here, did not have structures for achieving mass participation in plan formulation and preparation. There was undoubtedly awareness of the importance of citizen involvement as can be seen from these

/quotations: "Democratic

established business and commercial interests would be integrated into the industrialization exercise, and a safe climate created for both domestic and foreign investment.

Local investors welcomed the entry of foreign capital. Most of them had acquired wealth through commerce and trading, and having little manufacturing know-how, they eagerly sought ties with foreign manufacturers who had expertise, franchises and markets. Furthermore, the local private sector felt it was less likely that the doctrine of the sanctity of private capital would be threatened by divergencies which could lead to conflict with major world powers interested in preservation of the traditional international economic order. These factors helped to set in motion, a process of industrialization which was regarded as the key to an economic breakthrough for the sub-region.

In some cases, Governments established national planning commissions comprised of ministers and technocrats under the chairmanship of heads of Governments. Economic planning units functioned as secretariats to these commissions and were charged with the major task of preparing medium term plans for periods of three to seven years. The most commonly used time-span was five years, which coincided with the average tenure of a Government. National planning agencies were established by law in some territories, but the more usual practice was to create economic or central planning units as part of the technical and administrative machinery in Ministries of Planning and Development. There was always a close tie between planning agencies and units on the one hand, and heads of Governments on the other, who in most cases functioned either as chairmen of national commissions or as responsible Ministers. Development policy was in all cases under control of heads

/of Governments.

flourish without undesirable threats from outside which would prohibit growth, but at the same time unrestricted entry into foreign markets was envisaged. A long list of legislative concessions bear testimony to the eagerness with which these Governments sought to make their policies a success:

1. Pioneer industries ordinances - the first of which were passed in 1950 - gave generous tax and duty concessions, and accelerated depreciation allowances applicable at the end of tax exemption periods.
2. Protective trade barriers were erected to prevent unfair competition, and infant industries were sheltered from competition.
3. Hotel Development Acts were passed which effectively attracted foreign capital and expertise into the tourist industry.
4. Specific legislation was passed - cement, bauxite, nitrogenous fertilizer, petrochemicals, housing - to meet individual industry needs.

Planning Organization

This new approach of conscious deliberate legislative action to accelerate the pace of economic growth was accompanied by a movement for creating new Governmental institutions, since it was felt that the traditional administrative system was too slow and cumbersome for rapid decision-making. Governments, therefore set up development boards and corporations as parastatal entities thus providing vehicles in which both public and private sectors could be represented. By this mechanism,

/established business

since it was argued that regional shortage of investment capital hindered growth, foreign capital was invited on attractive terms not only to meet domestic and regional market requirements, but to manufacture for foreign markets. Thirdly, it was held that since the region had a labour wage advantage, it was economically feasible to import raw materials from the industrialized world and export finished products to industrialized markets. The orientation was therefore towards a view that the sub-region could become a "Western Hong Kong".^{1/}

This was essentially a mercantilist policy with state power promoting not merely a monopoly of domestic and regional markets, both of which are small, but also assuming unlimited penetration into foreign markets in accordance with new regional industrial potential. There was in this an implication that the sub-region could establish an economic hegemony while retaining political independence. This strategy was expected to create a modern industrial sector which would attract under-employed from traditional primary sectors and contribute to overall increase in productivity. The indicators of success were the real rate of economic growth and number of new jobs provided.

Planning was therefore, for these Governments, an exercise in creating the appropriate climate for a controlled capitalist system to

^{1/} The view of unlimited markets in the industrialized world still dogs development thinking despite trade barriers erected against manufacturing imports from LDC's as the following quotation by Professor Arthur Lewis demonstrates: "There is a limit to the amount of tea or cocoa or coffee that the rich countries will buy, but with exports of manufactures from LDC's standing only at 8% of world trade in manufactures in 1975, potentially unlimited growth is available in this area to LDC's over the next decade or so ..." Extract from Janeway Lecture by Professor Arthur Lewis on the "Evolution of the International Economic Order", published in Finance and Development, September 1977 / Volume 14 / Number 3.

quotations: "Democratic planning is a co-operative process involving the participation of every layer of Government and of Society as well as of every individual citizen. Only to the extent that this conception is grasped and acted upon can national economic planning be fully successful in this country".^{1/} "... but every person, man or woman, must be prepared to work hard, and make a full contribution to the programme, so that all other objectives may be successfully achieved."^{2/}

But since the planning process was conceived in sectoral and not in regional terms, citizen participation could only be effected through interest groups. This was formalized in at least one case where a National Economic Advisory Council was established. It consisted of members selected by the Business Advisory Council, the Labour Advisory Council, and two other persons selected by the Government from interest groups. This Council did not, however, participate in plan preparation, it was a consultative body to which the draft national plan was submitted. The fact that the role of organized labour was only consultative is very important, for it sets the tone for labour's attitude towards development effort. Since there was no change in domestic economic relationships, organized labour continued to operate as a countervailing force against the owners of capital, both private and public, whom they see as main beneficiaries in the existing system of production. Labour's attitude has been more exploitative than co-operative.

Non-involvement of the citizenry of both formal and informal levels in plan preparation has been a characteristic feature of plan process throughout the region. There has been more planning for, than planning

^{1/} Trinidad and Tobago Draft Second Five-Year Plan 1964-1968; Chapter 11, paragraph 56.

^{2/} Jamaica Five-Year Independence Plan 1963-1968. Message from the Prime Minister.

with the people, and consciousness of the importance of mass involvement did not result in creation of mechanisms for its achievement. Planning has been in essence from the top down. The citizenry has not been required to identify with the planning process; but it has been encouraged through exhortation to co-operate on the grounds that development programmes will improve its lot.

In most cases, medium term plans were prepared against broad long term perspectives such as "the full utilization of our human and natural resources together with our capital resources so as to yield to the broadest segments of our society, such levels of living as are commensurate with modern requirements of human dignity". ^{1/} Annual budgetary provisions continued as usual, and projects from medium term plans were implemented through annual budget provisions. The practice of preparing medium term indicative plans has at times given way to short term annual budgetary exercises.

In plan preparation, Governments viewed their economies in sectoral terms. This was largely because of the continuation of a ministerial system which allotted portfolios on the traditional basis of state provision of services. This made formal linkages essential for efficiency, and called for high levels of management and ministerial co-ordination to avoid waste, maintain schedules and obtain satisfactory levels of productivity. Inadequate administrative and managerial techniques may well have played 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.

^{1/} Chapter I, paragraph 3, Trinidad and Tobago Draft Second Five-Year Plan, 1964-1968.

One feature of particular significance is the little importance which has been placed on the regional approach in national planning. Mention was made of the importance of this approach in at least one plan document, but no machinery was created to put it into operation. The absence of a regional perspective, combined with concentration on sectoral origin of macro-economic variables to the exclusion of their locational origin, has in no small measure contributed to the large population movements from rural to urban areas. For no Government developed a mechanism for treating rural population clusters as socio-economic entities in themselves which were focal areas for development. Absence of a rural development strategy has placed heavy burden on inadequate urban infrastructural services, and by increasing urban unemployment has contributed considerably to social problems.

While Governments were always conscious of the importance of physical planning, little attempt was made in the earlier planning periods to weld allocation and use of space into comprehensive programming. During the 1960's, however, legislation was passed by some Governments which imposed controls on land use. Later on in the decade, physical planning was adopted with greater enthusiasm and many Governments sought assistance from international agencies to prepare plans for urban development.

The exercise of preparing medium term plan documents has served many purposes. It has performed the important function of periodically focussing attention of policy makers, at both political and technical levels, on socio-economic needs of their countries; and has injected rationality into programmes emanating from individual ministries. The documents which emanated from these exercises were important for establishing credibility on the international scene and securing bilateral and international loans. They provide useful information about economies and some reveal high levels of technical competence. They are, however, mainly indications of what

/Governments would

... have liked to happen but there were inadequate mechanisms for achieving quantifiable goals. After plan preparation, therefore, the scene shifted from planning units to relevant ministries which took on the task of implementing agreed projects while planning units functioned mainly as plan co-ordinators and economic secretariats for their Governments. Planning units in fact had little planning capacity, and arrangements for research and for data collection during plan execution to facilitate monitoring, evaluation and revision were often inadequate or non-existent. The plan documents themselves reveal a paucity of data on domestic agricultural and other traditional production, and give the general impression that there was no long term consideration of the type of quantitative data which should be provided by statistical services for development of the domestic economy.

Plan Content

Development planning has been seen primarily as an exercise in macro-economics. The approach has been to express hopes and aspirations, assess national physical resources, evaluate gross domestic product on the basis of sectoral contributions, indicate projected ministerial expenditure in the public sector, provide inducements for the private sector and to project attractive growth targets through the plan period ^{1/}

^{1/} The following statement by Professor Arthur Lewis is not an unfair comment on many plans prepared in the Caribbean sub-region: -
"The figures in a Development Plan indicate expectations, aspirations and intentions, but are not binding commitments. This ... is one reason for the irresponsible tendency to use grossly inflated figures, intended to impress the reader, without committing the writer".
Chapter 1, page 20, Development Planning by W. Arthur Lewis. Unwin Paperback edition.

Quite apart from the content of these plans, however, there is the question of their orientation. Plans prepared in the 1950's and 1960's never saw the human economy as an important spring-board for conceptualization of development effort. But there was awareness at least in one country of the undesirable effects of the type of industrialization which was taking place. Its Third Five-Year Development Plan states, "The technology used in Trinidad and Tobago is inappropriate to our conditions of excess labour because it is introduced from the developed countries where there is generally a shortage of labour, which has consequently to be economized upon by combining much capital with little labour".^{1/}

Labour was important as a human resource which had to be trained, and for whom health facilities had to be provided; educational facilities were important for the young and for provisions of trained professionals and managerial personnel, but what has been lacking is the vision of man and his needs as being central themes in development. So that side by side, with increasing production and rising productivity from technological advances, there was also rising unemployment. The more recent plans show awareness of the under-utilization of human resource which has accompanied impressive growth rates and there are many pious hopes that the problem will in due course be solved as the modern industrial sector expanded. Not surprisingly, the problem has remained and is today the major socio-economic one facing the Caribbean sub-region.

Planned expenditure patterns reflect ordering of national priorities. The level of capital expenditure on economic overheads, such as transport, communications, electricity, water, drainage and reclamation is high in all

^{1/} Chapter 1, paragraph 17, Trinidad and Tobago Third Five-Year Plan 1969-1973.

plans. In some cases, planned expenditure in these fields accounted for more than 50% of capital provisions. Expenditure for improvement of human capital - education, training, health, housing and water - ranks second in importance, and is between 25% and 40% of total expenditure. The main productive area in which Governments made direct contributions to the volume of production and thus to the whole development programme, was in the field of agriculture. The proportion of capital expenditure allotted to this and allied sectors such as forestry and fisheries ranged from as low as 2% in one territory to 33% in another. The evidence indicates that at least in one case, early development programmes did not put much weight on agricultural development. For example, the first development plan for one territory only allotted 2.2% of its capital expenditure to agriculture, but in the second and third plans the proportions allotted were increased to 15% and 16% respectively. On the other hand, another territory allotted 33% of its capital expenditure in its First Five-Year Plan to agriculture, but the second plan provided for 18% of capital expenditure in this sector.

Investment in agriculture and allied services over the whole planning period was substantial, yet an examination of this sector of the sub-regional economy shows falling long term production trends in the main export crops, inability of domestic food production to expand sufficiently to meet rising demand, and ever rising imports of food which nullify gains in foreign exchange achieved by exports of tourist services and manufactured goods.

It has become increasingly clear that capital investment, credit facilities and past land settlement schemes have not solved long term Caribbean agricultural problems. One Government, in summing up the performance of its agricultural sector in its Third Five-Year Plan, stated, "On the whole, except in 1968 (when a number of favourable factors operated) the overall

/performance of

performance of the agricultural sector has not been particularly distinguished since 1962".^{1/}

In early national plans, little attention was paid to sub-regional aspects of planning by individual Governments, but in 1968 a Caribbean Free Trade Association (CARIFTA) was formed by the English-speaking countries. The movement for joint sub-regional action grew rapidly and in 1973, a Caribbean Common Market (CARICOM), superseded the Free Trade Association. Since its formation, CARICOM has played an important role in furthering economic integration of its signatories in the sub-region. The agricultural marketing protocol of CARIFTA was revised and taken into the CARICOM arrangements which were supplemented by new tariff structures introduced, with a view to increasing sub-regional production and trade, particularly in agricultural commodities. Within recent years, all Governments have attempted to further sub-regional co-operation particularly in the field of agriculture. A Caribbean Integration Fund (agricultural projects) which was started in 1974, has funded a CARICOM Corn Soya Company and a Caribbean Food Corporation. The English-speaking sub-region has therefore, moved from a strictly national perspective of development to a wider concept of interdependence between member states.

The Outcome ^{2/}

Examination of the results of development effort shows that attempts to diversify sub-regional economies were successful. Scores of new factories were established and numerous new products were locally

^{1/} Page 404, Trinidad and Tobago Third Five-Year Plan, 1969-1973.

^{2/} See addendum "A Case Study of Development in CARICOM".

/manufactured. There

manufactured. There were significant increases in contributions of manufacturing sectors to Gross Domestic Products. Many new skills were developed in the sub-region and the numbers of persons employed in manufacturing rose considerable. At the same time, taking the sub-region as a whole, the number of persons employed in agriculture fell. Expansion in the tourist sector has been most impressive. The number of hotel beds has risen substantially and so too has the number of tourists.

These achievements have only been made possible by greater dependence on Capitalist Developed Countries ^{1/} which have been suppliers of food, machinery and raw and semi-processed material for industry. Even in the case of Trinidad, with its domestic petroleum resources, growth in the petroleum sector has been largely due to imported crudes. The increased dependence of the sub-region for physical industrial inputs has been accompanied by greater reliance on foreign managerial and technical services. An analysis of sub-regional domestic export trade shows, however, that there has been relative decline in domestic exports to the Capitalist Developed Countries, and that the significant increases in trade in these exports have occurred within the sub-region itself. Though traditional metropolitan markets are absorbing a smaller proportion of sub-regional domestic exports, growth and the level of economic activity in the sub-region are now more dependent on imports from Capitalist Developed Countries than in the past. These countries have in fact, been the real beneficiaries of sub-regional development effort.

Structural changes in the sub-region have been at the expense of agriculture. Not only has the contribution of this sector to the GDP declined, but the volume of production of many commodities has fallen.

1/ The United States of America, Japan, Canada, Australia, New Zealand, EEG and EFTA Countries.

/With respect

With respect to the main export crops in the sub-region rates of growth have lagged behind those of world production, and though there have been increases in agricultural production for domestic consumption, these have not been sufficient to meet increasing demands for food. As a result, the sub-region is more dependent on foreign supplies of food than it was a quarter of a century ago.

New Approaches to Development

The decade of the seventies brought with it, a new awareness of the problems of development. By that time some Governments had gone through the exercise of preparing two or three medium term plans, but no Government felt satisfied that it was on the correct track and that time was the only factor to achieving goals set in the early 1960's. Unemployment in Trinidad and Tobago rose from 12% in 1970 to 17% in 1973. In Jamaica, an unemployment rate of 17.2% in 1969 rose to 22.4% in 1973. Increasing unemployment, particularly among school-leavers, and public discontent fed on the one hand by conspicuous consumption of new money-making classes, and on the other hand, by economic pressures of high inflation and low real wages on the mass of the working population, made Governments less concerned with the long and medium term and more interested in finding immediate answers to current problems.

These pressures were strengthened in 1973 when for the first time, primary producers of an essential raw material - petroleum - were able, through their cartel, OPEC, to demand higher prices from consumer countries, thus turning, at least, in the short run, the term of trade in their favour. For those countries in the sub-region which depended on imports of fossil fuels for energy supplies, a completely new variable was injected into the development equation. Since their capacity to purchase oil

/depended now

depended now more than ever on foreign exchange earnings, they were forced to conserve their reserves and find new definitions for non-essential imports. Even supplies for industries carefully fostered during the 1950's and 1960's became increasingly difficult. Furthermore, the concept of import substitution now took on new meaning. Whereas before, this was interpreted mainly to mean replacing foreign manufactures by locally assembled ones, now the emphasis was on substitution of local food for foreign.

The economic developments were reinforced by a growing consciousness that the unemployment problem which had proved insoluble, was in some way related to the fact that too many decisions about internal production were in the hands of foreign investors and therefore Governments had little power to control the direction of their economies. Two CCCC Governments, Jamaica and Guyana, which were most affected by these events, have worked out new development strategies. It was quite clear to them that development policy of the 1960's based on massive injection of capital investment and rapid growth on the assumption that the "trickle down theory" would ensure an even spread of the benefits from growth, did not work as had been expected; that Governments could no longer limit their involvement in the development process to passing legislation which would provide incentives for private investment; and that they had to play more positive roles in determining use of foreign reserves. Both these countries opted for a "basic needs strategy" and a development policy of self reliance. ^{1/}

^{1/} It is important to note that the U.K. has now adopted "basic needs strategy" as the key in its aid policy. Possibly of greater significance, from an international point of view, was the statement by U.S. Senator Ribicoff before the Second (Economic) Committee of the U.N. General Assembly in October 1978, in which he called for world co-operative effort to overcome the worst aspects of absolute poverty by the year 2000 and assure self-reliant growth to developing countries.

This approach places greater emphasis on development of the internal economy to meet domestic needs and gives less weight than earlier plans to investment policies based primarily on free market demand. It therefore challenges traditional capitalist relationships and introduces a more critical attitude towards foreign investment and imports.^{1/}

The fundamental impact of a basic needs cum self-reliance policy on the Caribbean sub-regional economy cannot be overestimated. Traditional dependence on foreign supplies of food must, in any such development strategy, give way to creation of national and regional food system in which land and water production are seen through an ecological perspective as providing a base for cyclical flows within the economy, in the process of which, labour is employed to sow, produce, harvest, transport, grade, process, market, distribute and feed an ever-growing sub-regional population with on-going techno-economic research supporting activity in an agro-economic industrial sector. Such a deliberate policy to expand internal economies in the sub-region within an intra-regional trade context, will call for development of indigenous inter-island transport, which will of itself, offer new avenues for regional technological development and employment. Within the individual territories themselves, commercial food sectors now oriented to purchase and distribution of foreign foods, will have new roles to play. For a food and nutrition policy based on domestic economic activity can only blossom and bear fruit to its full potential if current activities of traditional foreign food suppliers are subordinate to national production strategy.

^{1/} The pioneering efforts in self-sufficiency of the Castle Bruce Farmers' Cooperative in Dominica is an example of what can be attempted in the Caribbean sub-region. This project received assistance from the Inter-American Foundation, an independent agency of the U.S. Government, established in 1969 to finance non-Governmental development projects in Latin America and the Caribbean region.

Development policy with such orientation attacks root causes of poverty and malnutrition in the sub-region. It terminates an historical bias of agricultural production which has prevented the sub-region from developing industrial and service sectors founded on the basic human need of feeding its population. It will also require regional consideration of the status of land as a productive resource in the Caribbean economy and hasten the application of policies which will salvage land from the collapsed plantation economy.^{1/}

If successful, it will in the long run make a valuable contribution to improving the quality of life of the mass of the population in these countries, though its adoption has, in the short term, affected economic and political relationships, both internally and externally. Within the sub-region, the integration movement has been temporarily adversely affected, since foreign exchange restrictions have made the domestic markets of both Jamaica and Guyana less accessible to other sub-regional manufacturers.

Both these countries which are now trying a more positive than indicative approach to planning are operating on short term plans while at the same time preparing medium term ones. Their success in the long run will depend on many factors, some of which are not economic, but their achievements will be minimal if they fail to develop a planning capacity. It is this weakness in the past, more than any factor, which prevented sub-regional Governments from recognizing the high social cost of early development strategy and taking steps to correct it.

During the past quarter of a century, billions of dollars have been spent in developing countries in trying to hasten their entry into a developed industrialized world and the Caribbean sub-region has had its

^{1/} See "Land-Man Relationship in the Caribbean", by Max B. Ifill for an examination of this problem.

fair share of such investment. Some member countries of the ODCS can show impressive growth rates, and those which entered the second half of the century without a modern industrial structure now have industrial and manufacturing complexes and a vastly increased labour force familiar with new skills and techniques. These achievements have been accompanied by increasing mal-distribution of income and high levels of unemployment.

The blind pursuit of growth in an economy without concern for the distribution of wealth which results from growth, has a high social and human cost. But there is still a body of opinion which holds that, "the development effort should be directed towards the twin objectives of rapid growth and of reducing the number of people in absolute poverty as rapidly as possible".^{1/} On the basis of past Caribbean experiences, there is need to question the advisability of seeing growth as the end purpose of development effort. Should not a desirable rate of growth be conditioned by more equitable distribution of national product? If the aim is to reduce poverty, then the approach should be to determine how to establish production and distribution systems which will eradicate poverty, while at the same time only permit levels of sectoral growth which will not nullify the advantages of better distribution. In order to do this, Caribbean countries have not only to prepare plans, but also, and more importantly, to develop planning capacity so that they can evaluate changes as they occur.

^{1/} See page 1, paragraph 3, World Development Report 1978, The World Bank, August 1978.

/ADDENDUM A

ADDENDUM

A Case Study of Development in CARICOM

After a quarter of a century of development effort in the English-speaking Caribbean, it is fitting to examine the outcome. In this study, attention is focussed mainly on Barbados, Guyana, Jamaica, Trinidad and Tobago.

One of the main aims of planning was to diversify economies in the sub-region, to make them less predominantly agricultural and more industrial. Table 1 shows indicators of economic change for Trinidad, Jamaica and Barbados, which among CARICOM countries exerted greatest effort to encourage an inflow of capital to develop manufacturing and tourist sectors.

In Trinidad, the contribution of the manufacturing sector to Gross Domestic Product rose from 6.0% to 7.5% between 1966 and 1976. A dominant petroleum sector in this economy obscures growth in manufacturing, a clearer picture of which is presented by the fact that, at constant prices, Factor cost rose from \$86 million in 1966 to \$209 million in 1976 - a 143% increase, which is higher than the 94% increase at constant prices of the GDP over the period. In 1966, 18.8% of persons with jobs, were in the manufacturing industrial group. This figure had risen to 20.0% by 1976, and the total number of persons employed in the sector has increased by 15.7%. This expansion in manufacturing was matched by a relative decline in the agricultural sector, where contribution to GDP fell from 6.2% to 3.4%, and the number of persons with jobs in the sector fell both absolutely and relatively, the latter fall being from 22.3% to 15.2%. In tourism, the number of visitors in 1976 was 77% higher than in 1970.

Data for Jamaica show that the manufacturing sector contributed 16.5% of GDP in 1969 and 18.1% in 1976. It made the largest single contribution

/to the

to the GDP from 1974 to 1976, thus replacing the dominant role of distributive trade during the previous five years. Data on employment in the sector are not available for the early 1960's, but in 1972, 12.7% of persons with jobs were employed in the manufacturing industrial group. The number fell to 11.0% in 1976. The contribution of the agricultural sector to the GDP rose from 7.2% in 1966 to 8.2% in 1976, fluctuating between these two points in the intervening years, and there were both absolute and relative increases in the number of persons with jobs in this sector. In the latter case, there was an increase from 33.6% in 1972 to 35.0% in 1976. Of the three territories under consideration, Jamaica was the only one in which the agricultural sector showed expansion both in its contribution to GDP and employment. In tourism, the number of hotel beds increased by 300% between 1960 and 1976. In the ten year period, 1966 to 1976, there were wide fluctuations in the number of visitors but the trend was upward, the figure in the latter year being 43.6% higher than it was in the former.

GDP data for Barbados are for a period of only three years, 1974 to 1976, during which contribution of the manufacturing sector to GDP rose from 10.8% to 13.3%. In 1970, 13.4% of persons with jobs were in the manufacturing group, but by 1976, the number had risen to 15.2% and the total number of persons employed in this sector had increased by 23%. In the agricultural sector, contribution to GDP was 13.5% in both 1974 and 1976. This was a significant decline from an estimated contribution of approximately 20% in the early 1960's. The number of persons with jobs in agriculture also fell to 9.8% of all persons employed in 1976, from 21.3% in 1970. The tourist industry recorded great expansion with the number of visitors in 1976, being 183.6% higher than 79 104 of 1966. The number of hotel beds in 1977 showed an increase of 33.5% above the 1972 figure.

/On the

On the basis of trends in capitalist developed economies it is held that an important indicator of development is decline in the proportion of the labour force employed in agriculture, both absolutely and relatively. This certainly occurred in Trinidad and Barbados at the same time that the industrial and tourist sectors were expanding. But it is interesting to note that contribution of the agricultural sector to GDP in both territories also fell during the decade ending in 1976. In the case of Jamaica, however, growth pattern was apparently more broadly based. The relative contribution of both the industrial and agricultural sectors to GDP increased and at the same time employment in the latter sector rose both absolutely and relatively. This suggests that within the Caribbean sub-region, increases in agriculture in the indicators under consideration are fully compatible with increases in the industrial sector. This is most likely because there are always large pools of under and un-employed which can become productive if the agricultural sector can be reorganized from its plantation structure to accommodate them.

Structural change in sub-regional economies was not intended as an end in itself, but as means of attaining some measure of independent economic decision-making power, consonant with new political status. It is therefore important to examine developments in international trade during the period under consideration.

Table 2 shows the relationship between domestic exports of chemicals and manufactured goods and total domestic exports for Jamaica, Barbados, Trinidad and Guyana in 1958 and 1974. In the first year, these categories of domestic exports were respectively 6.3%, 1.1% and 3.9% of total domestic exports in the four territories under consideration. In 1974, the corresponding percentages were, 18.1%, 28.2%, 51.2% and 4.3%. Trinidad's outstanding

/ TABLE 1

TABLE 1

Basic Indicators of Structural Change in
Trinidad, Jamaica and Barbados between 1960 and 1976

Item	Unit	Trinidad (a)		Jamaica (b)		Barbados (c)	
		1966	1976	1969	1976	1974	1976
1 Gross Domestic Product at Factor Cost and Constant Prices	National	1432.1	2799.8	1951.2	2076.2	577.4	597.3
2 Contribution of Manufacturing sector to GDP	"	85.5	209.3	323.4	376.2	62.1	79.3
3 2 as % of 1	%	6.0	7.5	16.5	18.1	10.8	13.3
4 No. of Persons with jobs in Manufacturing Industrial Group	Numbers	57400 (d)	66400(d) (1974)	79584 (1972)	75000	11200 (1970)	13800
5 4 Above as % of all persons in jobs	%	18.8	20.0	12.7	11.0	13.4 (1970)	15.2
6 % Contribution of Agricultural Sector to GDP	%	6.2	3.4	7.2	8.2	13.5	13.5
7 % of Persons with Jobs in Agriculture, Forestry, etc. Industrial Group	%	22.3	15.2	33.6 (1972)	35.0	21.3 (1970)	9.8
8 Number of Visitors	Numbers	88530 (1970)	156680	228141 (1966)	327706	79104 (1966)	224314
9 Increase in No. of Visitors	%		77.0		43.6		183.6
10 No. of Hotel Beds	Numbers	n.a	n.a	4282 (1960)	12858	7518 (1972)	10037 (1977)
11 Increase in No. of Hotel Beds	%		n.a		300.0		33.5

(a) Base year for GDP data: 1970

(b) Base year for GDP data: 1974

(c) 1960 data based on current factor cost: 1976 data on base year 1974

(d) Includes quarrying and mining.

Source:

Trinidad: Gross Domestic Product Report; International Travel Reports; Labour Force Statistics SLF & LFI-6
 Jamaica: Statistical Abstract 1972 and 1976
 Barbados: Economic Reports 1972 and 1976

/TABLE 2

TABLE 2

Comparative Data Showing Relationship between
Domestic Exports of Chemicals and Manufactured Items and
Total Domestic Exports in Specified CDDC Countries

Item	\$'000 Jamaica		\$'000 Barbados		\$'000 Trinidad		\$'000 Guyana	
	1958	1974	1958	1974	1958	1974	1958	1974
	SITC 5 Chemical	511	9 671	246	4 867	2 755	137 938 _{a/}	1 107
SITC 6 Manufactured Goods - Classified	572	11 158	129	5 883	4 960	24 780	1 455	6 141
SITC 8 Manufactured Goods - Miscellaneous	431	9 753	181	24 291	2 297	32 146	225	6 691
1. Total	1 514	30 582	556	34 991	10 012	194 864	2 783	16 828
2. Total Domestic Exports _{b/}	24 190	169 397	35 498	124 215	72 652	380 759	71 254	391 534
1. as % of 2.	6.3	18.1	1.6	28.2	13.8	51.2	3.9	4.3

a/ 85% increase in 1973 Domestic Exports

b/ Excluding mineral fuels, lubricants and related materials (SITC 3) for Trinidad, and crude materials, inedible except fuels (SITC 2) for Guyana and Jamaica.

Source: Data compiled from Overseas Trade Statistics for specified countries.

/achievement from

achievement from 13.8% to 51.2% is due mainly to its chemical exports but the growth in its export of manufactured goods is also impressive. Barbados recorded the most rapid rise in these exports, and Jamaica also shows clear evidence of growth in the industrial sector. These three territories in the sub-region all had very active industrialization agencies with well developed programming to attract foreign investment. The Guyana figures present a fitting contrast, and at the same time highlight the successes achieved in the other countries. Guyana never developed a comparable industrialization programme and this is reflected in the modest increases from 3.9% to 4.3%. Insofar as export data accurately reflects structural changes in sub-regional economies, it is clear from this evidence that an important development aim of these Governments was achieved.

Table 3 shows what proportion of domestic exports of chemicals and manufactures went to Capitalist Developed Countries ^{1/}. These are the economies which contributed much of the investment capital, financing, machinery and (with respect to manufactured goods) raw material, for industrial development in the sub-region. In 1974, 16.9% of Jamaica's domestic exports of chemicals and manufactures went to these economies, 43.2% of Barbados' domestic exports and 67.5% of Trinidad's. Proportions of domestic exports of the last two countries which went to these industrialized countries were very high. Item 6 in the Table shows however, that each of the three countries had high negative trade balances in the commodity trade under consideration. There is a direct relationship between growth in domestic exports and in imports of chemical and manufactured goods. The more these categories of goods are exported, the more will they have to be imported. The only variation in this pattern

^{1/} United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

TABLE 3

Comparative Data on Trade in Specified SITC Items
between Capitalist Developed Countries (CDC) and Specified
Caribbean Most Developed Countries (MDC) in 1974 a/

Item	National \$'000		
	Jamaica	Barbados	Trinidad and Tobago
1 Domestic Exports to CDC			
SITC 5	1274.8	94.1	92558.8
SITC 6	3395.2	1325.2	29.1
SITC 8	489.7	13710.9	3866.4
2 Total Domestic Exports of SITC 5 + 6 + 8 to CDC	5159.7	15130.2	131454.3
3 Total Domestic Exports of SITC 5 + 6 + 8 to all countries	30582.0	34991.0	194864.0
4 2 as % of 3	16.9	43.2	67.5
5 Net Imports of SITC 5 + 6 + 8	306088.0	150130.0	1496576.2
6 Visible Trade Balance 3 - 5	-275506.0	-115139.0	-301711.1

a/ Capitalist Developed Countries (CDC) are: United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

Source: Compiled from National Overseas Trade Reports 1974.

/ applies to

applies to Trinidad because of its domestic chemical resources. In recognizing the success which these three countries had in their industrialization policies, therefore, it is important to note that there was an accompanying adverse trade balance because of heavy dependence on foreign supplies of raw material and machinery upon which the success was based.

Comparative data on total domestic exports of English-speaking ODC countries in 1960 and 1974 are shown in Table 4. In the first year, 83.3% of these exports went to Capitalist Developed Countries, while in 1974 their share had fallen to 74.1%. Domestic exports to CARICOM countries on the other hand rose from 9.8% in 1960 to 15.8% in 1974. There were also increased exports to Centrally Planned Countries while exports to the rest of the world remained at approximately the same level. The data show that while the English-speaking sub-region does most of its domestic export trade with Capitalist Developed Countries, its earnings from this source fell proportionally during the fifteen years under consideration. The global picture of domestic export trade in Table 4 further modifies the gains shown in Table 2. For though percentage increases in total domestic exports of chemicals and manufactures between 1958 and 1974 is impressive, and domestic exports of these commodities to Capitalist Developed Countries in the later year were relatively high, yet these gains were insufficient to increase the share of total domestic exports to Capitalist Developed Countries. In fact it is domestic exports within the sub-region itself which have shown significant relative increases. Since however most gains in domestic exports derive from imports of raw material and machinery from the Capitalist Developed Countries, it is these countries which have been the real beneficiaries of development policy in the period under consideration.

/TABLE 4

TABLE 4

Domestic Exports of English-speaking OCCC Countries by Destination

Item	1969		1974	
	EC\$ '000	%	EC\$ '000	%
Exports to -				
1. Capitalist Developed Countries	749 823	83.3	4 458 112	74.1
2. Centrally Planned Countries (Excluding Cuba)	401	0.0	103 255	1.7
3. Exports to the OCCC and other Caribbean Countries	88 544	9.8	951 458	15.8
4. Other	77 687	8.6	505 025	8.4
5. Total Domestic Exports	<u>899 708</u>	<u>100.0</u>	<u>6 017 850</u>	<u>100.0</u>

Capitalist Developed Countries are: - United States of America, Canada, Japan, Australia, New Zealand, EEC and EFTA Countries.

Total Domestic Exports exclude ships' stores and bunkering

Source: Based on Table 17, "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM, Georgetown, Guyana

/Within the

Within the sub-region itself, total intra-CARICOM domestic exports rose from EC\$65.3 million to EC\$454.7 million between 1960 and 1974. Table 5 shows that this was due mainly to growth of trade in machinery, manufactured goods, petroleum products and chemicals. With 1960 as base year, the indices for these SITC sections in 1974 were respectively, 2497, 740 and 2021, 885 and 733.

TABLE 5

Value Indices of Aggregated Domestic Exports in Intra - CARICOM Trade by S.I.T.C. Section in 1974

SITC Sections	1960 = 100 ^{a/}										
	0	1	2	3	4	5	6	7	8	9	Total
1974 Indices ^{b/}	492	622	143	885	527	733	740	2497	2021	188	704

a/ Excludes Antigua and Dominica.

b/ Excludes Grenada, St. Kitts-Nevis-Anguilla, St. Vincent.

