

**SYSTEM OF CO-OPERATION AND CO-ORDINATION  
AMONG PLANNING BODIES OF THE  
LATIN AMERICAN REGION \***

**PLANNING  
BULLETIN**

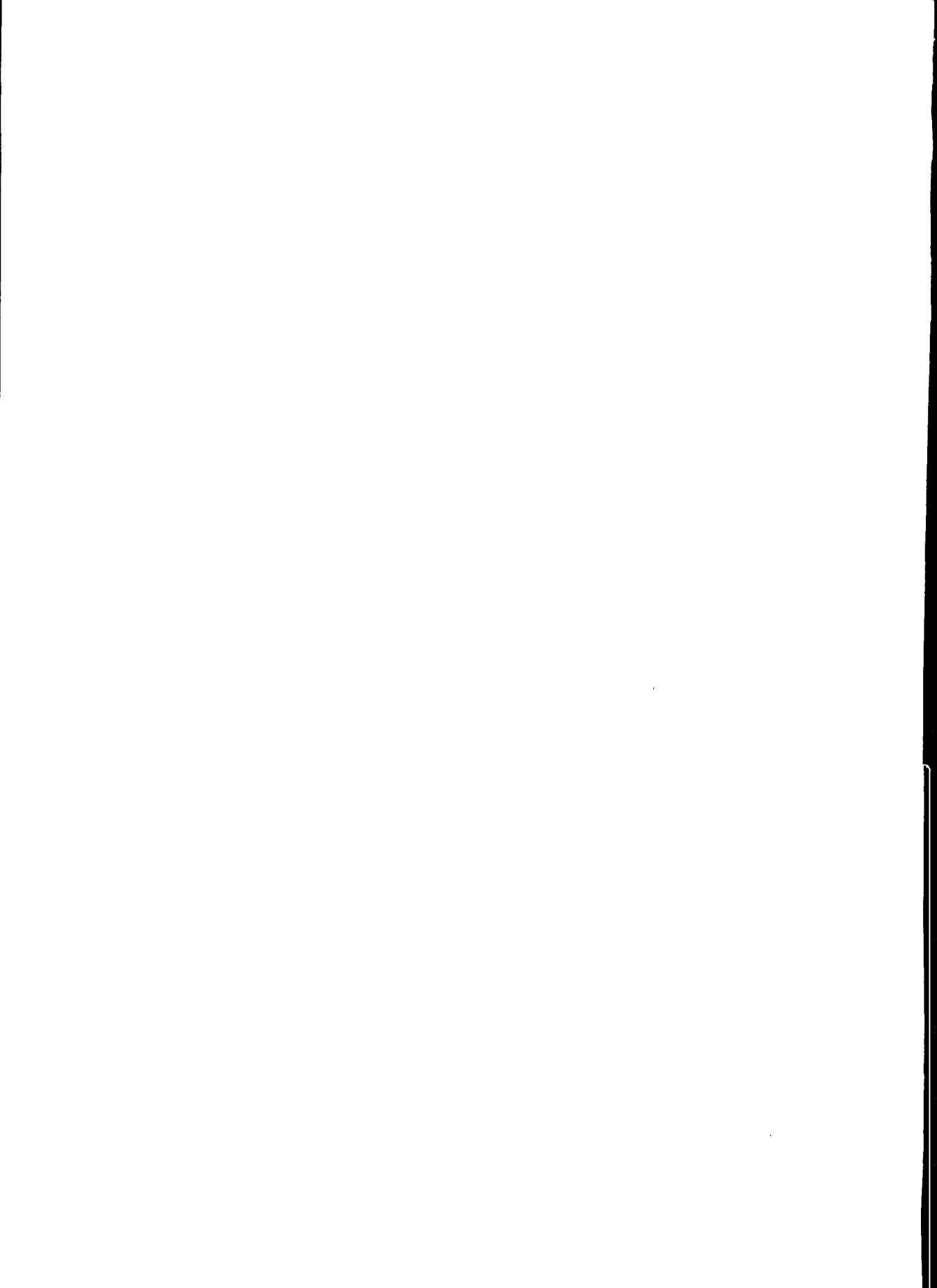
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## FOREWORD

In compliance with the aims and objectives of the System of Co-operation and Co-ordination among Planning Bodies of Latin America and the Caribbean, ILPES has pleasure in presenting Planning Bulletin No 5-6. During the past three years this task of dissemination and support has gradually built up into a top-priority part of the Institute's work programme. The goal is to make the Bulletin the organ par excellence of the thinking and studies of the planning bodies. Nothing can be more valuable at the present time than to give determined support to the co-operation and integration efforts of the region's planners.

On this occasion we should like to refer to two facts of vital importance. Firstly, in the context of the functions and regulations of the Caribbean Development and Co-operation Committee (CDCO) as an organ of CEPAL, the meeting of Caribbean planning officials is a fact of vital importance for the subregion. As from the very first meeting held in Havana in January 1979, the bases were laid for the deepening and move thorough institutionalization of the planning process in the different countries and of the co-operation among them and for gaining an insight into the problems which still hinder the full establishment of this process as an increasingly important and positive element in the conduct of development policy.

As was noted at that meeting, the creation of machinery for co-operation and co-ordination among planners is a recognition of the fact that firstly, the experience and achievements of each country can represent valuable contributions for the rest, through the enrichment of the common fund of knowledge; secondly, technical collaboration should not only be between international bodies and developing countries, but also among the developing countries themselves, and thirdly, since planning is a field of knowledge and human action linked to an economic world which is undergoing profound changes, this calls for a continuous review of methodologies, purviews and objectives. ILPES considers that such a review can best be carried out in forums like the meeting of Caribbean planning officials or other Latin American subregional groups. In view of this fact, the Institute feels great satisfaction at the result of the second Caribbean meeting held in Kingston, Jamaica, from 29 May to 2 June 1980.

The present issue of Planning Bulletin includes a selection of the studies presented at that meeting. They all refer to topics of high priority for the solution of the region's social and economic problems. We therefore consider their publication to be most timely, and we are pleased to be able to support and participate in their realization.

Lastly, with the aim of publicizing the intellectual contribution of national bodies interested in promoting the integral development of available resources, we have pleasure in publishing the contribution on science and technology by the National Science Research Council of Guyana.

The section "Notes and Comments" gives a summary of the Report of the Second Meeting of Planning Officials in the Caribbean, with the resolutions adopted. Also included, since it is considered of special interest for the region, is the speech by the Honourable Hugh Small, Minister of Finance and Planning of Jamaica, who addressed the meeting before declaring it open.

## PLANNING THE ENERGY SECTOR

Trevor M. A. Farnel <sup>\*/</sup>

The dramatic increase in oil prices since 1973 has resulted in a massive escalation of the cost of energy for many oil-importing, energy-deficit countries, at the same time that it has meant tremendous windfall gains for the relative handful of oil exporters. In the Caribbean for example, Jamaica has seen its imports of oil, which account, for about 90 percent of its energy consumption climb from 8 percent of total imports of goods and services in 1972 to 16 percent in 1978. While roughly the same amount of oil was imported in 1978 as in 1972 (16.1 million barrels) its value shot up by some 250 percent from US\$55.5 millions in 1972 to US\$193.9 millions in 1978.

Such massive increases in energy costs have forced policy makers in almost all countries to now accord to energy a central place in their policy formulation. In the circumstances, planning the energy sector and devising sensible policies for coping with the problems has become a matter of both urgency and importance. The present paper seeks to outline heuristically how energy planning can (ought to) be approached. It is based on AFROSIBER, which <sup>1/</sup> is a nine point planning method suitable for use for comprehensive national planning <sup>1/</sup> and we take the Caribbean region as our referent point.

The first step in planning the energy sector and devising policies related to energy use involves a systematic evaluation of the particular country's situation. There are four aspects to this. First of all, energy planning, like any other macro-level planning, requires that certain basic pre-conditions be satisfied for it to be "successful".<sup>2/</sup> If these pre-conditions are not satisfied at the start of the planning exercise, then their fulfillment becomes either a proximate or a concomitant objective of the planning process. What then are these pre-conditions?

They are six in number:

- (a) Planning for energy, like planning the national economy, or the agricultural sector, or education, requires first of all that an effective organizational apparatus exist or be created, charged with formulating, executing, co-ordinating,

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<sup>1/</sup> Trevor Farnel. "How to Plan: AFROSIBER - The Nine Point Planning Method and its application to Development Planning", U.W.I., St. Augustine Department of Economics.

<sup>2/</sup> Venezuela, Ministry of Energy and Mines, Governing Document on Venezuelan Energy Policy, Caracas, May 1979.

monitoring and reviewing plans, projects, policies and programmes with respect to energy. This of course sounds obvious, even trite, once stated. It is enough however to consult actual experience in many countries to see that it is so often ignored in practice that it needs to be stated quite explicitly.

- (b) The second pre-condition, is related to the first. This is that there must exist, or be developed, a cadre of people with the necessary specialist skills and knowledge who can undertake the business of planning and executing policies and programmes. A review of the Caribbean situation shows that in several countries, the first pre-condition - an effective organizational apparatus for energy planning and policy formulation - is not yet met. This is in part due to the failure to satisfy the second pre-condition - i.e. the finding, recruiting and training of people with the specialist skills in energy and planning that are necessary.
- (c) Ultimately, one cannot plan for something over which you have absolutely no control. There is a certain basic minimum degree of control that a country must be able to exercise over its energy sector as over any other sector, for it to be able to plan effectively.
- (d) The fourth pre-condition for successful planning relates to a more subtle and intangible factor. For planning to be carried out properly, there must exist in the system a sophisticated understanding of planning, exactly what it can accomplish, what its real advantages are, where its limitations lie, how it has to be carried out, what are its organizational and political implications and what its costs are in terms of time, resources, and the frustration that can come from doing nothing at times when action seems desperately needed, because something called "planning" is going on. This is related to the fifth pre-condition that there exists the will to plan on the part of the top policy makers in the system. In the absence of this, technocrats charged with planning are likely to find themselves frustrated and candidates for hypertension unless they develop psychological safety valves.
- (e) Sixthly and very importantly, good planning depends utterly on good information. Good, sound policies with respect to energy have to be based on a thorough understanding of what the situation is in the country in question with respect to energy. Information is at the heart of this kind of understanding.

It is quite clear that in many parts of the Caribbean today, these six pre-conditions for good energy planning are remarkable chiefly by their absence or low-level of fulfillment. Thus one of the first tasks of energy planning, as with any other type of planning under Caribbean conditions, is to seek ways of addressing these problems.

The second aspect of evaluating the situation with respect to energy can almost be treated as yet another pre-condition. This relates to the fact that proper and comprehensive energy planning is really infeasible unless it accompanies some planning of other areas of the national economy. At a minimum, if other areas of the national economy are not planned, their future course must at least be seriously considered.

This is because energy, like manpower, is an input into other activities. Consequently, the desirable level of energy production for example, cannot be specified independently of the expected levels of activity in other areas of the economy. What will happen, or what is planned to happen in the various sectors of the economy, the new projects slated to come on stream, improvements in the standard of living, are all likely to impact on the level of energy utilization in the society (ignoring for a moment the impact of technological changes in energy production). Energy planning therefore ideally ought to be detailed with the planning of the other major sectors and areas of activity in the national economy. Ensuring that mechanisms exist, or are created which provide for this linkage is the second aspect of our evaluation of the situation.

The third stage in the process is the formal assessment of the situation with respect to energy specifically. This involves the preparation of a set of studies which provide much of the basic background information necessary for decision-making. Analyses are conducted which permit the following questions to be answered:

- (i) How much energy is consumed in the country in question? What has been the pattern with respect to energy consumption historically? What does it imply, if anything?.
- (ii) What are the sources of the energy consumed? By source of supply; Domestic vs. Imported.
- (iii) What is the cost to the country of the energy consumed? This involves an analysis of the foreign exchange costs of imported energy, the cost of domestic production of energy, if any, and the relationship between energy costs and consumer welfare. Also other aspects of social cost such as the environmental impact of current and past patterns of energy use are taken up here. The costs involved in the pattern of energy usage are of course analyzed over time, and trends etc. identified.
- (iv) What is the relationship if any, between energy consumption and overall economic performance? How invariant is this relationship in the short, medium and long term?.
- (v) Next, a breakdown of the national economy into sectors/areas of activity is made and a detailed analysis is conducted of the consumption of energy by sector/area of activity, e.g. transport, bauxite, tourism, household, etc.

For each sector, certain fundamental questions are asked, and answers sought: How much energy is used? How much does it cost? What share of the costs of production of the sector's output is accounted for by energy? How does the sector/area of activity's energy usage compare with other sectors/areas of activity domestically and internationally? How energy intensive is the sector/area of activity? What substitution possibilities exist with respect to energy sources? How efficiently is the energy used? Can the same quantity of energy be used with greater net social benefit elsewhere, in some other more productive sector?.

- (vi) Next comes an analysis of energy consumed by source of supply. Each source of supply, actual and potential, is studied, an analysis is made of the end uses to which it is directed, which end uses are feasible, which desirable. The comparative costs of alternative energy sources is investigated and alternative sources are rigorously compared using systems analysis techniques which enable a comprehensive assessment of each source to be made considering everything from security of supply, to transportation, distribution, storage, technologies involved, costs, prices, etc.
- (vii) Energy balances are computed which link sources of supply to intermediate and end uses. These balances permit the tracing of energy flows through the economy by use of a complex of matrices.
- (viii) The analysis of energy by source of supply and by end use permits an overall assessment of energy usage to be made: How much energy is consumed? Where? How justifiable are the sectoral, area, and overall levels of consumption? What conservation possibilities exist within the existing framework? How responsive is energy demand to price changes? How much do different alternative sources of supply of energy cost? (See Table 1).
- (ix) Special detailed analysis should be conducted of specific supply sources such as oil which may be particularly important to the country in question. Also, it is usually desirable to conduct a special analysis of electricity generation and consumption.
- (x) Next comes an assessment of current and past policies with respect to energy and their impact.
- (xi) Finally, it is necessary to carefully analyze the international situation with respect to oil and energy and its current and future impact on the domestic situation.

It should of course be quite clear that this list of information needs that I have detailed here represents the ideal. None who has attempted to do actual energy

planning and policy formulation for under-developed, Caribbean-type countries will be under any illusion that, at least at the beginning, one will get all the information and answers desired.