Source: Based on Table 15 in "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM

Table 6 shows however, that only Trinidad had a favourable balance of trade throughout the period because of its superior domestic resources. For the other territories, a favourable balance of trade was more difficult to achieve because of their weaker resource position and the similarity of manufacturing industries in all countries. In the protected CARICOM market, their economic position vis-à-vis Trinidad inevitably became comparable to the economic position of the whole sub-region to the Capitalist Developed Countries.

/TABLE 6

TABLE 6

Balance of Intra-CARICOM Trade of
Jamaica, Guyana, Barbados, Trinidad & Tobago
1960 - 1974

Year	Jamaica	Guyana	Barbados	Trinidad & Tobago
1960	- 12750	+ 4499	- 3491	+ 25006
1961	- 13336	+ 1440	- 2490	+ 28649
1962	- 10909	+ 2206	- 4015	+ 31216
1963	- 13703	+ 189	- 4196	+ 31045
1964	- 5111	+ 1362	- 3807	+ 26558
1965	- 2074	- 3340	- 2473	+ 27445
1966	+ 4869	- 5035	- 1345	+ 32738
1967	+ 2215	- 4594	- 1370	+ 33206
1968	+ 7247	- 5868	- 5463	+ 43343
1969	+ 9711	- 8420	- 7306	+ 55465
1970	+ 8022	- 12584	- 9805	+ 64717
1971	+ 6286	- 7261	- 11225	+ 75966
1972	- 21830	- 11537	- 13310	+ 79801
1973	- 21000	- 35434	- 14629	+ 109077
1974	- 79959	- 76175	- 34521	+ 227266

Source: "A Digest of Trade Statistics of Caribbean Community Member States", published by CARICOM.

/Table 7

Table 7 shows what changes occurred in agricultural production during the period under consideration. Using average production during 1952-53 to 1956-57 as a base, indices for average world production of sugar, cocoa beans, coffee green, grapefruit and bananas during 1974-76 were notably higher than indices for production of these commodities in the sub-region. Rice production was exceptional, having increased by 81% in English-speaking countries and 120% in all CDDC countries, while world production increased by only 58%.^{1/}

TABLE 7

Comparative Data of Volume Indices of Production of
Main Agricultural Commodities in CDDC Countries

1952-53 - 1956-57 = 100

Commodity	English-speaking	All	World
	CDDC Countries	CDDC Countries	Production
	Indices	Indices	Indices
	1974-76	1974-76	1974-76
Sugar	115	90	203
Cocoa Beans	6	9	18
Coffee Green	9	10	17
Grapefruit	103	152	202
Bananas	103	85	272
Rice	181	228	168

Source: Based on data in FAO Production Yearbooks 1976 and 1967

^{1/} It is interesting to note that the market for rice is sub-regional while all the other commodities are sold to extra-regional markets, in fact, despite increases in production, the English-speaking countries of the sub-region were collectively net rice importers in 1974-76.

Table 8 shows more clearly the decline in relative production of the main export crops in English-speaking CEEC countries. Whereas in 1952-57, average production of sugar was 3.1% of world production, in 1974-76 it was 1.8%. Corresponding production figures for other main agricultural exports are: cocoa beans 1.7% and 0.5%; coffee 0.2% and 0.1%; grapefruit 3.1% and 1.6%; bananas 2.0% and 0.8% and rice 0.8% in both periods. These data show that production of main agricultural export commodities from the sub-region declined over the 20 year period.

Table 9 shows production of some locally grown food for domestic consumption in CARICOM MDC's. Data on Trinidad show that during the period 1969 to 1974, total production increased by 53% and there was a 47% increase in per capita production. In Jamaica, comparable figures from 1968 to 1974 and from 1974 to 1977 were increases of 96% and 80% for the first period and 26% and 16% in the second period.

In Guyana for the period 1966 to 1973, there was a 23% increase in total production and a 9% increase in production per capita. In the case of Barbados, which is predominantly a one-crop export-oriented economy, there was a 1% fall in total production and a 3.8% decline in production per capita.

Although the whole thrust of growth effort during the period under consideration was directed towards manufacturing and tourist development, food crop production in the agricultural sector expanded to meet increasing demands for food though there was little reorganization of main productive factors away from the traditional plantation system. It is likely that much of this expansion was at the expense of crop production for export.^{1/}

^{1/} It is important to note that in the case of livestock, much of expanded production was based on imported inputs.

TABLE 8

Comparative Data on Production of
Main Agricultural Commodities in English-speaking
CDCC Countries

Commodity	Unit	Production in English-speaking CDCC Countries		World Production		Relationships	
		1952-56	1974-76	1952-56	1974-76	1 as % of 3	2 as % of 4
		1	2	3	4		
Sugar	1000 metric tons.	10 267	11 782	329 969	671 420	3.1	1.3
Cocoa Beans	100 "	137	80	8 279	14 800	1.7	0.5
Coffee Green	100 "	57	50	25 227	42 770	0.2	0.1
Grapefruit	1000 "	59	61	1 895	3 821	3.1	1.6
Bananas	1000 "	280	288	13 812	37 506	2.0	0.8
Rice	1000 "	154	280	200 735	338 013	0.08	0.38

Source: FAO Production Yearbooks - 1967 and 1976

/TABLE 9

TABLE 9

Food/Population Relationships based on Estimated Production of
Locally Grown Food Available for Domestic Consumption in
Specified English-speaking OCEC Countries †

Country	Year	No. of Crops	Estimated Crop Production 000 lbs	Estimated Meat Production 000 lbs	Estimated Total Crop & Meat Production 000 lbs	Pop. Estimate 000	Est. per Capita Pro- duction lbs	% Change
Trinidad	1969	20	117 188	36 081	153 989	1 025	150	+ 47.3
	1974	20	176 300	59 359	235 659	1 067	221	
Jamaica	1968	27	325 743	13 025	338 768	1 852	183	+ 80.3
	1974	27	638 821	23 551	662 372	2 010	330	+ 15.8
	1977	27	756 206	42 570	798 776	2 090	382	
Guyana	1966	10	160 916	13 280	174 196	676	258	+ 8.9
	1973	10	189 894	25 059	215 643	766	281	
Barbados	1970	15	50 600	12 947	63 547	240	265	- 3.8
	1976	15	44 849	18 127	62 976	247	255	

† See Appendix 1 for sources.

/Table 10

Table 10 shows how failure of the sub-region to develop its own agricultural potential to meet increasing food demands which arose from overall growth, resulted in increasing dependence of supplies of food from Capitalist Developed Countries which were also supplying the raw material and machinery for development. Between 1958 and 1973, the volume of per capita food imports from these countries increased in Trinidad by 27% and in Guyana by 2%. Between 1958 and 1974, comparable increases in Jamaica and Barbados were 86% and 36% respectively.

The evidence indicates quite clearly that the acceptance by the CARICOM MDC's of the traditional capitalist world economic order as a vehicle for development has made them increasingly dependent on Capitalist Developed Countries and reinforced the self-same metropolitan system which was originally responsible for their subordinate role in the world economy. Whereas before they exported agricultural raw material and imported food and manufactures, they now export less agricultural commodities, supply less of their food needs and import raw materials, machinery and more of their increasing food requirements.^{1/} At the same time, they have been unable to capture sufficient markets in Capitalist Developed Countries to amass foreign resources which could finance raw material purchases for industrial sectors they have painfully developed. The following quotation aptly sums up the position these four countries find themselves in, though Trinidad with its petroleum resources may superficially appear exempt.

" ... for the first time for centuries, the underdeveloped countries are becoming industrial sites for manufacturing countries on a vast and growing scale. Concomitantly, the new international division of labour entails a growing fragmentation of the production processes into a number of various partial operations performed worldwide at different

^{1/} In 1974, Trinidad had to purchase foreign currency to the value of TT\$193 m to pay for food imports from Capitalist Developed Countries.

TABLE 10

Food/Population Relationships based on Imports of Food
From Capitalist Developed Countries (CDC) a/ by
Specified English-speaking CDDC Countries
1958 and 1973

Country	Year	Food Imports from CDC 000 lbs	Population Estimates 000	Imports per Capita lbs	% Change
Trinidad	1958	236 386	801	358)	+ 26.8
	1973	479 845	1 058	454)	
Guyana	1958	125 274	529	237)	+ 1.7
	1973	184 286	766	241)	
Jamaica	1958	369 957	1 582	234)	+ 85.9
	1974	859 041	1 976	435)	
Barbados	1958	88 892	230	387)	+ 35.7
	1974	127 535	243	525)	

a/ United States of America, Australia, New Zealand, EEC and EFTA Countries.

Source: Overseas Trade Reports.

/production sites ...

production sites ... Even if a high percentage of the industrial production were relocated from traditional locations to new sites in the developing countries, given the existing structure of the world economy, the effect would still be that only a relatively small proportion of their population would be directly integrated into this process. This process does not have the potential to abolish unemployment and under-employment in the developing countries; it only has the potential of absorbing a small part of the hundreds of millions of unemployed and this for the lowest possible wages; in consequence, the majority of the unemployed mass is degraded to the position and conditions of the industrial reserve army."

Traditional metropolitan relationships have historically been such a dominant force in international trade that success of development growth policy in the sub-region was only possible if premised on the ability of the sub-region to continue, without limit, being a market for raw material and machinery from the Capitalist Developed Countries and on increasing penetration of domestic markets in those countries with manufactures based on foreign raw material. In cases, where these conditions ceased to exist, development policy has had to be reconsidered.

1/ Folker Froebel/Juergen Heinrichs/Otto Kreye: "Export-oriented Industrialization of the Developing Countries: Dependant and Uneven Development", Max Planck Institut zur Erforschung Lebensbedingungen der Wissenschaftlich-Technischen Welt Starnberg.

APPENDIX 1

Sources for Table 9

1. Unpublished data supplies by Ministry of Agriculture and, Quarterly Economic Reports for Production of rice paddy, tomatoes, cabbage, cucumber, lettuce, melongene, ochro, watercress, other green vegetables, pigeon peas, blackeye peas and bodi peas, other peas and beans, corn, yams, tannias, cassava, dasheen, eddoes, sweet potatoes, plantains, beef, poultry, pork, sheep and goats.
2. Jamaica Production Statistics, 1977 for rice, plantains, peanut, corn, pumpkins, carrots, cabbages, peas and beans, turnips, cucumbers, okra, egg plant, escallion, thyme, tomato, lettuce, chr-cho, cauliflower, peppers, beetroot, watermelon, celery, sweet and irish potatoes, yams, tannias, dasheen, cocoa, onion, cassava and poultry meat.
3. Guyana Annual Statistical Abstract - 1974 for rice, ground provisions, plantains, bananas, corn, cabbages, back eye peas, pineapples, tomatoes, beef, pork, mutton, goat and poultry meat.
4. Central Bank of Barbados Annual Statistical Digest - 1976 for string beans, pumpkins, beet, bananas, plantains, sweet potatoes, yams, tomatoes, cucumbers, cabbages, pigs, cows and calves, goats and sheep, poultry, eggs and milk.

PLANNING FOR THE CARIBBEAN

I. INTRODUCTION

Planning in many countries in the Caribbean Region illustrates common internal problems which are very often related to their societal structures and supranational development patterns which influence the government policy and consequently planning in the countries.

Both components are not easy to separate. To get a deeper insight and knowledge of the processes which are taking place and the factors that influence the planning activities comparative and normative analyses are necessary.

With 10-30 years of planning experience behind us in our countries, I thought that for an extended analysis of the planning problems it might be meaningful not to limit ourselves only to procedural and other well-known bottlenecks. It is our own task to find out if there are other fundamental planning problems that can help us to explain the minimal requirements of planning in the Caribbean.

One of the fundamental problems is the absence of links between the people at the one hand and planners and policymakers on the other hand.

Though past influences will be investigated to understand the current attitude towards planning and the additional problems related to forecasting and structuring of the future, external relation patterns with their internal political and economic impact, dependency models, will not be discussed.

The discussions consider both market and planned economic systems. Indicative and imperative planning will not be emphasized. I shall try to construct a model that emphasizes the interaction between expectations,

/and interests

and interests of the people, plans and realizations of the development goals in a society. This model will offer us relevant information for what we will call forward evaluation.

It gives us the opportunity to understand in a relative way the circumstances under which we live, our aspirations, desires and goals and confronts us with realities as conflicting interests.

The communicative model in development planning might be used for national and inter-Caribbean coordination of and cooperation in planning activities.

II. PLANNING AND OUR HISTORY

General Remarks

One of the principal characteristics of planning is the collection of relevant facts to improve our knowledge of the past and the present. This is of tremendous importance both for defining goals of development and for forecasting. Due to the circumstances - the limit of time - and considering the purpose of this meeting, I will not go deeply into a social historical analysis of our societies but I shall restrict myself to mentioning two characteristics of the region that are related to our history and which are in my opinion very essential to understand planning problems.

1. Exocentrism

The first characteristic we can typify as "exocentrism".^{1/} The main feature is that exogeneous standards or standards developed abroad are used to judge the development in our society. This phenomenon is

^{1/} The influence of politics and policy nowadays is not excluded.

described in the literature and is not specific for the Caribbean region alone although loss of potential leadership ^{1/} especially of the socio-economic weaker classes and some ethnic groups illustrates a specific type of exocentrism. The inconsistency very often caused by absence of any harmony between exogeneous standards and local value systems is a principal bottleneck in the forming and implementation of innovations especially in the social and agricultural planning sector. Exocentrism is presented in economics, politics and social cultural matters. In economics the market economy is inherent to the colonial system. In most of our countries there was no internal process that aided rational choice. Fundamental discussions on planning of market or planned economics have not really been taking place among planners themselves; ^{2/} it has been and is still an academic matter. ^{3/} We are content here with a mere mention of the complexity of internal and external factors currently influencing these discussions.

In relation to politics I only intend to make the remark that democratic systems based on experiences in western societies were implemented in most of our countries with different social structures. The structure of government and the forms of administration were devised to serve the goals of the colonial motherland. In the social cultural sphere there are many illustrations of the foreign frame of reference. In the light of planning it is a relevant fact that the majority of the local professional planners in government circles were educated abroad.

1/ There is a process which can be characterized as a continuous self-elimination (outside of the group to which one originally belonged) of those who have climbed up on the societal ladder.

2/ I mean that even though a verbal preference for one of those two named models might be stated, one usually does not go into the problems of institutionalization (organization, mechanisms, procedures, execution).

3/ I refer to the well-known discussion within the local universities.

/Additionally, I

Additionally, I can mention the inferior position or absence of applied social sciences (planning) in the curriculum of sociology at most of our Universities, caused possibly by the fact that planning as a subject was until recently not included in courses in most universities of Europe and the U.S.A.

2. Jugglerism

The second characteristic I will typify as "jugglerism".^{1/} The product of a society where the masses are deprived of any authentic participation of the development activities; societies where people were manipulated and in which they hardly directed nor controlled their destiny and future; societies where individuals who tried to get their future in their own hands were eliminated. One should not forget that in colonial society climbing on the societal ladder meant a maximal adaptation. People were forced to live from day to day and try to stay out of trouble; and managed by an administrative apparatus that gave no room for participation in the decision making process or insight in the machinery of the colonial system. As a result of this there did not only develop a large gap between the people and the government but moreover in many cases open forms of hostility of the people towards government because it represented oppression. In this type of society in which uncertainty was the main characteristic the people lost the most important property of every human group that is to socialize the youngsters to a kind of self-reliance; to help them to take their future more or less in their own hands; to make them aware of their own interests to develop an association with and a genuine interest in relationship with members of the government. This process just described was deeply rooted within the colonial system.

^{1/} A division in the three categories: policymakers, planners and the people is here irrelevant.

It is characteristic for people who could during a long period of time not only make decisions about their future but also were forced to live a life that, as I mentioned before, was typified as a day to day life in which they tried to make the best of it. A life under which people had to try to find solutions for their problems within the frame of a colonial value-system. This process has led to what I called jugglerism.^{1/} This phenomenon is well illustrated in planning ^{2/} where in a way and ad hoc policy decision is more or less institutionalized, and in which the slightest indication of certainty regarding the future leads to a tendency to disregard planning. Responsibility for one's own government and for the society as a whole is something that was absent. The change of attitude toward one's own life and toward the government and its development activities is a slow process.

The use of dominant exogeneous standards to assess one's own society and to use foreign solutions, that are not related to local requirements for solving internal problems, which is typical of exocentrism, and also the juggling attitude ^{3/}, a skill used hastily to operationalize short run policy, are in my opinion, the two main characteristics of our colonial past which guide us to a better understanding of planning problems in our societies.

As you might have noted from the preceding paragraphs both characteristics are emphasized because the discussion concerning planning problems are too often seen as problems of manpower, financial resources, etc.

^{1/} Also here the influence of politics and policy nowadays is not excluded.

^{2/} I refer to the weak participation of planners in negotiations with for instance foreign enterprises.

^{3/} Because those who wanted to live a life with a perspective could only do so by trying out different possibilities and being smarter than others, a short run success was in many cases the most one could get.

III. EXPERIENCES IN PLANNING

1. General Remarks

Most of the countries in the Caribbean region have experiences of 10 to 30 years in planning. I do not intend to describe the processes extensively. We can illustrate the interaction between exogeneous and endogeneous factors that influence the processes of development in our countries by dividing the planning period in three stages.

2. Three Stages

The first stage can be typified as a stage in which mainly separate projects were developed and executed. It is a kind of marginal planning based on marginal improvements in the society often benefitting the colonial motherland and foreign enterprises. The development activities were predominantly defined by colonial experts. In this stage our countries had a colonial or semi-colonial status.

In the second stage development problems were analyzed by using western development concepts and western solutions were found. Planning activities were related to western foreign involvement.

I refer to the overestimation of the significance of foreign investments and markets. In this stage in many of our countries representatives of the first generation of intellectuals who had enjoyed their education abroad returned to the country and participated in planning. In this stage some of the countries became independent. I will typify planning in this stage whereby future developments are devised and structured in close relation to developments in the welfare states as dependency planning.

In the third stage significant differences of approach developed among those who participated in planning activities. The differences were in my opinion on the one hand caused by the insufficient results of

/planning and

planning and on the other hand by the development of indigenous opinions or acceptance of new foreign development concepts.

We can conclude that we have not yet reached the stage whereby future developments are organised and structured on the basis of locally developed standards.

IV. A COMMUNICATIVE MODEL IN DEVELOPMENT PLANNING

1. Main Elements in Planning and the Task of the Planner

Let us first of all ask ourselves what are the main features of the planning concept we use. In various definitions the following common elements can be noted.

Planning generally will be a cyclical and iterative PROCESS, whereby one can distinguish different phases. In this process FORECASTING - anticipation on future developments - is of great importance. Planning requires SCIENTIFIC METHODS and deals with problems of EFFICIENCY and OPTIMALIZATION. It makes proposals for ALTERNATIVE POLICIES.

Bearing in mind the problems of our societies we must consider whether it is possible to help the goalmakers by participation in the first stage of goal formulation by discovering the expectations, interest, wishes and goals of the people. This may be called forward goal evaluation. Moreover let me stress that the people are as much the agents as the object of development. This is relevant in planning irrespective of the type of planning. Every form of planning is related to human activities.

In connection with the problems related to our past exocentrism and jugglerism, it is thus in my opinion necessary to widen the task of the planner. We should not prolong a situation in which there exists a considerable lack of communication between the people on the one hand and the

/planners and

planners and policymakers on the other hand. It can be considered as urgent that the people get involved in the planning process and thereby influence decisions ^{1/} on matters that concern them.

2. Characteristics of the Communicative Model in Development Planning

Based on the planning experiences in the sub-region we can ask ourselves whether a model more suitable to our means can be developed. I will make an attempt to develop such a model. We should try to give special attention to:

- a) reduction of jugglerism by an approach that stimulates the people to anticipate on future developments,
- b) reduction of exocentrism by helping the people to find solutions within their own social and cultural frame,
- c) communication, namely finding out what are the wishes, expectations, interests and goals of the people.

Based on this the planners can make a forward goal evaluation for the goalmakers and adjustment of the development goals to the expectations, wishes and goals of the people. With this exocentrism can also be minimized by the planners.

While not neglecting problems concerning manpower, financial resources, etc. I want to focus, as I mentioned before, on another category of fundamental problems; those which are related with the people and their past. Therefore discussions related to sectoral planning or ideally to a main point like the orientation of planning activities on the total national economy or to planning as a supplementary activity, will also not be emphasized here. Of course there are interconnections between

^{1/} In the colonial period the problem solving capacity was suppressed. This might have led to the conclusion that it was absent. In the communicative model in development planning I emphasize the presence of this capacity by the people.

/the problems

the problems that are related to the attitude of the people, nature of policymaking and the other problems in planning.

3. Mobile Development Teams

From the planning point of view the main conditions for the model, which I call the communicative model in development planning, are not only broadening the functions of the planner but also the creation of mobile development teams. These teams consist of mid-level trained professionals. The composition should be multidisciplinary. They have to be trained as a team together on teamwork, survey design and execution, and they must be well informed about the initial development goals and the planning process. The most relevant are representatives in the following fields: medicine, social welfare, education (adult), nutrition. Furthermore, depending on the area, there will be in the team trained persons on agriculture, husbandry, cattle breeding, fishery, technical skills, etc. The training will be finished on the job. All the members of the team should have insight in the social and economic problems of the country. One of the most important features of these teams is their mobility. Their composition and location will depend on the activities to be performed. Periodically they return to their location to evaluate, instruct and inform the people and assist them in solving problems. The teams will have the following tasks:

1. to find out what are the expectations, wishes, interests and goals of the people,
2. to find out what are the reactions on the initial development goals formulated by the goalmaker,
3. to deliver information to those areas where this is needed.

The teams are supposed to do their surveys independently. They are in a direct working relation with the planner. Knowledge and instruction

/has to

has to be transferred to local persons who will take over during the absence of the team. With this system the people do not develop a dependency on the teams; it stimulates self-reliance.

4. Description of the Communicative Model in Development Planning

In this model we distinguish four phases. The process is cyclical and iterative. In the first phase the planner collects information and gets insight in the initial development goals formulated by the goalmaker. He starts to make a table which illustrates what is developed in different regions and what has to be done in the regions based on the mentioned goals. For every region he specifies the goals in relation with each other. In the second phase he selects a number of locations and instructs the teams. The result of the work of these teams should be constructed into a table with information about the goals in relation to expectations, wishes, and interests of the people and possible solutions. The teams should identify selected problems that are related to goals, and help to solve them. In the third phase the planner receives the reports from which he can find out what diversity exists on what subjects and in which areas there are common goals. In the fourth phase the planner makes a report for the goalmaker with suggestions about priorities, etc. and extension programmes, manpower in general, the bottlenecks of his policy and policy alternatives. At last the final plan can be made.

5. Relevancy of Three Categories involved in Planning

Now the relevance of the three categories of people involved in planning will be mentioned:

I. For the planners:

1. more knowledge of the field, for example, available know-how and its resources,

/2. insight in

2. insight in the possible conflicts between initial development goals and expectations, interest and goals of the people,
3. rational framework to define and offer alternative policy goals.

II. For the people:

1. stimulation of activities that are oriented to the future.
The first step is forecasting on local level,
2. introduction of alternative possibilities and improvement of skills,
3. conscious participation in the development process and activities.

III. For the goalmakers:

1. less risks in executing their policy. A policy that is largely adjusted to the wishes of the people has more chances of success than the one which is not,
2. no perpetuation of irrelevant and non-development oriented activities. Urban and rural areas both participate fully in this model,
3. more realistic view on the society and the future,
4. basic material is available to develop a network of ideas that can eventually result in a development philosophy.

V. RECAPITULATION

The communicative model outlined here can be typified as a planning model in which an institutional framework has been developed to continuously adjust the development goals defined by the goalmakers to the goals and expectations of the people. Priorities and choice are now more rational,

/not mainly

not mainly political, and also take note of financial possibilities. At the same time this model offers the possibility to find out in a very early stage if implementation of innovation will be successful. Its character is strongly evaluative and communicative. It informs us about the openness of the people for change and gives us the possibility to improve our information techniques and make the necessary adjustments on our own society.

It can be used in all types of planning and will be adapted to local circumstances.

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SIX PROBLEMS OF DEVELOPMENT PLANNING
IN SMALL STATES IN THE CARIBBEAN

By Trevor Farrell

In the 1950's and early 1960's there was widespread enthusiasm for development planning in Caribbean countries, as there was in the Third World generally. This was the period in which so many underdeveloped, formerly colonial, countries gained their political or "flag" independence.

Currently, outside of Cuba, Guyana, and perhaps Jamaica, the commitment to formal, comprehensive national planning in the Caribbean is weak. The prevailing attitude in much of the Caribbean can be characterized as one of disillusionment with, disinterest in, or ignorance of, the role that planning can play in development. ^{1/}

Now this is rather ironical. For at the same time that respect for, and interest in planning has declined so considerably in the Caribbean and in other Third World countries, and its "failure" in these countries pronounced by metropolitan academics, ^{2/} the practice of planning is quietly, almost surreptitiously, gaining ground in developed, capitalist countries.

In Japan, Scandinavia and other areas of Western Europe, planning is already quite important, though this is not manifested in grand, formally announced "five-year plans". Even in the United States, which in rhetoric at least professes to be the citadel of "free enterprise capitalism", the idea of national planning is not only no longer instant heresy, but is even

1/ This holds true for much of the Third World, as well.

2/ In 1969 for example, at a conference held in Sussex, England, the clear consensus of opinion was that planning in the underdeveloped countries had been a conspicuous failure. See M. Faber and D. Seers [4]

being actively pushed by some of the biggest capitalist concerns (for their own perceived benefit, of course).^{1/}

The decline of planning in the Caribbean and elsewhere is also ironical in that it is crystal clear to any serious student of development and the modern world, that national planning is ultimately inescapable, and not only in the Third World. The growing socialization of production everywhere, the tremendous cost of large-scale projects, the long gestation periods of projects, the multiple and complex objectives that have to be satisfied given people's demands and expectations, and the critical need for coordinating and harmonizing social and economic activities, all combine to do two things. First to stimulate an inexorable growth of the State, and of state intervention in economic life, and second, to make comprehensive planning an ultimate imperative.

The fact that planning did not "catch on" in the Caribbean, apart from a few territories, is no accident. It is traceable to the existence of certain problems that arose. These problems have, by and large, not been properly understood - far less solved. And in this situation it has been easy to perceive planning and the concept of planning as being of little use or a failure.

Our task here is the limited one of attempting to explain these problems in the specific context of the small states of the Caribbean.

1/ One example of such advocacy is Thornton Bradshaw ^[2], the President of Atlantic Ritchfield Oil Company. Henry Ford II, Chairman of Ford Motor Co., J. Irwin Miller of Cummins Engine and Michael Blumenthal now U.S. Secretary of the Treasury but formally of Bendix Corp. have all come out advocating some form of national economic planning for the U.S.A.

NOTE: See Tom Alexander ^[1]. Accordint to Alexander too, a recent survey of 23 significant corporations turned up two-thirds of their chief executives favouring national planning to some degree, while two-fifths thought "that perhaps national planning is the answer to current economic problems". There have been several attempts to introduce legislation for institutionalizing national economic planning in the U.S. Congress. Most notable recent efforts were the Humphrey Davits Bill of 1975, and the Humphrey Hawkins Bill of 1977. And an Initiative Committee for National Economic Planning has been formed which boasts in its leadership some of the best-known metropolitan academics and senior managers of American capitalism.

/Naturally enough,

Naturally enough, the first issue is delimiting which territories fall under this rubric. All the English-speaking countries (mainly CARICOM), all the Dutch-speaking and the French-speaking (excluding Haiti) would seem to fall in this category. Given the political status of Martinique, Guadeloupe and the U.S. Virgin Islands, we end up taking as our frame of reference the English-speaking CARICOM countries and the Dutch-speaking Caribbean.

On examining the problems of development planning that exist, and have existed, in these countries, one is struck by two facts. Six problems are identified as important. But of these six, only one can really be specifically linked to the issue of small size. By and large, the problems are quite general to planning efforts in many Third World countries. Secondly, the actual problems turn out to be closely related to the failure of these territories to fulfill the fundamental preconditions necessary for effective planning. It thereby appears that in actual fact, the problems of development planning in these countries imply not that planning has failed, but that in a real sense it has never been tried.^{1/}

Before identifying and discussing the six problems, it is perhaps useful to spell out four pre-conditions that can be argued to be necessary and fundamental if one is really concerned that planning be serious and effective.

1. It is necessary to have some minimum degree of control, direct or indirect, over what you are planning for, and be willing to exercise this control. What constitutes this minimum degree of control can of course only be spelt out in the context of some actual, concrete situation. There need be no illusion that planners need to, or can ever hope to, have total

^{1/} It is easy to obfuscate these issues by long, terminological arguments about one's definition of planning. It is difficult to see how planning can mean anything very much more or less than identifying goals on the basis of an analysis of the situation and your resources, working out the means necessary to achieve those goals and then doing what is necessary to achieve them. /control over

control over all the variables that might effect their objectives. Some variables are inevitably autonomous^{1/}. But without control over a certain minimum subset of instrumental variables one cannot hope to be serious about planning.

2. Relatedly, there must exist the will and the commitment to plan.
3. There must exist the requisite technical and philosophical understanding of planning method and techniques. This constitutes an important part of one's ability to plan.
4. The organizational machinery for planning and implementation must exist, and the basic informational requirements for planning must be satisfied.

On this basis, it is possible to not only identify and explain the six problems mentioned above, but to put them in perspective and gain a better appreciation of their significance.

The Six Problems of Development Planning

Problem No. 1 - Failure to Control

You cannot plan for what you do not control or will not control. In the Caribbean plan after plan has been produced, printed, "laid in Parliament" and then just simply shelved in ministerial offices and ignored. One of the main reasons for this is that these plans could not be implemented since the country either failed to acquire or failed to deploy the minimum degree of control over its economy necessary for effective planning.

When a country surrenders effective control over its key economic sectors - oil, bauxite, sugar, bananas - to foreign transnationals, it should come as no surprise if given the key role these sectors play in national life it is unable to realize, or even to set, meaningful development targets.

^{1/} See [5], pp. 25-28

/In some

In some of these countries the fact that key economic sectors were left under foreign control (e.g. oil in Trinidad, bauxite in Jamaica) meant that one could not seriously plan production levels, exports or investment in these sectors. One could not plan their forward and backward linkages in the economy with any degree of assurance. The foreign companies could be persuaded to do only what they calculated was in their interest, one way or another.

The dynamic of development in these sectors was ~~too large an~~ extent outside local control. Given their key roles in the economy, foreign exchange earnings and the balance of payments, governments revenues and the consequent provision of infrastructure, social services and employment, in consequence could not really be planned on any other basis but hopes and desires. That is why, any congruence between actual economic performance and the targets laid down in the plans (and there was little) was purely fortuitous - almost an "Act-of-God" one might say.

The problem however is not delimited simply by the issue of foreign ownership of key sectors and key resources. Lack of effective control has characterised not only such key sectors as oil, bauxite and finance, controlled by foreign transnationals, but has extended to the local private sector and even to state-owned enterprises - public utilities and latterly the nationalized subsidiaries of foreign transnationals.

In many cases, it is not that the tools for effective control, both direct and indirect, were not either already in the hands of the State, or appropriable. For one reason or another, the use of available leverage was eschewed, even while governments pretended to plan. The case of state-owned enterprises is a classic example. All too often, these enterprises were simply put under a board of directors and virtually left to their own devices. There might be the occasional, desultory foray into their affairs,

/or the

or the odd Commission of Enquiry into them, usually in the context of some crisis. There was little or no systematic attempt to integrate their activities and decisions with national economic planning. There was no attempt to set goals and targets for them in line with such plans and then to review their performance in accordance with these previously laid down and agreed upon criteria.

It is perhaps useful to emphasize clearly what is, and what is not, implied by this failure to exercise the necessary degree of effective control.

- a) The failure to exercise this necessary minimum degree of control cannot be simply attributed to small size. While it might plausibly be argued that a small country has fewer degrees of freedom than a large one with respect to its economic choices, this does not mean that it does not have sufficient room to manoeuvre simply because it is small. The experience of many small, highly successful countries in the international economy, attests to this.
- b) This failure does not mean either that the planners were unable to plan because of the uncertainties of the international economy etc. Planners are always faced with uncertainty and bedevilled by ignorance. But as emphasized above it is not necessary, nor is it possible, for planners to have total control over all the instrumental variables which can impact on their targets.
- c) Further, the problem is by no means reducible to an argument that effective control was lacking because the governments chose to pursue a capitalistic path to development. While their choice of strategy can be condemned on several grounds this is not one. For several capitalist countries have demonstrated a capacity to

/combine a

- combine a considerable amount of state control and planning with a capitalist form of economic organization. Japan, France and Sweden are examples of this. For these Caribbean countries, the problem lies with their implicit or explicit choice of a dependent capitalistic path to development. It is this particular path which is fundamentally incompatible with serious national planning.
- d) State ownership proved not to be a sufficient condition for the actual exercise of control. In some of these countries, state ownership in important areas of the economy was quite significant by the mid-1970's. But as pointed out earlier, there was little or no attempt to take advantage of this situation to control and plan to the degree possible - so that it was not just that these governments did not have sufficient control, because of historical factors, imperialism, colonialism and economic weakness. It was also the case that they did not trouble themselves to exert to the fullest the leverage they did have.

Problem No. 2 - The Nature and Orientation of the Political Directorates in the Region

The lack of the necessary minimum of effective control required for comprehensive national economic planning can easily be seen to be in part related to the non-existence of another of the four pre-conditions set out earlier - the need for the will and commitment to planning. Why was there this lack of real commitment to the development of the planning process, and the resultant failure to face up to the implications of planning (especially the organizational ones)?

Several reasons can be advanced. (a) Part of the answer may well lie in the nature, origin and lack of technical skills in some of the political directorates in the region. In several territories, the /directorates in

directorates that emerged were founded on "charismatic" leadership, lacking not only in clear ideological orientation, but most significantly in management skills as well. Now it is necessary to be quite explicit in pointing out that this lack of management skills has nothing to do with the presence or absence of academic training. It is over and beyond that.

There was nothing in the backgrounds and experience of these directorates to familiarise them with technology, organization, the management of people and the actual running of a country or even of large enterprises.^{1/} There was nothing to give them a real understanding of, and feeling for, the requirements of effective modern management. And since planning with its emphasis on setting objectives, and monitoring and appraising performance in the light of these objectives, is an important aspect of modern management, it is not surprising that there was little understanding of the organizational requirements of planning.

Furthermore, while the failure to manage effectively naturally meant the failure to achieve acceptable and feasible developmental progress, these leaderships were in several cases not called upon to pay the price that managers who fail are usually called upon to pay - that is, the loss of their positions to those who are better able to do the job required. This was partly due to the nature of domestic politics (e.g. the role of race in Trinidad, Suriname and Guyana); partly to the general scarcity of the politico-economic managerial skills in these societies (a condition which is virtually synonymous with underdevelopment in the Caribbean), and partly to the propping up of these regimes by foreign metropolitan powers, who perceived their interests as best served by the maintenance of the existing social and economic systems.

^{1/} Even where they were academically highly qualified, the nature of their academic training was usually not such as to give them the understanding of and familiarity with the proper management of systems. This kind of understanding and familiarity is only now really beginning to develop in the region, and then usually in the younger generation.

(b) Next, the political directorates were in many cases not convinced that the benefits of planning were really worth the effort and the costs. To some extent this was due to the fact that they did not perceive their positions to be dependent upon effective management and relatedly, effective planning. But it was also due in part to the fact that the benefits of the kind of planning that was carried out in these systems were indeed minimal. Thus their perceptions that comprehensive planning was not worthwhile were superficially correct.

(c) Also, the failures of the strategies chosen, plus the managerial weakness of the directorates themselves meant that by the mid to late 1960's these systems were really in a state of endemic crisis. In this situation, government was essentially a matter of continual crisis management and fire-fighting - (more so than it usually is). The political directorates therefore found themselves almost continually in situations where the exigencies of the moment demanded "ad hoc", "band aid" solutions.

These temporarily staved off crisis, or promised to, only to generate more, and sometimes bigger problems further down the road. As so often happens, the matters which were most important and thereby commandeered priority, were not necessarily the ones which were ultimately the most important. Managerial weakness in the political directorates meant that they were generally unable to solve the problem of organizing their systems to deal with both the day-to-day, and the fundamental, structural problems simultaneously. Often it appeared that they were not even able to conceptualize the problem, far less find solutions.

Problem No. 3 - The Lack of Appropriate Organizational Structures and the Failure to involve the People

The managerial weakness that has characterized leadership in the Caribbean can be clearly seen in the failure to set up the kind of organizational structures that are imperative for proper planning and
/implementation, and

implementation, and in the failure to make planning alive and meaningful to the people as a whole, and to commit them to fulfilling the plans. As much as anything else, these two failures virtually guaranteed that planning would not succeed.

Organizationally, effective national planning poses certain inescapable requirements. Planning has to ramify throughout the whole society, or at the very least, throughout the key sectors, regions and activities. It has to reach down and affect the decisions and activities of individual enterprises, agencies and communities. The fact that the desire to coordinate and harmonize different activities is one of the major reasons for national planning, provides one of the most powerful imperatives for planning to spread widely over the society, or at least its key areas.

Further, planning cannot be concentrated, isolated, "bottled up" in a central planning agency or a Ministry of Planning. First of all, planning requires information, and it requires a sophisticated understanding of the problems it aims to solve. Secondly, plans are, or ought to be, made to be executed. Wise planners know that no central planning office can ever possess all the information and expertise necessary to make intelligent decisions and policies. Much of the information, expertise and intimate knowledge of the problems is usually found at the bottom, at the lower levels where the action is really taking place. Therefore it is simple common-sense that these people have to be involved, that the planners will depend on them for information and will have to receive their proposals.

Wise planners know too that no central planning office can, in the final analysis, ever execute a plan. Execution is carried out at the lower levels, on the line. Planning has to be able to affect what goes on on the line. But relatedly, it will frequently be found necessary to involve the /people who

people who will execute a plan in the actual planning process. Human beings, as human beings, will often react negatively or hostilely or with indifference to a proposal or directive that they do something if they were not consulted in advance and their opinion sought. Consulted, they will often respond with much greater alacrity and commitment, even if their own opinion as to what should be done was rejected (with reasons given).

Planning therefore has to be an interactive process between top and bottom. Extensive two-way interaction is necessary. Information, views, problems perceived and proposals are passed from enterprises, agencies and communities to the top; information, requests for information, views and proposals flow to the bottom from higher levels. Discussion, conflict and debate necessarily ensue. Finally decisions are made and agreed on proposals now emanating as directives or as accepted targets are distilled into the specific, detailed management objectives of individual enterprises and organizations.

Serious planning also implies that the planning and policy-making machinery be supreme in the system. Once plans are formulated on a democratic basis with widespread popular participation and involvement, the central planning office or its equivalent must have the necessary authority to see to it that the plan is carried out. The central planners must have teeth. Therefore in the bureaucratic machinery, the central planning office must ultimately be super-ordinate.

In actual practice in the Caribbean, these organizational requirements have generally not been satisfied. Ministries of Planning or their equivalents have generally planned in near hermetic isolation from the masses of the people, and with relatively little involvement with and input from other bureaucratic agencies in the system. True, they have generally been forced to seek information from other ministries and

/organizations. But

organizations. But it is surprising to see the extent to which central planning authorities have operated on their own, divorced from the people and sectors they are supposedly planning for.

The result has been that centrally concocted plans have often been vague, superficial or irrelevant with respect to the issues and problems in particular sectors. The central planners who created them had neither sufficient information and expertise, nor the detailed, intimate knowledge of the problems and peculiarities of specific sectors, to make intelligent plans for them.

A further result has been that official plans have met with considerable indifference on the part of those who were presumably to try to realize them. Individual enterprises and organizations were in general not really affected by the formulation of plans for their sectors or areas, and often not even aware of what these plans contained that might be relevant to them. Planning has in general not been done in a fashion in which sectoral targets say, could be broken down and detailed into specific targets for particular enterprises, agencies or financial institutions - not even for the state owned ones.

The Central Planning Office in these Caribbean systems under review here, was also never the super-ordinate body in the system. In bureaucratic wars with other government agencies, these offices have really had little muscle. For one thing, Ministries of Finance remained supreme. For another, the central planners had neither the authority nor the machinery (nor the detailed plans) by which the performance, successes and failures of specific agencies or enterprises could be monitored, reviewed and appropriate action taken. There was little that they could do to ensure that plan targets were fulfilled. In some cases, (e.g. Trinidad and Tobago) the Central Planners have ended up having literally nothing to

/do with

do with the major new projects in the system. These were planned and organized elsewhere in the system. What all this adds up to is that the basic organizational prerequisites for effective national planning have largely not been satisfied.

Planning in the Caribbean too tended to fail to become part of politics and to really involve and commit the masses of the people though the attempt was made on occasion.^{1/} In the main, planning has been primarily thought of in terms of economic decision-making. It has not been seen as being primarily politics, organization, motivating people and involving and committing them to the idea of planning and the practice of planning.

The plan was therefore never really an integral part of the consciousness of the people in the organization of their working lives. It was never taken seriously in organizations as a barometer of performance, or as a guide and a spur to doing better.

Problem No. 4 - The Problem of Inadequate Information

The fourth problem that has seriously affected development planning in the Caribbean territories under review here is the problem of information. Good planning is impossible without good information. While planners never have all the data and information they would ideally like to have (especially about the future), the data base with which planners have had to work in the Caribbean has just not been good enough. In some cases (e.g. the Windwards and Leewards) it can even be described as abysmally poor.

^{1/} It can be said that on occasion, governments and planners showed an awareness that popular involvement and participation was necessary, and made some attempt to do this. The attempt to set up National Planning Commissions drawn from various social and interest groups in Trinidad and Tobago, and the attempt to involve the people in the preparation of the 1977-78 Emergency Production Plan in Jamaica, are two examples. However, to date it has not seemed possible to institutionalize the politics of planning or to sustain these efforts at popular involvement.

Statistical information is often neither timely, nor accurate, nor detailed enough, nor comprehensive enough. In addition, information on the external world, and on relevant developments on the international scene has been even worse. In several cases (for example, oil, technology) the international markets were little understood.

The information problem has meant two things at least. One is that the scope for planning was restricted. The second is that questionable policies were advocated in plans. The policy towards the petroleum industry in Trinidad and Tobago is again a case in point.^{1/}

In some ways the information problem can be viewed as a reflection of the lack of commitment to proper planning. On the one hand, statistical agencies just were not provided with the resources in terms of people, money and the authority to extract information, which was necessary if they were to do their job. On the other, demands were not made on these agencies for good, accurate, timely, comprehensive data. It can be argued that these demands were not made because given the kinds of systems being run, the politicians did not need such data for economic management - since the levers of economic management in a dependent system are to so large an extent surrendered into the hands of others.

Problem No. 5 - Lack of Human Resources and Technical Skills

If small size has any significance, this significance is surely related to smallness in terms of numbers of people, rather than geographical size or natural resource endowment. One of the problems affecting development planning in the Caribbean, and the one problem specifically relatable to small size (though not uniquely so), is the weakness in the human resource endowment of these territories. Guyana and Suriname with their

^{1/} See Farrell [6]

small population in relation to area (800 000 and 400 000 respectively) are glaring examples of this.

In the instant case, this insufficiency of human resources really relates to a lack of sufficient skilled and trained people for planning implementation and management. In the Windwards, the Leewards and the Dutch-speaking territories, this problem can only be described as acute.

Technical skills with respect to planning, plan methodology and planning techniques are seriously inadequate in the region. It is not unusual to find senior technical people in planning offices without the high-powered skills (especially of quantitative techniques) and without the knowledge of planning methods, necessary for effective, comprehensive planning. Further the serious weakness in management skills and experience, which exists from top to bottom in these societies, i.e. from the political directorates down to the line supervisors, makes for considerable difficulties in effective implementation and project management.

Problem No. 6 - Failure to Devise Effective Strategies

An extension of the previous problem is the failure to come up with effective development strategies. Planning is a technical process, involving a series of different steps or exercises.^{1/} The devising of strategies to achieve plan targets is one of these steps. But though strategy is just one of the steps involved, it is a highly critical one. For the success of the plan, in terms of achieving the stated objectives, is utterly dependent on correct choice of strategy.

The planning process may be well carried out in the sense that the planners faithfully and even brilliantly follow the correct methods for planning. All the steps may be executed. But if the strategies devised for achieving the goals are misconceived and erroneous, the goals will not be attained.

1/ See Farrell 5/

/This has

This has happened in the Caribbean. Misconceived and erroneous strategies have been applied. When plan targets and development goals have in consequence not been realized, people have denigrated planning, and the planning process, rather than seen that the real problem was the strategies chosen.

The application of the Lewis strategy is a classic example of this. The notion that one would achieve increases in output, exports, foreign exchange and growth, obtain technology and market access, industrialize, increase government revenues and eliminate unemployment, and all in sufficient degree to mark meaningful transformation, through the strategy of inviting in foreign capital on the basis of low wages and generous incentives, quickly foundered in practice.

While output, exports and government revenues showed some increase in some territories at certain periods, by the late 1960's, there were serious balance of payments problems, unemployment grew rather than fell, income distribution worsened, dynamic technology was not transferred, dependence was, if not intensified, at best not significantly mitigated, and little meaningful structural transformation was achieved.

The strategy of import-substitution which was grafted onto the Lewis strategy, when the bankruptcy of the latter had become manifest, similarly failed to achieve its most significant goals. Thus the goal of reducing or eliminating the balance of payments problems remained elusive and unemployment was not significantly dented, though the share of manufacturing in total output rose significantly in a few territories. At the same time the interests of the consumer in quality and reasonable prices was sacrificed and an artificial, inefficient local capitalism fomented.

/The failures

The failures of both these strategies to achieve hoped-for developmental goals became confused with the notion that it was planning, as planning, which had somehow failed, or was ineffective and irrelevant.

The Results

The results of these problems is that planning has not played the role it should, or could in the development of the region. This means in turn that progress towards meaningful development has been less than it might have been. The failures of our attempts at development have meant that with the exceptions of Suriname (because of Dutch aid), Trinidad and Tobago (because of the fortuitous existence of oil) and perhaps Barbados, the region today is in a state of quiet crisis. The economies of the region are just not doing very well. ^{1/} (This does not mean that the exceptions mentioned have in fact achieved meaningful transformation).

The question then is what can be done about these problems. For effective development in the region must be linked to effective planning. This must clearly be one of the highest items on our agenda right now. Unless we find ways of fulfilling the basic pre-conditions necessary for effective planning, planning will not be able to do the job it has to do in aiding the transformation process.

^{1/} See [3] and [7]

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NOTES ON DEVELOPMENT PLANNING IN ST. VINCENT

THE EXPERIENCE OF THE PAST FIFTEEN YEARS

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 perhaps 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

period. The present population is estimated to be 116 000 with a male: female ratio of 47.53. 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.^{1/}

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.

^{1/} St. Vincent National Plan UNDP, 1976

growth between 1975 & 1976 and 1976 & 1977 were 7% and 5% respectively and is now estimated at EC\$60 m 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.^{1/}

Development Planning in the Sixties and Seventies

In the Commonwealth Caribbean, considerable emphasis was placed on the formulation of development plans in the early 1960's.

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."^{2/}

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

^{1/} Economic Memorandum on St. Vincent, World Bank 1978.

^{2/} Government Files

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."^{1/}

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 has 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

^{1/} Government Files

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.^{1/}

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."^{2/}

The 1966-70 Development Plan had provided for a planned expenditure of \$86m 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 ODAW 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

1/ Government Files

2/ Government Files

/only 4%

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."^{1/}

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.^{2/}

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."^{3/} And indeed in the case of St. Vincent

^{1/} Government Files

^{2/} Government Files

^{3/} Development Planning in the Caribbean - A review of 1950 to 1975, Max Ifill, CDDC 1978.

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^{1/} (World Bank 1978, ODS-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 EDD) 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:

1/ ODS Sponsored Economic Development Plan for St. Vincent 1977-1981

/a) the

(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.^{1/}

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 co-ordination. It noted that: "There is need to bring in better co-ordination between physical planning and economic/project planning at the national level. As projects become analysed for purposes of funding, such co-ordination will become all the more vital. It is therefore proposed to integrate physical and economic planning functions under one wing of Government ...".^{2/}

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

^{1/} The Town and Country Planning Act, St. Vincent 1976

^{2/} St. Vincent National Development Plan, Vol. III: 66.

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, co-ordination 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

- (2) Review and updating of the National (Structure) Plan, and
- (3) Ensuring that the land required for projects identified in the rolling 5 year development plan is available and not located in inappropriate 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.^{1/}

1/ Draft Socio-Economic Planning Project, UNDP, 1978.

A BRIEF OUTLINE OF 30 YEARS DEVELOPMENT-PLANNING
IN SURINAME
(1947-1977)

INTRODUCTION

Development planning from a macro point of view is generally focused towards the growth of G.D.P.

Growth of this indicator means that the different sectors in the economy should be stimulated.

The ultimate goal in the development and planning process is however to reach an optimal level of prosperity and welfare for the whole population in a country.

In this paper we will try to make it quite clear that our planning efforts were directed towards both aforementioned issues.

Besides this the bottle-necks and constraints in the planning process will also be a matter of discussion in the overview of 30 years of development planning in Suriname. Last but not least we seriously consider a good planning system as an essential phenomena for optimal development planning.

1. Prosperity Fund (1947-1955)

1.1 General

In creating the law concerning the "Prosperity Fund" the first step was set in the direction of proper social-economic development planning in Suriname.

The main goal as specified in this plan was to develop the economic resources and to improve the social situation in Suriname. The funds which were available for the execution of this plan which were furnished by the Dutch Government and amounted to Df40 million.

/These financial

These financial resources were invested in 22 projects, which were put forward through a work schedule.

We must state that the then existing planning system with which one had to cope was very deficient. The Governor, who was a representative of the Dutch queen in Suriname, had a central position in the planning process. He was the Treasurer of the Fund and was assisted by an advisory Board of four members. This team on its turn was assisted by a secretary administrator.

1.2 Constraints

The following points were seen as the most important constraints in realizing the work schedule of the plans

- a lack of data in almost every field
- Suriname was not equipped with sufficient personnel to execute the plan and moreover they were not adjusted enough to execute the plan
- a shortage of skilled labourers in almost every field.

1.3 Planning Institutions

Notwithstanding the deficient planning organisation mentioned before, we can stress that one had tackled the constraints very seriously. This resulted, for example, in the creation of institutions for:

- data research
- documentation and
- planning

From this perspective:

(1) The second census of 1960 was a base for research on human resources.

(2) Areal survey;

- 2) Areal survey, as a base for the investigation of natural resources was done. This was a pre-requisite to physical planning.
- 3) The Central Planning Agency (C.P.A.) as the institution for general and regional planning was founded.

Preceding the creation of the C.P.A. a coordination body to prepare planning was established in 1960. In a later stage this body was transformed in the C.P.A. of Suriname.

2. Ten Year Plan for Suriname (T.Y.P.) 1954-1963

2.1 General

The first multiannual national development plan was drafted right after the planning period of the Prosperity Fund. The necessity to come up with such a plan has an international as well as a national background. The main external factor for formulating such a plan was the fact that after World War II many colonies of the European countries felt the need for independence. So the Netherlands in one way found itself obliged to supply funds to Suriname in order to formulate and to implement a perspective plan. As internal factors for the necessity of the plan one may mention that:

- a great deal had to be done to convert the existing decline in standard of living into an improvement
- the economy should be put on a positive foundation instead of the then existing labile basis.

2.2 Points of Departure

This perspective plan had the following points of departure:

It was stated that:

/- there was

- there was a need for a thorough orientation of the fund to absorb the increase in population, without this intolerable decline in standard of living would be the result
- in the social sector there were cumulative areas stretching back for decades
- long term planning was necessary even if it was necessary to bring about accelerated development by means of our own resources. This is the case or position if a considerable foreign input is required.

2.3 Plan - Objectives

This first Ten Year Plan had the following objectives:

1. It should provide the Surinamese society with the means of attaining greater economic independence.
2. It was expected that further foundations should be created for further increased social economic development with local resources once the T.Y.P. was expired.

All this should be done while maintaining and if possible improving the existing standard of social provisions and gradually the standard of living of the poorest.

For attaining a certain and permanent improvement of the standard of living, it was stated that an increase in real income and consequently of per capita production should be necessary.

These ends could be achieved by two means:

- a) increased ability
- b) introducing better tools or in other words the emphasis should be put on qualitative and quantitative improvement in general and specialized education on the one hand and productive investments on the other.

/In the

In the chosen planning concept the productive actions of the government should concern the preliminary investigation and general preparations with respect to the direct production sectors (such as geological services, government forestry service, air mapping and local development plans).

- Evidently also:
- road, airport and communication activities
 - public health
 - almost the whole field of education
 - public utilities and drainage

were of concern to the government.

2.4 Scope and Bottlenecks

Of course the scope of a plan is in one way determined by the existing productive opportunities within the planning horizon, i.e. the selected projects of which the plan eventually existed were formulated while taking the different constraints into account.

A very serious bottleneck was then expected to be the capacity of interest and redemptions with respect to the sums taken up as loans, both as regards the government budget and the foreign exchange position.

2.5 Financing the Investment Programme

The original T.Y.P. provided for a minimum plan estimated to cost Sf100 million and a supplementary plan costing Sf30 million. These two sums considered practically taking the afore-mentioned bottleneck into account.

According to the estimates made at that time it seemed probable, however that the maximum amount of money available Sf100 million (prices of 1953).

/Consequently, the

Consequently, the size of the minimum plan was based on this figure. It may be recalled that the Surinamese contribution would be to furnish one amount of Sf40 million and that the Netherlands and the Inter-bank were prepared to lend Sf40 million and Sf20 million respectively.

2.6 Revision of the Original T.Y.P.

The original T.Y.P. was drawn up during the last four months of 1951 and the first months of 1952.

As much has happened since then, the plan was entirely reviewed and the projected system of financing was changed.

The general idea behind this revision was to select another point of departure, i.e. to base the plan in the first place on the justifiable requirements and then to offset this against the possibilities.

The plan thus entailed the expenditure of a total sum of Sf117 million. The original T.Y.P. i.e. the minimum plan comprised Sf105 million. This sum included an amount of some Sf20 million for Wageringen (large scale rice cultivation).

This means that the revised plan entailed an investment programme of Sf37 million higher.

When drawing up the revised T.Y.P. it was recommended to start with the implementation of the plan on January 1, 1955.

In annex 1, one may find an indication of the intended disbursement of funds over the main sectors.

It was obvious that if unexpected technical difficulties arose in its execution, or if it should be found necessary that the priority originally granted to a specific project required revision the entire schedule would be renewed. Of course this would mean that the plan was effected in each case for a period of two years in a combination of projects to be executed.

/On each

On each occasion the legislative council was consulted about the execution of such specific bi-annual working programmes.

2.7 Planning Organisation

On instruction of the government of Suriname and of the Netherlands the T.Y.P. was drafted by the Central Planning Agency (C.P.A.).

This Agency was then a completely Dutch affair. The task of the C.P.A. at that time was to

- investigate
- draft
- co-ordinate and
- support.

plans which could be helpful in stimulating the immaterial and material prosperity of Suriname.

The C.P.A. was assigned to draw up national development plans directed to the realisation of the national objectives as put forward by the government.

In order to carry this responsible task into effect the national planning body had the following internal organisational structure. The following sections existed:

- 1) Social-economical planning
- 2) Physical planning
- 3) Economic sector programming
- 4) Coordination for multi-purpose projects
- 5) Financing
- 6) Project evaluation
- 7) Plan compilation
- 8) Information

/9) Administration of

9) Administration of all development funds such as financial funds of the T.Y.P., E.E.C. and other funds from outside available for the development of Suriname.

10) Management

The execution of plan activities by means of projects was done by the various ministries, while the C.P.A. coordinated all activities.

During the period of execution of the T.Y.P. a close cooperation on consultation was needed and as a matter of fact existed among the C.P.A. and the National Agency of Statistics while the Bureau for Rural Development (Regional Planning) assisted the C.P.A.

It is important to put on record that in the T.Y.P. period the Planning Bureau was under competency of the Development Advisory Board which was directly under the control of the Prime-Minister.

Since 1970 this situation changed, in the C.P.A. and with it, the National Agency of Statistics and the Bureau of Rural Development were transformed to the jurisdiction of the Department of Natural Resources.

2.8 Execution of the T.Y.P.

According to the Act, No. 669 of March 15, 1955, the execution of the T.Y.P. was directed and coordinated by the C.P.A. in close cooperation with a representative of the Netherlands for the T.Y.P. The procedure in the planning system in this period was:

- the government puts forward national goals
- the C.P.A. gathers all necessary data in cooperation with the different ministries.
- the C.P.A. elaborates the goals and specific objectives and formulates the development plan together with the various ministries.

/In this

In this whole process the ministries had only the task of gathering information and sending it to the C.P.A. according to the rules of the Planning Bureau itself. Their contribution was evaluated by the C.P.A. and was fully or partly integrated in the plan.

The basis for financing the plan was the annual plan budget which was worked out in detail.

The Dutch Parliament, the main financier of the T.Y.P., approved only the whole annual plan budget and not projects. So one can state that in those days the financing of the T.Y.P. was bounded to a whole annual program.

2.9 Supplementary Development Plan

The scope of the T.Y.P. was from 1955-1963. It was necessary to revise the plan and extend it with Sf80 millions. This extension was called the: "Aanvullend Opbouwplan" (Supplementary Development Plan) and had a planning scope from 1962 till 1965.

3. National Development Plan Suriname (N.O.S.) 1965-1975

3.1 A New Perspective Plan

In 1965 the C.P.A. drew up the National Development Plan (N.O.S.) This plan was an overall integral development plan and it had the following goals:

- increasing the Net National income with at least 7% a year
 - improving employment opportunities quantitatively as well as qualitatively
 - improving the balance of payments
 - improving the super and infrastructure (this must be reached by effort to get an optimum distribution of the economic, social and spatial organisation on regional national and international level).
- /- getting more

- getting more and complete data for a correct integral planning system by further investigation and recording of the national factors of production, production situations and economic results.

3.2 First and second Five Year Plans

To reach the afore-mentioned goals the scope of 10 years of the N.O.S. was divided into two periods of five years (first and second five year plans).

These medium-term plans were composed of projects selected according to the goals of the N.O.S.

The plans were financed by Dutch Development Aid and these projects were selected according to the following evaluation criteria:

- the packages of projects had to demonstrate regional and sectoral dispersal.
- the projects in the long run should have a positive influence on the total Government budget

After 1970 (the 4th year of the First Five Year Plan) the Netherlands agreed on financing the second Five Year Plan (1972-1976), which amounts Nf400 millions.

Worth mentioning is that since 1969, Holland did not finance annual programmes anymore, but instead of that the financing of the plans was on the basis of projects.

4. The Legal Frame-work of Development Planning

4.1 Changed situation

While the N.O.S. was in execution this need to strengthen the legal frame-work in which planning had to be done, was strongly felt. This frame-work was needed to regulate all planning activities and procedures and to guarantee in a way the functioning of the planning system.

/The new

The new task regulation of the executing ministries (1970) may be considered as a good starting point to establish this frame-work. The new act was published in G.B. 1970 No. 5.

According to this new act, national and regional planning (C.P.A.) came under the competency of the minister of Development. This happened also with the Bureau for Rural Development and the National Agency of Statistics which agencies were not annexed to the C.P.A. anymore.

4.2 The Central Planning Agency

Since in 1973 the tasks of the C.P.A. were extended to:

1. Preparing, drafting, co-ordinating and supporting of development plans which could be helpful in stimulating immaterial and material prosperity of Suriname.
2. To support the Minister in charge of national and regional planning, in executing the Planning Act (1973), by:

- setting up research projects and functioning as an advisory board to the Minister
- setting up national and regional development programs and drafting, preparing the multiannual plans.

The consequent task from this is that the C.P.A. had to look after the coordination for making, executing, evaluating and revision of the programs and plans.

- managing the administrative aspects and reviewing the development plans and projects which are either in preparation or in execution. The Central Planning Agency was also the controlling Agency for the executing of the plans.
- controlling the execution of the Planning Act.

/4.3 Planning Act

4.3 Planning Act

In 1973 the Planning Act was adopted. This Act was directed to put rules to national and regional planning. It was the intention to reach an optimum physical framework for land use by this Act.

This Act was adopted by Government.

The Minister in charge of national and regional planning is responsible for the execution of this Act and the National Planning Agency and Bureau for Rural Development are the institutional instruments to his disposal for these matters. According to this Act, the point of departure of the development policy must be the exploitation of all (natural) resources of Suriname. The overall objective is then to increase the material, social and cultural needs, prosperity and well-being of the total Surinamese people.

This policy was to be laid down in a national development programme, which should be worked out in one or more regional development programmes.

The planning act deals also with the planning organisation and therefore controls:

- the Central Planning Agency
- the interministry co-ordination Board for Development planning (since at that time the Minister of Development was in charge as such)
- an Advisory Board for Planning and Development for Suriname.

The Advisory Board advises the Minister for Development on national and regional planning on request or on her own accord.

The Central Planning Agency functions as secretary for both Boards, which boards however are not yet inaugurated.

4.4 The Urban Act

In 1972 the Urban Act was adopted by Parliament.

According to this Act, the Ministry of Public Works and Traffic is

/in charge

in charge of urban planning and control of the convenient use of urban space and urban development.

In this Act the position of the co-ordination council for Development planning is settled. This council was inaugurated in 1974 and its tasks were laid down by special act.

5. The Multiannual Plan (M.O.P.)

5.1 General

In 1975 a new perspective plan, following the N.O.S., was formulated by a joint committee of Surinamese and Dutch experts in the field of development planning.

The time scope of this perspective plan lies between 1975 - 1985/1990.

The need to formulate this new plan originated from:

- the fact that Suriname's development entered a new phase i.e. the phase after its institutional independence (1975) from Holland.
- the idea that there should be a frame-work in which the Dutch development aid for the next period had to fit.
- the fact that a new perspective plan was also needed as a follow-up of the N.O.S. of the mid-sixties.

The need was also dictated by the fact that

- 1) the growth of investments had not brought forward the desirable results
- 2) the import of foodstuff was still increasing
- 3) the current account of the balance of payment had a structural deficit

/4) Industrialisation

4) Industrialisation was lagging behind.

5) The import of consumer goods was also increasing.

5.2 Goals of the plan

The development goals as put forward by the administration for this long-term planning period are as follows:

- strengthening the base of the whole economy
- increasing job opportunities
- improving the living conditions of all members of society
- optimal regional dispersal of economic activities.

The leading motive of this plan is "the mobilisation of all possible resources in Suriname", which should lead to self-reliance, which is the philosophy of the policy makers for this plan.

5.3 Constraints and opportunities

The following aspects may be considered as constraints to the execution of the plan:

- The deeply rooted colonial structure of the Surinamese society
- The small domestic market
- The isolated geographical position, far from important international shipping routes.
- The funds for execution of the plan. Additional to it we can stress the problem that the Dutch aid to Suriname for the scope of the plan is not stable. The Dutch government is to finance 1/3 of the investment programmes but this does not imply a correction for inflation or monetary risks.
- A shortage of skills in many fields.

The most important opportunities are:

- The availability of potential natural resources

/- the fact

the fact that the Surinamese and Dutch government agreed that after the 1985-1990 the results of the M.O.P. will be evaluated and that Holland is willing to finance the then recorded deficit up to a maximum of Nf300 millions.

5.4. The Planning Methodology

In the Annual plan for 1978 as in the Annual for 1979 the "bottom-up approach" which is more regional and project oriented is used as underlying methodology, contrary to the annual plan for 1977, which the methodology was that of the "top-down approach" which is more macro-economic oriented.

In the top-down approach the macroeconomic data are disaggregated through the different sectors and regions, to come to a set of activities which have to be developed within the regions.

In the bottom-up approach on the other hand, first of all one has to investigate the opportunities within the regions and in the different sectors, to reach a set of possible development activities which could take place. Addition of these totals will give us the national totals. This principle is demonstrated in the following matrix which concerns employment opportunities:

		S E C T O R S					
		1	2	3	4	5	
R E G I O N S	1	e ₁₁	e ₁₂	e ₁₃	e ₁₄	e ₁₅	R E G I O N A L T O T A L
	2	e ₂₁	e ₂₂	e ₂₃	e ₂₄	e ₂₅	
	3	e ₃₁	e ₃₂	e ₃₃	e ₃₄	e ₃₅	
	4	41	42	43	44	45	
S E C T O R A L T O T A L						N A T I O N A L T O T A L	

/In this

In this matrix the sectors are presented in the horizontal columns and the regions in the vertical rows.

Here the totals of the rows demonstrate the employment in a specific region, while the totals of the columns demonstrate the employment in a specific sector (^a32 = employment in region 3 within sector 2). At last, one comes to the desired allocation in regions and sectors by a method of trial and error. The bottom-up approach traces for every region the potential opportunities. These are summed up to get the regional and sectoral totals, which together produce the national total.

Both methods (top-down and bottom-up approach) have their advantages and disadvantages. Here is not the place to go through this, but the reader is referred to the literature about planning methodology.

5.5 Regional and sectoral approach

1. Regional Approach

Essential in the plan is the development of the natural resources. The regional approach in the plan starts from the principle of selected or growth centers, but strives after a balanced distribution of economic activities over the productive area.

The underlying opinion is that this regional approach will guarantee that the increasing prosperity will be spread sufficiently over the regions.

The formulation of regional and sectoral plans are necessary to fill up this long-term plan and to improve the methodology.

2. Sectoral Approach

The realisation of the goals of the plan calls also for several sectoral measures.

These sectoral measures have to be taken in the economic, social and organisational field. Also in the field of international relations measures have to be taken.

/a) Economic Sectors

a) Economic Sectors

In agriculture the policy set forward in this plan is aimed to the problems concerning land management, farm management, water management and the overall Government policy with respect to the agricultural sector.

The supporting measures for agricultural development suggested in the plan are the field bankcredits extension, education, research, marketing of agricultural products, land reconstruction, etc.

The plan foresees a further development of forestry and integration of this sector with the new timber industry, which is essential for the strengthening of the development in forestry. The mining industry has the task in development policy, as the basis for further industrialisation in Suriname. Because of having more control over benefits of the operations in this sector and in the industrial sector, the government implements the policy to participate in the operations by a "joint venture" strategy.

Additionally, the Surinamese government intends to establish more state-owned companies. To stimulate the establishment of industries and to improve the efficiency in these industries, an Industrial Development Institute will be working in that field.

b) Social Sectors

The programme stresses the creation of material supplies and the initiation of a process for mobilisation in order to increase the active participation of the Suriname people in the overall development process. This means that there must be convenient actions in the field of manpower and education etc.

In this respect the suggestion to start to formulate a population policy is very important.

5.6 Financing the Plan

The investment programme of this M.O.P. was budgeted in 1975 for Sf6.6 billion of which 1/3 (one third) will be financed by the Netherlands.

/This is

This is settled in an agreement about the development co-operation between the Netherlands and Suriname. The other 2/3 (two third) of the funds could come from:

- domestic levies and savings, by private companies and from the public sector.
- loans and financial and technical contribution of international institutions as: A.I.D., World Bank, I.M.F., E.D.F., O.A.S., U.N.D.P., F.A.O., etc.
- Foreign private and/or bilateral aid funds.

5.7 International Frame-work for the execution of planning

In respect to the constraint: small domestic market, the programme stresses the need of joining to Caricom, in order to overcome this constraint. As a young independent nation it is necessary that Suriname's orientation will not only be Europe but also other regions, especially the Caribbean and Latin American Region. The European market is an essential market for goods from Suriname, therefore the association of Suriname to the E.E.C. is, according to this programme, of necessity. Other benefits of this association is that Suriname can then make use of the possibilities of the European Development Fund, for financing various development projects out of the M.O.P.

The partnership of the International Bauxite Association is seen as very essential to the Suriname policy concerning the exploitation of bauxite. This partnership gives Suriname the opportunity to have a mining policy, based on international agreements by which Suriname can have a stronger position against the trans-national companies operating here of those that are to operate in Suriname in the future.

Besides these inter-regional and inter-national institutions, Suriname participates in the O.A.S.

/The Netherlands

The Netherlands are very much involved in the plan execution through the C.O.N.S.^{1/} which approves projects to be financed out of the Dutch funds for Suriname.

The national development objectives are used here as selecting criteria to the different investment projects.

One of the conditions put forward by the CONS when a project has to be financed concerns project preparation and reporting different stages of the projects.

5.8 Revision of the plan

In every (perspective) plan there must be a plan flexibility. This means that also the M.O.P. has to be updated and filled up by results of rolling research.

With these results parts of the plan probably should be revised. In the period behind us various regional and sectoral plans have been formulated. Since 1976 the National Planning Agency is formulating annual plans which also contain projections for the next four years. The annual plan evaluates the execution of the programme on the past period as well. At last the Annual Plan gives the consequences and the constraints on sectoral, regional and national level. It is recommendable that beside Annual Plans, which are based on this perspective plan, just like in the period 1965-1975, that we prepare two five-year plans, a five-year plan for the period 1980-1985 and one for the period 1985-1990, because this is not yet the case.