Since prior to 1973, few people troubled themselves very much about energy issues, relatively little was done in the way of data collection with respect to energy issues. Consequently when one begins to develop energy planning there are initially enormous data gaps and correspondingly large areas of ignorance.

Over time, the situation improves and our ability to generate and assess the information necessary for properly carrying out this first step in the planning process improves pari-passu.

This means that one of the first objectives in energy planning in Caribbean economies, implicitly or explicitly has to be the improvement of the data base we work with and energy information systems more generally - especially as it relates to the international energy market.

Also, grievously imperfect as the data base may be initially, it does not mean that enough cannot be found or generated fairly quickly (in a few months), to enable some initial plans to be formulated and some policy initiatives to be decided.

#### 1. Step No. 2 - Forecasting

The second step in the planning exercise is forecasting. It is really intimately related to the first step - the assessment of the situation. In fact they are more two different phases of one step than two very distinct sets of activities. While in Step No. 1, we evaluate the present and the past as relevant, in Step No. 2, we continue the exercise with an evaluation of the future context or future situation. Planning really involves the interlinking of past, present and future.

In Step No. 2, then, many of the areas identified in Step No. 1 for analysis are dealt with again, but this time in terms of the forecasted levels of the particular variables. Now what this really means is that while conceptually, and for purposes of exposition, it is necessary and desirable to identify two distinct steps - assessing the situation, and forecasting, - in practice the two sets of activities are carried out jointly and concurrently and usually by the same set of people.

Thus the likely future demands for energy need to be studied, and not just current patterns of consumption. Projections of future demand for energy are made on both an overall, macro-economic level, and on a sectoral/area of activity level. The macro-level forecasts are generally made using fairly simple econometric techniques and are usually based on the close relationship between energy and output that

seems to exist in many economies. Sectoral forecasts are made on the basis of projections of future levels of activity in these sectors. Thus it can clearly be seen here, how energy planning has to be related to other areas of planning.

Forecasts are also prepared of the future supply of energy, by source of supply. These involve considerations of such issues as the possibilities of domestic production of energy, the contribution of new, alternative sources of energy, security of supply problems, technological issues, and expected costs and prices of various energy sources.

## 2. Step No. 3 - Resource Evaluation

The third step in the planning exercise involves a detailed analysis of the country's resource situation with respect to energy. This is where the country's current or potential energy sources are evaluated - oil, gas, hydro-power, geothermal potential, etc. The kinds of questions asked here relate to estimates of reserves of oil or gas, comparative costs of production of the various alternative sources, what lead times are necessary for the bringing into production of newly discovered resources, exploration programmes and their organization, evaluation of the potential for development of new energy sources - e.g. the use of minidams for hydro, the use of dormant volcanoes for geothermal energy generation etc.

Much of this work in Caribbean countries at this stage has to devolve onto the shoulders of engineers, geologists, geophysicists, etc., since so little is really known about our resource situation with respect to energy. It should also be clear that while the set of activities described here in this step are presented sequentially, in practice the work can be (and probably ought to be), carried out in parallel with the work in Steps 1 and 2.

## 3. Step No. 4 - Setting Objectives

The first three steps in this planning method are really just about the generation, organization and interpretation of information. Once this work is done, the basis for formulating policies and programmes is really laid. At the heart of plan and policy formulation is the setting of a complex of objectives and targets over some time horizon.

From the information derived from the first three steps, it may become clear that possibilities exist in the country for developing more indigenous supplies of energy, but that this will only have an impact in the medium or long-term. This, plus information that there is currently considerable wastage of energy in various sectors/areas of activity may lead to the identification of increased conservation as a short/medium-term objective, and the development of indigenous energy sources

as a medium to long-term objective. Or it may have become clear that the exploitation of certain substitution possibilities e.g. greater use of bagasse instead of oil in the sugar industry may lead to substantial savings. Achieving this then becomes a target of policy.

Some set of objectives then is specified. The list may read:

- (i) Hold down/reduce the foreign exchange cost of energy imports;
- (ii) Expand the production and use of indigenous energy supply sources;
- (iii) Increase exports to pay for the increased cost of energy imports;
- (iv) Attract increased flows of foreign aid from OPEC countries to help finance oil import costs.

These broad objectives then have to be broken down into detailed (usually quantified) targets. These targets then become the real specific goals of the planners in the system.

It will be found that a choice has to be made of the fundamental philosophical and operational approach to energy planning. Briefly, there are three fundamental approaches possible. The first approach is essentially: "How can the cost/quantum of energy used in the economy be minimized?" This conceptual notion seems to govern current approaches to short and medium-term energy planning in many countries. It implies that the real concern of the planners is summed up more fully in the question: "Given desired levels of activity, how can the energy required to sustain them be provided most efficiently, at minimum social cost, and how will this cost be best financed?".

A second approach essentially asks: "For a given quantum of energy (defined as affordable given some specific configuration of costs and resources), what is the maximum amount of economic activity that can be obtained?" This involves seeking to wire the available energy to its most productive/most desirable uses and so use it most efficiently. This approach which is implicit in the policy formulations of some countries in the depths of fundamental economic crisis boils down to a maximization under constraints problem in which some quantum of foreign exchange available for energy purchases say is the constraint, and the level of economic activity the objective function to be maximized. The first approach by contrast is akin to a minimization subject to constraint problem in which the maintenance of some desired level of activity acts as the constraint and the costs of the energy required to produce it are what is minimized.

The third approach is the canonical classical method of economics. This approach recognizes that neither the level of economic activity nor the cost of energy ought to be set "arbitrarily". The two interact and ought to be simultaneously determined at some "optimal point". In this approach then, the fundamental philosophical

injunction would be to use energy from each source, and in each use, up to the point where the marginal social benefit just equals the marginal social cost.

The differences in the policy objectives from using these different approaches is profound. The second approach leads naturally to a policy which emphasizes conservation, the use of rationing, the cessation of certain activities in favour of others regarded as socially more valuable etc. The third leads to a willingness to import large quantities of expensive energy if it would be used in sectors which are extremely lucrative. It also tends to lead to the use of prices as signalling devices as opposed to state imposed rationing or state controlled deployment of energy to different users using a directive approach.

The third approach is logically, the correct one. The problem, however, is that it is almost impossible to operationalize meaningfully. In practice, the approach to energy planning currently in vogue in many countries, seem to be implicitly or explicitly a mixture of the first and second approaches. One can expect however that as the issue becomes better understood, the more subtle and sophisticated third approach will attract greater attention and greater intellectual effort will be devoted to successfully operationalizing it.

#### 4. Steps No. 5 and 6 - Strategies and their implications

Targets for energy policy having been worked out, the next step is to devise a set of strategies for actually implementing them. For example, a conservation target may require the use of public education techniques, the introduction of some system of taxes, subsidies and a new pricing policy. Increasing the flow of aid may involve the strategy of stimulating a change in oil-importing Third World countries currently acquiescent and supportive policies towards OPEC, and their taking a harder and more demanding line towards the organization.

The strategy having been devised, their implications, the repercussions from employing them etc., have to be worked out. Reactions by other sectors in the situation to the strategies deployed is to be expected, anticipated and allowed for in the strategy set worked up. At this stage, specific projects have to be identified, planned, costed, evaluated and compared. Here then the role of the project analyst is logically to be found.

#### 5. Step No. 7 - Calculation of resource balances

The complex of programmes and plans for the energy sector and for the pattern of energy usage require certain resources to carry them out. Decisions to develop more hydro-power or to expand indigenous oil production necessarily involve certain demands on the society's resources of say foreign exchange in order to acquire the capital

stock necessary. Similarly the successful carrying out of the proposed programmes may require the deployment of various categories of specialized skills of the acquisition and diversion of land from other uses to the development of alternative energy sources. Conservation type programmes whether they center on retro-fitting existing plant and equipment, or improving the efficiency of electricity generation may also impose some resource cost on the economy which needs to be calculated.

The costing of all the various programmes and plans is undertaken through the computation of certain resource balances. These balances include foreign exchange costs, labour required, high-level technical skills needed etc. The computation of such balances is done as a method of ensuring that the demands of the various energy projects and programmes for resources, whether skilled manpower, foreign exchange or whatever, are harmonized with the quantities of these resources expected to be available.

Usually it will be found that resource demands and resource availabilities do not match up on the first iteration. This means that the set of programmes and projects identified needs to be reviewed, pruned, other less costly ways of doing things found, and/or that ways be found to increase the quantum of resources initially thought to be available. The balances are then recomputed again, if necessary, until expected resource demands can be reasonably held to match expected resource availabilities.

A very important, very difficult and very tedious task should now be performed. That is, the time phasing of the various projects and programmes. This involves a period-by-period analysis of the various projects to be undertaken, the resource flows necessary in each period, resource availabilities in each period, the implications for the whole system of the scheduling of the various projects etc.

A set of projects with together require a certain amount of foreign exchange or a certain number of engineers may appear quite feasible if assessed over say a five-year plan period and total resource demands compared with expected total resource availabilities of foreign exchange and engineers over the period as a whole.

But differences in the timing of resource needs as compared to the timing of the resources becoming available could throw the entire programme into chaos and confusion. Thus if 80 percent of the foreign exchange is required in the first two years during the period of heaviest construction activity but 80 percent of the foreign exchange expected to become available will be received in the fourth year, serious dislocation and waste can occur if the problem is not anticipated and expedients devised to cope with it.

## 6. Step No. 8 - Execution

Plans mean nothing unless they are executed. The purpose of planning is to inform action, not to act as a substitute for it. After plans are worked out and policies articulated and announced we face the task of implementation. This raises a different set of problems centered on politics, communication, organization, law, international relations etc.

This is not the place to elaborate on the problems of execution. However it may be useful to say a few words on what is often the most critical aspect of execution - organization.

Successful execution of energy plans like any plans involves certain basic organizational imperatives which are as fundamental to success as they are ignored. It is no use, first of all, to have plans concocted in a central planning office with minimal or no participation from the people who will be affected by the plan or who will have to execute it. Such plans are very likely to remain stillborn.

It is necessary to involve in the planning process, the line organizations who the issues affect and especially the people on the ground and on the line who know the particular problems and issues, who have to deal with them on a day to day basis, and who have crucial knowledge and expertise indispensable to proper planning. It is also important to involve people from a motivational point of view. It has been demonstrated over and over that people react negatively to decisions made which affect them but where they were ignored in the decision making process. And in the same way people are usually more highly motivated to carry out a task if they have been consulted and their participation sought, even if their specific advice is not accepted.

It is also necessary to have a system in operation whereby once decisions are arrived at they can in fact reach down into the line organizations and affect what they do. Naturally this implies certain things about authority, the ability to deploy power etc. It makes little sense for a central planning office to come up with an approved energy plan which has certain implications for the generation of electricity, if it is unable to get the electricity company to carry out agreed on decisions.

Finally, we may mention another major organizational problem, and one which nullifies one of the most important advantages that planning has to offer - that is, ensuring effective co-ordination between the activities of different organizations.

## 7. Step No. 9 - Review

At the end of the plan period, it is necessary to have a review. This is by now well-known to be sound managerial practice and should need in consequence no elaboration.

### a) Some specific problems of Caribbean energy planning

Before concluding we outline briefly some specific problems that arise in trying to develop energy planning in the Caribbean region.

- (i) First of all, outside of Cuba, planning is a poorly developed function in the Caribbean. Despite all the paraphernalia of several development plans and appropriately titled ministries and department, there is little experience with real planning in the region, and even less understanding of what planning is all about, how it should really proceed, what are its true advantages and limitations, and little grasp of the various subtleties that come with a sophisticated understanding of planning.

Consequently, energy planning is hamstrung by the weakness of planning as a whole, and the need to integrate energy planning with the forward planning for other sectors/areas of activity in the economy is vitiated by the absence or the anaemic nature of such sectoral activity - area planning.

- (ii) A second problem that arises centres around the difficulties associated with inducing effective co-operation in the region. It turns out that in several areas associated with energy policy - e.g. information acquisition and sharing, training of personnel, the purchasing and marketing of petroleum products - Caribbean co-operation would be desirable if not absolutely necessary. But bringing the territories together in meaningful joint ventures has proven hitherto to be a herculean task with few real lasting successes.
- (iii) It is very important that in assessing the situation, a careful study be done of the international oil and energy markets, and a careful, reasoned judgement about the likely future course of oil prices be made. Whether many of the alternative energy technologies currently being mooted, prove to be economic successes or economic disasters depends in large part on whether the relative price of oil continues to escalate or whether it falls.

If oil prices fall in real terms, many of the alternative energy technologies that governments hastily invested large capital outlays in, would be effectively bankrupted. Current conventional wisdom in the shape of forecasts providing each other as usual with mutual reinforcement, chorusses

with near unanimity that oil prices will continue to rise and energy costs go up. (The Age of Cheap Energy is over, etc. etc. etc.).

However conventional wisdom on the future of oil prices has proven in the past to be disastrously wrong - e.g. pre 1973 predictions of a falling real price for oil in the long-term. It may well be wrong again. One's guess as to what will happen here has the most important implications for the kind of energy policies a country adopts.

- (iv) The Caribbean region is characterized, inter alia, by its condition of technological dependence on the metropole and the underdevelopment of indigenous technological capabilities. This general situation coupled with the region's considerable inexpertise with respect to energy matters is fostering a reliance on metropolitan analyses and interpretations of the region's energy problems, as well as a near total dependence on metropolitan technologies and solutions for dealing with these problems.

There is a not inconsiderable danger that in the area of energy like in other areas previously, the region will once again fail to develop the technological capability that would enable it to identify, analyze and find solutions for its problems with full cognizance of the peculiarities and special characteristics of the particular environment that we are dealing with in the Caribbean.