Worthy of mention is: that in the Annual Plan for 1979 the suggestion is made to revise this long term plan for the period 1980-1985, based on better and more recent information.

^{1/} Commission for Development Cooperation The Netherlands/Suriname. The Commission consists of 3 Suriname and 3 Dutch experts, who were appointed by the Suriname and Dutch government at the independence of Suriname in 1975.

6. Organisational Framework for Development Policy

6.1 The Public Administration

One of the constraints for implementing the national self reliance concept is the old colonial structure of the public administration. Because of this the plan stresses highly on a restructuring of the public administration.

As one of the means for restructuring the public administration, the plan mentions, decentralization of authority to certain institutions and regions.

This idea of restructuring is based on the opinion that the public administration should be more "development oriented". In this process of restructurization, the University, which trains people to work in the development process, can be extremely important.

SUMMARY

A Brief Outline of 30 Year Development Planning in Suriname (1947-1977)

Surinamese development planning starts from 1947. From that year until now four national development plans were drawn up of which since 1963 the last two plans can be characterised by a more or less comprehensive structure, in that the private as well as public sectors have been dealt with. The afore-mentioned plans are:

- The Prosperity Fund (1947-1955)
- The Ten-Year Plan (1955-1965)
- The National Development Plan (N.O.S.) (1965-1975)
- The Multi-annual Plan (M.O.P.) (1975-1985-90)

Since 1965 emphasis was put on the development of natural resources as a means of effecting growth in the economy. Besides this in the latest development plan (M.O.P.), the need for an equal distribution of economic activities and welfare among all regions was stressed.

This means that more than ever in Suriname one was obliged to formulate sectoral and regional plans.

This period of development planning experience can be characterised as a period in which development planning was highly linked to development aid, especially from Holland.

As we can see, at the independence from Holland in 1975, one of the conditions of the Netherlands for the commitment to furnish development aid was that a comprehensive development plan should be drawn up. The intention was that the Dutch aid could be fit into this plan.

As a matter of fact this situation of linking development planning to development aid has strongly influenced and determined the planning system in Suriname.

/As a

As a strong and smoothly functioning planning system is one of the conditions for effective planning, the need is now greatly felt to strengthen this system in Suriname. Up until now this planning system has been very weak. Therefore, to achieve a stronger planning system, we must break through this situation in which development was too strongly linked with development aid.

Another condition in the efforts to achieve a strong and effective planning system is the commitment to planning which in fact means that planning should be institutionalized in the national, regional and local context.

/ANNEX 1

ANNEX 1

Scheme of Expenditure on Main Sectors in Mln.Sf

For purposes of comparison the figures of the original T.Y.P. are also shown.

<u>Sectors</u>	<u>New Version</u>	<u>Old Version</u>
Agriculture	29.3	19.9
Forestry	6.5	6.0
Industry	6.4	5.0
Mining	6.5	2.7
Aerial photogrammetry	2.2	0.3
Transport	26.8	19.6
General provisions & public utilities	4.9	4.7
Education	6.1	3.9
Public Health	10.0	5.7
Welfare Service	1.3	1.3
Public Housing	4.0	—
People's credit service	2.0	2.2
Technical Assistance	2.0	—
Improvement of Government Administration	1.2	0.2
Provision of Labour Justice	4.8	—
Administration of T.Y.P.	3.0	—
Total	117.0	79.5
Wageningen (rice)		20.2
Preliminary investigation of Brokopondo project (energy)		0.3
Total		100.0

PLANNING IN THE NETHERLANDS ANTILLES

Since the establishing of the oil refineries (Shell and Exxon) in Curaçao and Aruba, the Netherlands Antilles (N.A.) are known as relatively prosperous.

Until the fifties there was a shortage of manpower. The population of the islands was too small to meet all the job opportunities, so there was a large immigration from the other islands and countries in the region to the N.A. This economic boom lasted until the 60s, when the international economic situation obligated the oil refineries to streamline their production in the form of automation. As a result of this development, thousands of people lost their jobs. First the foreign workers were laid off, then the Netherland Antillians followed. We can say that the employment in the oil industry has now stabilized at ± 3 000 workers compared with ± 20 000 during the 50s.

As the N.A. government was not prepared for this situation, it had no programme or plan to cope with the new situation. The main instrument it used to fight the problem of unemployment were migration mainly to Holland and the development aid from Holland to initiate projects and so create the necessary jobs.

Although the N.A. were a high income-per-capita nation, the N.A. government could convince the Dutch that the aid was necessary for a programme of diversification of the economy, which was considered the only solution for the unemployment problem. Since then the N.A. created a tourist-sector, some industries arose, the infrastructure improved, etc. during the period of these activities (60s - 70s) the first requests were heard for planning, because though one roughly knew what one was doing, there was no real plan, so one could not evaluate the results of these policies.

/It seemed

It seemed that most people were convinced of the importance of planning but there were serious institutional problems (how to organize planning).

In the context of the historical events in the N.A. we briefly tried to describe, our delegation listened with great interest to the presentation of the delegates of the different islands. These experiences will be of great importance to us in connection with the future developments in the N.A. Several of the problems are similar to ours; in particular the Suriname case before independence.

Planning in the sense of macro-planning until now is unknown in the N.A. The activities concentrated more on project preparation and project coordination in connection with the development aid from Holland.

Besides the pressure of the economic events to plan, the increasing unemployment since the automation of the oil industry, another factor grew important - this is the development towards independence. Now the main question is: "How to Plan?" In the first place we have the problem on which level the planning bureau has to be established, since the N.A. consists of six islands, each of them with their own governments and besides that a Central Government. Since 1954, this is the year in which the N.A. formed an autonomous part of the Dutch Kingdom, some activities are the responsibility of the Central Government and some the responsibility of each of the island governments, with their own budgets. So, speaking in terms of planning, the instruments were divided on different levels, which created an enormous problem in connection with planning.

This situation has become more complex, since one of the islands demands for more autonomy or even complete independence from the rest of the N.A. The latest developments seem to be going in the direction of more autonomy for the islands. So anticipating the new relationships among

/the islands,

the islands, mainly Aruba and Curacao are preparing their planning on the island-level. The role left to the Central Government in this new development at this moment is uncertain, but is intensively discussed in a Kingdom Committee consisting of delegations of all the islands, the Central Government and Holland.

To conclude, we can state that in the N.A. there is a strong inclination for planning on a decentralized level and not on the central level.

Planning in Curacao

In Curacao planning up to now has limited itself to some kind of project planning, with the exception of the Ten Year Plan 1962-1972, which however was looked upon as project planning in the implementation stage. This was partly due to the fact that the plan was coupled to Dutch development aid in the form of project aid. Only certain projects derived from the ten year plan were implemented, as there was no adequate follow up on the plan. The follow up only consisted of project preparation and project implementation, with the Department of Economic Development, later the Department for Industrialization and Development performing the co-ordination function.

For the period 1972-1976, again partly because Dutch development aid to the Netherlands Antilles consisted of project aid, a so called five year investment plan 1972-1976 was made. Again the follow up only consisted of project preparation and implementation and again only some of the project were implemented.

The philosophy behind these plans and projects was public sector planning aimed at influencing social and economic development directly through the implementation of the projects and indirectly through an expected positive effect of implemented projects on private activities.

/Social-Economic

Social-Economic
Planning Bureau

Physical
Planning Unit

Co-ordination and
Integration of
Planning

Dept.
Agriculture

Dept.
Industry &
Trade

Dept.
Tourism

Dept.
Services

Dept.
Health

Sectorial Planning

Other Departments:
Utilities
Education
Housing
Finance
Land Affairs
Public Works
Social Affairs
Etc.

/For the

For the period 1978-1980 only an Indicative List of Projects has been prepared, while steps are being undertaken to arrive at a planning system able to produce an integrated Total Plan for the period 1981-1990. In the first instance this ten-year plan would merely be a Perspective Plan, but by instituting a permanent social-economic planning the plan would be evaluated year by year reviewed where necessary and refined on short term basis.

The planning system would involve the elaboration of sectorial plans in different government departments, and the co-ordination and integration of planning, project preparation and implementation by the Social-Economic Planning Unit and the Physical Planning Unit.

There are two factors of main importance in this system and process of planning, communication and manpower, that will determine the efficiency and effectiveness of planning. There should be a continuous communication and feed-back in the system both vertically and horizontally, and there should be a permanent theoretical and practical preparation and formation and training of our manpower on all levels.

Planning in Aruba

A very global overview (without being complete) of the development in Aruba, conducted to the planning concerns of today.

Since the early 1960s the Dutch financial and technical development aid was given to us in the frame-work of a multi-annual development aid programme.

This multi-annual development aid programme, which consisted of three stages of five years each, ended in 1976. From that time onwards we are in a stage of transition. That is to say that the Dutch government decided that development aid, as it was given to us up to 1976, could not be continued in that way, because it did not pay; the useful effect in the distinguished

/sectors of

sectors of the Aruban community did not turn out to be what it was expected to be.

As it is put, the development aid in the period up to 1976 did not diminish the primary economic and social problems of Aruba and it increased the dependence towards the Netherlands. Apart from that the Dutch had a political conscientious objection of still being a colonial country in this time.

Because of this, in the present stage of transition discussion has been opened on the several levels of government:

- the Kingdom of the Netherlands;
- the Netherlands Antilles as a total;
- the level of insular governments,

about how to continue the co-operation between the different governments concerned.

The idea is that these discussions or deliberations should lead to a frame-work in which the political, economical and social development of each island and the Antilles as a total is basically settled.

The present stage of transition must thus lead to planned development.

In Aruba the planning situation is as follows:

- Up to now we have been engaged in project-planning in the economic and other sectors. Planning was thus scattered in various government departments.
- Now we are trying to bring together all planning activities; that is to say to at least formulate basic points of departure in planning; formulate common priorities, and co-ordinate the planning activities on the island.

In this process we encounter some structural problems (which I would like to suggest as issues for discussion) such as:

/i) the

- i) the interference of external forces, which are not sufficiently familiar to our political, economical and social problems, in the process of our coming to an adequate and proper view of our own planning,
- ii) the absence of adequate statistical data for planning,
- iii) the past and present influence on the level of methods of planning brought in by our Aruban planners who studied in Holland, and which do not meet with the historical state and development of our planning activity.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved.

Record Keeping

The second part of the document provides a detailed explanation of the various methods used to collect and analyze data. It describes the different types of data that can be collected and the various techniques used to analyze this data. It also discusses the importance of ensuring the accuracy and reliability of the data collected.

DEVELOPMENT PLANNING IN BARBADOS

An Overview

Development planning has a fairly long history in Barbados. On the surface, planning experience would seem to extend over a period of almost 35 years with the first experiments in planning dating back to a ten-year plan, published in 1945. This was followed by a series of three-year and five-year plans from 1952 onwards.

The first "Sketch Plan" of development for the period 1946-56 was published in 1945. This was followed by a five-year Plan of Development and Taxation for the period 1952-53, 1956-57 and by subsequent development plans covering the periods 1955-60; 1962-65; 1965-68; 1969-72 and 1973-77. These plans were all confined to public sector activities. They have however contained policy measures designed to influence the private sector.

The budgetary aspect of development planning predominated in these early development plans. In the absence of a clearly articulated planning framework it was difficult to anticipate various bottlenecks in the implementation process. Indeed, because the budgetary aspect of planning was emphasized, the existence of a development policy or of any precisely defined objectives could hardly be discerned.

The Sketch Plan of Development, 1945-56 did not define its development policy or even state its objectives. If the Plan could have said to have had one objective it seemed to be that of expanding the sugar industry

/since in

since in the words of its writers "any substantial increase in the national economy is dependent on the expansion of the sugar industry".

The Development Plan for the period 1955-60 was more specific in terms of a development policy. However, while it indicated that it was Government's policy to "press on with measures which lead to the further economic development of the Island" those measures were not fully stated. It was also recognised that "all other development must, indeed, be based on economic development, and proposals to facilitate trade and industry and to encourage agriculture and fisheries therefore given high priority. Conscious that development objectives need not only be economic in nature, Government also aimed at achieving balanced progress in the creation of a healthy well-house, educated, skilled and fully employed community".

Subsequent Development Plans were more ambitious in scope and attempted to establish a framework for the establishment of priorities among development objectives than those of the 1950's. The objectives of the Development Plans of the 1960's can be summarised as follows:

1. To provide productive employment for new entrants to the labour force and for those already in the labour force both unemployed or underemployed.
2. To reduce the unhealthy dependence of the economy upon a single agricultural crop by means of agricultural diversification, the development of an industrial sector and the expansion of the tourist industry.
3. To improve the country's balance of trade position through the promotion of exports.
4. To control the growth rate of the population in line with the economy's capacity to absorb increasing numbers.

/5. To

5. To improve and expand the health, housing and educational facilities of the nation.

Sectoral programmes which include measures for achieving the various objectives and which indicate the specific projects to be carried out have been included as essential components of these development plans. The plans have been formulated within a medium-term time frame which has usually been a period of three to five years.

The 1973-77 Development Plan introduced a number of new departures from past plans. It realistically recognized that such objectives as eliminating or even reducing appreciably unemployment, structural diversification, improving an adverse trade balance and obtaining substantial improvement and expansion of the health, housing and educational facilities of the nation were indeed long-term objectives that could only be fully realised over the course of many development plans. This plan also took special note of the effect of such constraints upon the economy as small economic size; extreme dependence upon foreign trade and relative lack of natural, financial and technical resources. Further, the plan aimed at the development of specific projects which would contribute to the realization of the major objectives and emphasized the importance of post-planning activities such as implementation and evaluation of those projects. The objectives were quantified wherever possible and transformed into what was considered realistic targets. With these targets at which to aim there was reason to believe that implementation of the Plan would reach a high degree of efficiency. However, many of the targets were not realized by the end of the period partly due to the unforeseen adverse developments which have been experienced in recent years. These include stagflation abroad and drought conditions at home, together with their effect on import prices, export demand, domestic production, employment and income.

/Current Relevance

Current Relevance of the Above Objectives

During the 1960 decade the nation experienced substantial social and economic progress. The social and economic development realised could not however be expected to satisfy the legitimate aspirations of either Government or people. Starting from a position where the economic and social system yielded only the barest necessities to the masses it was possible, by means of a systematic development programme to satisfy to a great extent most of the basic needs of the population. But by almost any criteria of development Barbados is still a developing country and as such the struggle to achieve an acceptable standard of living for all its people is still to be won. Hence the objectives set in past plans can only be said to have been partially accomplished. Moreover, growth and development in a nation is a continuing process and there can be no complacency over past achievements.

At any given moment the order of the objectives that are sought to be achieved may be changed or some objectives may have to be put in abeyance in the face of conflict with other more desirable objectives. But the essential purpose of all the chosen objectives will always be that of raising the living standards of the nation.

The objectives stated in other plans, except where they are mutually incompatible are still relevant. It is still Government's policy to raise the standard of living by means of expanded productive employment opportunities which can only be realised through the diversification and expansion of the economic structure. The current plan (1979-83) which is still in the process of preparation therefore highlights these as two of its major objectives.

/The other

The other major objective is achieving greater economic self-sufficiency through export growth and import substitution. The emphasis of the 1979-83 Development Plan therefore will be on export promotion with export manufacturing as the strategic sector to provide sources of employment and increased foreign exchange earnings, further development in tourism and agricultural diversification of crops to meet local consumption needs to reduce import demand. The Government's aim will be to implement policies and projects oriented to the promotion of long term economic growth involving the private and public sectors.

The Planning Process

In 1962, the Government of Barbados set up a Central Planning Committee, consisting mainly of Government Ministers, to assess the development needs of Barbados. In 1965 the Economic Planning Unit was established to serve the Committee by developing forecasts, publishing the annual economic survey and drawing up economic plans. The Unit now forms part of the Ministry of Finance and Planning which is headed by the Prime Minister.

Within the general framework of the strategies and objectives set in the Government's development plans; detailed planning occurs via the budgetary process. Estimates of expenditure are initially developed by each Ministry and then submitted to the Estimates Committee which is chaired by the Minister of Finance and Planning, and includes the Director of Finance and Planning and senior officials of each Ministry involved. The Estimates Committee usually bases its decisions on previous expenditure levels and revenue forecasts and it is within this Committee that revenue estimates and recurrent expenditures are determined. The capital budget is then formulated by the Committee based on anticipated operating surpluses and the present debt situation. The Minister of Finance and

Planning together with the Director, Finance and Planning and the Permanent Secretaries of the Planning and Finance Divisions are responsible for setting short-term objectives to guide the Planning Division and the Budget Section of the Ministry of Finance and Planning.

The medium and long-term overall objectives are set at the national level by a Standing Committee of the Cabinet, the Planning and Priorities Committee (the Central Planning Committee until 1976). This Committee clears the plans for all development projects. Sectoral plans are prepared by Ministries in accordance with these national objectives which are submitted to the Ministry of Finance and Planning for assessment and evaluation and coordination at the national level. Planning is essentially from the top down and after approval at the executive level, the plan document is submitted to the legislature for final approval by Parliament.

Limitations to Planning in Barbados

Development planning in Barbados is limited by a number of factors.

In the first place the public sector is relatively small. In 1977 it accounted for some 30% of gross domestic capital formation and for some 15.9% of gross domestic product, while Government consumption accounted for only 20% of the GDP at market prices. This indicates that in a national plan, the decisions made by the private sector assume significant importance. Secondly, the economy depends to a large extent on inflows of foreign private capital, and such inflows are surrounded by uncertainty. Thirdly, the economy is highly open and dependent on exports and imports. The degree of openness may be indicated by the fact that the ratio of imports of goods and non factor services to GDP at market prices was 0.74 in 1977 while the corresponding export ratio in that year was 0.60.

/These three

These three fundamental factors make planning and forecasting in Barbados very different from planning and forecasting in a country with a low ratio of foreign trade, a large public sector and relatively little dependence on foreign investment.

To recognize these limitations, however, is not to imply that programming is impossible in an economy like that of Barbados. In the first place there are a variety of measures such as tax incentives, fiscal, monetary and commercial policy measures which the Government can and has used to influence the private sector. In addition, the Government in its public sector programme has undertaken a series of overhead investments such as airport and port expansion project designed to facilitate productive private investment. Government action has therefore primarily been designed to provide a well developed social and economic framework within which the private sector could operate to the benefit of the whole economy.

Improvement of Planning Machinery

Considerable scope exists for the improvement of development planning efforts and within recent years steps have been taken to improve the machinery for planning and implementation in Barbados. The principal measures have been:

1. The establishment of a Standing Committee of the Cabinet - Planning and Priorities Committee - possessing executive authority as the central co-ordinating body for the development of long and medium range plans by the various Ministries and Agencies. This is not a centralized mechanism but on behalf of Cabinet, acts as the authority for selecting, assigning priorities to and monitoring the progress of the projects through which the plans will be realised.

/2. Increasing

2. Increasing the efficiency and effectiveness of decision making on public sector capital resource allocation through the establishment of a Public Investment Unit within the Ministry of Finance and Planning. This Unit also acts as a secretariat to the Planning and Priorities Committee and has been established with a view to effecting sound project planning with a view to better control of expenditure.
3. The designation within most ministries and agencies of planning units and/or project executing units. One of the key weaknesses in development planning has been the inability of executive agencies to formulate and prepare projects which in turn has imposed severe burdens on the central planning agency. The establishment of such bodies means that ministries are now in a better position than formerly to prepare their own sectoral plans and projects and therefore eliminate some of the concomitant difficulties in implementation.
4. The institution of sound project planning procedures in ministries and agencies through the preparation of project reports on all major projects for submission to the Planning and Priorities Committee and through better field supervision through the use of project managers in particular for the large projects.
5. In-service training programmes for both administrative and technical officers, particularly with respect to project preparation and evaluation.
6. Attempts to make up for shortages of technical staff through use of technical assistance personnel.

In addition to the measures outlined above, with the attainment of independence in 1966 and a greatly expanded public sector, the Government

/recognized that

recognized that certain administrative changes and reforms were required if its development objectives were to be achieved. A number of administrative measures and reforms have therefore been introduced to improve the efficiency of the general administrative apparatus of Government. These measures have been effective and have also greatly facilitated the specific task of formulating and executing Government's development plans.

The first part of the document is a letter from the author to the editor of the journal. The letter discusses the author's interest in the journal and the author's qualifications for the position. The author mentions that they have a Ph.D. in the field and have published several articles in the field. The author also mentions that they have been teaching the subject for several years and are looking for a position where they can continue to research and teach. The letter concludes with a request for the editor to consider the author for the position.

The second part of the document is a letter from the editor to the author. The editor thanks the author for their letter and expresses interest in the author's qualifications. The editor mentions that they will be looking at the author's work and will get back to the author soon. The editor also mentions that they will be looking for someone who is interested in the field and who has the necessary qualifications. The letter concludes with a request for the author to provide more information about their work and qualifications.

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TOWARDS A MACRO DYNAMIC METHODOLOGY FOR TRANSPORTATION PLANNING IN THE CARIBBEAN ENVIRONMENT

by Winston Dookeran

Transportation has played an important part in the historical processes of economic growth and development. The railroads, it was argued were prime movers in the development of the western states of America and the pace of the modern industrial revolution in Europe was accelerated by the emergence of an extensive transport system.^{1/} How critical this role has been remains a matter of concern to the policy-makers and academic researchers. This is especially so for developing countries as they attempt to determine the optimal resource allocation for the transport sector.

The debate on the dynamic nature of the transport sector is yet to come into full focus. The developing world in this, as in other situations, faces the need to make transport decisions without a clear specification of the macroeconomic role of transportation in the development processes. Planning, in such circumstances may result in internally inconsistent programmes, measured against micro and macroeconomic criteria. In this paper, we hope to open a dialogue on some of these issues as they pertain to planning methodology in the Caribbean transport environment.

The Transport Function

We shall identify three major components to the transport function viz., the capital component, the spatial component and the technological component. These broad classifications would be used to interpret and

1/ See, for a full discussion Fogel (3), Hawke (6) and O'Connor (15).

analyse the functional relationship between the transport sector and the rest of the economy. The aggregate effect of transport decisions on the overall economic performance of the economy may be traced through an analysis of the capital coefficient and aggregate production function.

The spatial component draws into focus the question of spatial and sectorial linkages, and as such allows transport decisions to be evaluated against the effect they may have on the level and sectorial accessibility^{1/} of factor endowments in the economy. Technical progress operates through increasing productivity and/or lowering of real costs, both of which may be used as proxies to measure and evaluate the effects of transport decisions on macro economic quantities.

Transport as Social Overhead Capital

Traditionally, transport investments have been lumped as part of social overhead capital. The transport development effect could be traced on the resultant changes that these investments may have on the level, internal structure and behaviour of the capital coefficient.^{2/} This implies that the incremental capital output ratio is a good proxy for measuring macro economic effects. Such a measure must take into consideration the lumpiness of investment (a feature of transport investment), as this would certainly influence the sizes of the increment that are operationally meaningful. The capital coefficient tends to exhibit a cyclical behaviour over the development period. This implies a situation where each period

^{1/} "Sectorial accessibility" is related to the concept of interspatial efficiency and refers to that distribution of factor endowment across sectors (or regions) that would yield maximum input-output combinations.

^{2/} The capital coefficient is used here as the output capital ration. In cases where the population constraint is endogenized, the per capita capital output ration may be used without loss of generality.

of high productivity of capital is preceded by a period of low productivity, a period in which "the infrastructure of the national economy and the opening up of the community is taking place".^{1/}

The capital coefficient or its incremental counterpart does not itself unlease forces that would cause substantial changes in these ratios. The dynamics of the environment becomes the crucial factor for such changes to take place. Hence, the transport component of the capital coefficient becomes a necessary but not sufficient condition for altering the internal structure of the capital coefficient. This probably explains why the early enthusiasm for transport investments in the developing world did not sustain itself. The environment may have lacked complementary endogenous forces that were necessary to move the economy. The view that transportation has a catalytic effect "capable of inducing reactions in otherwise inert situations"^{2/} did not prevail under real world conditions in developing economies. Hence, the focus of attention shifted to the determination of the "optimal distance" between the demand for and supply of transport infrastructure and services.

As such, the overall strategy of development "via excess capacity" envisaged in the early literature, resurfaced again in recent works on transport development under the guise of "optimal distance" required to assure the maximum transport development effect.^{3/} Attempts to measure this "distance" imposes some theoretical ambiguities and call for the differentiation of transport demand between consumer and producer goods.

^{1/} Bocardic [2] p.

^{2/} Gwilliam [4] p.

^{3/} See for a full discussion Hirsham [8] and Hoyle [7]. Hoyle argues that transport investment may have a positive, permissive or negative effect on development, depending on the "distance" between supply and demand for transport. Wilson [9] provides a useful summary of the arguments.

It is likely that any approach to differentiate transport demand may produce a measuring basis. This could lead to what appears to be a reduction in the demand for transport but may really mean the shifting of the burden of transport costs to the economic activities or to consumers by imposing locational and mobility inefficiencies on them. There is also the problem of disaggregating excess transport demand to clearly distinguish between the problem of the peak and the infrastructural congestion problem. The policy prescriptions would of course differ depending on the exact nature of excess transport demand.

Spatial and Linkage Effect of Transport

Unlike the capital component of the transport function which operates through the capital coefficient (and aggregate production function), the spatial component affects the level and sectorial accessibility of factor endowments in the economy. Transportation changes the production and exchange frontiers of an economy, thus enlarging the base and deepening the spatial and sectorial linkages. This has the effect of encouraging a greater diffusion of the growth process. Although the consequent distribution of the benefits of the growth process, need not follow the same pattern. This distinction is important, but is outside the main argument of this paper.

There are two aspects to the spatial component of the transport function. Firstly, there is the evolvement of a spatial interactive process that explains what has come to be described as the formative power of the transport sector. Voigt identifies the dynamic of self-development of the transport sector and its macro-economic formative power (its effect upon

sectors outside

sectors outside itself) as key to understanding the potency of transport policy in a dynamic setting. Transport service is not merely desired but "it can innovate itself and induce new production possibilities ... it is structure determinative"^{1/}. The second aspect leads to a consideration of technology. As such it calls for a discussion of the relations between price relations, factor endowment and choice of techniques.

The linkage role of transport systems is an interactive one as "few forces have been more influential in modifying the earth through transportation, yet transportation itself is the result of other forces"^{2/}. The interaction between the spatial economy and the transport system, influences the pattern of growth and the spatial distribution of development in an economy. In this sense, the spatial boundaries for which a transport system is being planned would significantly affect the transport system itself. This emphasizes the long run formative power of transport development on the structure of the economy. The degree of this effect in the short run would depend on the extent to which transport costs are sensitive in outputs of the production structure. Here the planning methodology can implicitly

^{1/} Voigt 18

^{2/} Ullman 17

/or explicitly

or explicitly provide a particular bias to the structure of production and settlement ^{1/} in an economy.

1/ Toaffe et al [16]. Toaffe's well known model for "an ideal-type regime of transport development" brings out clearly the spatial interactive processes. Toaffe identifies six processes in his model, processes that need not occur in discrete units nor do they need to take place in a continuous frame. These processes are summarized as follows:

- Small ports and trading posts are scattered along the sea coast. There is little lateral interconnection and each port services a limited hinterland.
- Emergence of penetration lines to the interior which sets in motion spatial readjustment in accordance with slightly comparative locational advantages.
- Development of feeder routes and the beginnings of lateral interconnections.
- Creation of modes serving the feeder network and the deepening of lateral interconnections.
- Full lateral interconnection as the system links all the ports, internal centres and nodes.
- Development of truck routes largely in response to the effects of the existing activity system on the transportation network.

In this model, the spatial linkage effect dominates the development process as the production and exchange frontiers of the economy are enlarged. This gives rise to the modification of the economy production transformation curve and hence alter the factor endowments facing that economy. On the exchange side, the transport system could alter the price relations in the economy, either consistent with the transformation curve movement or in an opposite direction. To the extent that the price relations and the transformation curve move in harmony, more efficient trading routes would be opened up.

Transport as a Technological Phenomenon

Transport infrastructure and services constitute a cost to the economy which may be measured in terms of real resources consumed.^{1/} This aspect could be measured by estimating the absolute and/or relative changes in the real resources utilised for the realization of the transport function. Such changes take place either through technological innovations and/or changes in the price relatives facing that economy. Innovations would be economically positive if they induce changes in the factor price relatives that results in higher output input ratios at the aggregate level. On the other hand, changes in price relatives may be caused by factors other than innovations. In either case, transport decisions consume real resources. Where such resources are decreased significantly, a new dynamism is set in motion that may draw inert resources into activity. On the other hand a relative increase in the real resources consumed for transportation may have a dampening effect on the economy and even contract the production and exchange frontiers of that economy.

Technological innovations in the transport field respond to the private demand for transport i.e. both as producer and consumer goods. Such demand creates a complementary pull on publicly financed resources. It is possible that innovations that are economic with respect to satisfying private demand may exhibit diseconomies when applied to the complementary public demand. This is so because of divergences between private and social cost in an economy. For instance, the use of privately owned vehicles as the dominant mode to satisfy mass transport demand has a hidden and lagged effect on public resource requisites. This along with the high cost of reversing transport technology emphasize the need for

^{1/} For an interesting discussion on this aspect see Lee Vance /12/. Lee Vance worked out a methodology for calculating resources consumed in the provision of transport infrastructure and services and provides a framework for deriving the "optimal technology" in given environment.

inter-temporal efficiency in the planning methodology. Technological forecasting is an essential input to the planning methodology if inter-temporal efficiency is to be achieved.

The following table attempts to summarize the main operational quantities appropriate for the different aspects of the transport function.

-
- | | |
|------------------------------|---|
| a. Capital aspects | - aggregate capital coefficient |
| | - incremental capital-output ratio |
| | - "optimal distance" between supply and demand |
| b. Spatial aspects | - level and mix of factor endowments |
| | - sectorial accessibility of factor endowments |
| | - formative power on the structure of the economy |
| c. Technical progress aspect | - real resources consumed |
| | - self-dynamism of transport investment |
| | - structure of transport demand |
-

The planning methodology for transportation has largely ignored the dynamic component of the transport function. It is certain that this has not been without cost to developing countries. There is a clear need for the re-orientation of research and policy perspectives in this area. There is still a very long way to go towards developing a transport development theory. As the transport relationship becomes clearer, appropriate changes at the level of methodology will follow. The link between micro-economic efficiency and social efficiency remains the key methodological issue facing transport planning.

/Towards a

Towards a Methodology for the Caribbean Environment

Transport planning in the region is relatively new and it is perhaps fair to say that there has been little discussion on questions on Methodology. Transport programmes have generally been formulated within a partial analytical framework and little attention has been given to the macro-dynamic aspects of the transport function. Some of the theoretical constructs around which a macro dynamic framework may be built have been identified in the earlier part of this paper.

A first appraisal of planning methodology in the transport economy of the region does suggest that there has been an underlying conceptualization of the role of the transport sector in the development processes. Historically, transport decisions have been geared to the interest of the export oriented sectors of the economy and to consideration of public administration and security. There were high priority issues during the colonial era. Consequently, the development of inter-island transport and the fusion of internal transport network with the productive potential of the economy did not attract public policy focus. Emerging from the priorities of historical times therefore is a pattern of transport development that cannot be easily changed.^{1/} The persistence of economic dependency in the post-colonial period continues to discourage the emergence of dynamic forces that may transform the pattern of transport development.

A feature of the transport environment is the extent of outside investment in the transport sector of the region.^{2/} A proportionately

^{1/} This is due to the difficulties in reversing a set pattern of development in the transport sector. The difficulties arise out of the cost of such a process as well as possibilities of changing activity patterns based on the transport development.

^{2/} The Caribbean Development Bank 1977 Annual Report indicated that 17.4% of net loans approved were for Ports, 97% of which were allocated to the LDC's. In addition, Airport Loans were granted to St. Lucia and Antigua. A large part of bilateral financial flows from metropolitan countries is for transport infrastructure (particularly airport).

/large part

large part of these investments are for infrastructural projects like ports and airports with little emphasis on services. Wickenden ^{1/} argued that in the Caribbean region there appears to have been overinvestment in infrastructure and due to the lack of regional planning there has been no attempt made to vary equipment or services to overcome deficiencies and thus obviate the need for further infrastructural development.^{1/} This assertion, if correct ^{2/} underlines the need for a more comprehensive domain within which planning methodology must function.

The reliance on external financing of transport projects raises another issue. Because of the continuing (and perhaps increasing) economic dependency of the region, external financing is more likely to maximize the complementarity of the local economy with its external counterpart. That is to say that projects that are financed are likely to increase the degree of dependency rather than to encourage the spatial or sectorial integration of the region. In this situation, a macro dynamic methodology for transport planning must, apart from broadening the domain, ensure that implementation variables be endogenised in the analysis.

The international nature of the transport industry and the openness of the Caribbean economy almost makes transport technology an exogenous factor in the planning process. In a dynamic sense, high technology levels may consume larger quantities of resources and in the absence of scale operations yield a proportionately lower output. To the extent that this assertion is empirically valid, the policy implications are clear. There must either be a lower level of technology or an increase in the scale of operations, otherwise the balance between resource used and macro benefits

^{1/} Wickenden ^{20/} p. 10

^{2/} A cursory examination of the types of transport investment undertaken in the Caribbean validates Wickenden's point. Wickenden goes on to argue in his paper that the mix of transport investment that has accrued in the region during the last decade would have been much different if one were aware of the available resources at the start of the period.
/may not

may not be achieved. If the transport function is viewed as having a technological component (as suggested earlier), then the planning methodology must attempt to achieve this balance.

The conceptual understanding of the transport-development effect in the contemporary environment has meant that transport investment has been viewed myopically in a totally infrastructural sense. Most development plans in the region relegate the discussion of transport to Chapter dealing with infrastructural investments. Also, Ministerial responsibility for transport has tended to be located fully in Ministry of "Works".^{1/} Transport investments are thus viewed in the context of social overhead capital rather than transport policy. The domain of transport policy is constricted largely by questions of public subsidies for transport enterprises and consequential transfer issues. This has led to the use of public subsidy analysis for the justification of major transport decisions.^{2/} Public subsidy analysis could only be part of a methodology that is appropriate for the evaluation of transport decisions. On the same vein, the regulation of the transport sector has been concerned more with public safety issues than with economic objectives.

In general, transport decision in the Caribbean environment are analysed through partial analysis. In some cases, the partial analysis used may even be inappropriate to the transport problem. This approach has meant a heavy reliance on matters like traffic forecasting, assessment of market shares, determination of infrastructural requirements and opportunities for development assistance. Transport planning in this framework is pre-occupied with reducing bottlenecks and responding to demand generated by an

^{1/} In the Caribbean, Works Ministries are primarily concerned with physical implementation and construction.

^{2/} The decision to withdraw the railway service in Trinidad in the 1960's was a major transport policy decision. The Madory Report, the basis upon which this decision was analysed, used the minimization of public deficits as the major objectives in the decision matrix.

/"unequal" market.

"unequal" ^{1/} market. Such an approach would lead to an incongruence between the transportation and general economic plan. Internal inconsistency within the transportation plan (formal or informal) could be a consequence of this methodological approach.

Methodology and theory cannot be divorced. The absence of a clear specification of the role of the transport function in the development processes has limited the development of a comprehensive planning methodology for the transport economy. This in turn has meant large inconsistencies within transportation plans and between such plans and the overall economic plan. In general there has been a variance between micro economic efficiency and social efficiency in the methodology. An integrated transport plan where intra and inter modal inconsistencies are eliminated, and where allocative and distributional effects are socially efficient is unlikely to evolve from the current planning environment. A macro dynamic conceptualization of the role of the transport economy may suggest a re-appraisal of planning methodology for this sector.

^{1/} The term "unequal" is used instead of "imperfect" to emphasize that there are both allocational and distributional considerations to be taken into account.

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POLITICAL ECONOMY OF AGRICULTURAL AND RURAL
SECTOR PLANNING IN CARIBBEAN SOCIETIES

An Outline

Basically, planning means, and involves, direction and control by human agents of the resources around and available to them for the satisfaction of their needs and wants. The extent of articulation of plan and actuality depends of course on the degree of control over environment. Thus, for example, achievements of plans in farming are less determinate than in "manufacturing" because farmers have less control over inputs critical to achieving planned levels of output. Rain may or may not fall at the right time and in the right amounts for crops and livestock to survive. And all kinds of other eventualities may happen to disturb normally expected relationships between inputs (planned) and output ('out-turn').

Agriculture and rural living, therefore require some kind of special consideration in our efforts to direct the progression of the welfare of our people's lives. Caribbean society, like the rest of world society, has had a particular historical experience that explains why things are the way they are and how they came to be so. We have to understand this basic fact if we are to achieve forward movement. Every society produces and reproduces. Its reproduction depends on expansion but expansion is not unilinear. And different societies expand and contract in different ways at different times.

We produce in order to consume. But how much is produced in one time interval depends on how much production was left over from the last; that is to say, how much surplus is available to produce anew.

Caribbean society is a part of world society. No state society in the world of today exists in isolation. Contacts between societies help

/determine direction

determine direction of change. Twentieth century world society consists of three categories of social formations:

- (i) capitalist;
- (ii) socialist; and
- (iii) those state societies in transition from capitalism to socialism.

1. State-Societies and Social Formations

The nation state is recent in the history of mankind.

The Marxist approach to the study of world history identifies

the following social formations:

- (i) primitive communal
- (ii) tribute paying
- (iii) feudal
- (iv) slave
- (v) capitalist
- (vi) socialist
- (vii) communist

Different societies historically have experienced variations of these sequences of dominating formations in their evolutions.

Caribbean society moved along the continuous of: (i) \longleftrightarrow (iv) \longleftrightarrow (v) \longrightarrow (vi). Here, European contact beginning in the late 15th century utterly destroyed the primitive communal societies of Arawaks and other tribes of Indigenous Indian people in most Caribbean countries. And only remnants of some of these tribal societies survive today as appendices in some countries like Dominica where the fierce Carib Indians live today in "reserval" sectors of those countries.

Wherever class societies developed, resource use and the development/underdevelopment of different classes depend on the institutional organisation that determines what is produced, how it is produced, and how

/what is

what is produced is distributed among the people who make up the society, and how consumption is distributed over time.

2. Caribbean Rural Society

European owned slave plantations were established to generate surpluses from the exploitation of transplanted African labour for the consumption of Europeans in Europe. Thus Europe came to develop itself and simultaneously underdeveloped Africa and the Caribbean.

Agricultural production in the Caribbean is carried on by different kinds of plantations and peasants. And with the exception of Cuba that production takes place within the orbit of the capitalist mode of production and exchange. Cuba is a socialist society. And agricultural production there comes from state-owned plantation enterprises and individual small farmers (modern peasants) whose production is planned associatively through ANAP. State agricultural production is directed through INRA. Thus agricultural activity becomes articulated nationally.

Elsewhere in the region the characteristic pattern is disarticulation both within the agricultural sector and within the national state societies. The degree of this disarticulation depends on the levels of integration of the different countries within the international capitalist and socialist systems. And this in turn determines the patterns of development and underdevelopment which are observed.

Some Caribbean countries are underdeveloping with the International Capitalist System. And a few appear to be in some kind of transition toward socialism. Jamaica and Guyana are examples of transitional societies. And their development planning experiences represent an advancement in comparison with the conventional planning exercises carried out elsewhere.

/3. Agricultural Planning

3. Agricultural Planning in the Capitalist State Societies

(i) Approaches and problems:

The overriding traditional concern in planning is with trying to achieve certain levels of output which will balance input demand in other sectors of the economy. That is, to achieve articulation between sectors. The success of such efforts depends ultimately on how much control and authority planners have over resource use and distribution. In the capitalist societies, there is in fact very limited control. For decision-making is carried out by private producers operating in the autonomous fashion.

Generally, we find an unstable co-existence of capitalist plantations and peasant producers who stand somewhere within and without the pale depending on their ownership of the means of production. Big peasants operate as capitalists for they own sufficient means to hire the labour of other people on a continuous basis. Small peasants have to rely entirely on family labour, but because farms are too small they have to seek supplement farm income with wage work on plantations and in the public sector. While middle peasants hire wage labour sometimes (mostly for preparation and harvest). In this situation plan achievement becomes difficult and tenuous.

The chart on the following page is illustrative of this.

(ii) Systematic Outline:

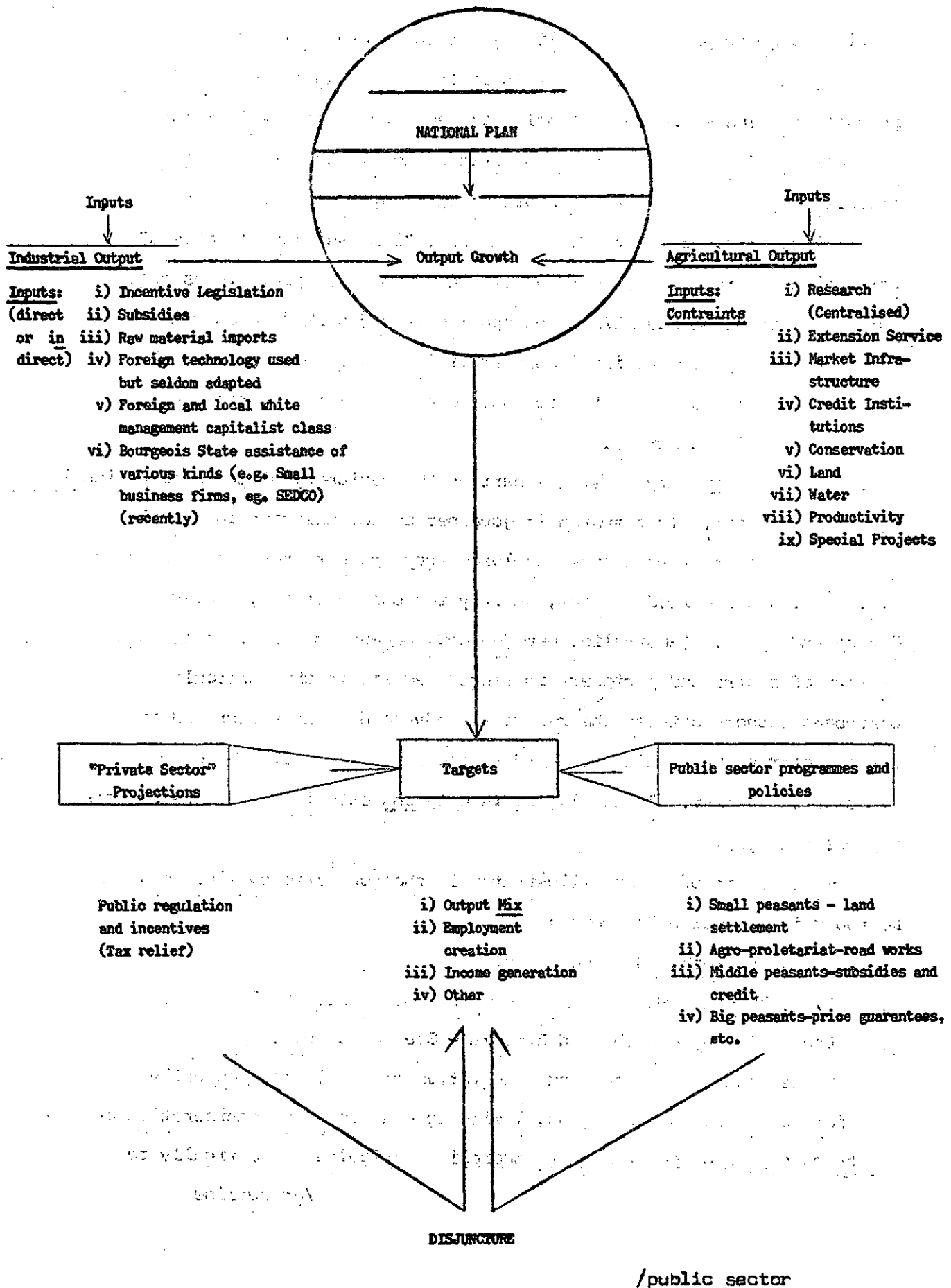
Planning normally covers time intervals varying from:

- a) Annual Budgets
- b) 5-Year Plans
- c) 20-Year Indicative Plans

(iii) Results

What ultimately determines the achievement of the targets above depends on the way the capitalist sector moves. Governments determine the

"Planning Framework"
(5 year plans)



public sector programmes and policies but these are designed to stimulate the private profit motives of those who own the means of production. There are in fact only limited efforts to re-distribute the societies' resources for the benefit of small peasants and other classes and groups who have been dispossessed by the legacy of the slave plantation. So we find, for example, "land settlement schemes" which allocate relatively poor quality lands in small plots to as many potential voters as possible. And "public (road) works" schemes are stretched in similar fashion from what limited funds become available to government from the meagre tax revenues generated within peripheral capitalist state societies.

Caribbean economy exists as part of the periphery of the international capitalist system. That system is governed by accumulation on a world scale of a kind that transfers surpluses from the periphery the countries i.e. the industrialised nations, chiefly the United States, Western Europe and Japan. (Australia, New Zealand, Canada as well). This same pattern of centre and periphery is reproduced within the particular Caribbean economy between the relatively advanced urban sector and the rural sector which remains backward at the expense of both the city and the overseas centre. Typically, it is only one city that develops in this Caribbean states.

Elaboration of points illustrated in the schematic outline above can be found in the following works:

1. George L. Beckford - See select bibliography
2. C. Y. Thomas - Havelock R. Brewster - See select bibliography
3. Louis Lindsay - Myths and Symbols - See select bibliography

Since these analytical and descriptive materials are generally familiar to our discussion group, I wish to pass on to a consideration of the transition from capitalist to socialist agriculture and finally to

/an outline

an outline of some of the regional possibilities and potentials for the betterment of the welfare of Caribbean peoples and the development potential of the Basin.

4. Societies in Transition

The imbalances generated within the peripheral capitalist economies of the Caribbean grow essentially out of the inherent structural disarticulation that derives from the disconnection between resource use and demand and between consumer needs and demand. The only way of overcoming these bottlenecks is to break the stranglehold that the capitalists have on the society's resources. Revolution was the route by which Cuba achieved this.

Jamaica and Guyana are two interesting cases of societies trying to make a break with capitalism by non-revolutionary means. "Democratic Socialism" and "Cooperative Socialism" are the official descriptions of the development paths along which these Caribbean countries are travelling at the present time. What is being attempted is national social reorganisation of a kind that redistributes resources in a more equitable fashion than the inherited capitalist plantation system.

Basically, the transition process involves three kinds of fundamental changes in the sub- and superstructures of society:

- (a) Land Reform
- (b) Organisational Change
- (c) Technological Development

Jamaica and Guyana are concerned at present mainly with item (b) on the agenda; while Cuba has progressed beyond that: beginning with item (a) early in 1959 that country proceeded immediately to grapple with (b) and by 1965 was poised for seriously tackling item (c). The results have indeed been spectacular.

/Since descriptive

Since descriptive materials on cooperatives are widely available and understood, I wish to focus attention on a new and Jamaican innovation for organisational change which at present is in very early implementational stages. The Community Enterprise Organisation (CEO) was introduced by the Jamaica Government in April 1977; and is now shaping to be implemented during 1979.

What is the nature of the CEO and how can it advance the transition to socialism? Land rights and ownership of many areas of production are vested in the community, not the state. Production goes beyond farming into industry and services. And the surplus distribution goes back into production as well as development of community social infrastructure.

The following is extracted from an Emergency Production Plan document written early 1977 on Community Enterprise Organisations (CEOs).

(a) Words & Meanings

(i) The three words which are abbreviated in the nomenclature CEO have certain distinctive meanings, in the ideological cum practical sense. Let us examine the meaning of each.

(ii) A Community consists of several districts (villages) with identifiable social and economic contacts, which are central to the lives of the people within its embrace. Quick communication within the community is essential for action, business, work and recreation. Every community has a post office, churches, schools, and a police station; and it should have a health clinic. A community, then is a central meeting place for the people of different districts. Households within the community have certain established relationships which facilitate production and exchange. There are established socio-economic levels of activity that generate homogeneous patterns of work, recreation, and rituals.

//(iii) Previous

(iii) Previous studies and governmental planning exercises have identified 4 000 communities. With the total national population of over 2 million persons, that would imply 500 persons per community. These data should be reviewed and careful analyses made of communities. Studies like those of Cumper, M.G. Smith, and Eyre (plus Geography Department) are useful to begin with. But the work of Louis Lindsay and Carl Stone, along with Foner's Status & Power in Rural Jamaica can be used as background studies of rural people, and their aspirations.

(iv) Enterprise conveys two meanings, one of which is applied to human situations to mean "get up and go...". The other meaning is big business. Both meanings are applied here. First, people in communities must view the enterprise as a new dynamic entity which will raise their material and moral levels of living. Enterprise goes beyond the micro farm-firm relations of production. It includes agro-industrial activities, housing, crafts, recreation, etc. Secondly, people in the community control a significant land base from which many activities are possible. Forty-nine year lease-agreements with Central Government would provide a secure land-base for the community.

(v) Community Council would constitute themselves into Boards of Directors who chart the immediate and long-term direction of the Enterprise. A general manager who receives weekly (and, daily, if necessary) reports from Department Heads, and who is responsible to the Council's Board of Directors would be appointed. In addition to Agricultural (farming) activities, the enterprise would be involved in agro-industry, in housing, in health matters, and in building-up a social infrastructure for all who live in the community.

(vi) Organisation is the key to the success of the CEOs. The first requirement is discipline, and the second is placing cadres of unswerving commitment to socialism. Organisation provides levels of

/managerial functions

managerial functions which will assist in building up a strong people's parliament at the community level. This kind of strategy is important for all the communities. Effectively, the CEOs' authority is established by way of (local and Central Government back active. But when communities come to realise that the people (i.e. themselves) own and control a large land base, the subsequent upliftment of confidence will release the creative energies of the people - energies which have remained dormant as a result of the crushing blows of Yankee Imperialism blows which damage both our culture and our economic way of life.

(vii) Organisation of the CEOs is straight forward. The optimal mix of productive activity and potential can be arrived at by extension officers. After this stage, then the enterprise can borrow working capital. The fact is that people learn by doing. So that over time, there will be a build-up of information and communication capability. This is a matter of highest priority, e.g. some of the youths want action now (cf. Lyssons meeting) and no response by the MMOB or follow-up, will certainly turn them off.

(viii) The Enterprise engages in several types of activities. So that there is an urgent need to set up the MMOB staff structure and communications network. Among the agro-industrial complex, for example, department managers will be responsible to ensure adequate raw material supplies (farming) to be available at certain times. Timing is of the essence. A nation-wide programme for re-training of field officers, especially to build-up some knowledge of how democratic socialism works; and how cooperatives work. All these things should have been done yesterday. While it is true that people learn by doing, they have been anxiously waiting for four months to see some action along democratic socialist lines. Time is certainly not the healer of wounds. Man must

/act in

act in accordance with the rhetoric. Otherwise, the masses of Jamaican people will take up their own arms to press for immediate action; especially the land.

(b) Steps Towards Structure Change

(i) Everybody now recognises the importance of land to the people. Project Land Lease (PLL) was (and is) the single most important instrument of recent change. PLL must continue, mainly in Phases I & II, and should carry with it an educational dimension, i.e. from JAMAL level right up to principles of co-operative and communal organisation, with a view to raising the consciousness of people which is where it matters.

(ii) It is proposed that PLL Phase III should be on co-operative lines. However, encouragement should be given to the farmers concerned about the meaning of socialism in our Jamaican context. Phases I & II are geared to the expansion needs of the older farmers. That job is being done well. But there are large numbers of young, would be farmers who could be settled along the lines already set out in PLL III projection. However, it is proposed here that all "Food Farms" should be replaced with CEOs. There are some 18 such units of production covering some 50 000 acres. As well, government must respond positively to community groups which have come forward with specific and identifiable land and people development.

The Claverty Cottage project is one that demonstrates advanced thought and action. And there are several others like that project.

(iii) The old-time promises of land for the people (i.e. "land settlement schemes" for poor 1938 Moyne Commission Report) are no longer acceptable. We believe that the continuation of PLL is a sure way of winning electoral support. But this does not advance the democratic socialist movement. What is required is something that will

sparkle the minds of our youth. CEOs will change the existing order of things. Community Enterprises are the single most important new concept. These can begin right away for some of the Food Farms.

Sufficient equipment is available in the country now. A start can therefore be made during 1977, to harness our resources with a view to reaping harvests in 1978 and beyond. CEOs could carry certain lines of research in collaboration with the Ministry of Agriculture. But here we are dealing with projected changes in the Plan; and how it affects the Ministry.

(iv) The Youth of Jamaica are ready. All they need is access to production tools, seed and the land. The CEOs provide a pioneering opportunity for youth leaving the city; and to engage in large-scale communal enterprise. The process of selection of the young settler-types will require a careful screening of those who apply. Women must be included in this programme in a positive and forceful manner.

(v) A considerable amount of red-tape needs to be removed or circumvented in order to get things done. This is unsatisfactory. The bureaucracy has vested interests in maintaining the status quo and can be an obstacle and irritant.

(vi) Training programmes are essential; and vocational education activities to manufacture tools and to repair the breach between grammar schools and technical schools. Management training for potential cadres must start with the physical. Then, introduction to the science of management (including farm). Along with political education to heighten consciousness of the farmers, youth and professionals, who offer services free of cost by using their holidays to spend on things and music: architects, veterinary medicine, nutritionists, economists, and so on down the line.

/(vii) The training

(vii) The training programmes should be done in the field under extension officers instructions. CAST and UWI Management Department can develop a senior management capability to project along CEO lines. All high schools should have a technical arm to transform grammar schools into comprehensive high schools, with a strong bias for modern rural developmental thrust.

Up to the present time the Community has no legal identity. Consequently, the Jamaican Government has Tabled a Green Paper on Community Council which is appended here. This Green paper provides for a national discussion of the proposals it embodies prior to a parliamentary debate to conclude the issue. This approach bears some similarities with the evolution of the Organs of People's Power that gave rise to the present People's Power assemblies for popular participation in Cuba.

Social Change in Cuba

Cuba mounted an agrarian reform programme to supplement its land reform of 1959. That involved not just organisational change but as well social engineering based on material and moral incentives for people participation in the decision-making process relating to change and transition.

Since participants in this Conference will be given a first hand look at the INRA and ANAP, I wish to focus our consideration at present to the question of technological development. The achievements of the Cuban revolution in development of the production process have been most spectacular in rural-urban activities that concern the five basic needs of all human society: food, housing, education, health and clothing. Achievements in these areas within the past decade placed Cuba in a position to begin extending technical aid to the rest of the Caribbean and the Third World, especially Africa. The shifting balance of world power today is testimony of these achievements. The growing importance

NEO-CLASSICAL EXPOSITION OF RATES OF TECHNOLOGICAL TRANSFORMATION

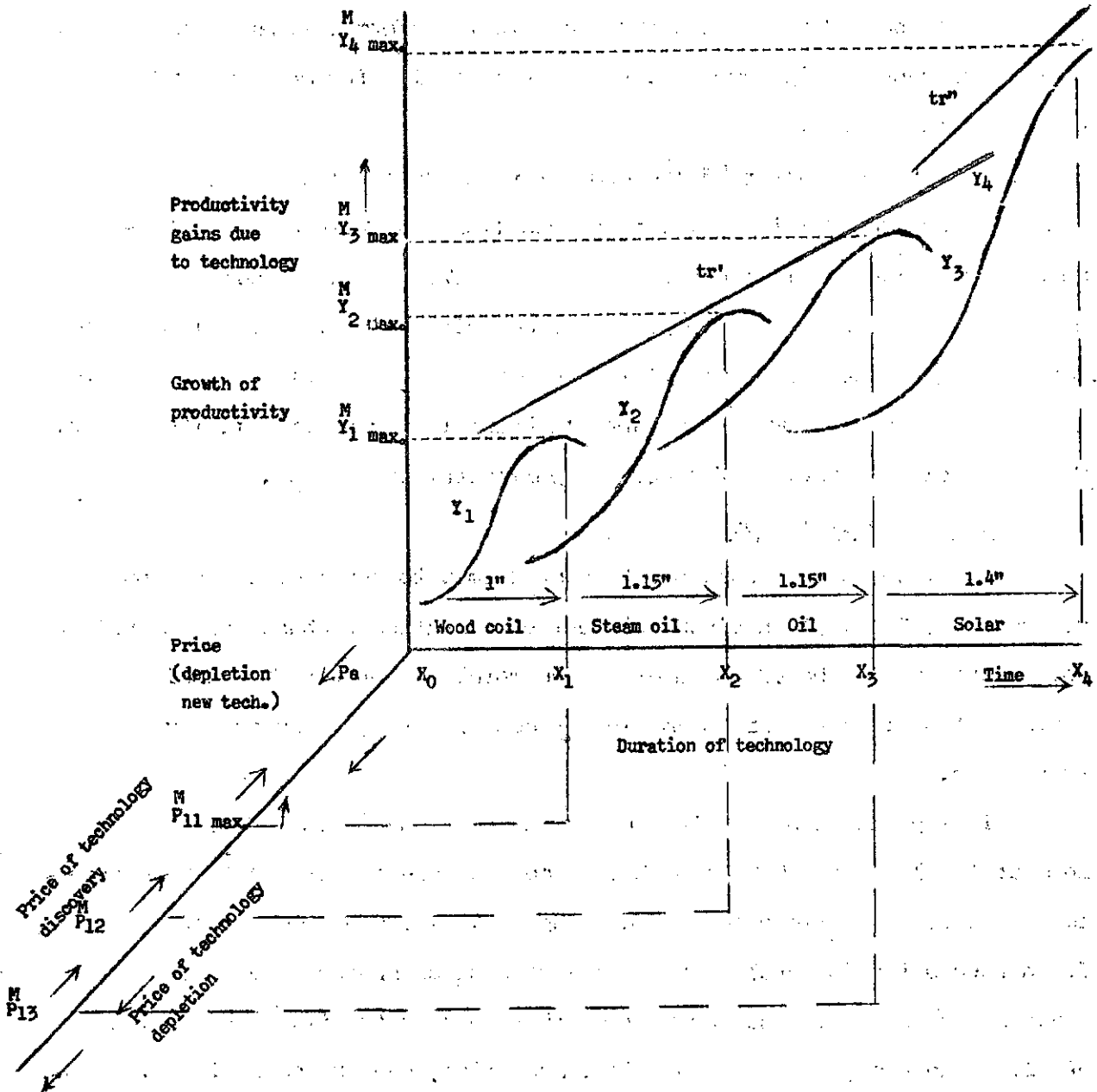


Figure: A model of the Dynamics of Technological Transformation
(and the implied rate of technological progress)

/of "Non-Aligned"

of "Non-Aligned" movement and the liberation of Southern Africa are at the centre of the world's stage today.

So let me turn to some of the theoretical bases underlying technological development generally so that we can place the Cuban achievement within a Caribbean and World perspective. Only the outlines of the analysis are presented in the chart on the following page. I intend to elaborate the argument in a separate paper at some later date.

Explaining the Model and its Ingredients

Hybrid corn, nitrogen fertilisers, weedicides, pesticides can be used as agricultural proxies for the energy examples in the chart above (i.e. wood/coal; coal/steam; oil (petroleum); solar).

Discussion on the workings of the model are in the text statement that follows this notation.

The time duration of technology is measured on the X axis while the growth of productivity deriving from technology rises on the Y axis. Price is the third axis but with a two-way street each side representing discovery (fallen prices) and depletion (rising prices). See arrows on price axis.

Note that different technologies (Y1 ... Y4) have different time productivity profiles. Hence productivity gains differ between one and another. Additionally, the time duration for the foundation/naturity of each technology differ as well. Compare 1.4" scale for (Y4) (nuclear) with 1" scale for (wood/coal) (Y1).

Notations

$Y_1 \dots Y_4$ maximum productivity with technology

$Y_1 \dots Y_4$

$M_1 \dots M_4$ maximum price for utilising relevant technology at the point of its maximum productivity.

/P has no

P has no significance as the minimum price for technology
Y1 at its lowest level of productivity (wood is a "free good" then).

$t_n' < t_n''$ trend rates of "technological progress"

technological disjuncture occurs here. And a new set of dynamic sequences follows.

Character of the Model

Now note the following characters of the model:

(i) The shape of the Y_1 function depends on the cumulative knowledge infrastructure necessary to fructify that particular technology to its most rapid rate of productivity gains.

(ii) eg. Y_3 above has a longer foundation period than Y_2 , thus the duration of Y_3 is greater than Y_2 (i.e. in a diffusional sense $Y_3 < Y_2$).

(iii) Dynamic interaction (through the market/pricing mechanism) applies more to exhaustible than to inexhaustible resources. Since as exhaustibles deplete, price rises will induce investment in replacement resources (unknown or known but yet uneconomical). In the last instance, the very fact that the old substitute rises in price makes the new technology more competitive (e.g. harnessing solar energy or desalinating sea water for irrigation - as replacements for oil and river underground respectively).

(iv) For inexhaustible resources, the model becomes indeterminate and depends on what kinds of economies of all kinds (including environmental) can be derived from its unlimited use, for infinity.

(v) Always in the foundation phase of a new resource/technology, very little is known of the likely "spread effects" of development infrastructure from that single base. There may be so many great allied (engineering, social and other) activities that are natural outgrowths that a virtual takeoff of a new kind - qualitatively and quantitatively -

/occurs. As

occurs. As such, conjunctures in the growth and accretion of science, creates a disjuncture in the trend rate of technical progress occurs. (See tr" vs. tr" in the Chart). That has the quality of what historically has been termed an "Industrial Revolution". And it is. But only in a certain sense because unless we revert to our analysis of people, distribution and who gets what, the "revolution" would have left many behind. This is the sad tale of the damned of today's earth - the socialist children of tomorrow must inherit better: the sweet fruits of the material progress nurtured by the kind of advancement in the material forces of production which this stylized model has outlined.

The model stops here - short of the distribution question - short of the popular participation argument both of which we must return to complete the planning strategy for helping the rural poor.

The next section turns to these considerations and offers some proposals for a regional collaborative effort.

5. Regional Planning Possibilities for Rural Development

The three stage process of transition in Cuba is based on the three historical necessities in the transition from capitalism to socialism. It is being suggested here that the particular transition from capitalist plantation agriculture to socialist agriculture involves the liberation of land for the peasantry, followed by the establishment of organisational structures which will promote popular participation. And that this eventually will generate the technological dynamic for social change and progress.

On the whole, the transition from capitalism to socialism really "constitutes a whole historical stage which begins with the taking over of political power by the working people and ends with the building of socialism".

Possibilities for Caribbean development in the agricultural and rural sector rest on the same fundamental bases of land reform, organisational change and technological development. The land resources of the region must be combined in a way that will lead to elimination of malnutrition and the provision of basic needs. Organisational change will be necessary to mobilise the popular process to those ends. And technological development will gain a fresh impetus.

Planning to achieve those goals must begin by state decisions of a certain kind. And this assembly is a new beginning. What follows depends partly on what we can agree to move on to next and partly on the will of Caribbean governments. But ultimately the people and the people alone are the motive force in the making of world history.

A materials shortage exists relating to the Associated States and newly independent nations of the Eastern Caribbean island chain. I propose that a start be made by this Conference agreeing to make an inventory, of what materials are available. Twelve man-months of consultant's work would be adequate. A Data Bank seems a priority at this time.

6. Implications and Suggestions

All of the Caribbean region, apart from Socialist Cuba, are intricately locked into the international capitalist system. There are striking similarities between them - one "crop/dependent" capitalist entities buffeted back and forth in a sea turbulent with recurrent capitalist crises, such as we are in right now.

Yet there is diversity in adversity. There are differences between the islands of the regional chain - some significant, others not. The conventional distinction is between "MDCs", ("more developed" countries like Trinidad-Tobago, Jamaica, Guyana, and Barbados) and "LDCs" (lesser "developed countries, like the Windward and Leeward Islands). This

/conventional dichotomy

conventional dichotomy obscures the dynamic elements in the change process.

For purposes of planning, a view of the region might more profitably disaggregate the regional mass of nation-states according to the dominant one "crop" that is the engine of economic change. Thus, I think we might look at the following typology in our planning exercises:

Caribbean-Types of Economies

<u>Pure Mineral</u>	<u>Pure Tourist</u>	<u>Pure Plantation</u>	<u>Peasant Export</u>	<u>Mixed Economies</u>
Trinidad/Tobago	Bahamas	St. Kitts	St. Lucia	Jamaica
Aruba	Cayman Is.	Belize	St. Vincent	Guyana
Curacao	Montserrat	(Barbados)	Dominica	Barbados
	(Barbados)	Dominican Rep.	Grenada	Puerto Rico
			Haiti	

The highly capital-intensive nature of Mineral operations creates relatively few jobs compared to say Tourism or Plantation Agriculture. And Peasant export though low in income have more equitable distributions of that income than Plantation.

More research into questions of differential income generation, differential employment creation, real export-earning capacities, food self-sufficiency, etc. could be undertaken.

The appended "model" transactions matrix (see next page), shows up some of the main lacunae within the domestic ("Residentiary") economy. These pockets provide some scope for building regional structural interdependence. Meanwhile repatriation of the overseas sectors can be greatly

Common assault on the capitalist MNCs operating in the scope for those firms playing one country off another.

/OVERSEAS RESIDENTIARY

OVERSEAS

RESIDENTIARY

Payments Receipts	OVERSEAS						RESIDENTIARY								
	Plan.	Min.	Tour.	Man.	Bank.	Mt. (R.O.W.)	Pea.	Dist.	Trans.	Cons.	Man.	Scr.	Govt.	H/H	S/I
Plantation	X			X	X	X									X
Mining		X		X	X	X									X
Tourism			X		X	X								O	X
Manufac.	X	X		X	X	X	O			O		O	X	X	X
Banking	X	X	X	X		X	O	O	O	O	O	O	X	X	X
Metrop. (R.O.W.)	X	X	X	X	X	X	x	x	X	O	x	O	X	X	X
Peasant	x		O			X		X			x			X	O
Distrib.			O	O			x		x	x	x	x	X	X	O
Transport	O	O	O	O			x	x		X	x	x	X	X	O
Construct.	X	X	X	X	X		x	x			X	x	X	X	x
Manufact.			O			O	x	x	x	X		x	X	x	O
Services	O	O	O	O			x	x		X			X	x	O
Govt.	x	x	x	O	x	x	x	x	x	x	x	x		x	x
Households	x	x	x	O	O	X	x	x	x	X	x	x	X		x
Savings/ Investment	X	X	X	X	X	X	x	x	x	x	x	x	X	x	

Notations: Cells marked X indicate relatively large transactions (i.e. payments and receipts).

Cells marked x indicate relatively small transactions.

Cells marked O indicate minor (insignificant) transactions. Empty cells indicate no transactions.

/Nationalisation models

Nationalisation models like Cuba and Guyana must be studied and compared with the land repatriation cum production levy approach of Jamaica.

Girvan and Jefferson's "Corporate vs Regional Integration" (New World Quarterly, 1968) made a good start in this analysis (mainly from the historical viewpoint). We now need a forward view, especially in light of a rapidly changing world environment.

My feeling is that small countries have much room for manoeuvre between the legs of the giants. And we should exploit these possibilities for promoting the kinds of conditions which will contribute to the betterment of the masses of workers and peasants in the region.

Political Dimensions of Change

Some ideas about the political perceptions necessary for regional strategies that are appropriate to the case on hand can be gleaned from Tables 1 and 2 appended here. Table 2, for example, shows that in Jamaica the younger people are more ready to nationalise bauxite than their older folk. The youth are generally more ready for the forward march. But how many, and under what conditions will march back from the cities to the countryside? That is one of the puzzling questions that can only be answered by political mobilisation of a kind that is nothing short of revolutionary.

Table 1: Changes in Political Party Systems in the English Speaking Caribbean 1962-1972
Party System 1962

<u>Party System 1972</u>	<u>No Effective Parties</u>	<u>One Party Dominant</u>	<u>Two Party Persistence</u>	<u>Multiple Party</u>
One Party Dominant ...	Turks & Caicos Br. Virgin Is. (BVI) Cayman Islands	St. Kitts-Nevis- Anguilla Belize		Antigua
Two Party Persistence ...			Barbados Jamaica	Guyana
Multiple Party ...	Dominica	Montserrat	Grenada St. Lucia St. Vincent Trinidad & Tobago	Bahamas

Source: J.E. Greene.

/Table 2: Political

Table 2: Political Generation and Attitude Change within the White Collar and Manual Occupations*

	Per cent Support- ing Rasta or Black	Per cent Favouring The Nationali- sation of Bauxite	Per cent Favouring to Third Party	Per cent Hostile to NWU and BITU	Per cent Antagonistic to Whites	Per cent Pre- ferring to Re- late and Work for Blacks
<u>1st. Generation</u>						
Age 50 & Over	16	15	39	26	8	29
<u>2nd Generation</u>						
Age 30 to 49	30	28	53	40	15	35
<u>3rd Generation</u>						
Age less than 30	42	41	62	48	32	41

* The age distribution of these strata among the respondents is roughly similar.