Table 1

## Example of a Consolidated Energy Balance

Year 19

( Oil - equivalent bbls. / 10<sup>12</sup> calories )

Energy by Source

	Oil										Total Comm. Energy	Other	Total Comm. Energy Bagasse	Elec.	Total Energy							
	Gasoline		Av. Fuel		Gas Diesel		Resid Fuel Oil		L.P.G.							Total Oil		Natural Gas		Hydro Elec.		
Domestic Production																						
Imports																						
Inventory Changes																						
Total Supplied																						
	Energy by Use																					
	Gasoline		Av. Fuel		Gas Diesel		Fuel Oil		L.P.G.		Total Oil		Natural Gas		Hydro		Other		Total Commercial		Total Energy Consumed	
Electricity Generation	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )
Exports																						
Bandite																						
Bunkers																						
Sugar																						
Transportation																						
Tourism																						
Aviation																						
Manufacturing I																						
Manufacturing II																						
Manufacturing III																						
Retail & Commerce																						
Construction																						
Other Agriculture																						
Petroleum																						
Own Use																						
Wastage																						
Household																						
Other																						
Total																						

SURVEY OF NATIONAL PLANNING SYSTEMS IN  
LATIN AMERICA AND THE CARIBBEAN

Noel Boissiere \*/

FOREWORD

This account of the planning systems in ten countries of the Caribbean region shows the current state of planning in these countries. Countries were invited to complete a detailed questionnaire if possible, or a revised version for the Sub-region. All countries save one chose to reply to the questionnaire, and even in this one case the detailed questionnaire was completed not so much by choice as through a misunderstanding. On the whole, the main questionnaire was found to be much too detailed, and a large number of the questions not applicable to the kind of experience which the countries had. Two countries prepared written replies to the questionnaire and others submitted papers on planning that had been read elsewhere. Nevertheless, the current report is a representation of replies to the questionnaire and of what was said in interviews, and as such reflects greater interpretation of the planning processes of the countries than is revealed in various conference reports.

It must be borne in mind that in all the countries surveyed, planning is still a relatively new process, and clear relationship and criteria are far from the stage where they can be said to be firmly established. Three of the countries are not independent - Antigua, St. Kitts and St. Vincent -, and two more have only recently achieved political independence - Dominica (November 1978), St. Lucia (February 1979). Furthermore, in the latter two and in Grenada as well, new governments are only months old, and the circumstances which led to the formation of present governments in Dominica and Grenada also led to the expectation of new policies especially with regard to the role of planning and the role of the state. -

It must also be borne in mind that the questionnaire determined the kind of subject that was covered in the interviews and it also tended to determine the kind of answers given. The questions are framed in a manner which presupposes the existence of some form on planning, and they seemed to make some officials feel that they ought

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\*/ Consultant, Institute of International Relations.

1/ In late August, just after the completion of the survey, massive destruction was inflicted on Dominica by Hurricane David. This puts all plans and planning up for reconsideration once more, for the major concern now is to rebuild a devastated economy and not merely to restructure a lagging one. This is as great a challenge as any planning mechanism will ever face.

to give positive replies even in cases where they themselves were that the deficiencies are severe enough to prevent any positive answer, however qualified. An exception to this arose in the case of the question on the main difficulties in formulation of plans. Although the question is circumscribed to difficulties "such as lack of specialized technicians, shortage of basic information, lack of up-to-date diagnostic studies, etc.", several officials were at pains to point out that whatever the technical difficulties, institutional difficulties were equally or even more frustrating. They then proceeded to illustrate. Had they chosen to answer the question euphemistically, the picture portrayed in this report would have been quite different. Similarly, to questions on the dimensions of planning - whether short term, medium or long term, sectoral, etc., an original response of "No, we do not do any of that" may, on second thoughts, seem to be too negative, and is therefore modified to something like "I guess you can say that what we are doing is short term sectoral planning, because the perspectives are not long term and the projects (not plans) prepared refer to sectors". The Consultant therefore feels that in this report she has created something out of nothing, and perhaps portrayed a planning system with aberrations, where there is in fact none.

What is being done in the region at the present time is not really planning. The traditional system of government administration and the more recent management of the public sector require that some forecasting be done and some rationality shown in the choice of expenditure to be undertaken. This process is going on in all the countries, through the budgetary system, but this is not planning. One essential aspect of planning is frequently absent, that is the consciousness of the longer term goals of the country as a whole and their translation into current action and targets for the country and for particular ministries. The present state of planning is one in which all countries have some administrative framework for planning but no country is in fact using the planning mechanism effectively. Reasons for differ from country to country, varying from a basic mistrust of "planning" to a basic desire to use the planning mechanism, but currently finding it a long, up-hill task, hindered both by internal institutional factors and external economic pressures.<sup>2/</sup> At one extreme, there seems to be a misunderstanding of what planning is all about, and an association of "planning" with being a "socialist" tool to control and direct. The need for rationality in the use of resources and the importance of being guided by long term objectives is acknowledged by all, but some argue that this is what is being done in the budgetary process anyway. This exhibits an unwillingness to distinguish between the planning function with its long term perspectives and the budget function which forecasts short term action without any clear indication of where an activity could lead to in the long run.

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<sup>2/</sup> This applies not to planning officials, but to the practices of Governments.

Everything related to planning systems of the countries is in the process of being built. The report reflects positions of the recent past and transitional status of the present. In these countries, the planning mechanism is being invoked in economies which are open and susceptible to influential external factors; economies in which the public sector accounts for between 15 percent and 66 percent of Gross Domestic Product; which by and large have little surplus on current expenditure to devote to capital and development expenditure; and which, with few exceptions, have recently been facing problems of no growth and rising unemployment accompanied by falling real wages and widening consumer expectations.

On some questions a range of views is revealed, but on others there are unmistakably central themes. What follows in this report is a reflection of both.

#### BACKGROUND

The account of the planning systems of the ten countries reported here is part of the Survey of National Planning Systems in Latin America and the Caribbean, conducted by ILPES. The ILPES Survey questionnaire was first sent to Governments of ten countries, and in keeping with the terms of her contract, the Consultant conducted interviews with government officials in these countries in August this year and recorded their replies to the questionnaire in order to prepare a regional report. The countries were as follows:

Antigua	St. Kitts
Barbados	St. Lucia
Dominica	St. Vincent
Grenada	Suriname
Guyana	Trinidad and Tobago

The results of these interviews are the subject of this report.

The Consultant would like to take this opportunity to give thanks to all the people to whom she spoke and whom she interviewed in each country; and thanks too to individuals and departments for the kind courtesies extended to her while in their country. Throughout, she received courteous and sometimes even keen co-operation in conducting the survey. She was able to interview officials of the highest rank in the planning field, and to these persons very special thanks are given for having taken the time from their visibly hectic schedules to answer the questions put. Officials spoke freely in the interviews, and for this too gratitude is expressed, for it allowed much deeper insights into understanding the role of planning in the country than would have been possible from a written or narrow reply to the questionnaires.

In this report the Consultant has taken care to give as accurate a representation as possible of the replies to the questionnaire, editorializing only to the extent necessary to combine ten country surveys into a regional account. The report is essentially descriptive; where there appears to be comment, this is not the Consultant's, but merely a reflection of views expressed on the understanding that no country of origin would be identified in the final regional report.

## I. PLANNING AND THE STATE

### A. CONCEPT AND SCOPE FOR PLANNING

The governments of the region are committed to the modernization and industrialization of their societies and want to use planning as one of the principal tools to achieve these goals. The importance given to planning necessarily varies with the extent to which they feel they can direct and influence the level of performance of their economy and the extent to which they are willing to engage in the process of directing and steering. Some governments, whether for ideological or pragmatic reasons, show little keenness to use the planning mechanism at all and none use it in a comprehensive way. There are those governments which though interested in planning as a tool for development, feel that they do not have the capacity to use it effectively. This is not merely a matter of having the personnel and administrative capacity to do so, but more fundamentally, they question the ability of small, poor and open societies to have sufficient control over anything to allow the planning mechanism to be used effectively. For most governments therefore, the scope for planning is no more than having the capacity to organize one's aspirations without really having the ability to influence their achievement. Since it is felt that little can be achieved there is scepticism about the usefulness of planning mechanisms. In practice, planning is seen as providing the perspectives for short term behaviour. Its role is to steer rather than to direct and control. Governments of the region are not so much interested in the central directing of the economy as in initiating and promoting its forward movement and in this, planning is given an indicative role.

Planning in the region is characterized by three main features:

- (i) it has been and is closely linked with the receipt of development funds from external sources;
- (ii) it is geared to the restructuring of the economies;
- (iii) it is loosely organized and not yet an institutionalized part of the life of the societies.

Development planning in the region is inextricably linked with the use of external aid and external funds to finance development programmes. From the early post-war days, when the concern with economic development was first identified, a major element of planning involved the administration and management of development funds proffered by the metropolitan colonial office. Over the years, as former colonies became internally self-governing and eventually independent, the role of governments gradually changed from being purely administrative in nature to becoming increasingly developmental. Nevertheless, the first set of long term development plans were prepared mainly to serve as a basis for negotiations between the metropolitan government and the new administrations on the size of the aid package and the use to which it would be put by new governments. The donors were, and still are, concerned to see the recipient country show some long term goals, direction and target-setting procedures, in using the funds, and to see that funds donated or loaned do not just become swallowed up in current expenditure needs. But even with independence, development planning is still linked in the minds of many, more to the preparation of projects for external funding than to the national organization of domestic priorities and long term goals. Naturally, there are reasons for this: the patterns of production and current expenditure needs are such that there is little or no surplus on current expenditure to devote to capital expenditure. Any development programme therefore has to be financed externally. It is this dependency on external funds that has moulded the nature and even the concept of planning in the region.

Even where government policy is opposed to a state-controlled economy, the policy is still directed at restructuring the economy and the desire is expressed nevertheless, to achieve at least controlling interest in the principal sectors of the economy. To the extent that public sector activity assumes greater importance in the economy, some central direction of the economy becomes desirable. Planners are, however, wary of over-centralized systems and urge procedures to ensure both participation and accountability at all levels. The public sector is expanding in all the countries of the region, not only in terms of the traditional ministries but in new state enterprises, and it is the public sector which is in the main subject to planning. Several countries are trying to build a disciplined planning system for the public sector, based on practical plans which will be translated into the budget with which all are familiar.

The absence or presence of a formal national plan cannot be taken as an index of the scope or seriousness of the planning system in any country. In some cases national plans have been drafted, or even more than one five-year development plan may have been formulated, but they are all more or less inoperative at present, and may have been drawn up in the context of negotiating for aid. On the other hand, some countries express commitment to the use of planning as a tool for achieving their economic and social goals even though they have no long term or medium term plan at the moment. In all cases the annual budget is still an important document.

In it governments spell out their national priorities and policies as well as outline projects to be undertaken in the near future even if not in the current year. Several moves are in process in the region to align the budget with the longer term plan or policy, <sup>3/</sup> in order to give the budget a longer term perspective than the current fiscal period.-

In practice, all countries are engaged in project preparation. For some, this is the sum total of the planning exercise, for others, it is just one part of a wider process. But in all cases, planning is rather loose at the present time; it is not yet an institutionalized part of the functioning of the public sector. Planning policy is expressed in the form of broad national sectoral objectives, but the magnitude of internal economic and political pressures, intensified by the severe external pressures of inflation and weak export prices, have made the governments much more concerned with immediate projects and solutions than with long term goals. If at all, the countries of the region are just at the beginning of the planning process of formulating long term goals and trying to translate them into guiding principles for short term activity.

## B. THE ORGANIZATION OF PLANNING

Planning activities are regulated by legislation in some of the countries of the region. For example, the Suriname Planning Ordinance of 1973 prescribes the institutions for planning and development, and outlines the legal procedures of the planning and implementation process. Most often, the legislation does not provide the best guide to an appreciation of the nature of planning or the manner in which planning is conducted. For example, in one case the Planning Office is required to prepare annual plans, but this is a requirement not of the legislation but of an agreement governing the granting of development aid to the country. <sup>4/</sup> Legislation provides for the formal machinery of planning: the State Planning Councils and the supportive technical, advisory and monitoring agencies; it also outlines the role to be played by various agencies, and in particular, the functions of the professional planning secretariat. However, legislation is never clear on the relationships between various agencies, and such relationships are still in the process of being created. It is this process that adds meat to the bones of the formal framework.

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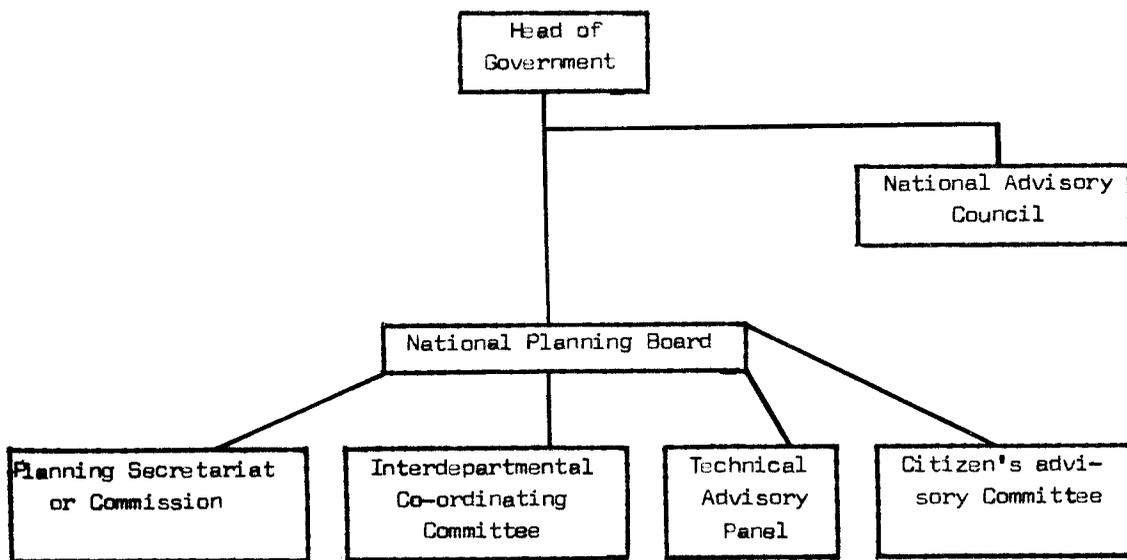
<sup>3/</sup> This is discussed further in a later section.

<sup>4/</sup> This is an illustration of the first trade-mark of planning in the Caribbean, which was referred to earlier, namely its wedlock with foreign aid and funds and the rules and procedures of the donors.