Source: Carl Stone, *Class, Race and Political Behaviour in Urban Jamaica*, (Kingston, 1973), p. 162.

/Regional Implications

Regional Implications and Suggestions or What can be done

1. (a) Land Resource Combination
- (b) Knowledge Resource Combination
- (c) Organisational Lessons to be learned from each other
- (d) Harmonisation of Policies
- (e) Study of each other's Plans
(Inventory of Agriculture Plans regionally documentation centre)
2. (a) Institutional Linkages
CDDC - ECLA - CARICOM - UWI - UG - U. Habana - U. Oriente -
US/Clara.
(b) Political Directorate
what role? Caribbean Summit/for Real
- (c) Caribbean Food Plan
- (d) Study Marketing Protocol - Crop sequencing and regimes
(Regionally)
- (e) Surpluses and Shortages of Foodstuffs - even out; do not wait
for hurricane and famine.
3. (a) Mini - Max Solutions
Minimize waste
Maximize people's welfare
- (b) Planning how to achieve 'C1.
Ultimately, "The People and the People alone are the motive force ...".

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TECHNOLOGY PLANNING IN DEVELOPING COUNTRIES

Introduction

A review of the modern economic growth experience of any industrialized country reveals the fact that a very large part of the growth of output can neither be explained by simple expansion of the labor force or additions to the stock of capital but rather by a third or residual factor known as technical progress. And yet, until recently few countries - especially among the market economy countries - have given systematic attention to the formulation of technology policies much less to the inclusion of a comprehensive technology plan within the framework of national development planning.

You can have import substitution, you can have domestic production and even some economic diversification but you cannot have a self-reliant, self-sustaining development without at some stage acquiring the ability to choose selectively, adapt, modify and generate your own technology. There is, therefore, a strong case for the conscious formulation of a technology policy and the preparation of a plan for strengthening national scientific and technological capabilities.

In order to assist developing countries in the methodological and substantive aspects of technology planning as an instrument for strengthening their technological capacity, the UNCTAD secretariat prepared a report describing and evaluating the science and technology plans recently drawn up by five developing countries: Brazil, India, Mexico, Pakistan and Venezuela. The resulting document which I have distributed to you is a preliminary treatment of the subject (TD/B/C.6/29). A more detailed study on technology planning in developing countries has been prepared by the UNCTAD Secretariat which should appear in published form very shortly (TD/238/Supp.1).

/Today I

Today I would just like to present a few general ideas concerning technology planning in order to try to convince you of the need for it and to give you a schematic view of its main components.

Objectives and Policy Instruments

I would like to begin by emphasizing that nothing that I say in this intervention is intended to overlook the fact that developing countries will have to continue to be dependent on imported equipment and know-how for many of their technological requirements for some time to come. Self-reliance does not mean autarky but rather the capacity to make rational technological decisions in pursuit of national development objectives. If one scrutinizes carefully the situation in any particular sector, one can see that there are some highly advanced techniques that only can be imported as is, others that involve modification and still others that require either the upgrading of local processes and production techniques or the development of new ones. The identification and consideration of such options is part of what is encompassed in technology planning.

What then are the main tasks of technological development? In UNCTAD we have grouped them into four categories:

- (i) Unpackaging of imported technology (this simply means for any given project, the breaking down of its various components - feasibility studies, engineering and design consultancy, plant construction, machinery and process know-how, plant operation ect. - and their acquisition from different sources, foreign or domestic, under the best terms and conditions).
- (ii) Adaptation to local requirements.
- (iii) Research and development for generation of indigenous technology.
- (iv) Provision of technical services

/The way

The way that these tasks are accomplished will depend on the type of economic and political system, the extent of state intervention in the economy and the type of instruments available to governments for this purpose. There are a wide variety of instruments which have a direct or indirect influence on technological development. For example: foreign investment laws, industrial property and licensing regulations, consumer protection legislation, industrial and agricultural policies, fiscal policies, development lending policies, education and manpower training and research and development. The point is that somewhere in the government machinery there should be an institution or authority responsible for coordinating these policy instruments in an integrated fashion so as to promote the development of the country's own technology.

The Need for a Separate Technology Plan

Technology is an integral part of the economy; every action of production and investment involves the use of and, therefore, the choice of technologies. The question arises, therefore, how there can be a technology plan distinct and different from a plan for production and investment which constitutes what is called an economic development plan. It is to this question that I now turn.

Technology planning should be considered in relation not only to the concept of development planning as a whole, but also to such concepts as education planning, health planning, manpower planning and transport planning. In theory, an economic development plan should encompass simultaneously all the aspects of social and economic development; and, of course, education health and transport plans are not and cannot be independent of each other or of the economic development plan. Development in any one of these areas interacts with development in all the others. But neither in practice nor in theory is it possible to take care of all these aspects of development

/together. From

together. From the practical point of view each one poses a complex set of problems that call for concentrated attention by people who specialize in them and who, by that token, cannot have the competence or capacity to tackle the problems of the others.

From a theoretical point of view, the justification for separate plans for these different problem areas arises out of the undeniable fact that there has not been till now any theory of planning that can take into account the intricacies of the problems of all these areas in a single quantitative exercise. The most sophisticated mathematical planning models - those using input-output or linear programming models - are in actual fact models not at all for the economy as a whole, but only for a relatively small part of it, namely the industries producing goods by making use of other goods, given the production capacities in these sectors. All such areas as education, health, transport, the professional services, and research and development are treated as "exogenous". It is simply not true that plan models can "solve" in the mathematical sense the investment allocation to those sectors, or take account of the feedback effects from these sectors.

As a matter of fact, even for the endogenously treated goods-producing sectors all that the mathematical models can ensure is a consistent, at the most an "optimal" (or economically most efficient), combination of production levels for a given time point. Capital formation even in these goods-producing sectors cannot be tackled satisfactorily, since it has to take place over time, and the phasing of capacity expansion is a problem that still eludes satisfactory treatment in any mathematical planning model. That is because there is always a time-lag (the gestation period) between an act of investment and the capacity expansion resulting from it. Hence, current investment activities can be related to current production only

/through one-way

through one-way linkage - the goods necessary for carrying out the investment activities. But the other linkage - that between capacity expansion and increased production of goods resulting from that increased capacity expansion - cannot be endogenously treated in any finite horizon model. (This is recognized in theory as the "terminal year problem"). An infinite horizon model can by definition take care of all linkages, whatever the time lags. But infinite horizon models are of no practical use for planning purposes.

It is this time factor, along with the requirement of specialized information calling for the services of experts in each area, which calls for separate plans for different broad problem areas. Educational planning has to take into account the different lengths of time called for by different kinds of curricula some of which have to be in sequential order. Road planning has to take account of the fact that roads are intended to last indefinitely. Improvement in the quality of breeds of animals has to take into account the time gap between successive generations. None of these different time lags and interdependencies can be taken care of effectively in any programming model that ensures horizontal consistency or optimality.

It is for such reasons that in practice, and no matter what kind of overall economic development planning is employed, there are normally separate plans for particular areas. In India, alongside an overall economic development plan, there are water management plans, power-cum-transport plans, education plans, etc., some with time horizons extending up to 20 years (whereas the economic development plans have always been for 5 years). In the motherland of overall economic development planning, the USSR, an electrification plan was undertaken in the early 1920s well before overall economic development plans came to play any part.

/The foregoing

The foregoing remarks have shown the need at a practical level for plans for separate problem areas. On the level of theory, recognition of the need is found in the literature on decentralized planning. But fascinating and challenging as the theoretical problems of decentralized planning are, it has to be recognized that no planning system in any country has as yet been able to make much progress in putting this theory into practice.

In strict theory, a technology plan cannot but be an integral part of an economic development plan. But in practice the problems of technology development have to be tackled as a task in itself. It is not true that the feedback effects of technology development can all be incorporated into the current production and investment plans, owing to the time lag, often uncertain, between technology development efforts and the probable results thereof in form of innovations. And for that very reason it is also not true that the resources allocation to technology development can be derived out of an economic development plan. They have, however, to be provided for: resources have to be allocated to technology development out of the overall resources available for the economic development plan. Also, in setting production targets, the likely results of technology development have to be kept in kind. But, the point to be emphasized is that the technology development plan cannot be expected to emerge as a by-product of the economic development plan. It has to be worked out separately.

Main Components of a Technology Plan

In the remaining time I will try to present in a somewhat schematic fashion the different parts of what an ideal technology plan should comprise.

1. Identification of technological areas or sectors

A technology plan should first identify a number of technological sectors or areas. The sectors should be so demarcated as to make them

/relatively homogenous

relatively homogenous from the technology point of view. The classification could conceivably be different from that used for grouping products or industries (as in inter-industry tables or plan models). The sector classification need not be exhaustive: that is, certain activities in the economy can be left uncovered by any sector. The sectors to be considered are those which, a priori, are areas with potential for technology development. These target areas would be different, of course, in different countries and depend on their stages of technological development.

2. Profiles of existing technology

For every such sector the technology plan should present a reasonably comprehensive profile of the existing technology in that sector, partly in quantitative and partly in qualitative terms. It should describe the existing stage of affairs in a way which is useful from a practical point of view - in terms of processes, machinery types, vintages, etc. For every sector there should then be a discussion of the economic aspects of those different methods of production in use in terms of their cost and their benefits.

3. Institutional facilities for technological development

There should then be a critical account of the institutional facilities that may already be in existence for promoting technological development in each sector. These institutional facilities should include extension services, experimental stations, R and D Laboratories and consultancy services, as well as various agencies for the propagation and diffusion of technological information.

4. Technological policy by sectors

This should be followed by statements of technology policy with respect to each sector. The policy of the sector would naturally be related to, and derived from, the overall technology policy for the country which

/should provide

should provide the very basis for the entire technology plan. But it should indicate in clear terms whether the sector is to be treated as a priority area for technology innovation/adaptation or not.

5. Short-Term targets

Next, the following short-term quantitative and qualitative targets should be drawn up:

- a) Amount of additional capacity creation for different kinds of activities belonging to the sector, composed of two parts, namely:

- i) capacity requirements to fill the gap between increased demand and capacity of the pre-existing stock of capital; and
- ii) capacity requirements to compensate for such obsolescent capacity as may be decided to be scrapped;

- b) Parts of the additional capacity requirements that could be met by new capacity installed, incorporating:

- i) freshly imported technologies (which should be specified)
- ii) unchanged pre-existing technologies (which should be specified).

6. Long-Term projects

The plan should then move on to projects of a more long-term nature of the following kinds:

- a) Those designed to improve and adapt imported technologies.

Technologies should be specified, as well as the improvements and adaptations sought indicated;

- b) Projects for the improvement and modification of technologies already in use. Again the technologies should be specified and the improvements and adaptations sought indicated;

(c) Projects

- c) Projects for the improvement and modification of craft technologies, indigenous or traditional technologies (again with the same proviso);
- d) Projects for the development of new technologies (indication should be given regarding the benefits aimed at and the likely costs).

Each project of all the preceding four kinds should be presented along with the techno-economic reasoning justifying its inclusion in the plan. It should also specify where the innovative activity is to take place, e.g., in R and D institutions, other research laboratories, workshops and factories.

7. Manpower training programmes

The technology plan should also incorporate both long-term and short-term programmes for the training of manpower required to meet the short-term and long-term targets and projects under (5) and (6) above. Thus, for example, if a fresh technology has to be imported, the plan has to see to it that there exists the necessary personnel for using that technology. Similarly under long-term projects, if it is decided to leave out for the time being innovative efforts in, for example, the field of electronics, and include projects for the innovation of new varieties of high yielding seeds, the technology plan should provide for training programmes of agronomists and not provide for the training of too many electronic engineers.

8. Instruments for implementation

The technology plan should provide for the instruments that the government proposes to use to meet the short-term and the long-term targets. Some of the actions which have to be taken to meet the targets may involve public sector agents and others, private sector agents. If the short-term

/targets and

targets and the long-term projects are not to remain on paper only, the plan must provide for policy instruments that the planning authorities can wield for directly or indirectly inducing the agents to carry out the plan.

The instruments available to the planning authorities are of two kinds: (i) instruments which are directly binding on the agents, and (ii) instruments which are indirectly binding on the agents. The instruments of the first kind are: (a) direct controls, (b) taxes and subsidies, and (c) public provision of services. The instruments of the second kind are: (a) information, (b) public provision of services, and (c) public provision of facilities.

The instruments of the first kind are directly binding on the agents because they are imposed on them by the planning authorities. The instruments of the second kind are indirectly binding on the agents because they are imposed on them by the market forces. The instruments of the first kind are more effective than the instruments of the second kind because they are directly binding on the agents. The instruments of the second kind are more flexible than the instruments of the first kind because they are imposed on the agents by the market forces. The instruments of the first kind are more costly than the instruments of the second kind because they are imposed on the agents by the planning authorities. The instruments of the second kind are less costly than the instruments of the first kind because they are imposed on the agents by the market forces.

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POLICY ISSUES RELATING TO ENVIRONMENTAL MANAGEMENT^{1/}

by Mel Gajraj

Scenario

1. Development can be broadly described as a process whereby man utilises the natural environment for the production of objects for material and spiritual satisfaction. By its very definition, therefore, development must have an impact on the natural environment. Whether this impact is beneficial to society or detrimental, is a function of the development process and the technology used.

The foremost criterion for planned development is the attainment of perceived fundamental socioeconomic objectives. The objectives may be briefly summarised as the provision of food and water, clothing and shelter, together with certain infrastructure and services such as sanitation, electricity, transport and communications, health services and education. At the same time, adequate employment must be generated and the benefits of development must be spread throughout the society, thereby raising the standard of living and quality of life for all of its members.

If the development process results in the despoilation of the environment and/or results in, sickness, death and destruction, prevention of the enjoyment of the natural environment for recreational and therapeutic purposes, then that process can be considered to be dysfunctional and against the interests of the population for whose benefit it was planned.

^{1/} This paper incorporates information obtained by the author, for the Caribbean Environment Project. However, the views expressed are those of the author and do not necessarily reflect those of the Caribbean Environment Project.

The environmental factor has, in general, been given only scant (if any) consideration in development planning, in the Region, up to the present time. In this regard, not only the Caribbean countries nor indeed just developing countries, have been negligent. Sound environmental management has been singularly lacking in virtually every country of the World. In this brief paper, the reasons for this state of affairs cannot be dealt with. The purpose of this paper is merely to raise certain policy issues relating to environmental management in the Caribbean Sub-Region.

The Environmental Issues

2. The issues relating to the breakdown or maintenance of the natural environmental processes are so complex that it is a virtual impossibility for any single individual to analyse all the facets of these complexities. In this respect, the following quotation from Commoner serves to illustrate the point:

"Unlike the automobile, the ecosystem cannot be subdivided into manageable parts, for its properties reside in the whole, in the connections between the parts. A process that insists on dealing only with the separate parts is bound to fail technology can design a useful fertilizer, a powerful automobile, or an efficient nuclear bomb. But since technology, as presently construed, cannot cope with the whole system on which the fertilizer, the automobile, or the nuclear bomb intrudes disastrous ecological surprisesare inevitable. Ecological failure is apparently a necessary consequence of the nature of modern technology, as Galbraith defines it".^{1/}

^{1/} COMMONER, Barry - "The Closing Circle" Pub. Jonathan Cape. London 1973, Page 187.

The limited number of studies which have been carried out in the Sub-Region indicate that environmental problems are becoming quite serious, particularly in the more developed Caribbean countries. There are serious problems relating to: liquid and solid waste disposal (domestic and industrial); the increasing use of inorganic fertilizers and pesticides resulting in accelerated aquatic and marine weed growth, a dramatic increase in the level of nitrites and nitrates in subterranean water and fish kills; poor agricultural and other land use practices resulting in erosion of the soil and siltation of the rivers; deforestation leading to erosion and siltation problems as well as to the loss of water-shed protection, increased flash flooding and reductions in aquifer recharge; increased mobility occasioned by the proliferation of the private motor vehicle, thereby accelerating the process of urban and suburban spread, which more often than not has resulted in the placing of valuable agricultural and forestry land under buildings and roads.

Planned development which ignores the environmental factor, inevitably leads to serious problems (short-term and long-term). Solutions to these problems are then sought via a "technological fix". However, such "solution", in general, treat only the symptoms, rather than the cause.

One of the problems seems to be related to the doctrine of economic growth. Progress is measured in terms of growth in GNP (both in gross terms and per capita terms), growth in productivity, growth in consumption. This doctrine automatically leads to the requirement, ultimately, of infinite environmental sinks for waste materials and energy. This clearly is unobtainable in our finite World, and far less so in the small fragile island ecosystems which comprise the majority of the countries within this Sub-Region.

/As the

As the countries of the Region move forward with their development, and if they are to avoid ecological catastrophes, then the principle of ecodevelopment must be adopted as a fundamental policy. Ecodevelopment was "define" in 1976 as "environmentally sound socio-economic development". (UNEP/IG, 4/3, 1976.12.2). One of the basic tenets of the 1974 Cocoyoc declaration was that:

"the threats to the Outer Limits of the Earth's biosphere, as well as the failure to satisfy fundamental human needs, are rooted primarily in economic and social structures and behavior, including maldistribution and misuse of resources, within and between nations" (UNEP/UNCTAD Symposium on Patterns of Resource Use, Environment and Development Strategies, COCOYOC, Mexico, Oc. 1974)."

Much of the development which has taken place (and is continuing to take place) in the Caribbean, has been export oriented. The mineral and agricultural resources have been exploited on a scale in excess of the individual countries' (or even the Sub-Region's) needs, or absorptive capacity. In addition, the Sub-Region has seen the establishment of large (and in many instances, energy intensive) enclave industries not based on indigenous natural resources. Such development has inevitably led to environmental stress. (See charts in Appendix I).

Future Development Trends and Their Environmental Implications

3. Several future development trends within the Region can be discerned and are summarized briefly, below:

- i) All of the countries of the Sub-Region are pursuing policies of industrial diversification, albeit at different levels. For example, those with fairly extensive hydrocarbon resources are planning to develop heavy, energy intensive, export-oriented

/industries such

industries such as: petrochemicals, iron and steel smelting, aluminum smelting and caustic/chlorine production; the LDC's, on the other hand, may continue to attract enclave non-indigenous resource based, potentially hazardous industries;

ii) The continuing process of urbanization, and other human settlement programmes, coupled with the high rate of natural population growth will continue to cause severe environmental health problems and further aggravate land management problems in the absence of carefully planned and controlled development;

iii) Intensification of agricultural development, could lead to increased rates of deforestation leading to the associated problems of soil degradation, erosion, water-shed destruction, reduction in the rate of aquifer recharge, siltation of rivers and climatic changes. In addition, it can be expected that there will be an increase in the use of inorganic fertilizers and agricultural chemicals, with all their attendant problems, if their usage is not carefully monitored and controlled;

iv) The Sub-Regions' fairly high dependence on fish protein is likely to be maintained, and the fishing industry expanded. Intensive fishing coupled with increasing marine environmental stress, occasioned by on-shore development, could lead to a situation of over-exploitation;

v) Tourism, economically, one of the Sub-Regions' more important industries, is likely to grow. This brings increased stresses to the coastal areas as well as social and cultural problems;

vi) As the Sub-Region develops, the consumption of energy will inevitably rise. In addition to the increased environmental stress occasioned by the consumption itself, the tonnage of

/petroleum and

petroleum and its products shipped through the sub-Region will increase; thereby exposing the territories to a greater risk of accidents and spillages (intentional and unintentional). In the longer term, countries which have no indigenous fossil fuels will develop alternative energy sources. If not properly planned, these can also lead to serious environmental decay.

All of these development trends are quite clearly interconnected, as developments in any one sector affect one or more of the other sectors. Careful studies must be made of the environmental conflicts which the individual sectors can cause viz-a-viz the other sectors.

If the principle of codevelopment is accepted as a fundamental policy, then all development planning must give sufficient attention to all of the environmental implications, and attempts must be made to include all costs, internal and external. This will inevitably result in the need for tradeoffs to be made between socio-economic, and environmental, costs and benefits. For this to be carried out rationally, then the Governments of the Region will have to look critically at their development priorities.

The Establishment of Development Priorities Based on Environmental Considerations

4. A basic method for the establishment of developmental priorities has been suggested in a recent study ^{1/}. Essentially, the method entails the determination of the effect on society which the denial of given goods and services would have, rather than the present method of determining the cost of producing those goods or services, plus the cost of the required environmental protection measures. Having determined a development strategy in this matter, environmental impact criteria need to be established,

^{1/} GAJRAJ, A.M. - "The Environmental Consequences of the Industrialisation of the Commonwealth Caribbean with Particular Reference to Trinidad and Tobago" - Ch. 4. Caribbean Technology Policy Studies Project. IDS of Guyana and ISEAR University of the West Indies. 1977.

and the two measures used in conjunction. This is clearly a difficult and extensive exercise to undertake and is prone to a great deal of subjectivity. It requires highly trained multidisciplinary teams, embracing the natural, applied and social sciences, within the planning departments of the Governments.

However, for discussion purposes for this meeting, some illustrative developmental priority indices are presented, based on the rationale of the following paragraph.

After extensive studies, one may determine that the most important goods based on the above criteria are air, water and food and by implication, land and energy. Secondly, clothing and shelter assume importance. Superimposed on these requirements, in order to give the population a reasonable quality of life, are health, educational, recreational and communications, goods and services.

This can lead to a developmental priority index table such as shown in Appendix II. There are then several ways in which the indices can be used. For example, they can be multiplied by the corresponding environmental impact index, or (which may be preferable) they may be used in a matrix incorporating the environmental impact indices.

It should be noted that for each category of activities, there is a range of values. The value within that range should be determined by the particular activity. For example, the range for primary agriculture is given as 0.1 to 1.5. A value of 0.1 may be assigned to the growing of crops essential to meet the nutritional requirements of the population (it should be noted that the agricultural techniques will be catered for by the environmental impact index). The development index should also take account of the labour factor. On the other hand, the growing of

/luxury food

luxury food crops by capital and energy intensive methods may be assigned a value of 1.5 (Note that in this system, the most desirable activity has the lowest value).

It is suggested that the development of such a methodology will give the planners and Governments an excellent additional tool on which to make sound rational development decisions.

Involvement of the Citizens

5. Finally, the role of communications, education and community participation in sound environmental management cannot be stressed too strongly. The peoples of the Sub-Region require strong leadership in this regard, but in order to gain their full support and cooperation they must be made to feel that they can and do play a meaningful role in their countries' development. In support of this argument, the following lengthy quotation is given:

"In many ways, the cultural heritage and present culture of a people determine the ecological and economic status of their lands. To the misfortune of many who live on ocean islands, their culture is the most fragile of ingredients and can be kept strong only with active support and effort

What happens to the feeling the people of Hawaii have for Diamond Head when condominiums rise to block easy view of it? When a Waikiki is build, and a Condado, which hide the beaches from the citizens, then their personal involvement in their land tends to decrease?

When the culture of a people is challenged, their desire for a healthy land is likewise affected. People who believe they have

/no stake

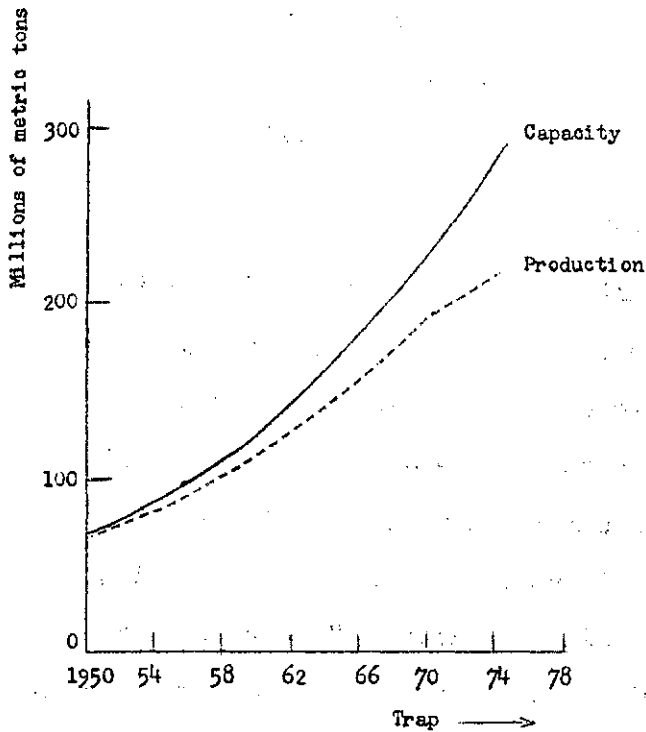
no stake in where they live often believe they have no accountability for what happens there. As a result, the land and its resources can deteriorate without pause." 1/

Policy Framework

6. The on-going Joint ECLA/UNEP Caribbean Environment Project which commenced in 1977 was commissioned to determine the present state of the Environment in the Wider Caribbean, to assess the future development trends and to draw up a Plan of Action for the Management of the Total Environment. This exercise should be completed by the middle of 1980 and the Action Plan will be submitted to an Inter-Governmental meeting for adoption and implementation. The Plan is expected to provide a basic policy framework for integrating environmental parameters into the process of planning and development by Caribbean Governments, at the National, Sub-Regional and Regional levels.

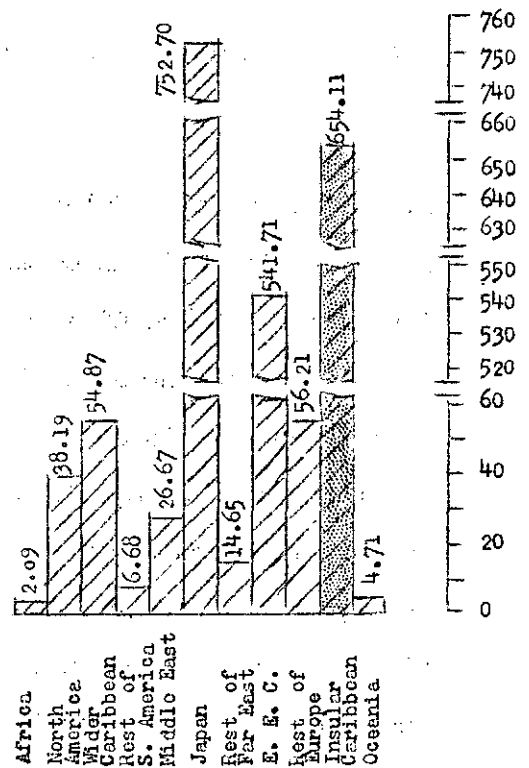
1/ BELLER, William S. - "Ocean Islands - Considerations for Their Coastal Zone Management" - Coastal Zone Management Journal 1973 1 (1), 27-45

REFINERY CAPACITY AND REFINERY PRODUCTION
IN THE WIDER CARIBBEAN (1950-1974)

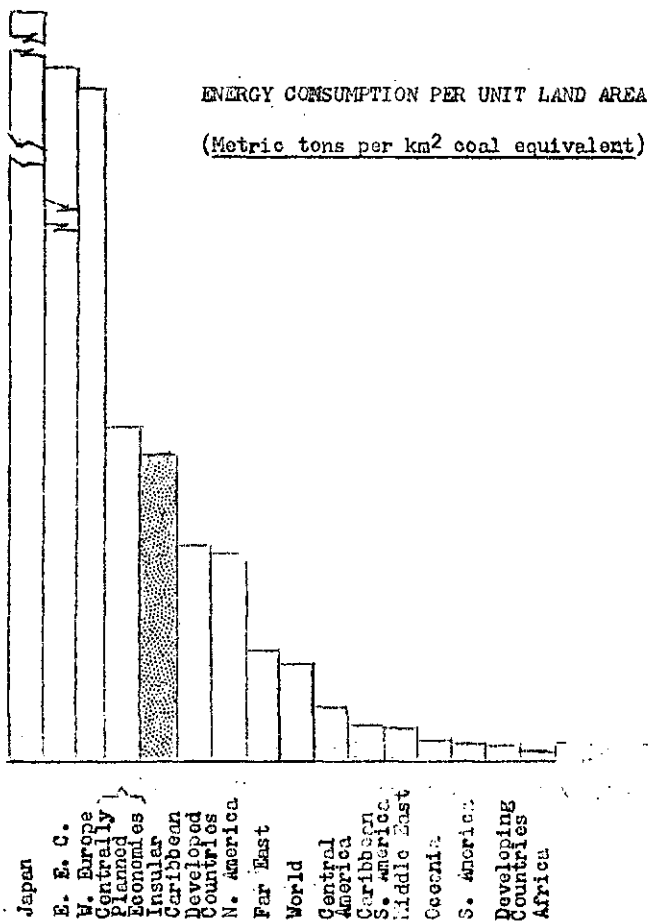


REFINERY CAPACITY PER SQUARE KILOMETRE FOR
MAJOR WORLD SUB-REGIONS (1974)

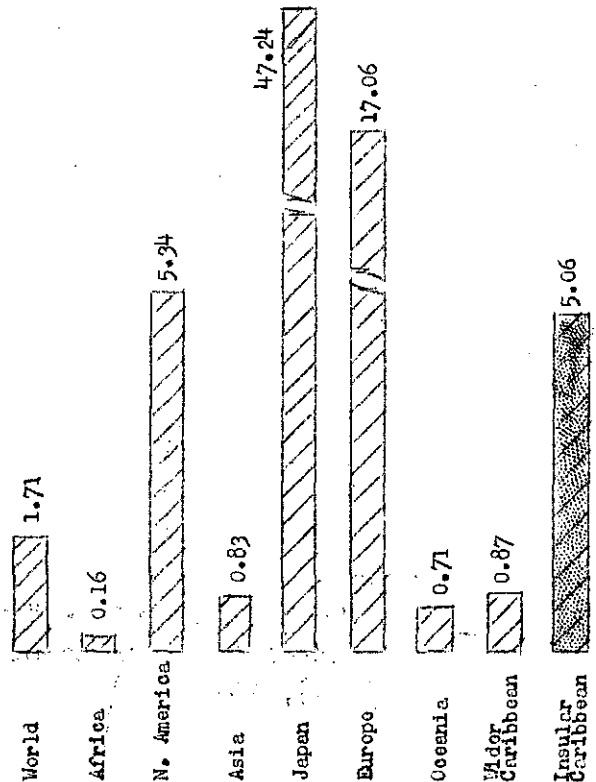
(Metric tons per square kilometre)



ENERGY CONSUMPTION PER UNIT LAND AREA
(Metric tons per km² coal equivalent)



MOTOR VEHICLES IN USE PER SQUARE KILOMETRE
OF LAND (1970)



APPENDIX II (i)

Development Priority Index

Index Range

- 0.1 to 1.5 Primary Agriculture
Low - basic nutritional requirements
High - luxury crops
- 0.5 to 1.5 Clothing, including footwear
Low - manufacture of basic materials
High - non-essential "fancy goods"
- 0.5 to 2.0 Food Processing including beverages
and alcoholic drinks
Low - seasonal, basic foods
Medium - non luxury essentials
High - alcoholic drinks and luxury foods
- 1.0 to 3.0 Housing
Low - fundamental building materials
eg. lumber, clay bricks etc.
Medium - soft furnishings
High - luxury finishings
- 1.0 to 2.0 Goods produced from renewable resources
or which can be easily recycled
Low - fundamental goods
High - non-essentials
- 1.0 to 2.0 Educational aids including sports and
toys

/1.5 to 5.0

Index Range

1.5 to 5.0

Manufacture of chemicals

Low - non-toxic agricultural

High - toxic industrial

2.0 to 5.0

Manufacture of consumer durables

Low - basic labour saving devices

High - non-essential gadgets

/APPENDIX II

APPENDIX II (ii)

Index Range

5.0 to 10.0

Manufacture of non-essential and luxury
items particularly those with built-in
obsolescence

Low - goods which genuinely provide
some improvement in quality of
life

High - super luxury items which are
virtually non-productive.

Source: GAJRAJ, A.M. (1977) op cit

(1) *Introduction*

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the findings and the conclusions drawn from the study. The third part of the paper discusses the limitations of the study and the areas for future research.

1.1. *Background*

1.2. *Objectives*

1.3. *Methodology*

1.4. *Results*

1.5. *Conclusions*

1.6. *Limitations*

1.7. *Future Research*

1.8. *References*

1.9. *Appendix*

1.10. *Index*

1.11. *Summary*

1.12. *Conclusion*

1.13. *References*

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REPORT OF JOINT CEPAL/CODCC/UNESCO WORKSHOP ON THE APPLICATION
OF SOCIO/ECONOMIC INDICATORS TO DEVELOPMENT PLANNING IN THE CARIBBEAN

ORGANIZATION

At the Third Session of the Caribbean Development and Co-operation Committee (CODCC), held in Belize City, Belize, from 12 to 18 April 1978, the CODCC Secretariat reported to the Committee that in conjunction with UNESCO's Division for Socio-Economic Analysis, Sector for Social Sciences and their Applications, a project entitled "Application of Socio-Economic Indicators to Development Planning in the Caribbean" was being developed, and a workshop was being convened for mid 1978.

This technical consultancy took place from 12 to 14 June 1978, Port of Spain, Trinidad and Tobago. It discussed a two-year project aimed at creating socio-economic indicators for development planning and evaluation adapted to the sub-region, and at setting up working groups to deal with this subject.

ATTENDANCE ^{1/}

Specialists from the following member countries of the Committee, in which a social research institute was known to be functioning, attended the workshop in a technical capacity: Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname, and Trinidad and Tobago.

In addition, a representative of the Caribbean Development Bank (CDB) also attended, while a representative of the East Caribbean Common Market (ECCM) Secretariat was nominated to attend, but was unable to do so because of the ECCM Council Meeting.

United Nations bodies were also represented at the workshop: Joint UNEP/CEPAL Caribbean Environment Management Project, United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), and the recently established UNDP/STC Socio-Economic Development Planning Project in Dominica.

^{1/} A full list of participants is appended as Annex ^{1/}Specialized United

Specialized United Nations agencies and organizations represented were: International Labour Organization (ILO), and the Pan American Health Organization/World Health Organization (PAHO/WHO)

Agenda

The Agenda of the workshop comprised the following matters:

1. Presentation of the Social Work Programme of the CDDC, Work Programme of the UNESCO Division for Socio-Economic Analysis, and the project on Application of Socio-Economic Indicators to Development Planning in the Caribbean.
2. Current use of social indicators in Caribbean development planning, their usefulness for the formulation of sub-regional policies. The problem of monitoring changes in the social sector.
3. Methods and techniques in the search of social indicators suitable to the Caribbean circumstances.
4. Planning for Rural Development and the use of social indicators.
5. Recommendations on -
 - (i) on-going research and mechanisms for co-ordination;
 - (ii) areas to be explored through joint ventures;
 - (iii) other researchers and planners to be invited; and
 - (iv) eventual modifications to the draft project.