Whether formal legislation exists or not, all countries of the region have departments variously called Planning Units, Planning Secretariats, Planning Divisions, etc. The planning offices fall under the jurisdiction of the Minister of Economic Development or the Minister of Finance, who is invariably also the Prime Minister or Premier, thus formally lending political weight to the planning process and to that aspect of planning concerned with the receipt and use of all-important external development funds. The final decision-making organs are Cabinet and Parliament, and plans, whether long term national ones, or project proposals for inclusion in the annual budget, have to be approved finally by these institutions.

The chart and organizational outline below represent a prototype of the planning systems attempted or proposed in countries of the region. In some cases the component parts are not as clearly defined as they are in the model, and in some of the small countries a single person may be identified as performing more than one function, but the model is of general applicability.

PROTOTYPE OF PLANNING MECHANISM  
ATTEMPTED BY GOVERNMENTS



Prime Ministers or Premiers are heads of the planning system and the Planning Secretariat or Commission is the professional body whose function it is to formulate and implement plans. Government policies are communicated to the Planning Commission

via the National Planning Board and the Interdepartmental Co-ordinating Committee, which in turn advise the head of the government on policies and specific programmes. The Planning Board, in giving advice and formulating policy, draws on the technical expertise of the Technical Advisory Committee and is supposed to be guided by proposals and comments of the Citizens' Advisory Committee. The essentials of the format are therefore a permanent technical planning body, guided and directed by a political body which is itself guided and advised by ad hoc expert and layman's groups.

(a) Outline of Essential Aspects of the Institutional and Functional Planning Framework

(i) National Planning Board. This is a policy-making body. A Board to consider plans and projects and reports of the Planning Secretariat and advise the Head of Government accordingly. The Board may itself initiate proposals concerning development problems and policies.

Composition: Members of Cabinet.

A variation of this policy-making body is a National Advisory Council composed of private individuals appointed by Government and experienced in a variety of fields. The Council's function is to provide a forum for discussion of policy issues and to advise Government on general policy direction.

(ii) Interdepartmental Co-ordinating Committee. This is an administrative body. Its function is to consider plans and projects at the draft proposal stage and submit them to the National Planning Board with comments and recommendations. It can also take the initiative in proposing specific development projects.

Composition: All Permanent Secretaries of the Ministries.

(iii) Planning Secretariat. This is a professional, technical planning body, comprising economic planning, physical planning, technical assistance and implementation and monitoring. The function of the Planning Secretariat is to undertake national and sectoral planning and co-ordinate plans formulated by other planning agencies.

(iv) Technical Advisory Panel. This is an expert group. Resource persons who do not meet as a body but who, because of their expertise in various fields, may be called upon to give advice and technical help.

(v) Citizens' Advisory Committee. This is a private group, representing business and community interests. Its role is to participate in the planning process by submitting proposals, by commenting on plans formulated and by reporting to the Planning Board on how plans are being implemented "at the ground level".

In no case is this type of planning system fully operative at present. The use of citizens' advisory groups in particular, is at no more than an embryonic stage, and the level of communication implied in this organization of the planning system has no where been achieved. Nevertheless, the planning systems are usually supported by a variety of state organizations which would normally participate directly or indirectly in the planning process - Central Banks, Agricultural Development Banks, Workers' Co-operative Banks, Industrial Development Corporations, Industrial Courts, and to a lesser extent, Prices Commissions.

1. Institutional set up. Designated planning positions in the public service

The planning function is carried out at least by two bodies functioning at two different levels: a central planning unit and ministerial sectoral planning units. The functions of the central planning units include the usual preparation of macro, sectoral, and physical plans, and co-ordinating between departments which participate in the planning process. But they also frequently extend to the actual collecting of data for planning where such information is not available from the regular statistical services. Because of the strong link between external funding and development planning, central planning agencies are also charged with the administration and management of external aid and loan funds, and the monitoring of projects financed by such funds. In one planning unit, the functions were cryptically summarized as "the reality is project administration of funding agencies". Whether externally funded or not, projects have to be implemented and this function also falls within the portfolio of the central planning units. They monitor the progress of projects and programmes and suggest solutions to eliminate obstacles and bottlenecks that appear. They generally manage the implementation of projects, which includes tendering for contracts and handling problems arising in dealing with contracting firms and donor agencies.

Other aspects of the planning function are the direct responsibility of sectoral planning units in ministries. Very few ministries do have such units, but the ones which frequently have their own planning units are the Ministries of Agriculture, Education, Health and sometimes Works (Transportation) and Labour. These have the responsibility for identifying sectoral priorities and for preparation of projects, either on their own or in conjunction with national planning agencies. Long term plans or major sectoral programmes may be prepared with help of private consulting firms where national planning agencies do not have the technical capacity to formulate that particular set of projects.

Some planning units in the region today have at least two clear sections: economic planning and physical planning. Physical planning units tend to be stronger both in terms of strength of staff and degree of activity undertaken. This is a reflection of the historical development of the units rather than deliberate policy.

In the early years Economic Planning Units were small sections within Ministries of Finance or Ministries of Economic Development. The public sectors of several countries also comprised a Physical Planning Unit or a Town Planning Department which was usually a Division of the Department of Public Works. These two departments led quite separate lives, having had quite separate beginnings. Economic Planning Units evolved out of colonial administrations which provided Economic Advisors. One of the roles of these officers was to advise on, and in some cases, to administer the spending of development funds. From the viewpoint of the metropolitan government there was a clear interest in ensuring that development funds were managed and accounted for separately from current expenditures of the country. Physical Planning Units were frequently established with United Nations funding and were principally engaged in town planning exercises. The larger funds of the United Nations meant that the Physical Planning Units tended to be better staffed than the Economic Planning Units, both in terms of numbers and of trained personnel. In later years, on UN recommendations, the Economic and Physical Planning Units were merged to form one Central Planning Unit, responsible to one minister and efforts were made to relate the functions of the two units. Today, even in the new merged institution, the Physical Planning Units still appear strong relative to the Economic Planning Units, and this is so even where government policy appears to be far more devoted to economic planning than to physical planning.

## 2. Dimensions of Planning: Social planning, sectoral, regional, national planning; short, medium and long term planning

It is hardly relevant to speak of short, medium and long term planning in the region as a whole. Three countries have prepared national plans covering five-year periods, and sector plans and projects are prepared as a current translation of the longer term perspectives of the national plan. For the most part sector plans and projects are short term in the sense that the perspectives are not long term. They are budgeted for annually and may be reviewed on an annual basis in the budget, but their implementation period spans several years. The approach to the planning period is pragmatic, and is dictated somewhat by the rapid changes in the international conditions which the countries face.

Sector planning is conducted in all countries, at least in the form of preparation of sectoral projects, as ministries regularly submit proposals for current projects or for longer term development of the sectors under their jurisdiction. The most comprehensive sector plans relate to agriculture. Education, health and transportation are also the subject of many project proposals.

Special attention is paid to physical planning for regions and the allocation of land between agricultural, commercial and residential use in the geographical regions of a country; but little attention is paid to the regional approach to planning, and only in the mainland countries are regional plans being prepared or regional planning envisaged. There is the belief that regional planning is hardly applicable in

such small countries where the whole country is one region, so to speak, but the concern with the rapid drift of the rural population into the capital city, and the lack of jobs there to absorb them as well as the strain on the social services, has led at least one small country to consider the regional approach, and to be serious enough to seek advice in that sphere.

Although there are projects of investment in schools, housing and health services, there is no distinct social planning activity or institution responsible for defining social policies in the region.

The most common exercise falling under the scope of planning is therefore the preparation of sectoral projects.

### 3. Social participation in the planning process

This is one of the weakest areas of the planning system in the region. In most cases there is no machinery for public participation in the formulation of sector plans and projects, and even where such machinery has been provided for, the proposals are in an embryonic stage and not yet functioning. Indirect and less structured arrangements however do exist in the form of consultations with various interest groups. But this tends to occur after legislative approval and not at the stage of the formulation of plans and projects.

## II. PLANNING PROCEDURES AND TECHNIQUES

### A. INSTITUTION RESPONSIBLE FOR PREPARATION AND APPROVAL OF THE STATE BUDGET. CRITERIA USED IN ALLOCATING FINANCIAL RESOURCES SECTORALLY

It was pointed out earlier that in the absence of a national plan the annual budget would be regarded as the plan. Furthermore, even where national plans do exist, the budget is still an important policy document.

In all countries the Ministry of Finance prepares the annual budget and Cabinet and Parliament approves. Preparation of the budget is done in the traditional manner, with ministries submitting proposals for current and capital expenditures in their sectors. Recurrent expenditure is financed from general funds and allocations for this are made on the traditional bases of regard to the past pattern of expenditure. It is the capital budget that is linked with development projects and their financing. Budgetary allocations determine which projects will be undertaken and which sectors will thereby receive priority. Since several countries are regularly unable to generate any surplus on current expenditure to devote to development projects, the most

common practice is that development projects are financed almost entirely by external sources of funds. Priority in selection therefore goes to projects that have already received external financing. This introduces an exogenous element not only into the criteria for allocating funds but also into the whole planning process itself, for consideration of the kind of projects that are likely to receive external financing itself influences the choice of project proposal made in the first place. This again illustrates the close bond between development planning and external aid in the region.

Efforts are being made to have priorities based on long term policy perspectives introduced into budget preparation, but at the present time, clear economic and social criteria have not been fully established for the allocation of funds in the budget. In practice, consideration is given to commitments contracted in earlier periods and priority is assigned to these projects, to those that are ongoing and to those that are externally financed. This leaves a relatively small proportion of projects to which some priority has to be assigned in an unreferenced manner. These are determined largely by ministerial persuasion and by whether the ministry has the capacity to implement the project once approved.

Several countries are close to having their budgets co-ordinated with national plans, in order to make the capital budget more representative of the plan, and at the same time have the plan support the instruments of the budget. In one case the planning agency was actively involved in the preparation of the latest budget, and in another, the annual plan prepared by the planning agency was considered as an annex to the annual budget and debated along with it in the budget debate in Parliament. Other countries see this as a most desirable procedure, but for the most part sectoral allocation of financial resources for development purposes is still made not through the mechanism of the planning system but through the national budget and its procedures.

#### B. MACHINERY FOR MONITORING, REVIEWING AND APPRAISAL OF PLAN PERFORMANCE

Monitoring of plan performance - in reality monitoring of projects being executed - is one of the weakest areas in the planning system. The need for appraisal, review and monitoring is recognised, but the capacity to carry out these functions needs to be greatly strengthened. This needs to be done not only in the Central Planning Units but also in the ministries which execute the development projects. In one country, a section of the planning units is charged with responsibility for monitoring projects at the expenditure flow level, and it also makes select visits to project sites to check the physical progress of a project in relation to time and expenditure of funds. Some reviewing then takes place at budget time when sector projects from the ministries are submitted for approval and inclusion in the budget. In another country, a special Monitoring Committee has been established to study, review and in fact monitor the expenditures and progress of public sector enterprises. This is a relatively new institution for which balance of payments pressures provided the catalyst. It is

composed of persons who are already otherwise involved in the planning process, and reports to the head of government through the responsible minister. The Committee has had a very active beginning, but it is too early to judge whether its role can be maintained under circumstances of less severe external economic pressures. Apart from this, there is no regular machinery for monitoring and review.

#### C. LINKAGES BETWEEN PLANNING AND ACTUAL POLICY-MAKING

This is another area of great deficiency. The consideration of linkages between planning and actual policy is relevant only at the micro level. Since planning at the macro level is still new or is not in operation at the present time, there is little involvement in macro policy issues such as tariffs, foreign investment, wage policy and the like. Further, the financial and even conceptual link that exists between development planning and external financing limits the extent to which there is active consideration of linkages between the planning process and various aspects of policy-making. For example, external financing of development projects has meant that the question of relating the development programmes to monetary policy of foreign investment policy has not been a crucial one for some countries.

One view expressed was that sectoral plans from the ministries have always had strong links with sectoral policy-making, since ministries do receive directions from their ministers who then take sectoral plans prepared direct to Cabinet and get approval for them. Seen from another viewpoint, however, this very process represents a circumbentation of the policy co-ordinating role of the Central Planning Unit, and indicates the weakness of the link between planning and policy, since the ministries are by nature self-centred and may get approval for individual projects without regard to overall priorities that may have been assigned to them in the planning framework.

#### D. MAIN DATA BASE USED IN FORMULATING PLANS

Social accounts, Gross Domestic Product and production data form the main data base in the formulation of plans and projects. These are often not part of the regular basic data of the country's Statistical Office; the social accounts in particular, for the smaller countries are prepared by external agencies, sometimes on a regular, but not necessarily annual basis. The regular basic data of the Statistical Office are used, where available, and supplemented by other sources and surveys carried out in response to the needs of the planning offices. The most common series used are:

- Gross Domestic Product, and National Accounts, where available.
- Production data - agriculture and industry.
- Population - particularly size, distribution and emigration.
- Visitors and tourists.
- Employment and unemployment.
- Land inventory and use.
- Consumption and investment.
- Budget statistics.

Supplementary data:

- General inventory of the natural resources of the country and its physical properties - forests, mineral deposits, arable land.
- Administrative records showing education and health statistics.
- Income, Investment and Manpower surveys conducted from time to time.

In all cases the data are considered less than satisfactory, the main problem being that some basic series are not available, for example, social accounts. What are available come in the form of incomplete time series or otherwise do not cater to the needs of planning. Two aspects of the data cause problems in planning: the nature of the data and their timeliness.

Since present planning is in fact conducted mainly at the sectoral and project level, data are required on a sectoral basis, but are collated on a national basis. There are no statistics for sectors or geographical areas. Regional data on such aspects as products sold, housing, the shift in land use, etc. are needed, but only national aggregates are available. On employment, not enough is known about the quantity of the quality of manpower at the national or the regional level, and present employment statistics are acknowledged to contain serious deficiencies.

Another major data deficiency for planning purposes is the time lag involved in receiving the series that are prepared. Planners are interested in current estimates whereas released data tend to portray a two-year lag or even longer, and this reduces their usefulness for making projections or for informing current decisions, especially in view of the rapid changes in external factors faced.

Three areas of immediate improvement can be identified:

- (i) Reinforcement of social accounting. Existing social accounts tend to be prepared by external experts working on a very short term basis. This cannot provide the level of detail or confidence needed on a regular basis for planning.
- (ii) Statistics on the movement of people. Emigration is suspected to be an important factor in these economies, but its precise quantification is needed in order to make accurate population projections as well as manpower studies. At the moment it is difficult to estimate the size of the population with any degree of precision.
- (iii) Physical data. Some have information on the physical properties of their country, but the information is not kept up-to-date. Where concentration on sectoral, even if not regional, plans is proposed, there is need for data on the physical facilities and the social and economic services, by settlement.

## E. MAIN DIFFICULTIES IN FORMULATION OF PLANS

Apart from data deficiencies, several constraints on the planning process can be identified. Some are primarily budgetary in nature and some are manpower problems. A third set relate to institutional problems which are as great a constraint to the formulation of plans as the technical problems.

### 1. Budgetary constraints

On the revenue side it is very difficult to forecast the level of revenues, and especially of foreign exchange earnings, because the countries are small in relation to the world market and have little influence on the prices their main exports will receive. Revenues must therefore be forecast on a short term basis only. Similarly, for short term planning, forecasting the level of foreign aid inflows is incomplete when some inflows are identified only late in the fiscal period under review.

On the expenditure side, a major constraint in planning is the prices of imported inputs which are difficult to forecast. Petroleum products are just a crucial case in point. Although it is certain that the costs of fuel imports will continue to rise, it is not known by how much and how rapidly they will increase. In 1978 alone the price of petroleum products rose by 33 percent for one country. This necessarily plays havoc with the formulation of plans and constraints the ability to plan on anything approaching a long term basis.

### 2. Manpower constraints

Manpower is a constraint both in terms of quantity and quality. The present planning system requires people who can do project preparation from the early identification and formulation stage through analysis, evaluation and appraisal. Such personnel is needed both in the Central Planning Units as well as in the various ministries, so that all departments can become equipped to work on projects through to the final stages of implementation. All ministries need to know what is involved in sector planning and project planning, which is not the case now. The shortage of the type of personnel who can do this seriously limits the effectiveness of present planning mechanisms.

Related to the manpower problem is that of the manner in which the planning system is organized to utilize those skills which are available at present, though in short supply. If the budget is regarded as a short term plan, under the present system projects proposed by ministries are presented for approval so close to budget time that it is impossible to conduct the necessary feasibility studies or to make a careful assessment in time for inclusion in the budget. Consequently, projects may be approved because the objectives fit certain criteria, but difficulties appear when implementation is begun. Difficulties thus stem from the need for better timing and formulation

of projects - notably proper economic costing in the earlier stages of preparation. As a result, one of the most urgent problems identified is the need for a manual for the preparation of planning on an annual basis.

In one case it was suggested that if the budget cycle were changed from a 12-month to perhaps an 18-month cycle, there would be more time for evaluation and review, as well as formulation, even with existing personnel. It is also desirable to have a core of people, not just one or two, responsible for the careful formulation, analysis and evaluation of projects. At the present time, the planners are the same people responsible for implementation of projects, and there is just not enough time to do all functions efficiently and well.

### 3. Institutional constraints

Institutional problems have even more fundamental effects on the functioning of the planning systems. Even though these problems are not directly associated with the formulation of plans, they nevertheless have an indirect bearing on that activity. They can be summed up as follows: first, there is often little consciousness of the need for planning in the ministries except in the purely budgetary sense. Where there is no planning system within a ministry to deal with its own sectoral programmes, sector plans may be prepared by the Central Planning Unit. But this itself leads to conflicts of jurisdictional roles, and it is useless for the Central Planning Unit to draw up plans which the ministries do not recognize as their own, since there will be little commitment to the implementation. The knowledge or suspicion that plans might not be implemented, whether for reasons of lack of ministry interest or because the country as a whole does not have the capacity to implement them very easily, is reflected in conceptual difficulties in formulating plans in the first place.

At another level, difficulties are created because information systems are weak, that is the communication of wishes and ideas between the various institutions and levels of the society. There is however, general awareness that such communication is a prerequisite for the clear formulation of plans. For example, difficulties arise from the failure to achieve co-operation between the government and the private sector. Where the private sector is even slightly antagonistic to the idea of planning, and sees government as being antagonistic to its interests, it will not co-operate. This makes such aspects as employment targets difficult to establish or to achieve in planning.

Finally, a major drawback to the formulation of sectoral and project plans comes from the fact that the overall priorities that should guide the formulation of these projects are not clear. There is often no general awareness of long term objectives for the country as a whole and how they translate into projects for the particular sector or ministry. Therefore, projects are formulated, approved and even implemented without the benefit of a clear set of references. This vagueness itself adversely affects the actual formulating process.

### III. INTERNATIONAL CO-OPERATION IN PLANNING

#### A. INTERNATIONAL AND NATIONAL CO-OPERATION RECEIVED IN PLANNING

Assistance in planning has been received mainly from United Nations agencies. This has been principally in the form of staff, ranging from the provision of a director and economic advisers in the planning units to experts in specific areas of economic and physical planning. Assisting agencies include:

- IBRD - International Bank for Reconstruction and Development.
- UNTCDC - United Nations Office for Technical Co-operation.
- UNIDO - United Nations Industrial Development Organization.
- IADB - Inter American Development Bank.
- OAS - Organization of American States.
- CDB - Caribbean Development Bank.
- ECLA - Economic Commission for Latin America (Caribbean Office).
- PAHO - Pan American Health Organization.
- UNESCO - United Nations Educational, Scientific and Cultural Organization.

and at the national level:

- United Kingdom - CFTC, Commonwealth Fund for Technical Assistance.
  - EDD, British Development Division.
- United States - USAID, United States Agency for International Development.
- Canada - CIDA, Canadian International Development Agency.
- European Economic Community.
- India.
- German Democratic Republic.

The areas in which assistance in planning was given are varied:

- preparation of physical plans (UNDP);
- conducting surveys, including on Income, Employment and Migration (UNDP);
- providing fellowships for training in planning (UNDP);
- assisting in monitoring projects (CDB);
- developing planning machinery and logical framework for planning in agriculture (USAID);
- conducting a short course in the country on planning techniques (GDR) (OAS);
- assisting in regional planning (UNDP);
- planning the agricultural sector (ECLA).

## B. TRAINING REQUIREMENTS

Training in the preparation of investment projects and general upgrading of the basic statistical knowledge of the support staff were identified as the most immediate needs in several countries. Under the heading of training in project preparation are included project identification, formulation, evaluation; in other words, the conducting of feasibility studies. Short term courses in cost-benefit analysis were also thought necessary. Further, the need for training in the implementation stage was identified as equally important. This would entail training of senior level personnel in the administration of projects with emphasis on the requirements for plan implementation. Training in project appraisal and monitoring. Management of the implementation of a plan often requires very specific skills particularly engineering-type skills, industrial engineers, chemists and the like; the need is thus not necessarily for training of personnel in planning as such, but in related activities. Thus the training needs cover a wide range, from statistics, national accounts, commerce, accounting and administration, to manpower planning, regional planning and training in quantitative techniques of analysis.

The training needs identified are grouped in o three categories according to the sense of urgency portrayed. In the first group falls training in skills, the lack ofd which is felt as an immediate bottleneck in the planning process. In the next group training schemes for support activities are listed. This is training in skills that would greatly assist and speed up plan preparation even under existing conditions where plans are being formulated with inadequate support staff. In the third group is listed further training that would be necessary for fully operational planning institutions.

### 1. Group I - Immediate Needs

(a) Training in the methodology of planning and project preparation.

- Project identification, formulation, evaluation;
- feasibility studies and pre-feasibility studies;
- cost-benefit analysis (particularly by short term course directed at senior-level officers);
- getting project documents prepared to the stage where they can be presented for financing by a donor agency.

(b) Training in the management of plan implementation. This entails the analysis, appraisal and monitoring of projects and involves a variety of skills. Some countries have requested technical assistance in this field, because they cannot get projects off the ground; but it appears to be a difficult area in which to get someone to prepare and direct the "script", so to speak, for implementation of a plan.

It was suggested that one of the best ways of receiving this kind of training is by on-the-job training - working along with people who already have some

experience and are in the process of implementing a project. Trainees would then become acquainted with various problems faced in project implementation, and how to deal with them; e.g.

- tendering for contracts: the contract arrangements; dealing with management teams and consultants;
- the written as well as the practised procedures of donor agencies;
- the delays involved in processing applications for funds and actual disbursement of funds.

These three are listed as some of the important considerations affecting plan implementation since practically all funding of development projects comes from external creditors and donor agencies.

One of the links between training in project preparation and project implementation comes through the disbursement of funds by external agencies. Fulfilling the project preparation requirements of donors may take so long that the agency's disbursement period may have ended by the time the project document is ready. Training to speed up preparation as well as training in the practices of agencies are therefore both vital in the context of external development funding. Training in plan implementation and monitoring should not be limited to personnel of the planning institution itself. In the various ministries as well administrators must be trained for they are the ones who must do the day-to-day monitoring of the plan implementation. For example, at present, supervision of agricultural projects is poor in several cases.

- (c) Short term courses in Manpower Planning.

## 2. Group II - Training in Support Activities

- (a) Basic statistics. General upgrading of the proficiency of support staff in planning institutions, departments of statistics and ministries preparing sectoral plans.

Personnel should qualify for training as needed. The concern should be to deepen and strengthen the quality of existing staff rather than a mere increase in numbers; and there is need to keep in mind the costs to the recurrent budget of training persons from outside the department and bringing in new staff at higher levels as opposed to in-service strengthening of existing personnel.

- (b) Training of intermediate level personnel and more advanced statistics to allow the preparation of regular basic data series like the GDP and National Accounts.

3. Group III - Further Training needed for fully operational  
Planning Institutions

- (a) Planning staff need to be exposed to the policy issues related to planning in the private sector.
- (b) Courses in Health and Education Planning.
- (c) Regional Planning - with emphasis on location of the trainee in the region of the activity.
- (d) Training in quantitative techniques and information systems.
- (e) Some countries identified the need for training of additional planners, physical planners, agricultural economists, economic analysts, community organizers, administrators.
- (f) Courses needed that would allow economists to develop areas of specialization, not only in economics but also in accounting, in industry and commerce and in other technical fields.

IV. GENERAL

A. GENERAL STATEMENT CONCERNING PLANNING AS A TOOL FOR DEVELOPMENT

One view held is that the role of planning as a tool for development has been over-emphasized in a region such as this, with wide open economies where governments can exercise little control over anything that really matters for economic development. The more common views expressed see planning as a necessary tool for development in a region where there is a conscious desire to promote and accelerate economic growth, and in a context in which general market mechanisms are not likely to promote growth at a fast enough rate or in desirable directions to achieve the levels of living to which the society aspires. Moreover, the major problems of growth and employment in the region cannot be solved on a project basis because they are structural macro problems and require a comprehensive approach. This is especially so in the productive sectors where problems are not confined to the individual sector, but involve a variety of external factors as well. Sector planning alone and planning decentralized in all departments is not effective in solving structural problems. In order to counter-balance the self-centered nature of each ministry, some co-ordinating mechanism is needed in the interest of all. This is not meant to imply that one agency only or government only should make all the decisions. The involvement of the private sector and the community at large is a necessary part, both an efficient planning system, and of using planning as a tool achieving long term goals.

Caribbean countries, relatively speaking, are not so much short of funds as of opportunities to use the funds. For this they need planning even more. In view of the nature of the problems and the desire for growth, it is not advisable to proceed on an ad hoc basis. But planning on a long term basis is difficult; prediction is difficult because of the many external factors over which the country has little control. This means that there is all the greater need for an approach centered around rational and efficient use of resources and greater ability to deal with new circumstances without having to abandon original goals. An efficient planning system tries to introduce this approach as part of the daily functioning of government.

In times of economic crisis, when the long term goal of restructuring the economy, there is also greater need for rational management, and this may best be done through agencies specifically set up for that purpose, and with responsibility for looking at all aspects of the society and not just at individual sectors. At the same time, one needs to be wary of over-centralization. Countries of the region are trying to build a disciplined planning system for the public sector in order to provide a basis on which the private sector can build. Much is left to the private sector but there is not always the necessary economic activity and follow-up by the private sector.

A minority view expressed was that the effectiveness of planning depends on the kind of political bases that are assumed. It was however generally felt that for planning to be really instrumental in development, it has to be seen as a process and part of a set of other processes and not just a function of one department. That it must be considered a part of daily government management in the same way that finance and general administration are part of the functions of government. There was general awareness that this is a long process of institution building and that for countries of the region, the process has only just begun.

## POPULATION POLICIES IN THE CARIBBEAN

Jack Harwood \*/

This paper is restricted to the former British colonies in the Caribbean, including Guyana, Belize and the Bahamas. They include a number of independent or self-governing countries which, with the exception of the Bahamas, share a basic common population history.

### BACKGROUND

The first population policy in the region involved the importation of labour from wherever they could be obtained (Europe, Africa, Asia) and under whatever conditions appeared at any given time most advantageous for the sugar plantations (free workers, slaves, indentured labourers). This extended over a period of about two and a half centuries. During the heyday of African slavery no attention was paid to the possible contribution of the other components - births and deaths - to increasing population, so that mortality (and morbidity) were high and fertility very low, though some limited attention was given to these towards the end of slavery. In those countries where there was still a shortage of labour for the plantations at the time of emancipation (particularly Guyana and Trinidad), there was recourse to indentured immigration mainly from India.

Since the single-minded purpose of this first population policy was to provide and maintain an "adequate" labour supply for the plantations, population settlement concentrated in and around the plantations, while there was a single important town which served as the sea-port and the banking and commercial centre. Peasant agriculture and small-scale business unrelated to the plantations were met with either unconcern or hostility.

During slavery and even after, there was strong opposition to the education at any level of the masses of the population since an uneducated and ignorant work-force was ideal for the plantations. Similarly there was strong opposition to any efforts to give religious instruction to the slaves and later indentured workers. For the most part, the children of the white population in the colonies were sent "home" to England for their education. To meet the demand for education for the children of the less wealthy white population, a few schools were started in the various colonies

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with grants from the planters and merchants. Children of the non-white population were accepted into these schools, particularly after slavery, as a means of providing the clerical and low-level administrative workers required.