After the presentation by the Division for Socio-Economic Analysis of UNESCO and the CDDC Secretariat of the general framework for the project, several papers were discussed in five plenary sessions, while two working groups were established: one to deal with an Informal Caribbean Network of Researchers dealing with Specific Social Indicators for Development Planning; and the second to deal with an Informal Network of Researchers

/dealing with

dealing with Social Planning and Social Reporting. Statements of other United Nations agencies were presented.

Officers

The inaugural session of the workshop was chaired by:

Hamid Mohammed - Deputy Director, CEPAL Office for the Caribbean

The subsequent sessions were chaired by:

Leo Pujadas

Norma Abdulah

Susan Craig

Betty Sedoc

The general rapporteur was the responsibility of:

Manuel Cocco Guerrero

The officers of the working groups were:

Working Group I : C. Nurse - Chairman

G. Standing - Chairman

R. Chin-A-Sen - Rapporteur

K. Hyder - Rapporteur

Working Group II: P. Anderson - Chairman

E. Armstrong - Chairman

C. Davis - Rapporteur

E. Solomon - Rapporteur

SUMMARY OF DISCUSSIONS AT THE PLENARY SESSIONS

The rationale for the CDCC Social Work Programme was presented. It was pointed out that in relation to the "non-social sectors" the Social Work Programme attempts to identify the necessary changes in social relations which are implied in the implementation of the mandates given

/by the

by the member governments. It appears that difficulties at the different stages of implementation of plans and programmes in the Caribbean are problems of nation-building. Therefore, the Social Work Programme aims basically at fostering social cohesion. Proposals related more specifically to the Social Sector tend to call for an increase in the knowledge of the Caribbean social environment and its dissemination. The workshop is part of the actions carried out in that direction.

In presenting the general framework for the project on the Application of Socio-Economic Indicators, the Work Programme of the UNESCO Division for Socio-Economic Analysis was discussed, and the different trends in what is known as the social indicator movement and their differences underlined. The System of Social and Demographic Statistics (SSDS) of the Statistical Office of the United Nations, as well as programmes on indicators of the OECD, UNRISD, ILO, United Nations University, and UNESCO were introduced.

The UNESCO programme, complementing the others, seeks at the international level to assist the advancement achieved in the field, at the regional level to evaluate the applicability of social indicators to planning and at the national level to promote the application of these indicators.

Different issues were raised in relation to the role of those affected by the planning process, the involvement of interest groups in the execution as well as in the interaction between planning and implementation. The necessity to analyze governmental structures for implementation and execution of plans, and to observe a balance between macro and micro-planning as well as the giving of due attention to comparison and standardization of indicators were also underlined. A note of caution was given

/with respect

with respect to an over-emphasis on social aspects to the detriment of economic ones. Finally, efforts related to the concept of basic needs were viewed as consistent with the search for collective self-reliance pursued within the framework of the proposed project on the Application of Socio-Economic Indicators to Development Planning.

It was suggested that the current use of social indicators should be distinguished from their availability. The use of social indicators is affected by the planning machinery, which is sometimes defective and by the conception of development held by planners. In any case, the general insufficiency of research on social indicators in the Caribbean was recognized. After the post-war emphasis on economic growth the central issue of planning changed towards the better use of human resources. Old conceptions of planning are nonetheless prevalent in the Caribbean sub-region, the basic approach is sectoral and not spatial, cultural factors are ignored, while indicators of labour force and labour market as well as health statistics are inadequate. Indicators on the quality of life were also found to be in a deficient state.

Reference was made to the existence of valuable data which are not collated, codified and systematically circulated. The need to revise the legal framework of confidentiality was also noted. Mention was made of the quality and reliability of data collected by government ministries for purposes other than development planning, and of the fact that it is often cheaper to look for new data (particularly through the use of sample surveys), than to utilize the mass of raw available data. Some participants however pointed out that sample surveys are often expensive and that in some cases they produce unreliable data because of the low level of experience and expertise of those who carry them out.

Certain topics were seen as crucial, such as participation of women and children in the labour force, infant mortality statistics, remittances

by Caribbean migrants to their home countries, problems of measurement of employment, status of the unemployed, income data, wage structures, worker motivation and the effective use of existing resources. With respect to the problem of employment it was pointed out that the matter requires more sociological research in view of the poor state of knowledge on its particularity within the Caribbean area.

The need to apply measurement techniques for the evaluation of social, economic and political systems was acknowledged, and the technical and philosophical constraints in the construction of indicators recognized. Indicator analysis in the Caribbean is in its infancy and should be stimulated, since the impact of developmental programmes and other social trends must be assessed and monitored. Criteria for the choice of suitable indicators were analyzed and a set of them proposed. This set of indicators covers: resources, control of resources, sectoral allocation of resources, performance of resources and impact of economic integration on resources. These indicators may be capable of wide Caribbean use.

An on-going research project on levels of living in Guyana was described. It is being carried out on the basis of several methodologies where traditional approaches already tested in Latin America are combined in a variety of ways, with an innovative participatory approach involving an iterative process of reflection by the researcher and those researched at the village level. Minimum requirements for the level of living, cultural and structural indicators are gathered at country level, while at the community level, this information is coupled with specific studies on the processes of participation and utilization.

The discussions highlighted the need to attempt the measurement of on-going processes and to assess the resistance of different social categories, or their receptivity to development policies. It was also

/noted in

noted in studies on the impact of economic integration on existing resources that attention must be given to workers' migration, and other movement of people within the Caribbean.

In the set of indicators proposed for Caribbean studies, it would seem that factors more specifically social such as culture, education and health could receive more attention. With respect to education, one must also pay attention to new forms and techniques of educating the population, which are alternative to the use of traditional educational means. In relation to primary health care, the problem of delivery of services to rural areas is a very serious one, and should be assessed, taking due account that attention is already being given to the matter by PAHO/WHO and the CARICOM Secretariat.

It was remarked that in studies on the Caribbean particularly, the question of racial integration and conflicts should be taken into account. It did not seem appropriate to use more general categories which do not give account of inter-ethnic relations.

A model for development of a Caribbean society, built upon the relationship between democracy and the total fulfilment of human personality was broached. Certain value objectives such as participation in decision-making, opportunities for the development of individual potentialities, equality in income distribution, were presented as requirements for rural development and indicators were seen as instruments to assess and monitor the achievements of the stated goals. It was suggested that the achievement of these goals imply a nation-wide effort to modify authoritarian tradition and other attitudes inherited from plantation societies, and to create a new Caribbean personality. The range of political and economic prescriptions deriving therefrom leads to the construction of

/suitable social

suitable social indicators. Examples of indicators were drawn in the area of education, health, political and economic activities.

It was remarked that this sort of model should give due account of different forms of social pathology and to its evolution; problems of drug addiction and alcoholism were given as examples. Furthermore, elements of social defence and of human rights should not be overlooked. In this respect, it was also mentioned that the substantive contents of human rights vary from one society to another, while in certain contexts, it may be a problem of arbitrary imprisonment, in others human rights may refer primarily to the right to eat, to work, to the protection of elderly citizens, etc.

Problems of standardization and weighting of indicators for internationally comparative purposes were referred to and several methods developed at UNESCO headquarters were mentioned. Allusion was also made to work done in the field of human rights' indicators.

Remarks were made on the difficulty of applying a single model to the Caribbean societies. The value systems in the Caribbean are quite diversified. Together with capitalist ethos, one observes the emergence of various forms of socialism.

Report of the Working Groups

Two working groups were organized. The first one concerned itself with specific social indicators for development planning; and the second working group considered social reporting, social planning, and methods and techniques of planning.

The creation of an informal network of researchers in these areas was discussed in both groups. The objectives of the Networks would be:

- To articulate on-going researches through periodic reports (e.g. tri-monthly) which will be circulated by the ODCC Secretariat to all participants in the Network and UNESCO.

- To prepare a structure capable of absorbing eventual financial assistance and of disseminating the benefits of the research stimulated by this eventual assistance to all participants.
- To convene annually, in order to assess the progress achieved and to plan future activities.

It was recommended that the CDDC Secretariat should contact the United Nations Development Programme (UNDP), to secure financing for the project on the Application of Socio-Economic Indicators to Development Planning in the Caribbean. The Secretariat should also contact UNESCO, other institutions and the governments in an effort to compile a directory of on-going research for circulation.

Report of Working Group I

In examining the objectives proposed for the informal networks, it was felt that in order to keep the information flowing with regard to on-going research, the following steps should be taken:

1. Research workers participating in the networks should submit quarterly reports on research, on methodology and on results to the CDDC Secretariat. In cases where there was no change or progress in research, the researcher should report this to the CDDC. The Secretariat would be responsible for circulating the reports to those working in the same field and to the UNESCO Division for Socio-Economic Analysis.
2. CDDC and UNESCO should organize annual meetings of researchers and planners in related fields to assess the progress achieved and to plan future activities.
3. The Secretariat should give special attention to the problem of confidentiality of data gathered by government agencies and their eventual use for research purposes.

/The co-ordinating

The co-ordinating role played by the CDCC Secretariat was discussed at some length. By organizing the informal networks on the basis of on-going research the process of mutual assistance is set into motion which will ease the effort to secure external financial assistance. CDCC, UNESCO and other UN agencies interested in the exercise can play a complementary role in search for funds. Due attention would be given to the autonomy of decision-making of research institutions.

Topics for the search of social indicators were discussed, the following were agreed upon, as a relevant starting point:

1. Measurement of cultural/ideological identity:
 - problems of cultural dependency;
 - problems of individual needs: self-expression, sense of purpose;
 - problems of collective needs: public recognition of private life organization.
2. Measurement of social movements and mobilization:
 - geographical mobility;
 - participation in the labour force and occupational mobility.
3. Measurement of political participation:
 - voting behaviour;
 - political ideology
4. Measurement of welfare:
 - economic: income distribution, social security, distribution and control of assets, etc.;
 - physical: food, water, etc.;
 - environment: human settlements, environmental health, ecology, etc.;
 - socio-cultural: education and training, information systems recreation, etc.

/5. Measurement

5. Measurement of social security;

- crime/rule of law;
- social defence;
- protection of human rights;
- protection of vulnerable and/or underprivileged groups (e.g. children, women, racial groups, political minorities).

6. Measurement of national performance:

- country participation in intra-Caribbean co-operation or integration processes;
- utilization of available Caribbean resources including human resources, land and other productive assets.

Under the last item, it was underlined that in the case of societies where a given economic activity is clearly predominant, indicators should be designed to measure the social impact of such activities (for instance, tourism, extractive industries, production of sugar, etc.).

Indications were given to the Secretariat on researchers and institutions interested in several of the topics listed above and whose interests in organizing informal networks should be explored. It was apparent that in relation to the issues of labour force and welfare (basic needs), two sub-groups could be established in a short period of time. The Secretariat, with the assistance of UNESCO, should make all effort to initiate action in these fields.

In relation to the measurement of cultural identity, it was noted that future work should place the accent on the cohesiveness of Caribbean culture and cultural dependency. The issue of cultural identity should embrace racial, political and class identity.

With respect to political participation, social indicators should be designed to measure the achievement of the policy position of the /governments. As

governments. As for the measurement of welfare, it was underlined that ILO Basic Needs approach would provide a foundation for relevant future research. Several studies by UNICEF were also mentioned in view of their importance.

Report of Working Group II

Weaknesses Identified in Social Planning, Social Reporting and Data Collection

In most Caribbean territories, the official responsibility for data collection is divided between a Statistics Department and individual ministries. The Statistics Department is usually responsible for data collection on employment, income, production and migration, while they rely on the Ministries for data on such social sectors as health, education, crime, social security, etc. This means that there is considerable room for variation in the scope and quality of social statistics and that often data are compiled in a manner that is not suitable for planning purposes. This problem must be addressed if there is to be improvement in the existing system of statistics, and the establishment of proper linkages between sectoral and centralized data collection systems. Similarly, due attention should be given at a Caribbean level to the problem of standardization of definitions and methods to measure the social phenomena.

Problems in data collection and availability are not confined to statistical data, but are part of the larger problem of the need for adequate management information systems for planning purposes. Here management is seen as the efficient and effective use of all available resources to achieve a designated goal. Hence, there is the need in the planning process for communication and co-operation among persons with different conceptual lenses - sociological, economic, physical, planning, etc.

/A clear

A clear weakness in much of current social planning and reporting is that it is very largely concerned with sectoral social planning (health, education, etc.), and does not extend to the delineation of broad societal goals. It is recognized that this type of societal planning rests on certain presumptions about the political goals and functioning of the society.

It also appears that in some territories there is a tendency for social planning to be dominated by the need to secure or utilize available sources of international technical and financial assistance. In these cases, social planning may be reduced to providing a rationale for projects which have already secured funding, instead of engaging in comprehensive planning.

It was noted that this negative influence has created many obstacles to the implementation of policies decided by the Government. At the same time, a favourable evolution is taking place in the Caribbean and in this respect, mention was made of several actions decided upon by the ODCG member governments which are being implemented with the participation of UNESCO. Similar developments are also evident in the work done by ILO in the sub-region.

In most territories, it also appears that there is a serious lack of data at the small-area level. Such data are essential in planning the location of physical facilities, employment opportunities and social services, but generally these decisions are based on out-dated information from the last Census. It was suggested that where it is not possible to obtain accurate and up-to-date information by means of sample surveys, planners should seek to utilize field officers, such as public health inspectors and agricultural extension workers, to obtain crude data such as information on population size and movements.

/It was

It was also agreed that a major weakness in regard to social planning is not only the lack of manpower but more importantly, manpower with adequate training in quantitative techniques and inter-disciplinary perspectives. The need was identified for the establishment of short-term training courses in social planning for government planners and practitioners.

On-going activities and suggestions for improvement

There exists a nucleus of social reporting within the context of statistical reporting - usually of the economic and social kind. Sometimes there is a social section within a larger national report while in other cases there are social reports but, in all cases, these reports are of the social statistics type (as contrasted with social concerns and social policy type).

Recently, there has been increasing activity in the area of social research and social analysis on the part of universities and research institutions. Such activities are un-coordinated but the expertise being built up, when properly co-ordinated should prove of great value.

What appears to be deficient is the expression of clear social policy as a foundation for social planning. It was agreed that most of the elements needed for social planning were present but what is lacking is the demonstrated conviction of governments to come to grips with social concerns through a clearly stated social policy and social planning.

The need for co-ordination both at the national and regional levels, so as to involve both researchers and government officials in the same and in different countries, was recognized. Such co-ordination might take the form of regular exchanges of information through documents and

/through meetings

through meetings and support for key research activities which have a large audience.

The creation of an informal network was deemed to be a step in the right direction but it will be necessary, in the end, for governments to initiate and support social planning activities. Once government decisions are taken, national projects of governments could be funded through international sources on a case-by-case basis, but the decision to include social indicators and social planning activities in country programming is a political one.

Suggestions for modifications of the Draft Project

The objectives, activities and outputs should be stated more clearly and it should be especially pointed out that this sub-regional project is a "seed" project designed to facilitate country projects and proposals for action of important magnitude.

A training component should be added covering training in methods for using indicators in social planning. This should include both fellowships for training in-depth at the university level and short-term training programmes designed for government planners and researchers in specific fields.

In addition every effort should be made to ensure support for the development of facilities for training, including curriculum development and staffing in the Caribbean area, both at the university level and at the level of in-service training for officials and decision-makers.

ANNEX I

LIST OF PARTICIPANTS

/LIST OF PARTICIPANTS

LIST OF PARTICIPANTS

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United Nations Children's Fund
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United Nations Development
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/Pan American

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World Health Organization

(PAHO/WHO)

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CEPAL System

Jean Casimir

Lancelot Busby

Max B. Ifill

Elizabeth de Gannes

ANNEX I

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ANNEX II

LIST OF DOCUMENTS

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LIST OF DOCUMENTS

- CDCC/SI/WP/78/1 Draft Project on the Application of Socio-Economic Indicators to Development Planning in the Caribbean
- CDCC/SI/78/2 Notes on Activities Preparatory to the Workshop on the Application of Socio-Economic Indicators to Development Planning in the Caribbean and the Draft Agenda
- CDCC/SI/78/3 Rural Development Planning in the Caribbean and its Social Indicators - Max B. Ifill
- CDCC/SI/78/4 Levels of Living Research Proposal - Mike McCormack
- CDCC/SI/78/5 Current use of Indicators in Socio-Economic Planning in the English-speaking Caribbean - Richardson Andrews
- CDCC/SI/78/6 Social, Economic and Political Indicators of Change in the Caribbean - Patrick Emmanuel
- CDCC/SI/78/7 UNESCO Secretariat Background Paper
- CDCC/SI/78/8 Report of Working Group I
- CDCC/SI/78/9 Report of Working Group II
- CDCC/SI/78/10 Draft Report of Workshop on the Application of Socio-Economic Indicators to Development Planning in the Caribbean (Final Report No. E/CEPAL/CDCC/45)
- CDCC/SI/78/11 Employment and Welfare: An Assessment of Data Requirements - Guy Standing

ENERGY PLANNING IN THE CARIBBEAN

Prepared by Trevor A Byer*

U.N. Energy Planning Adviser/Team Leader

Introduction

1. In addressing the issue of energy planning in the Caribbean region during the Era of the "New International Energy Order" which began on October 16, 1973, it is first necessary to define for which countries in the region is one examining the role of energy planning. This is critical since the energy planning process is radically different dependent on the definition chosen above. The Caribbean region has historically always been a "crossroads" and in a manner highlighting the traditional major differences between territories within the region, the energy problems of each territory reveal these deep historic differences. The four major energy classifications amongst developing countries worldwide are to be found within the Caribbean region, these are:

- (i) Member States of OPEC - Venezuela
- (ii) Non-OPEC Oil Exporting Developing Countries - Mexico and Trinidad and Tobago
- (iii) Developing Countries Oil Refining Centres - Bahamas, Trinidad and Tobago, the Netherlands, Anguillas and the US. Virgin Islands.
- (iv) Oil Importing Developing Countries (OIDC) -- Rest of the Region.

2. This paper is primarily concerned with the energy problems and energy planning issues within the OIDC in the Caribbean since it is these economies which are most negatively affected by the New International Energy Order. This New International Energy Order has initiated the

* The views expressed in this paper are those of the author and should not be construed as reflecting directly or indirectly those of the United Nations or any of its Agencies.

beginning of an energy transition period from the present predominantly oil and gas based world energy supply mix to a world energy supply that would eventually be structured on less rapidly depletable, more permanent and renewable energy sources, with the depleted oil and gas reserves being smoothly and progressively reserved for presently non-substitutable uses such as transport. The length of the "transition period" is of critical significance in the energy planning process in the OIEC. It is however, difficult to determine with any level of confidence at present how long this transition period will last since it depends on many factors, some of which are inter-related. Some of these factors which will determine the length of this "transition period" are:

- (i) The rate at which technology advances to enhance the recovery factor of oil from proven fields.
- (ii) The ultimately recoverable conventional oil and gas reserves of the world.
- (iii) The scale of worldwide efforts to explore for and develop conventional and non-conventional energy sources and the rate at which these efforts succeed.
- (iv) Most important of all, the price of oil and gas relative to the cost and availability of commercially proven alternative energy sources.

3. Implicit in the energy planning process in the OIEC must be assumptions regarding the length of this "transition period" since this has major implications on criteria for investment allocation for the energy sector. The transition could be rather rapid, vary disorderly and executed in a "panic" framework (oil prices advance, in real terms, very quickly over the time period 1980-1990). However, it could be effected in a more orderly fashion if the actions referred to in (i), (ii) and (iii) above are urgently

/executed, and

executed, and above all that oil prices advance at such a rate (a "moderate rate") so as to maintain a major incentive for the International Community to undertake actions (i), (ii) and (iii) above to avoid advancing very rapidly (at "moderate rate").

Need for Energy Policies and Energy Sector Plans

1. The most urgent need within each territory in the region is for the governments to begin preparing and formulating energy sector plans and national energy policies. This immediately results in the need for re-organization within the Public Sector as far as energy is concerned. Traditionally, Ministries dealing with foreign trade have had portfolio responsibility for all matters dealing with the supply and pricing of imported petroleum products into each territory. In contrast, the electrical energy sector has generally fallen under the portfolio of the Minister responsible for Public Utilities. To compound matters even more Ministries of Natural Resources have invariably held responsibility for the development of the indigenous energy resources within each territory irrespective of whether these resources are hydro, coal, oil and natural gas.

2. There is now a need to consolidate into a single portfolio for energy all aspects of the energy sector in each territory. This means that all matters relating to the development of all indigenous energy resources, the supply of imported energy sources, the determination of the prices of all energy supplies, the regulation of marketing companies and refinery's margins, the forecasting and management of internal energy demand, must all come within a single ministerial portfolio. This means that energy units, sections, divisions, or departments must be established as a matter of high priority within each territory. This of course, raises the problem

/of manpower

of manpower availability to staff such divisions especially manpower with experience and skill in the energy sector.

3. Over the next several years one can expect significant increases in the percentage of capital to be allocated to the Energy Sector relative to other sectors of the economy in contrast to the decades of the 60s and 70s. This will have serious implications for the Caribbean territories in view of the very capital intensive character of the Energy Sector as well as the sector's high dependency on foreign technology combined with very low employment possibilities within the sector.

4. National energy policies must address the total range of energy and economic issues within the society particularly the inter-relationships between the economy's performance and the availability and price of energy. For the OIDC within the region the following objectives of any national energy policy would appear essential:

- (i) the need to enhance energy conservation;
- (ii) the necessity to reduce the energy intensity of the economy while seeking to sustain economic growth. Virtually, all developing countries possess a much higher value of the income elasticity of commercial energy demand compared to the developed countries. This means that within the OIDC a 1% growth in G.D.P. will require anywhere between a 1.3% to a 1.9% growth in commercial energy demand. This therefore means that future economic growth in the OIDC must be achieved with a minimum growth in commercial energy demand through some de-coupling of G.D.P. and energy growth. This means that G.D.P. growth should be preferentially achieved in the less energy intensive sectors of the economy;

(iii) the

(iii) the need to reduce the dependence of the economy on imported energy, particularly imported petroleum;

(iv) the necessity to diversify the present energy supply mix of the energy system away from imported petroleum provided that such diversification paths are economically and financially sound at present petroleum prices.

5. Further issues which the National Energy Plan must face and resolve concerns the future role of electricity as an energy source in contrast to other energy sources for those end uses for which commercially proven and competitive alternatives exist. Does the Plan advocate the continual gradual displacements of other energy resources by electricity, and if so, why? It must be recognized that electrical energy is the highest quality energy source available and that simultaneously it is one of the most capital intensive energy source.

Energy Demand Management and Forecasting

1. One of the first tasks facing the Energy Planning Division within each territory is that of acquiring detailed knowledge of the nature and structure of existing and projected energy demand throughout the economy for all energy sources. In this context there is urgent need for the establishment of National Energy Accounting System within the territory. The most important elements to be contained within this accounting system are the flows and prices of each energy supply source within the economy. The Energy Flow Account must establish on a monthly basis the imports, re-exports and internal demand of each energy source by the major consumers in the economy. This Accounting System must also contain the energy price account which will indicate again on the monthly basis the import prices and different internal prices of each energy supply product.

/2. There

2. There is also a need to have a detailed knowledge of the end use of energy throughout the economy and in particular the type of energy that is used at the end point of consumption be it electricity, for air-conditioning, for water heating, for lighting or cooking; dry heat for calcination, high or low pressure steam for manufacturing processes, and primary fuels for transport and the nature of such transport.

3. There is therefore an urgent need for Surveys to be carried out to determine the energy end uses in the major sectors of the economy, such as:

- The Tourism Sector
- Transport Sector
- Residential Sector
- Commercial Sector
- Agricultural Sector
- Industrial Sector, and the
- Mining Sector

Among the parameters which these Surveys are seeking to establish are the type and quantity of energy consumed per unit of output and the value added to energy consumed ratio in each activity where this parameter is of relevance. The Tourism Sector requires particular attention in the Caribbean since it is a rather prodigious user of energy.

4. In some of the larger territories there would be need for computer models simulating the National Energy System and Inter-fuel Substitution Models of the energy system.

5. An absolutely vital element of the Energy Plan and one of the cornerstones of energy policy relates to the question of energy prices and energy taxes. Added to this, on the one hand, there is the equally important area

/of energy

of energy incentives which governments too often have a habit of forgetting. It is meaningless to speak of energy conservation unless internal energy prices reflect their true cost. Added to this, taxation policies of all petroleum products and electricity must be carefully developed so as to have an overall consistency. It is meaningless to price gasoline at very much higher levels than kerosene (e.g. five or six time difference in retail prices) for all that begins to happen is that kerosene begins to be mixed with gasoline.

6. It is also vital that in setting prices full recognition is paid to the inter-fuel substitution possibilities of performing the same task. For example, when one turns to the area of domestic cooking there is charcoal, kerosene, L.P.G., natural gas (in those territories with indigenous natural gas supplies), and electricity. The first issue to be settled in the Energy Plan is what fuel does one wish to encourage the population to use over the next decade to satisfy this end use? Pricing and taxation policies relating to the alternative fuels mentioned above must be so set and retained so as to encourage the consumer to move in the direction the Plan has set out as the optimal path. In setting these relative prices and taxes special attention must also be paid to the end use energy efficiency of the devices required to perform a given task. For example, open hearth charcoal is grossly inefficient (about 10-15% efficiency) whereas the L.P.G. and electric cookers have efficiencies between 55-70%.

7. A final point worth stressing on the question of energy demand management concerns the import policies for new motor cars, taxis and buses. These policies must reflect the new energy realities, so that vehicles with low fuel economies are not allowed to enter the country.

8. The need for clear and unambiguous incentives to stimulate increased energy efficiency is something the Plan must contain if there is to be any possibility of it achieving its objectives.

Energy Supply Management

1. Despite whatever success the Plan may have in restraining the growth in energy demand, one faces the problem of incremental energy supply as long as the economy is growing. It is at this point that the question of the resource endowment of each territory becomes critical. Recognising the very limited role which non-conventional alternative energy sources (such as wind, solar and bio-gas) will play in the region over the next decade the question of the proven conventional energy resource endowment of each territory which existing technology can currently competitively exploit, becomes critical. There is no substitute for imported oil that is better than indigenous oil. As such in those territories where the possibility of commercial accumulations of oil and gas exist, beginning of a vigorous oil and gas exploration programme should have top priority. In this context it is exceedingly important that governments in the region adopt pragmatic and realistic policies with regard to the exploration for oil and natural gas within their territories. Technology, manpower, risk and development capital of the foreign oil companies will have to play a critical role in the search for oil in those territories in the region that are still non-proven areas.

2. Steps should be taken to examine the feasibility of developing other conventional energy resources such as peat, lignite and hydro. A further energy supply diversification alternative which must be examined involves for the larger territories the possible importation of 3% sulphur steam coal to displace some of the fuel oil that is presently consumed for electricity and high pressure steam generation. The economics of this diversification path must be carefully examined particularly in view of the fact that Caribbean prices for 3% sulphur fuel oil have been weak over the past two years. Though the diversification path based on imported /coal does

coal does not reduce the energy dependency of the economy it does reduce the imported petroleum dependency of the economy.

3. A further energy supply source which is widely used in the Caribbean at present is bagasse. This fuel is primarily used captively in the sugar industry, however, if steps are taken to improve the efficiency of energy used in the existing sugar industry a substantial reduction in the use of fuel oil in that industry can be achieved with this being replaced by bagasse.

4. Regarding the new energy sources, it must be recognized that the greater part of the technology required to competitively exploit these sources will be developed outside of the region over the next decade. The one area of end use which would appear at present to yield early benefits to the territories of the region is that of solar water heating. It must be, however, recognized that as far as residences are concerned that the need for hot water within residences may be considered a luxury in most territories of the region. Indeed, it is unlikely that more than about 10-15% of the total households in Jamaica e.g., can be considered having occupants at an income level able to afford hot water.

Conclusions

1. Over the short term, one has to concentrate on restraining energy demand and particularly petroleum demands in those territories of the region which are classified as OIC. The foreign exchange problems of having to meet increasing petroleum import bill even if the volume of imported petroleum products declines, will be continuously pressing for the foreseeable future. This means that the other sectors of the economy will have to undergo a significant expansion in their export earning capacity.

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2. Over the medium and long term, the road is going to be hard and indeed precipitous for some of the OIDC in the region. In this context, the actions outlined above must be undertaken.

3. In closing, I wish to focuss attention on one problem which the new International Energy Order has created for the Mineral Exporting Countries of the region. This particularly applies to the export of semi-processed or fully processed minerals, the processing of which is energy intensive, such as bauxite and ferro-nickel. This problem arises for those territories which are totally dependent on imported oil for their commercial energy supply.

4. One of the major objectives of the mineral producing developing countries in the past has been to achieve a greater degree of further processing of these minerals within the producer country. However, the New Energy Order has dramatically changed the cost structure of, e.g., the alumina industry. As such the commercial attractiveness of siting new alumina investment in regions where prevailing prices of primary Thermal energy are low, rather than at the mine head where international energy prices are paid, has been increased. This means that purely commercial forces are creating a trend whereby primary producers of minerals which are deficient in indigenous energy supplies will find themselves having to export increasing amounts of unprocessed minerals ores as distinct from semi or fully processed minerals if such processing is energy intensive and if their mineral sectors are to expand over the next decade.

5. The energy world has changed and it should not be forgotten how the change was initiated. Thus OIDC within the region which are to adjust viably to the new realities will have to change many of their pre-concieved notions of development. Energy must be at the forefront in the planning process if there is to be a viable adjustment.

THE ROLE OF MASS COMMUNICATION IN DEVELOPMENT PLANNING
IN THE CARIBBEAN SUB-REGION

by Neville James

At the outset I would like to take the liberty of expanding the scope of this paper beyond the consideration of the role of mass communication in development planning, to embrace the role of communication per se in development planning.

Development is about change and can be defined as the process by which various energies within a society are harnessed to bring about meaningful change for the betterment of individuals and the society.

Development is about people. The indices of development have traditionally been stated in physical terms, better roads, water supplies, health facilities, educational institutions, but their ultimate raison d'être is the betterment of the quality of life of the people.

This might seem like stating the obvious, yet a common trap into which planners fall is that having prepared plans for the provision of physical amenities and in some instances having actually seen these plans implemented, they make the mental leap and believe that ipso facto the quality of life of the people has been improved. There is an absence of communication with the people to learn what they regard as priorities in terms of their needs, no attempt to involve them in the process of planning and incorporate their views in the formulation of the plans, and a failure to mobilize and motivate them to attain the fulfilment of the plans.

Attitude to Media

The problem lies partly in the polar extremes of attitudes toward communication. At one extreme there is the attitude that the importance

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of the mass media lies in its entertainment value, and that the consideration of a role for the mass media has no place in the serious business of development planning. The other extreme is the attitude that seeks only to exploit the publicity and public relations aspects of media. Proponents of this view prepare their plans and then seek to use media to drum up support if some aspect of the plan is not going as well as it should, if there is some unexpected resistance on the part of those for whom the plan is devised or to obtain the maximum political mileage.

Both attitudes have failed to take cognizance of the importance of communication.

Those who hold to the first position can hinder the development of proper mass communication by downplaying the importance of media. One consequence of this is that publicly owned media systems are often denied funding and are placed at the bottom of the list in any priority ranking of national needs. This has other repercussions in terms of the programming that is provided for the local audience.

The other attitude is one that is far too prevalent within the region. The supporters of this position argue that if radio, television and newspapers can be used to sell beer and toothpaste they can also be used in the promotion of governmental programmes and campaigns. As a consequence much research, effort and planning is put into the devising of, for example, a crop lien programme for farmers and then later a public relations expert of advertising agency is called in to place a series of spot announcements on radio to "sell" the programme to the farmers.

Communication in this example, is a one way flow of relaying information to the farmers. This type of communication is tacked on after the plan has been conceived and often implemented, and exists

/independently of

independently of the extension officers and other change agents in the field. When the farmers display a marked reluctance to take advantage of the offer, the response is usually to step up the pace of the campaign, add a few more radio advertisements with possibly some newspaper advertisements and a poster campaign thrown in for good measure.

It is hardly necessary to point out that neither of the two attitudes mentioned have much to do with development as we are now beginning to understand it in the Caribbean region, and neither approach has grasped the concept of communication as an integral part of the development process. Development implies behavioural change and communication can be an important catalyst in this process of change.

Strategies of Development

Having considered some of the attitudinal constraints which hamper the integration of communication in the development process let us now consider how this integration can be achieved.

There is no need to detail the many theories of planning; rational, comprehensive, innovative planning, incremental planning, participatory or bottom-up planning, except to point out that for the development needs of the Caribbean region, participatory or bottom-up planning would seem to be the most desirable option. This is the most desirable option because we have witnessed the effects of other types of planning and their allied development strategies, which have shown gains in the GNP but have left the quality of life of the vast majority of our peoples untouched.

Participatory planning and its allied strategy of development downplays capital intensive strategies and their attendant high cost technology and opts for self-reliance coupled with a technology best

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suited to the needs of the society, what is now referred to as appropriate technology. But central to this type of planning and development is the recognition that for any strategy to be successful it must provide the people with the opportunity to achieve their full potential.

Because people are central to the strategy, communication takes on added meaning. Communication provides the channel which gives the planners insights into the thinking of the people, insights which the planners can then incorporate into the plans and it also provides the planners with the channel for exposing their ideas to the people. Communication here involves the downward flow of information from the planners and policy-makers to the people, a lateral flow as the people discuss the projects and proposals among themselves, and an upward flow as the response is fed back to the planners and policy-makers to be incorporated into the plan and policy decisions.

Communication in this context hinges on three key concepts, access or the right of the people to information and the channels of communication, feedback, the flow of information from the people to the planners and policy-makers and participation, the involvement of the people in the process of change, and if we agree that the aim is to motivate and mobilize people to be the agents of their own development, then communication itself, becomes a development objective.

Communication Planning

It is important therefore that the communication process itself should be subjected to planning. Communication should be regarded as an integral part of the development process and not something that is added on at a later stage. For this to be a reality a communication component must form part of every development strategy. To give an

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illustration, recently in Jamaica the Government announced plans for a hillside terracing project which would bring approximately 30-thousand acres of steep hillside land into profitable agricultural production. The project, which is receiving substantial financial assistance from international agencies, has clearly defined aims. These include (a) the increasing of agricultural production and productivity, by reducing or eliminating soil erosion by means of terracing; (b) raising the level of farm incomes; (c) slowing down the rural/urban drift and (d) improving the quality of life of the community.