The population history of the Bahamas is different. Efforts to develop the plantation cultivation of sugar during the eighteenth century failed because of the poor soils. Instead, significant population increases came as the result of a flight of "loyalists" with their slaves to the Bahamas from the United States of America following the latter's war of independence. This was later augmented by runaway slaves from the non-British territories in the Caribbean and by Africans freed by the British from ships still plying the slave trade, after the abolition of slavery by the British.

After this brief historical background, we now look at the current population policies in the region.

## I. POPULATION POLICY ADOPTION AND IMPLEMENTATION

### 1. Immigration

Now that the region has shifted from one of a shortage of labour to having a critical labour-surplus (see below), immigration policy has shifted to restricting immigration of unskilled and relatively low-skilled workers which formerly formed part of an intra-Caribbean migration from the less prosperous countries. This action was first necessary on the part of Trinidad and Tobago which earlier had received large numbers of population from Barbados and the Windwards. Professional and highly trained workers traditionally came from the "mother country", but with self-government and, in many countries, full independence as well as improving levels of education and aspiration on the part of the nationals; most countries have adopted a policy of restricting the immigration of foreign workers at all levels as far as possible. To achieve this, would-be employers of foreign workers must obtain a "work permit" for each such workers, and this is given only if no national competent to fill the particular post is available. In such cases, employers are often required to undertake to train nationals within some reasonable period so as to overcome this need for employing foreigners. In general this has not worked satisfactorily for a number of reasons, including an absence of genuine support of the policy on the part of employers, on the one hand, and the "brain drain" and other factors affecting the supply of nationals, on the other. These are discussed below.

The two mainland countries - Guyana and Belize - which continue to have an overall low population density, with vast sparsely populated areas in their hinterlands, can still benefit from appropriate large scale immigration. They are both receiving some immigrants but would be interested in more rapid population growth to develop

their hinterlands. There is, therefore, in each case, an absence of restrictions on immigration such as obtains in the islands, and a willingness to accept immigrants from anywhere if they are prepared to assist in developing the unused areas. Despite this, both countries, and more particularly Guyana, are losing population who are emigrating mainly to the U.S.A. and Canada.

In the case of the Bahamas, prior to 1967 when the newly elected national government introduced a hard-line immigration policy, there had been a tradition of a virtual open-door policy on immigration. There was a continuous stream of immigrant unskilled workers mainly from Haiti and to a lesser extent from the Turks and Caicos Islands. But the massive inflow of unskilled workers in the post-World War II period led to the eventual passing of the first restrictive immigration Act in 1963 which required deposits for unskilled workers. But there was also growing concern among Bahamians about the immigration at the higher levels as well, and the consequent increasing expatriate dominance of the economy and the high-level work-force. There have, therefore, been further restrictive legislative acts in 1967 and 1970 affecting immigration at all levels. This restrictive legislation has been associated with government campaigns to deport illegal unskilled immigrants though the problems of illegal immigration continue.

## 2. Emigration

Since World War II, with the rapid population growth, many Caribbean governments have seen emigration as the quickest means of controlling an over rapid population growth, and more, particular, of dampening the high levels of unemployment and under-employment. A variety of measures have been taken to encourage emigration either on a permanent or a temporary basis. These include bilateral agreements for the recruitment of persons from the region to work in the U.S.A. and Canada as domestic servants and other categories of unskilled workers including seasonal agricultural workers. There was serious concern on the part of most countries of the region when Britain introduced its first legislation in 1962 which virtually ended the large-scale emigration to that country that was then taking place.

More recently Canada and the U.S.A. tended to encourage qualified and highly skilled workers rather than unskilled workers. This, along with the other well known reasons why developing countries tend to lose high-level manpower to developed countries, have led to the emergence in the region of the "brain-drain" of professional and highly trained personnel. In an effort to get skilled and qualified nationals to return home, a number of countries, notably Jamaica, Trinidad and Tobago and Guyana, have sponsored official visits to some metropolitan countries and through other avenues such as extensive advertisement in the technical journals and the newspapers in those countries, have sought to encourage such nationals to return home and make their contribution to the home country's development. These appeals do not appear to be backed up in all countries by administrative arrangements for prompt action to take advantage of responses to these appeals.

In recent years, because of world economic problems and new concern about immigration on the part of the U.K., the U.S.A. and Canada, migration to these countries from the Caribbean is becoming once again extremely difficult. As a result, once again there has developed important streams of intra-Caribbean migration, particularly from the poorer islands to Trinidad and Tobago and Barbados.

### 3. Internal Migration/Rural Development

Most governments of the region have a policy, either explicit or implicit, of trying to slow down the rate of growth of the principal urban centre (in terms of the "greater" city rather than the much more restricted "legal" city) in an effort to obviate problems related to over-rapid urbanization. The principal measures taken to effect this policy include: conscious efforts to develop the rural areas in terms of amenities (e.g. electricity, roads, secondary schools, etc.) and in terms of employment opportunity outside of agriculture principally through the re-direction (through encouragement) of industries. In addition, for reasons of population distribution but also of food production and of employment, efforts are being made to upgrade agricultural employment in the minds of the population through the inclusion of training in agriculture in both primary and comprehensive secondary schools and other means including repeated exhortation.

In a number of countries, including Jamaica and St. Lucia, for example, special government organizations have been set up to deal with the important matter of rural development. As indicated earlier, Guyana and Belize are especial cases in that they have an extreme pattern of settlement with most of the population residing in very small proportion of the area of the country and the bulk of the country remains virtually uninhabited. Moreover both of these countries are faced with territorial claims from neighbouring countries (Venezuela and Suriname in the case of Guyana and Guatemala in the case of Belize) which emphasize the risks associated with these vast, unused territories in their cases. Guyana is actively seeking to encourage significant migration by its citizens to the hinterland in addition to considering the possibility of encouraging immigrants from neighbouring Caribbean territories already discussed.

### 4. Family Planning

The countries of the Caribbean have long faced a variety of serious social and economic problems that are seen as in part resulting from rapid population growth. These include: high and increasing levels of unemployment and under-employment, land shortage, low and unequal incomes, malnutrition and poverty associated often with large families. The traditional popular response to these problems, as is shown elsewhere in this study, has been large-scale emigration, either to less unfortunate countries within the region, or to countries outside of the region. The Government response, in recent decades has been to seek to speed up national social and economic

development as the only final solution of these problems. Increasingly, however, the people and the Government, usually in that order, have been acknowledging that the reduction of the very high birth rates and of the large family size which have existed in the region, could make an early impact on some aspects of these problems both at the national and at the family level.

As a result, family planning programmes now exist in all countries of the Commonwealth Caribbean except Guyana. The introduction of these programmes has, in almost every case, been the subject of much controversy and serious opposition by certain sections of society. The most consistent objection, in earlier years, came from Roman Catholic Church. However, while this source of objection undoubtedly delayed the introduction and obstructed the progress of a programme in Trinidad and Tobago, in the case of the smaller islands, family planning programmes were started in the Catholic Windward islands, St. Lucia and Grenada earlier than in the non-Catholic Leeward islands.

Usually, the provision of contraceptive supplies was started in the various countries by voluntary workers who soon after have come together to form a family planning association. In the absence of Government support in the early years, with a few notable exceptions indicated below, the local programmes have relied heavily at the beginning on external support, mainly from the International Planned Parenthood Federation (IPPF). The national associations have also received important advice and guidance as regards their programmes from the IPPF. While the larger associations (Barbados, Jamaica and Trinidad and Tobago) have held full membership of the IPPF for many years, the associations of the smaller islands have been receiving financial and other support from IPPF without the benefit of membership. These islands associations (Antigua, Grenada, Montserrat, St. Kitts/Nevis, St. Lucia and St. Vincent) came together in 1972, with some of the French and Netherlands Caribbean countries, to form the Caribbean Family Planning Affiliation (CFPA) with unit membership to IPPF. The CFPA has been involved in providing training to critical staff, advice and assistance as regards education and information programmes and more generally on all aspects of their programmes to the members of the affiliation.

More recently, in Jamaica, Trinidad and Tobago and Dominica, the Government has become involved in a national family planning programme with the objective of lowering the level of fertility. This has meant that considerably more funds have become available for the programme not only from the Government itself, but also through the Government from international organizations such as UNFPA, the World Bank, USAID and others in addition to the IPPF which was continued and in many cases increased their support. Two general tendencies for national programmes are:

- (a) that the Government increasingly takes over responsibility for the clinics while the voluntary association concentrates on education and information and related services; and

- (b) the clinic services are provided at general health clinics and are increasingly integrated into the national health service.

There are plans for such integration in Barbados as well. Integration has meant that contraceptive supplies and other family planning services have become available much more widely over the country and not in selected areas as previously. On the other hand, there is a danger of some reduction in the quality of the service as persons seeking such service must take their place with all other users of the clinics, particularly in those cases where the added burden has not yet been balanced by an increase in these clinics' staff and resources.

In most other countries in the region, there is a voluntary family planning programme which receives financial and other support from the Government. This is the case in most Windward and Leeward Islands.

The contraceptive supplies most popularly provided by these Government and assisted programmes are "the pill", the condom, the IUCD, and especially through the Catholic Marriage Advisory Council in Trinidad, advice on the use of "temperature" and other more advanced methods of "natural" contraception through more accurate determination of the "safe" period. The programmes in the various countries extend beyond the providing of advice and services at clinics. In Barbados, for example, there are in addition, an "outreach" programme which takes information and education, services and follow-up to youth groups, church organizations, schools and other such institutions. The programmes in many of the other islands are organised along somewhat similar lines.

In addition to the contraceptive supplies and methods mentioned above, both male and female sterilization are performed in Trinidad and Tobago and will soon be available in Barbados through the voluntary programme. Amid growing demands for modification of the existing abortion laws in the region, Barbados will soon be introducing a bill to legalise abortion, while both Trinidad and Tobago and Jamaica are giving consideration to modifying their laws.

For the reasons already given, there is no official family planning programme in Guyana and the voluntary programme, started in 1974, is concerned with fostering better family life and not with contraception. In the Bahamas the contraceptive pill and other devices are provided at Government clinics and hospitals to persons who request them but because of some still strong religious opposition the Government has not formulated any official family planning policy.

##### 5. Human Resources

For all countries of the Caribbean, with the exception of the Bahamas and the British Virgin Islands, there has been a remarkable twist in their human resources situation in that from being countries reportedly very short of labour and needing

to import labour for much of their modern history, during the past fifty years or so, and more particularly since the end of World War II, they have become countries of massive unemployment (13-25 per cent of the labour force in most countries) and even higher under-employment. In the case of the Virgin Islands and the Bahamas this phenomenon of a high level of under-utilization of manpower is very recent. There are a number of reasons for this "twist". One is that the plantations, in the days of the importation of labour, were interested in obtaining not an adequate supply of labour, but rather a surplus labour supply, as this assured low wages and more docile work-force. Moreover, they were interested in their surplus labour supply at sugar cane crop-time, so that in the off-season there was always high unemployment or under-employment. Added to this, more recently the countries of the Caribbean have experienced their own "population explosion" as indicated earlier and hence, particularly since the end of the Second World War the numbers requiring jobs has been increasing rapidly. Furthermore, there has also been an "explosion" of attitudes and expectations so that increasingly persons, particularly young people, are turning away from agriculture, from self-employment in marginal occupations, and in general from low-income and low-status employment, so that the availability of such jobs does nothing to reduce the high levels of unemployment.

The policy of all governments of the Caribbean has been to seek to reduce the extremely high levels of unemployment and under-employment, with full-employment as the ultimate, even if difficult, objective. To this end, governments have tried different measures, including attempted industrialization through invitation to foreign investors to set up industries in the region. This approach received considerable impetus from the successful efforts of Puerto Rico in this regard, but it has now been realised that Puerto Rico's success was in large measure associated with its special relationship with the United States, and also that in any case industrialization has not succeeded in reducing the unemployment and under-employment problems of that country. In a number of countries tourism has been encouraged as a "labour intensive" industry and one which has benefitted from political problems or political differences with the United States in previous tourist centres in the region (e.g. Haiti and Cuba). Despite these and other efforts to create genuine employment opportunity, there has been no improvement in the employment situation, and in fact unemployment rates at the 1970 Census of Population were generally appreciably higher than at the 1960 Census. Faced with such stubbornness of unemployment, governments have attempted to provide some relief through the provision of jobs of special public works programmes. This method of course depends on the availability of government funds for special works programmes. To try to spread the employment to as many persons as possible, governments have often limited the number of days' work that can be given to one person under the scheme. Special works programmes have been particularly important in Trinidad and Tobago and in Jamaica. In Trinidad and Tobago the government has in fact instituted an "unemployment levy" on the profits of business and on the taxable income of individuals where this taxable income exceeds \$10 000 (TT) per year (approx. \$4 000 US). In Jamaica a similar measure was introduced in late 1976, and the levy is paid on taxable income exceeding \$10 000 (J) per year - approx. \$8 000 US.

These measures have provided some income to persons but have not had noticeable effect on unemployment as many of the persons employed in the special works programmes have been persons who were employed in low-income and probably low-status occupations previously. In this sense the special works programmes have probably reduced under-employment rather than unemployment. Moreover, they have tended to reduce the supply of labour for agriculture and small non-agricultural establishments and, in addition, are blamed by many for an apparent erosion of the work ethic.

In the midst of the high level of unemployment and under-employment, however, there is a serious scarcity of skilled and highly qualified manpower in most countries. For this reason permission has had to be given to employers to employ non-nationals but, as indicated earlier, this is generally tied up with a "work permit" programme aimed at ensuring that employers take active steps to train nationals to fill these posts. In addition governments have been paying particular attention to education and training programmes with the hope that it would be possible to ensure that school-leavers would have the necessary qualification to fill most of the skilled and high-level occupations. Here the concern is as much with national needs for such persons as with alleviating the employment problems.

## 6. Education

In the post-war period, with the countries of the region achieving internal self-government and in many cases, full independence, there has been a remarkable increase in the importance of education for the masses in the view of the governments and of the people themselves. Moreover, education is now seen as a vital instrument for achieving the maximum fulfilment of the nationals and the economic and social development of the society in each country.

All of the countries have, for some time, had laws which make schooling of children compulsory at the primary level. It is generally believed that the region's achievement in the field of primary education is tolerable, although problems such as the shortage of school places and inadequate facilities in schools are among the serious problems now being faced in the light of the large increase in the school-age population in the post-war period. Throughout the region primary education for the general population was first introduced by the various Christian churches and these have continued to play an extremely important part in providing such education in most countries. In Trinidad and Tobago and in Guyana in more recent times the non-Christian religions (e.g. Hindu and Muslim) also became involved in education at this level. In all countries the Government has made large contributions to the church organizations with respect to their schools. With the increasing financial assistance and direction from Governments denominational involvement in primary education has been reducing. Secularization of the schools was completed in Guyana in 1976. The policy of all Governments in the region is to ensure that free primary education is available to and used by all children.

So far, most countries have not been involved in pre-primary education (3-5 years). Recently, the two "socialist" governments - Guyana and Jamaica - have become involved but no other governments appear likely to become involved in the immediate future.

The principal concern in the post-war period has been to provide adequate secondary education, and other-post-primary education. Formerly the proportion of children advancing to post-primary education was very small. This has completely changed with the considerably increased demand for secondary education from the population, on the one hand, and the high priority given to it by the governments on the other. This greatly increased official concern with secondary education stems, in large measure, from the awareness that a better educated and trained manpower is essential for national social and economic development in the context of independence. The three principal objectives of policy here have been:

- (a) to make secondary education available to all children of appropriate age in the shortest time possible;
- (b) to enable all children to take advantage of this post-primary education by making this education free. Since such education is not yet available for all, most governments provide free education to all or most of those who attend these schools on the basis of selection through a competitive examination at about the age of 12 years;
- (c) to modify the secondary education system including the curricula, to make them relevant for the society. This is particularly important in the light of the origin of this education already discussed.

Serious problems still remain in all of these areas. Because of the much larger school population it has been difficult to provide the school buildings, the facilities and the teachers to meet the demand for secondary education. In place of the complete dominance of grammar school education that existed in the past, much attention is now being given to comprehensive and other non-grammar secondary schools. Also, particular attention is being given to expanding the secondary school curricula to include technical and vocational subjects. These efforts are still far from being fully successful for a variety of reasons, one of which is the resistance to such changes on the part of the older schools and the parents.

There has been considerable expansion in University education in the region. Before 1948 all university education had to be obtained outside of the region. The University of the West Indies was set up in 1948 and the University of Guyana in 1963. The University of the West Indies now has campuses in Jamaica, Trinidad and Tobago and Barbados, and Extra-mural departments in the other Commonwealth Caribbean countries which contribute to its support. As the campuses and faculties have increased over the years, so have the number of students receiving post-secondary education.

But the proportion of the population with university education is low, being one per cent or less in the different countries, and hence there is concern about increasing university attendance. At the same time, the governments are concerned at the high cost of university education, and at the tendency to over-production of graduates of some faculties, e.g. Arts and Social Sciences and the reverse in other faculties, e.g. Agriculture and Engineering. This concern is no doubt accentuated by the proneness of Arts and Social Science students and faculty at the University to be involved in political and related activities in opposition to the government in power. For these and other reasons, the Heads of Governments of the Commonwealth Caribbean at their Sixth Meeting held in 1972 affirmed the need for an assessment of requirements for trained manpower at the professional, administrative, managerial and sub-professional levels in the region in order to provide a firm basis for determining how the University and other post-secondary education facilities should be expanded. The larger countries all have institutions of technical training at the tertiary level and there is a feeling that these facilities for technical training need to be particularly expanded and developed in countries where they do not exist, while at the University it is the technical faculties (medicine, engineering, agriculture, etc.) that should be given particular attention.

## II. KNOWLEDGE REGARDING POLITICAL PROCESSES AND THE DEVELOPMENT AND IMPLEMENTATION OF POLICY -<sup>1/</sup>

There is little precise information on the extent to which the population in the Caribbean is aware of the political processes by which population policy is formulated, or of the development and implementation of such policies. The evidence is that in the Commonwealth Caribbean there are a number of factors which contribute to a fairly high level of knowledge. These factors include:

- (a) the relatively high level of general education, the proportion of the population 10 years old, and over with at least 4 years of primary schooling being just over 95 per cent in 1970;
- (b) the small size of the countries, the country with the largest effective size being Jamaica with its 11 000 square kilometres, as so large a proportion of the mainland countries are uninhabited;
- (c) the efficiency of communication, a point related to both (a) and (b) above, and to the availability of radio to most persons throughout these countries and the availability of television to a fair proportion in the countries which have television;

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<sup>1/</sup> The remainder of the paper is taken from Jack Harewood (1978b).

(d) the tradition of political democracy inherited from Britain which requires general elections to be held about every five years and results in both governments and the non-government political parties being continually involved, but especially at election times, in providing information to the population as part of their campaigns to retain or gain political ascendancy.

Of the areas in which we are particularly interested, publicity and information is good in the area of fertility control, where there is an official family planning programme, and in the areas of employment creation and education. Where special organizations exist to encourage or direct rural development, or to organize emigration schemes publicity and public relations are again fairly good though in general this has been less than with respect to fertility control and human resources. Nationals are in general aware that there are restrictions on immigration in the many countries where such restrictions exist but since these do not directly affect nationals details of these policies and measures are less well-known.

Some indication of the level of awareness can be gleaned from a study of the participation and involvement of Jamaicans in the General Election of 1972 (Carl Stone (1974)). This study found that eighty two percent of the electorate listened to party speeches on the radio, forty eight per cent attended mass political meetings, and forty three per cent read party advertisements in the daily newspapers, while fifty three per cent are recorded as discussing the election with other voters. A study in connection with the 1976 General Election in Trinidad and Tobago also indicates a high level of awareness of political issues. Since the surveys referred to relate to general elections they are not directly indicative of knowledge about the political processes relating to population policy. Furthermore, it is to be expected that awareness and involvement in political issues would be much higher at the time of a general election than is normally the case. Despite these points, the two surveys can give us some indication of this knowledge as we would expect persons with a high interest and involvement in general political issues would also be aware of specific matters of importance to themselves. In this connection, the study by Stone compares a number of the above and related indicators with the level of participation in the United Kingdom and the United States in general elections of 1964 and 1966 respectively. Apart from "watching party speeches on Television", for which the proportion in Jamaica is appreciably less than in the United Kingdom and the United States of America, the indicators for Jamaica are as high as and for many indicators significantly higher than for the other two countries.

The level of knowledge is much higher in Barbados than in Jamaica and Trinidad and Tobago because of the smallness of the island (431 square kilometres), and the higher proportion of persons with some education, while it is believed to be lower in most of the Windward and Leeward Islands.

A point worth stressing here, is that popular knowledge of the political processes or of policies does not necessarily result in popular support for or even acceptance of such policies. There is evidence that where there is popular support for a policy it is often for reasons different from those which prompted the policy. An example of this is fertility control where those governments that have adopted a fertility control programme have done so because of the national problems associated with too rapid population growth, while the population have embraced the programme because of individual and family problems related to too many children. On the other hand, policy decisions taken in the best "national interests" are sometimes not accepted because they do not appear to be in the best "personal/family interests" of the population. One example here is the effort to increase technical education, including Agriculture at the secondary level in preference to the earlier preponderance of emphasis at the secondary education level of grammar school type education, in the interest of national "economic and social development". However, for persons of African origin, and those of Indian origin in Guyana and Trinidad and Tobago where this group is very large, grammar school education has been and continues to be the one means of getting their children out of Agriculture and other "technical" occupations into the highly-paid and high status jobs (in the professions such as Medicine and Law and in the top administrative posts in Government and large non-Government establishments) formerly reserved for the white, the half-white and the lucky black. To them, secondary education is not a means of up-grading occupations in agriculture and technical fields, but a means of getting away from them. The lesson from the above and other examples that can be quoted is that much more attention needs to be given, both by policy makers and researchers, to the values, attitudes, habits and aspirations of the population, both in terms of formulating policies which take these into account, and in terms of undertaking necessary educational and public relations programmes to change these values, attitudes, etc. where this appears necessary.

### III. OTHER ELEMENTS IN THE "TRANSLATION" OF RESEARCH FINDINGS INTO THE POLICY FORMULATION PROCESS

Problems relating to the "translation" of research findings into the policy formulation process in the Caribbean are not unique. They arise, in large measure, from the fact that the individuals and agencies undertaking relevant research, whether in government, the universities or elsewhere, are not usually directly involved in policy formulation or in advising on policy formulation. Furthermore, except in special cases, e.g. where the research is specifically requested for that purpose, the release of results of research do not necessarily coincide with the periods when policy is being formulated or reviewed. This means that at the critical periods in policy formulation and review, pertinent research which has been completed may not be brought to the attention of the policy makers. Another point is that for the most part the policy makers are not persons with academic backgrounds in the particular fields and the results of research are too often presented in a form and length

appropriate for the information of other academics rather than busy policy makers. A related point is that to the extent that the researcher is divorced from policy making and administration, as is often the case, the researcher usually pays inadequate attention to factors outside of the research which are vital for the policy maker administrator and for this reason the research findings tend to be unrealistic in the eyes of the policy maker.

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THE RELATIONSHIP BETWEEN PHYSICAL, REGIONAL AND  
NATIONAL PLANNING: THE JAMAICAN SITUATION

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In discussing this topic, it is useful to begin by making operational definitions of Physical Planning, Regional Planning and Global Planning in order to establish, at least within the context of this paper, unambiguous interpretations of concepts.

(a) Physical Planning

By this we mean the planning of the actual physical layout of a given geographical unit such as a city. Such planning is concerned, within this given geographical unit, with the location of housing, centres of employment and recreation, the provision of transport facilities, social services and basic physical infrastructure.

(b) Regional Planning

In this case, planning is with regard to an area, defined as a region because the combination of natural resources, the cultural characteristics of the inhabitants and historical factors, makes it distinguishable from neighbouring areas. Planning, as applied to a region of necessity requires physical plans (as described above) for all the population nodes within it. However, there is also consideration of the exploitation of the region's natural resources and the development of the transport and communications network linking the nodes within the region, as well as the region to the outside world, and the provision of basic services needed by the inhabitants.

(c) Global (National) Planning

At this level, planning is directed at achieving goals for the country, as a whole. In a sense, the national plan must represent an aggregation of the regional plans. However, it must go beyond this with specific macro targets which transcend regional considerations. The national goals must be disaggregated by sectors, as well as by regions so that both sectoral and regional requirements can be ascertained and budgetted for from the available resources. Clearly the extent of national resources has implications for both sectoral and regional demand.

The assertion of this paper is that, within the Jamaican context, national planning, disregarding for the moment its own success/failure, has been more structured on a sectoral basis with little reference to the regional question. The paper examines this question by first considering the roles and performance of the major institutions involved in physical and regional planning, and national planning.

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## 1. Present State of Physical and Regional Planning in Jamaica

### (a) Physical Planning

There are several agencies and organizations in Jamaica with physical planning powers with the main ones being the Town Planning Authority; the thirteen Local Authorities (the Kingston and St. Andrew Corporation and the twelve Parish Councils); the Ministry of Local Government and Community Development; the Urban Development Corporation and the Ministry of Construction.

It is of interest to note that in Jamaica, physical planning is the only aspect of planning which is supported by various laws. Among them are the Town and Country Planning Law of 1957, the Housing Act, the Local Improvements Law and the Urban Development Corporation Law. However, it is ironic that despite this legal backing which is absent from the two other levels of planning, physical planning does not have the impact on national planning that it should. We now examine in greater detail the functioning and roles of the major institutions involved in physical planning.

The most important organization is the Town and Country Planning Authority which operates under the ambit of the Town and Country Planning Law. The Authority consists of senior representatives of the major government ministries which have an involvement in activities which have physical or regional development activities. The Authority bases its decisions on the technical advice of the Town Planning Department which is headed by the Government Town Planner. (It is proposed in the new Town and Country Planning Law that the Government Town Planner be the automatic chairman of the Authority. At present, the holder of the post is now just a member although prior to 1976, the Town Planner was the Authority).

The Authority's role in physical and regional planning comes via two functions:

- (i) it issues Development Orders for selected regions which provide detailed planning guidelines for physical development within those regions;
- (ii) it is the local planning authority for special "called-in" areas. A "called-in" area is one where all plans for building developments or changes of use have to be approved by the Authority before either the relevant Parish Council or the Kingston and St. Andrew Corporation (the Local Authorities) will allow construction. The granting of such permission is normally the responsibility of the Local Authority within whose jurisdiction the proposed developments fall.

There are several obstacles to the efficient operation of the Town and Country Planning Authority. The first relates to its size and composition. The fact is that its present size of around eighteen members makes it unwieldy and its discussions have become increasingly "wide-ranging" with diverse topics being examined. In the

second place, although the Authority has the power to issue development orders for a given region, this power is mainly a "blocking function" in that while it can prevent development, it cannot foster development. The third limitation to its functions is that although it (the Authority) has approval powers for "called-in" areas, the power of enforcing its decisions rests with the local Authorities and, especially in the case of illegal changes of use, these powers are not being utilized. Hence, wide-spread land use changes have taken place in Kingston and St. Andrew, for example, where areas zoned "residential" by the Town and Country Planning Authority have long been changed to commercial or light industrial. While the Authority continues to refuse "changes of use" applications made in the formal manner, illegal changes continue unabated, making a mockery of much of the deliberations of the Authority.

The Ministry of Local Government and the Local Authorities are involved in physical planning in three main ways. In the first case, the Local Authorities are designated by law to be the physical planning authority in areas which are not "called-in". Hence, in these areas, they are supposed to perform the same functions as the Town and Country Planning Authority does in "called-in" areas. Secondly, they have the enforcement powers for the decisions made by the Authority in "called-in" areas. The third area of operation is where the Local Improvements Law is utilized to designate acutely deprived areas as being deserving of special treatment in terms of housing or the provision of certain basic social, or physical, infrastructure.

As regards the first responsibility, that of being the planning authority in areas which have not been "called-in", the fact is that for various reasons the Local Authorities do not possess the level of staff needed to perform planning functions of more than a rudimentary level. In fact, not even the Kingston and St. Andrew Corporation, which is by far the best equipped of the Local Authorities, can carry out all its planning and enforcement functions. So, the practice is that even in the case of areas which are not "called-in", the Local Authorities routinely send applications to the Town Planning Department for its consideration.