A sample survey of 4-thousand farmers in the project area revealed that only one hundred and fifty-two farmers in the sample saw oil conservation as helping to better their lot. Close on 2-thousand felt that the provision of financial subsidies was the means to better their lot. Another interesting finding was that less than half of the farmers surveyed were willing to terrace their land without any conditions. This particular finding is central to the success or failure of the project as continuous terraces have to be cut across the hillsides utilizing a bulldozer. If the terraces are cut on each individual holding the costs will be prohibitive.

A problem that has to be faced is that of getting the farmers to pull down their fences to have the terraces cut and then have them re-erected with the exact boundaries. Some idea of what is involved can be gleaned from the fact that a great deal of the litigation in rural Jamaica has to do with the fixing of land boundaries.

What is unfortunate is that no communication strategy was developed at the outset of a project of this magnitude. What ought to have been done is that a communication strategy should have been developed based

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on the research findings which would seek to convince the farmers that their lot will be bettered by terracing their land. Such a strategy would have to rely on interpersonal communication through opinion leaders in the area and mass communication. In this particular case the medium which is likely to be most persuasive is film, which using an actual farmer can depict the transformation that came about in the quality of his life as a result of the adoption of terracing. Yet another way is to use the technique of the demonstration plot.

The mass medium of film would in this case enjoy the advantage that it can be prepared relatively quickly and can be done in a manner with which the farmers can identify.

Mass media has the ability to shorten the process of social transformation and in so doing can speed up the process of development.

However, a note of caution should be interjected at this stage; mass media is not a panacea or the answer to the problem of under-development.

Indeed, research has shown that mass media is not particularly successful in changing deeply held beliefs and attitudes, but the media in conjunction with other channels of communication, such as interpersonal communication can assist in the process of change primarily by seeking to influence those who are themselves influential within the community.

However, there are also a number of research studies which have shown that media can achieve quite remarkable results in areas such as the teaching of literacy, skill training, health campaigns, agricultural campaigns and in educational instruction. Here again strategies have to be worked out as to how best to use media to achieve the maximum results.

The Communication Plan

This underscores the importance of developing a communication plan as part of national development planning. Such a plan would begin with a realistic assessment of the communication needs, the messages that are to be relayed, the target audience to which they are to be directed, the views of the people in the target audience as well as the medium that can best fulfill the particular need. Closely linked to this is the need for an inventory of the existing communication hardware and channels. If the hardware is inadequate to meet the communication need then care should be taken to ensure that any new hardware is compatible with what already exists within the country and more ideally within the region.

In the Caribbean we have for example a hodge-podge of television standards, some countries are on the 625-line system or European standard, while others are on the 525-line American standard. This has serious implications for programme exchanges within the region, which most communicators agree are desirable but difficult to execute on account of the incompatibility of the systems used from country to country.

The next important step in the process of communication planning is that of setting the goals and defining the objectives of the plan. As was mentioned earlier there is a tendency to rank communication against other development needs, a ranking that invariably pushes communication to the bottom of the list. The argument usually runs, how can we justify transmitters for a radio station or even a radio station against the need for new health clinics and schools.

What is fallacious in this argument is the assumption that communication is in competition with other development goals. Rather,

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communication should be seen as supportive of the other development objectives. As Wilbur Schramm puts it in his book Mass Media and National Development, "... Skillful planning will be concerned not with how much money should be given information in comparison with how much is given something else, but rather with the size of the information component needed for the curve of social development as projected. Therefore the first essential information in priority setting is the planned curve of development. What are the objectives in the next few years for agriculture and health? How fast are public education and literacy to be expanded? What are the general goals of the country as to how fast the informational level and resources of its people should be raised? And then, of course, what expansion and improvement in information services and facilities do these imply?".

The devising of a communication strategy is the next step in the process of communication planning. This involves the decision on what channels of communication are best suited to the messages that have to be relayed and resisting the tendency to equate technological advances with effective communication. Should the communication channel be mass or interpersonal, should it be community or national, radio, television or film, posters or newspapers or a combination of all the media. Arriving at this decision requires pretesting and conducting sample surveys to discover what works best. The ultimate choice is of course also largely dictated by the country's financial resources.

An important element in the strategy is to ensure that messages are consistent and that messages relayed via the mass media do not conflict with and are not contradictory or counter-productive of the messages that extension workers and other change agents are relaying.

A factor that is often overlooked is the provision of trained personnel; trained communicators, attuned to the development goals of the society, are often the determinants of the success or failure of communication programmes.

The final ingredient is that of research and evaluation or review and assessment. This provides the planners with the information that will allow constant assessment of the communication strategy and whether or not it is achieving the projected goals. This information provides the basis on which adjustments and modifications can be made to existing programmes.

After that examination of methodology I would like finally to suggest that proper communication is a development objective that the countries in the Caribbean sub-region can ill afford not to pursue if we are to properly tackle the development needs of the countries within the region.

Effective communication, to reiterate, should itself be a development objective and one way to achieve this is by subjecting communication as a sector to the same degree of rational planning that now exists in other sectors. A first step in this direction is the creation of communication planning units within national planning agencies. These units should then be charged with the task of developing communication plans and strategies to assist in the attainment of the development goals of our societies.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both manual and automated processes. The goal is to ensure that the data is as accurate and reliable as possible.

The third part of the document provides a detailed breakdown of the results. It shows that there has been a significant increase in sales over the period covered. This is attributed to several factors, including improved marketing strategies and better customer service.

Finally, the document concludes with a series of recommendations for future actions. It suggests that the company should continue to invest in its marketing efforts and focus on providing high-quality products and services to its customers.

COMMUNICATION IN DEVELOPMENT PLANNING

by Everold N. Hosein

There are two perspectives from which to examine "communication" in the process of development planning:

1. To look at the communication factors which are useful to the formulation and execution of development programmes, and;
2. To view "communication" as a sector which requires planning in its own right.

The former has developed into a tradition of action in several UN agencies: UNDP, UNICEF, FAO. The latter seems relatively new (and perhaps as a consequence less precise) but being explored by UNESCO, among other international organizations. Both perspectives can be usefully integrated but for the purposes of this meeting and in light of increasing concern in the Caribbean over difficulties in the execution of development programmes, the emphasis will be on examining the communication factors in programme formulation and implementation. An appendix of an excerpt of a draft UNESCO document explores the sector perspective to "communication" and this we may discuss later.

Communication Factors in Development Programme Formulation and Implementation

One can, without too much difficulty identify in the Caribbean, a variety of development projects in agriculture, health, community development, industry, housing, among other sectors, which are less than adequately implemented and, in some instances, which emerge as spectacular disasters. While there are numerous reasons for programme failures, one would like to suggest that in a large number of situations difficulties can be traced to communication gaps in project formulation and implementation.

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"Communication" must be conceived as any form of information sharing and transmission. This takes in a variety of communication activities ranging from staff meetings, inter-office memos, training, face-to-face counselling, seminars and conferences, mass media (radio, television, film, print), field extension work in agriculture, health, social welfare, to community rumour systems and street-corner meetings. Applying this broad concept of communication, one could describe the process of development planning, or more specifically, project formulation and execution, as a series of communication events, involving consultation, action, and feedback.

It is often the "breakdown" in communication or the communication gaps within the "series" which contribute to unsatisfactory programme design or implementation. One would suggest at least four possible types of communication gaps which could affect the process and outcome of development planning:

1. Communication Gap Between Planners and Intended Beneficiaries

The absence of communication between planners and beneficiaries often lead to the design of programmes which, from the perspective of the beneficiaries, do not meet their perceived needs or runs counter to their cherished beliefs and tradition. Projects formulated without the consultative involvement of those to be affected may fail for the lack of commitment to it by beneficiaries or for their concerted resistance to it.

There is a case to be made, purely from a pragmatic, implementation point of view, for the involvement of beneficiaries in the design stage of programmes and project. Consultation increases commitment, resolves conflicts, modifies resistance, and greases the wheels of implementation. The nobler case for beneficiary involvement is that of engaging the population in the determination of their lives.

/This communication

This communication gap can only be dealt with effectively through planned communication activities with those involved in the planning process, planners and beneficiaries and politicians. It is not sufficient to rely on conventional wisdom, or one's own perception of people's needs. Planners often seem to be so overloaded with the demands of the State that they are forced to short-charge this task of participatory planning. But this need not take place if specially trained communication staff become part of the planning system.

2. Communication Gap Between and Among Planners and Implementers

It is not unusual to observe a development programme faltering because of administrative delays, inter-Ministerial confusion, and a variety of organizational "foul-ups". Development projects constantly face the threat of being "civil-serviced" to death.

In many situations, implementation difficulties could be traced to faulty or little or no communication between planners and heads of civil service departments, or between heads and support staff, or between Ministries of Government (particularly in inter-sectoral projects). An important problem is the poor communication to civil service support staff about development programmes and projects they are to implement. The resulting lack of motivation and commitment impedes programme efficiency. Yet many of the communication problems could be resolved if specific, skilled attention is focused on them.

3. Communication Gap Between Project Implementing Staff and Beneficiaries

The obvious example of this gap is an agricultural project which aims at the introduction of a new coconut variety and which, therefore, depends for its success on the extent to which "project staff", i.e. extension agents, can encourage farmers to accept the new variety. While this activity may seem fairly straight forward, extension officers can

fill hours with tales of their advice being rejected, misinterpreted, or ignored. Examples of this sort abound in agriculture, public health, and community development.

In many social development programmes, where effectiveness depends on the acceptance of new ways of conducting social or professional activities, the communication gap between the "change-agent" and the beneficiary exists. These problems, however, can usually be resolved by sensitive attention to the dynamics and intricacies of human communication.

4. Communication Gap Between Project or Programme Staff and the Public-at-Large

This gap is usually the one which receives most of the attention of Governments and political leaders. There is the recognition that social change, the derived outcome of planning, requires the general support and commitment of the population-at-large. There is the need seen to create the climate for change. As a consequence, much effort is put into publicizing the development activities of government via the mass media and inviting in a general sense public support. One recognizes that while this may be overdone, it is often useful to have widely-based support and interest in programmes and projects which have direct national impact and to a lesser extent, for those which have more specific impact.

The experience of development planners would suggest that the above gaps in communication could create major hurdles for effective and efficient programme implementation. Two questions arise: Is there some approach for filling those gaps, and, if so, how can it be incorporated in the planning/implementation process?

An Approach

The analysis of development programme proposals for communication needs and an examination of projects for "social" feasibility enables one to anticipate communication break-down and, therefore, to plan communication activities to avert anticipated problems of the sort identified above. One such system of communication analysis and project appraisal has been conceptualized as Development Support Communication by UNDP and seems to provide a useful methodology for communication analysis and planning to support project/programme design and implementation.

The approach involves the following with respect to specific projects or total programmes:

- a) The identification of the various groups of people who will participate in the project either as beneficiaries of project staff or support groups. This identification of groups enables one to map the network of communication which would be required for effective project action;
- b) The specification of behavioural objectives for each of the groups identified, followed by a determination of the capability of the groups to achieve these specified objectives;
- c) An inventory of available communication resources including mass media, extension personnel, schools, churches, etc.;
- d) The formation of a communication plan, drawing on information gathered from (a) - (c) above, which would specify what communication actions need to take place, when, in what direction, where, in what medium or media. The plan would also indicate budgetary implications.

This kind of analysis and planning of communication support for development programmes needs to be undertaken by specialist staff trained

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for such activity, and whose background should best be multidisciplinary or in the social sciences.

It is important to stress here that this approach avoids the current tendency to emphasize mass media support of development at the expense of more critically important communication activities. It is recognized that the reliance on mass media to stimulate public support and commitment for development systems has been less than effective because of inherent limitations in the process of persuasion or participation via the mass media. Undoubtedly, mass media provides useful and important support but needs to be placed in perspective in relation to other communication actions.

Integrating the Approach in Development Planning

If we accept the usefulness of the described system of communication analysis and planning in support of development, the next task is to determine how it is to be integrated in the planning process. It is clear that the ad hoc approach to communication support probably intensifies communication problems. The traditional process of muddling through communication break-downs does not enhance programme efficiency or effectiveness. In the long run, it is more advantageous to focus systematic and careful attention on the communication needs of development programmes.

Such attention is most usefully given at the very earliest stages of planning, of project formulation, and particularly so if we are convinced of the ideological and operational virtues of participatory planning. One would therefore propose that within national planning systems and within sectoral planning systems, there should be trained individuals (communication analysts/planners) or units designed to undertake the examination

/of programmes

of programmes and projects for communication support needs. In this way, development plans are given the earliest scrutiny and we hopefully avoid the communication hurdles which inhibit effectiveness.

Conclusion

If development planning systems of the Caribbean are to integrate within them the above concept of development support communication, then we need immediately to anticipate the training needs of personnel undertaking the analysis, planning and production work involved in the approach examined above. In the meantime the United Nations System could provide useful technical assistance to Caribbean Governments in this area. In the long term, however, we need to create our indigenous communication support specialists.

To the planners, an underlying question remains untouched: What is the cost-benefit of communication support? This is, perhaps, the most difficult question to answer and one which is beyond the scope of this short analysis. Polemically, one would ask: Is it worth investing fifteen percent (15%) of project cost in communication support activities at the risk of a "failed" project? This is not a rigorous response but it sets the scene for the discussion.

APPENDIX

Expert from a UNESCO Draft Document titled: "UNESCO Position Paper to be submitted to UNDP For Distribution to Resident Representatives"

Communication as a Sector

Although the importance of communication infrastructure is recognized by most Governments, communication is rarely treated as a coherent sector, subject to a common task analysis. Where a Ministry or Department of Communication exists, it is usually confined to telecommunications, while media industries, broadcasting organizations, information systems, distribution networks and the like are independently programmed.

No society exists without an adequate communication system to hold it together, and in many newly developing countries a primary role of the media is to foster national integration. Thus communication itself is a development objective. But the Communication sector also derives sub-objectives from the communication needs of other ministries and agencies within any national development plan. Thus communication planning does not necessarily fit into inherited sectoral planning structures but may be seen as one of those horizontal planning areas which need the establishment of infrastructures which can cross the sectoral boundaries and by so doing can assist in the establishment of a more effective development strategy.

Evidently communication in its broader sense encroaches upon all fields of human activity related to the acquisition, retrieval, distribution and productive use of information and experience. Thus within any integrated communication plan the following components must be taken into account:

- i) telecommunication infrastructures and industries;
- ii) information, documentation and data systems;

/iii) the

- (iii) the mass media such as broadcasting organizations, newspapers, book publishing companies, film producers, etc.;
- (iv) industries and agencies supporting, or dependent upon, the communication chain (e.g. manufacturers of production equipment news agencies, survey research agencies, advertisers, writers, performers);
- (v) agencies concerned with special applications of communication (e.g. education, agriculture, health, family planning, rural development) and the extension services associated with them;
- (vi) training and research institutions engaged in the many aspects of communication;
- (vii) professional organizations of communication specialists (journalists, broadcasters, etc.) and self-regulatory bodies which they might establish to control professional practices;
- (viii) the consumers of information and the participants in the communication process: the users and the audiences both institutional and individual.

There is both interaction and inter-penetration between the above; indeed, most categories are mutually dependent. Any action taken unilaterally by one agency will have a direct impact (either positive or negative) upon one or several of the others. The design and construction of a telecommunications system affects, among other things, the amount of information which can be carried, stored and retrieved; its character and quality; feedback possibilities; audience choice; the possibility of using media and distribution channels in direct support of development programmes. A commitment to a particular technology will condition the way in which communication media are applied to social needs and problems; many proven techniques are not employed, either because they do not fit the technology

/in use,

in use, or because they require a major investment in new and expensive structures (for example, telephone, conferences, national cable networks, videophones, data retrieval and facsimile systems). At another level, the design of a television or radio receiver may encourage, or inhibit, its use in education, because of such basic considerations as size, resolution of image, power output. Or in policy terms, a concentration of control in the hands of commercial interests, or even Government departments may directly affect access to communication channels by both education and development agencies.

A demonstrable amount of wastage also stems from uncoordinated planning for communication systems. If an expensive medium such as television is introduced mainly for prestige, it will certainly not contribute to priority objectives, but it may also go so far as to exclude the rational development of more appropriate media (e.g. radio). Furthermore, even when a communication medium has real potential to assist such areas as education and development, rigidly sectoral planning, accompanied by professional jealousies, can easily negate its economic or development promise.

Many different agencies and ministries have responsibility for communication activities. A telecommunications administration (ITT) may handle policy and plans for telephone and telegraph development (including the important subject of frequency allocation), but broadcasting is frequently the province of a completely independent organization or of a Ministry of Information and Broadcasting. Ministries of Education, Culture, Agriculture and Health are all concerned with a wide variety of communication programmes, while Ministries of Science and Technology as well as those concerned with the development of commerce and industry have policies and activities which significantly influence the form and availability of the "hardware" which constitutes the technical basis of the media. In many instances, the military branches of Government, by the sheer complexity and size of their /communications requirements,

communications requirements, exert a significant influence on national communications structures. At the same time, there are numerous non-governmental communication enterprises (newspapers, motion picture companies, broadcasting organisations, etc.) which have their own policies and planning, although they might be operating within the framework of official policies.

Few countries have any established mechanism for coordination. In practice, the relationships between agencies with communication interests are largely informal, based upon little more than ad hoc consultation. It is rare to find a single agency given overall responsibility for a consolidated programme, in which the interests of all users are reconciled within a systematic design. Although the logical place for such a function (at least in the developing world) would be the central economic planning arm, communication planning units rarely exist, nor are there planners and decision-makers who specialise in communication activities.

It is argued therefore that the satisfactory development of national communication and information systems depends upon the evolution of explicit policies, and upon the design and execution of communication plans which reflect them in practice.

Communication policies have been defined as "set of principles and norms established to guide the behaviour of communication systems". Depending upon the character of the society from which they emanate, they may be general or specific guidelines or mandates. But in every case, they should be framed in order to express a nation's diverse communication activities as a whole, and to project these into the future against the needs both of the society and individuals. They have, therefore, political, social, technical, administrative, economic and legal dimensions.

/The development

The development of policy guidelines into a communication system is the main business of communication planning. Ideally, planning should begin once policies have been set; in practice, a commitment to explicitly formulated policies is not generally found. In all societies, however, communication policies do exist, even if they are buried in traditional mores. Each organisation has its own goals, priorities and assumptions. But these are mainly implicit. (they have to be derived from an analysis of present practice) and they are rarely, if ever, correlated. The communication planner has, therefore, to find ways of realising and accelerating this process.

UNITED NATIONS ASSISTANCE TO THE CARIBBEAN COMMUNITY
(CARICOM) IN DEVELOPMENT PLANNING

Introduction

1. In order to understand the role of the United Nations in the provision of technical assistance in development planning or other related fields in the Caribbean Community one must also understand the structure of political decision-making in the Community. First there are the national governments each of which has an indicative planning figure (IPF) out of which resources may be used to provide technical assistance. At a wider geographical level there is the East Caribbean Common Market with its Secretariat in Antigua serving the seven less developed island member territories of the Community located in the Eastern Caribbean. Over and above the assistance which may be provided at the national level, these LDC's can participate in programmes financed from resources provided under the Caribbean Undistributed Planning Figure especially for the benefit of this group. At the level of the Community itself projects may be financed out of the Latin America Regional allocation for the benefit of all members of the Community.

2. The United Nations is at present executing projects at all of these three levels in the Community, in planning and other related fields. Naturally in situations such as this there is some risk of duplication of effort at the different levels, and special efforts have to be taken to minimize this and to promote complementarity between the various technical assistance activities not only of the United Nations, but of the several other aids agencies operating at different levels within the region as well. This is a minimal necessity if efficient use is to be made of the resources provided under technical assistance.

3. Of course, there are also activities of the United Nations Family of Organizations which extend beyond the boundaries of the Caribbean

/Community linking

Community linking the Member States of the Community with the wider Caribbean. Such for example are the various activities of the CEPAL Office in the field of transportation planning, as well as the activities of the Environmental Project also located in Port of Spain.

Role of the UN System in Planning in the Sub-Region

4. The United Nations system has been playing a very active role in planning in the Eastern Caribbean during the last decade, and in recent years has been laying increasing emphasis on the provision of assistance at the regional level in an effort to foster and encourage the various movements towards regional economic integration which have been established within this area. At the national level DTCD projects in socio-economic development planning and related areas are currently being financed in Antigua (general development planning), Bahamas (water resources development), British Virgin Islands (physical and general development planning), Cayman Islands (budget administration), Dominica (physical and socio-economic development planning), Grenada (development planning), Guyana (surveys, physical planning and housing), Jamaica (energy planning and public service improvement), Montserrat (land valuation), St. Kitts (physical planning), St. Lucia (infrastructure development), Trinidad and Tobago (development of the Caroni Swamps).

5. At the regional level on-going projects in development planning and related fields being executed by DTCD alone include assistance in physical planning, development of statistical services at the Eastern Caribbean and CARICOM levels, water resources development in island countries and multi-sector regional planning. This last being intended originally to be the major channel of technical assistance in development planning to the entire Caribbean Community, and to act as a resource unit to other regional

/planning projects.

planning projects. In addition, there are other projects in the industrial transport, agricultural and other fields which relate to planning in specific sectors being executed by other members of the United Nations family of organizations.

The Multi-Sector Regional Planning Project

6. This project was established in order to assist the national governments as well as the two regional secretariats, the CARICOM Secretariat in Georgetown and the ECOM Secretariat in Antigua, in working towards the achievement of the expressed objectives of regional co-operation in various aspects of planning, the United Nations Multi-Sector Regional Planning Project for the Caribbean Community was established in 1976 for an initial period of three years, with headquarters in Port of Spain, Trinidad, but working in close collaboration with the Regional Secretariat in Georgetown, Guyana. The project had the following long-range objectives:

- i) to assist the Caribbean Community Secretariat and the Governments of the Caribbean Community in the establishment of an effective basis for regional planning and for the regional co-ordination of national development planning, and particularly in establishing and implementing a Regional Perspective Plan as a framework for regional development;
- ii) to contribute to the long-term development of the Caribbean Community and Common Market by enhancing the role of planning in achieving the aims and objectives of the Community and in ensuring that regional integration makes the maximum contribution to regional development with an equitable distribution of the benefits from integration, with particular reference to the less developed countries of the Community;

/iii) to

iii) to assist the Governments of the Commonwealth Caribbean with particular reference to the less developed countries of the region in the establishment of appropriate planning machineries for national planning.

7. The project has now completed its three-year term of operation, and one is in a position to comment briefly on the extent to which it has achieved the goals set for it at the outset. One may perhaps summarize by saying that the actual achievements of the project fell far short of the original expectations. One is also forced to admit, however, that the project was conceived on a far more ambitious scale than that on which it was actually implemented, and that its objectives should have been accordingly modified to make them consistent with the resources made available. It is also true that the entire climate of co-operation in the Caribbean Community was put to a severe test during the years of the energy crisis and world inflation, and that the financial and political pressures of Member States during that period certainly did not facilitate increased efforts at co-operation.

8. Though, as indicated earlier, the formulation of a Regional Perspective Plan as a framework for regional development was an overriding objective of the project, it was not until late 1977 that an expert was eventually appointed to the position of development planner on the project for a period of 15 months. No significant progress towards the formulation of the Regional Perspective Plan was made during his term of office. It is probably true to say that by the time the development planner had got down to his task the interest in regional planning was definitely lukewarm with all the Member States of the Community concerned almost entirely with balancing their current budgets and minimizing current deficits rather than with medium and long-term planning. During the last few years we have also been

/witnessing some

witnessing some degree of evolution in the economic strategy pursued by several Member States of the Community with consequences for the approaches to planning adopted by these States. This state of affairs has often led to serious questions as to whether there can be discovered the consistency of goals and harmony of objectives which should provide the underpinnings of the Regional Perspective Plan.

9. One serious handicap to improved planning performance at both the national and regional levels in the Community is the weakness of the institutional machinery for planning in many of the States. In a few cases such machinery is non-existent whereas in others there is a dearth of qualified personnel and resources. In yet other States where both the personnel and the resources may be available there has apparently been a disenchantment with planning due to the historical experience of poor performance of the planning organisation of the States. In short, planning as a governmental activity does not universally enjoy a high priority rating within the Community and this is itself a serious impediment to UN efforts.

10. As part of its future efforts in promoting improved planning within the Community, the UN proposes in the immediate future to devote increased attention and resources to improving (a) the statistical basis of planning in all sectors; (b) the human resources available to planning agencies through increased training facilities; (c) the institutional machinery for planning, and (d) the efficiency with which planning can be undertaken by Member States by providing at a regional level certain types of scarce expertise which cannot be efficiently utilized at the national levels.

Sub-regional Planning on Energy, Industry, Agriculture, Transport,
Mass Communication

11. The Chaguaramas Treaty establishing the Caribbean Community in July 1973 provides in Chapter VI for the Co-ordination of Economic Policies and

Development Planning among Member States of the Community in a wide variety of areas. Specifically these include domestic and foreign economic and financial policy (Art. 39); taxation and fiscal incentives to promote industry, agriculture and tourism double-taxation on treaties (Art. 41); the harmonization of industrial and commercial laws and administrative practices (Art. 42); monetary, payments and exchange rate policies (Art. 43); promotion of ownership and control of regional resources by nationals of the region (Art. 44); co-ordination of national development planning through the formulation of a regional perspective plan, by consultation in the formulation of national plans and the establishment of a Committee of Officials in charge of national planning agencies (Art. 45); industrial programming to increase the use of local materials, encourage production linkages, minimize product differentiation, improve production efficiency, expand extra and intra-regional exports and promote industries in the LDC's (Art. 46); joint development of natural resources through joint projects, collaboration in research and exchange of information (Art. 47); promoting complementarity of agricultural production with special attention to the LDC's (Art. 49); rationalization of trade in selected agricultural products (Art. 48); promoting complementarity of agricultural production with special attention to the LDC's (Art. 49); collaboration in the development of the tourist industry (Art. 50).

12. On a more restricted geographical level the East Caribbean Common Market Agreement also mandates its Member States to work towards the progressive harmonization of development, investment and industrial policies involving a common policy towards development planning and industrial development including fiscal and other incentives to industry (Art. 13); to pursue policies which economize on the use of foreign exchange and adopt a common policy towards treatment of foreign capital and greater mobilization of domestic capital for development purposes (Art. 14); to progressively

/harmonize their

harmonize their fiscal policies especially taxation of companies and individuals and use of fiscal incentives for industries, agriculture and tourism (Art. 15); the adoption of a common transport policy with special reference to inter-territorial transport (Art. 16); and the adoption of a common agriculture policy including a harmonized approach towards subsidies, price supports and market guarantees (Art. 17).

13. Though only limited progress has been made so far in the execution of the above mandates to these two regional organizations and further progress has been seriously impeded in recent years because of the severe economic and financial crises faced by most of the Member States, there has nonetheless been some achievements worthy of note in several of the areas mentioned.

Industry

14. Some progress had been made in the examination of the possibilities for industrial programming within the Community as a whole by the mid-1970's when the pressures brought on by world inflation and the energy crisis so altered the economic climate within the region as to lead to suspension of further discussions on approaches in this area. Some projects envisaged included large scale joint enterprises utilizing energy and mineral resources from within the Community, of which a few are still being investigated. Investigations were undertaken with the assistance of the Caribbean Development Bank and IBRD by consultants, in the effort to identify feasible industries for establishment in the less developed territories in an initial attempt at allocation of industries. At another level efforts are continuing through assistance to the ECCM Secretariat from UNDP/UNIDO to identify potential industries based on the natural resources available in the ECCM Member States. The establishment of the Caribbean Development Bank in 1970 to serve the developmental needs at the wider regional level,

and of the Caribbean Investment Corporation in 1973 to finance industrialisation in the ECOM member territories, both represented part of the regional strategy for the development of industry.

15. An important aspect of the efforts to promote industrial development within the Community in which substantial progress is at present being made is represented by the introduction of the New Structure of the Common External Tariff as well as a New Origin System for the Common Market which are expected to be introduced in 1979 and which should have the effect of widening the possibilities for trade in industrial products within the Community particularly those derived from products using raw materials of domestic origin.

16. Yet another aspect of the approach towards the promotion of industrial development is the harmonized regime of fiscal incentives which has been in operation for the entire Community for some time, and is due for review in 1979.

Agriculture

17. Though developments in this area have not been without problems and difficulties, this is undoubtedly the area of regional planning in which most significant progress has been registered to date within the Community. In addition to the organisation of trade in Oils and Fats, and a wide variety of food crops under the provisions of various annexes to the CARICOM Treaty, noticeable progress has been recorded in the formulation of a Livestock Sector Plan as one sectoral aspect of the CARICOM Food Plan. The Caribbean Food Corporation, with Headquarters in Port of Spain has been incorporated and its head office is at present being established with assistance from the UNDP and CDB. This corporation is intended to act as a mechanism for mobilization of resources to be devoted to the production and distribution of food crops throughout the region.

18. The United Nations has been very active in this vital area of development of the Community. Resources have been provided to assist in regional agricultural planning through the MRAPP, which in November 1978 held a very useful and constructive regional conference on the formulation of a Common Agriculture Policy. The conference brought together for one full week consultants working on diverse areas of research and practice in relation to production, transport and marketing of agricultural produce within the Community, as well as representatives of government agencies and international organisations to discuss the content and feasibility of a Common Agriculture Policy. The report of the conference is being prepared by the CARICOM Secretariat and should help to inform the Secretariat as well as member governments on the prospects for future planning in this area.

19. A large project for the development of farming techniques (CARDATS) is now in process of execution in the ECCM States with headquarters in Grenada and an agricultural research project with Community-wide coverage (CARDI) is based at the Faculty of Agriculture of the University of the West Indies in Trinidad and Tobago. In addition, there are smaller national projects located in several member states of the Community.

Co-ordination of Development Planning

20. In execution of the mandate given in Article 45 of the Annex to the Treaty of Chaguaramas, the Committee of Officials in charge of National Planning Agencies was established. The last meeting of the Committee was held in May 1977 and took the opportunity not only to review the current economic situation in member states of the Community, but examined at length such issues as the feasibility of a regional policy on inflation, a regional consumption policy, the state of national development planning the present state of developments in regional planning and regional industrial programming, the role of the UNDP Multi-Sector Regional Planning Project, and the proposed quantitative framework for the Regional Perspective Plan.

21. The study on the Quantitative Framework for the Regional Perspective Plan which had been earlier prepared by consultants under the joint auspice of the United Nations and the IBRD, was the subject of further more detailed scrutiny at a one-week regional seminar for Statisticians and Planners held in November 1977 in Trinidad to examine the problems associated with the compilation of National Accounts and other Statistics to satisfy the needs of planning. The seminar was held under the joint auspices of the UN Multi-Sector Regional Planning Project, the UN-CARICOM Statistics Project and the UN/ECCM Statistics Project.

22. One most desirable feature of the co-ordination of planning which takes place within the Caribbean Community is represented by the high degree of collaboration between regional organisations in their efforts to assist member states. Several joint missions have been undertaken for one purpose or another involving the CARICOM and ECCM Secretariats as well as the Caribbean Development Bank and the UN Multi-Sector Regional Planning Project.

Fiscal Planning

23. This is another area in which significant progress towards regional co-ordination has been recorded. The introduction of a harmonized regime of fiscal incentives for industrial development has already been noted.

In the area of joint negotiation of double-taxation agreements some progress has occurred with the negotiation of a MDC/LDC Double Taxation Agreement, and the initialling in December 1976 of a Draft Agreement jointly negotiated by the ECCM States and Belize with Canada. The fiscal adviser to the MSRPP was a consultant to the ECCM in these negotiations.

24. In the area of direct taxation of companies and individuals a model draft income tax law has been prepared under the auspices of the ECCM by a legal draftsman working in consultation with the fiscal adviser of the MSRPP and based on detailed fiscal reviews previously completed for the

/States of

States of Dominica and St. Vincent. This model draft has been adopted as the basis for new legislation for the taxation of companies and individuals in at least five of the LDC member states of the Community.

25. Work has already begun on the detailed research necessary to bring about the eventual harmonization of the two basic tariffs which now exist within the Community, one serving the LD's and one serving the MDC's. It is anticipated that co-operation in this sphere will continue in the immediate future.

Machinery for Exchange of Information Between Planning Agencies

26. The Committee of Officials in charge of National Planning Agencies of Member States of the Caribbean Community was established under Article 45 of the Annex to the Treaty of Chaguaramas establishing the Caribbean Community in 1973. This Committee constitutes the formal machinery for exchange of information between planning agencies of member states, and is one of the institutions of the Community reporting to the Common Market Council, which, together with the Conference of Heads of Governments, constitute the two main organs of the Caribbean Community.

27. Under Article 10 of the Treaty of Chaguaramas several other institutions of the Community have been established to facilitate co-ordination and collaboration in various areas of sectoral planning. These institutions include:

- i) The Conference of Ministers responsible for Health;
- ii) The Standing Committee of Ministers responsible for Education;
- iii) The Standing Committee of Ministers responsible for Labour;
- iv) The Standing Committee of Ministers responsible for Foreign Affairs;
- v) The Standing Committee of Ministers responsible for Finance;

- vi) The Standing Committee of Ministers responsible for Agriculture;
- vii) The Standing Committee of Ministers responsible for Mines.

The meetings of each of these Committees of Ministers are preceded by meetings of technical officers who examine and make recommendations on the various issues of interest. Since in the context of Caribbean Community Member States a good deal of planning in each sector is done by the particular Ministry concerned with planning agencies acting merely as co-ordinating secretariats, these Standing Committees of CARICOM Ministers represent an important medium for co-ordination and exchange of information.

Training in Planning Techniques in the Sub-Region

28. There are three major levels through which resources are provided for training in planning techniques in the Member States of the Community. The first is the academic level at the regional universities where courses are offered in development planning. The second is through bilateral technical assistance agencies such as the U.S. Agency for International Development and the Ministry of Overseas Development of the United Kingdom. The third is through multilateral technical assistance efforts such as those of the United Nations family of Organisations, the Organisations of American States, the Commonwealth Fund for Technical Co-operation. Projects which are financed from United Nations resources are usually endowed with a significant component of training resources to provide for both the in-service training of local counterpart personnel as well as for scholarships to local personnel at universities and other institutions of higher education outside of the country.

29. These efforts notwithstanding, there remains a large unsatisfied need within the Caribbean Community for training of local personnel in all aspects of planning, as well as in other related areas such as statistics

/and project

and project identification and evaluation. Proposals for technical assistance being presented to various agencies at present include requests for increased resources to be devoted to training in planning as well as other aspects of public administration.