The Urban Development Corporation is a statutory body established in 1968 as a special agency charged with planning and implementing economically viable integrated development projects in specially "designated" areas. The Urban Development Corporation Law, under which the Corporation operates, provides the organization with physical planning powers and implementation responsibilities. In addition, although the Law specifically calls for consultation with the relevant local planning authorities in the preparation of development plans for a "designated" area, the final decision on approval of these plans rests with the Minister responsible for the Corporation. Hence, in essence, within its "designated" areas the UDC may be considered a planning authority since it has the same powers as the Local Authorities or the Town and Country Planning Authority have over areas for which they are responsible. Furthermore, by virtue of having implementation powers, this enables the Corporation to effectively carry through plans in its "designated" areas, unlike the other organizations which only have planning powers.

The Urban Development Corporation now operates in six project areas - the Kingston Waterfront, Negril (Westmoreland and Trelawny), Montego Bay (St. James), Ocho Rios (St. Ann), Oracabessa (St. Mary) and Hellshire Hills (St. Catherine). In its initial stages of operation, the Urban Development Corporation came the closest to what we have defined as regional planning, in that its activities involved not only the provision of physical facilities but questions such as job creation and local resource utilization were also taken into account. However, the "designated" areas are too small to be regarded as regions. Furthermore, in recent years, due in part to severe budget constraints and in part to the fact that most of the developments undertaken have continued to need budget support, there have been few new full-scale integrated schemes within the mould of the original conception. In fact, in latter years, the Corporation has been used by government mainly as an implementing agency, undertaking specific construction projects for other agencies or ministries.

The Ministry of Construction also has physical planning powers through the Housing Act, which gives the Minister responsible for the Housing the authority to acquire, hold and dispose of land and property. This Act enables the Minister to define an area as a "Housing Area". Within a "housing area" the Minister has planning and implementing powers similar to those held in "designated areas" by the Minister responsible for the Urban Development Corporation. Hence, although the Act requires the submission of plans to the relevant Local Authority, the Minister is in no way bound to alter the original plans because of these objections.

Fortunately, in the cases of both the Housing Act and the UDC Law, the relevant Ministers have usually sought to have a consensus of views on the plans for a "designated" or "housing" area prior to implementation. Hence, there has been, in the main, an avoidance of major disagreements. However, it should be regarded as a major goal in the improvement of the physical planning process that such potential areas of conflict be eliminated and all laws with implication for physical planning be made to comply to overall guidelines which have legal support.

#### (b) Regional Planning

There are several agencies which have responsibilities which effectively require them to become involved in regional planning of some sort. However, it should be first made clear that while parish boundaries have been long established historically, and hence provide the basis of administration and some planning, there is no universally accepted regional boundaries. The main agencies directly involved in regional planning are the Town and Country Planning Authority and the Urban Development Corporation. However, in recent years the Ministry of Agriculture, through various projects, most notably the First and Second Integrated Rural Development Projects, has become a major force in regional development planning. To a lesser extent, the actions of the Ministry of Construction in the selection of location for major housing developments and highway construction may also be seen as a contribution to regional planning. Finally the Jamaica Bauxite Institute through its awarding of mining rights can have

a significant impact on settlement patterns and the economic activity of a region since by law, mining activity takes precedence over almost all others.

The Town and Country Planning Authority's direct contribution to regional planning comes by way of its preparation of "development orders" for specific regions. However, as has been noted before, these orders are only indicative in that there is no provision for implementation as a follow-up to the plans. Furthermore, these orders have limited specifics on economic activities and so sector ministries have need for nothing more than a passing reference to these orders to ensure "consistency". Of equal significance are the sections of the Housing Act and the Urban Development Corporation Law which place them above the jurisdiction of the Town and Country Planning Authority.

The Urban Development Corporation's contribution to regional planning has been of necessity, within the confines of its "designated" areas. The size of these "designated" areas has been a limiting factor to comprehensive development planning for the Corporation. Added to this is the fact that five of the six project areas within which the Corporation operates are "tourist" areas and the development of the sixth, Hellshire, was originally conceived within the framework of employment based on tourism. This emphasis on tourism has been a major limitation to the impact of the Corporation on regional planning in Jamaica. However, it must be said that the Corporation's activity in its earliest years represents the best example of an effective link between physical/regional planning and implementation.

The Ministry of Agriculture has traditionally been involved in projects which have had regional planning implications. For example, decisions on the selection of land for farm settlements or for forestry development have clear implications for human settlement and economic activity. However, the Ministry's most forthright steps in regional planning activity have come in two projects practically funded by external agencies, the IBRD and the US-AID. In these two schemes, the First and Second Integrated Rural Development Projects, the Ministry's concern now goes beyond the provision of land for farmers. Also involved in the scheme is the construction of houses for farmers, the development and improvement of farm roads, the provision of social facilities and basic physical infrastructure. Hence, the two projects are aimed at improving the quality of life of rural dwellers, as well as increasing the economic returns from farming activity. These two projects, if successfully implemented, will represent the two of the best examples of regional planning and development activity in Jamaica, to date.

In 1974, following its decision to become more actively involved in industry, the Jamaican government announced its decision to acquire all lands with proven bauxite reserves. Control of these lands was then vested in the Jamaica Bauxite Institute which then allocates mining rights to companies for specific periods based on their projected rate of mining. Given the fact that known bauxite reserves cover a large

percentage of Jamaica's surface area, the potential impact of this mining has serious implications for changes in settlement patterns, economic activity and transportation lines in several areas of the country. Furthermore, with a projected increase in alumina production of 1.5 million tonnes per annum by 1985, the impact of mining on regional planning will become increasingly great, and the obvious need for increased collaboration between the Bauxite Institute and other agencies involved in the field must be addressed.

In an assessment of the present state of regional planning, the final point which must be made is that there is a tendency to equate regional planning with planning for rural regions. One of the few exceptions to this approach was the work carried out by the National Planning Agency on the Growth and Management of the Kingston Metropolitan Region. This study was executed in collaboration with agencies such as the Town Planning Department and the Local Authorities. In this Study, there was a detailed examination of the needs of the Kingston Metropolitan Region in terms of housing, education and health facilities, water, electricity and telephones. These needs were then costed in a five year capital budget. There was also an examination of the present management structure for the region and the role and functioning of the Local Authorities in the country, in general, and in the region, in particular. The major deficiency of the Study was the omission of the need and provision of employment opportunities, an obviously critical question in a country with an unemployment rate of over 30 per cent.

## 2. Present Link between Physical/Regional Planning and National Planning

Historically, national planning in Jamaica has been basically aspatial. This deficiency was a reflection of several factors but perhaps the most important is that it was a reflection of the then relative weakness of the physical/regional planning fraternity in Jamaica. This was due to the fact that it was not until the latter part of the 1950's that geography emerged as a really strong member of the social sciences and there was a resulting elevation of the profession of urban and regional planning which has drawn most of its theoretical structures from geographic research. The diffusion of the urban planning discipline began to have its impact on Jamaica in the 1960's. Hence, the First National Physical Plan was developed as a companion document to the Second Five Year Plan 1970-1975. Due to the change of government in 1972, neither document was officially adopted.

The National Physical Plan was revised by the Town Planning Department to be a companion publication of the current Five Year Development Plan, which was issued in 1978. However, there is still no clear cut link between physical/regional planning and national planning. A step in that direction has been taken by the establishment in 1979, of a Regional and Social Planning Division in the National Planning Agency.

However, it is fair to say that this Division has not successfully established a link in a systematic way, although a greater awareness of spatial implications of capital projects is developing in the planning system, due in some part to the influence of the Division. However, a clear indication of the limited success of the Division is the fact that Urban Growth Study of the Kingston Region has not been officially accepted nor has there been a specific commitment to its implementation.

### 3. A Strategy for establishing a link between Physical/Regional Planning and National Planning

The present operations of the organizations which are involved in physical/regional planning have been discussed. At present, their operations do not present a cohesive approach to physical and regional planning and hence, there is little possibility that their operations can impact forcibly on national planning. Now presented are some suggestions for the gradual improvement of the physical/regional planning process which could also result in an increased impact of such planning on national (global) planning. The questions chosen for special discussion are: an improved data base, the development of more realistic regional plans, increased local input in planning and co-operation between sectoral ministries within regions.

(i) Developing an Improved Data Base. While it is obviously true that it is impossible to do effective planning without a good data base and an effective data collection system, it may be agreed that this holds most true at the local and regional level. This assertion is made on the basis that it is indeed possible to utilize somewhat general sectoral data to produce national goals and decide on national resource allocation. However, at the more disaggregated regional level, the need for more detailed, location - specific and up-to-date data becomes very acute. To date such data have been absent within Jamaican planning and the contention here is that the situation remains so, unnecessarily.

It may be argued that it is nearly useless for the country at this time to be utilizing census data, now over ten years old, to make decisions for the 1980's when the last decade saw some of the most significant changes in internal population shifts and spatial developments in its history. The question therefore, is how can more up-to-date and reliable data be collected? The fact is that the government employs a large number of very well trained people whose duties take them in contact with almost the whole population on a day-to-day basis. I refer to, among others, the public health inspectors, the public health nurses, the agricultural extension officers and the community development workers. This official network provides a presently unexploited source of accurate information for area-specific physical/regional planning and decision-making. There is a need to de-mystify the system of data collection and analysis and utilize the existing network of government personnel more fully. For example, a simple revision of the survey form filled out annually by public health inspectors for each household in Jamaica could provide us with up-to-date information for most of the decisions we need to take on the regional location

of social services. Similarly, decisions on the granting of licences for transport routes, investments in infrastructure, land acquisition and allocation can benefit from the up-to-date data collected by similar government employees.

Such an approach to data collection should be given serious consideration for several reasons. The obvious one is that if organized properly it would enable improved planning to take place. In the second place, because the personnel are already in place, there would only be marginal incremental costs. Third, the exercise of having agencies learning to make decisions on the basis of data must be regarded as a forward step in the planning process. Fourth, it would reduce the need for the plethora of small surveys carried out by individual agencies contemplating a development project in a given area or region. Each of these surveys focuses on the specific issue at hand and so the information is usually not used by any other agency, either because of ignorance of its existence or it was so specific in nature that it is useless to anyone but the agency which originally commissioned it. Finally, if collected by competent field workers, there is an increased chance of obtaining reliable data as they are less likely to accept erroneous information.

The proposed use of field personnel to provide data at the regional level on an on-going basis is not meant to reduce the importance of the 10-year census which must be regarded as a necessity because of its global perspective. How precisely, because of its global perspective the information often is dated by the time it becomes available. For example, when the information on number of households in 1970 for the parish of St. Catherine became available in 1974 or 1975, the population of the parish had already been increased by some 30-40 000 because of the creation of a new housing estate. Hence, the need for smaller more recent data sets is unquestionable and this is the context within which this suggestion is made.

(11) Development of more realistic Regional Plans linked to the Capital Budget and the Public Investment Programme. The Town Planning Department has, over time, prepared a series of plans for different regions. These plans are long-term and can be said to focus mainly on land use questions. A major shortcoming of these plans is that they do not influence any of the government's planned activity either for the immediate short-term (via the annual Capital Budget) or for the medium term as shown in the three-year Public Investment Programme. The need for more flexible short-term plans are even greater in areas of bauxite reserves, since settlement patterns and the location of economic activity (mainly farming) are likely to be changed over time with the shifting of mining operations.

It is being suggested that those involved in giving physical/regional planning a greater say in decision-making consider the following. Within the economy, the government shares ownership of economic activities with the private sector and so planning for this sphere of operations is mainly indicative. That section over which the state does have control will be reflected in the Annual Capital Budget and the

Public Investment Programme. However, the government has a virtual monopoly on the provision of social facilities and physical infrastructure and is the major force in housing development. This latter category of activities being area - and region - specific, should represent an automatic source of interest and influence for regional planners.

The suggested strategy, therefore, is to develop a series of normative, flexible, short-term regional plans based, in the first instance, on those areas of operation over which the government has monopoly or near-monopoly powers. In essence, what is being suggested is a set of regional human settlements plans which will provide the framework within which the state agencies involved in the location of social facilities, physical infrastructure and housing settlements must operate. The discussion on the previous section on a reliable data base takes on extra importance since the credibility of these development plans will be a function of the reliability of the data on which they are based.

The second step is for regional planners to increase their input in the decision-making process as it applies to the development of the Capital Budget and the Public Investment Programme. There have been attempts to increase the input of physical/regional planners in the decision-making process by placing them on various committees or boards dealing with project selection and implementation. However, this involvement must go further in the sense of a detailed examination of the regional implications of major projects being developed by sectoral ministries. For example, the construction of forty health centres in Western Jamaica under a IBRD Loan Programme should not have taken place without a knowledge of further settlement pattern developments within the same region. Similarly, the question must be posed whether local farmers are available for the lands to be brought into production under the BRUMDEC project. If they are available locally, what are the implications for their movement patterns between their present holdings and their additional holdings via the project? If the farmers are to be brought from outside, what are the implications for the provision of school places for their children, etc.?

These are but a few examples of the type of questions which must be posed and answered when evaluating the regional impact of a given project/programme being developed by the government. This type of evaluation can best be done by those trained in regional planning and provides an additional dimension to the presently sectoral analysis being carried out in the project selection process and should be done as a pre-requisite for project selection, rather than as a post project-selection activity.

(iii) Increased involvement in Planning at the local level. In Jamaica, it has historically been the case that planning has been centrally directed. As we have indicated, even in instances where the Local Authorities have the legal powers, there is the absence of personnel with even the most rudimentary planning skills to advise the Councils.

It is imperative that as quickly as possible each council be given the ability to handle the most basic responsibilities. As a first step, it is suggested that the Town Planning Department, rather than allowing development applications to be sent in to Kingston for decision-making, should allocate personnel whose jobs would be to work with the Local Authorities showing them the basic steps to be taken in evaluating an application, and over time, improving the skills of each Council. Clearly, these decisions must conform to the guidelines of the regional plan, developed for the given region.

Next, the annual capital expenditure of the Local Authorities must be placed within the context of a general development programme for the parish for which it is responsible. At present, each Local Authority develops an annual budget which is more related to what was spent the previous year than to any clear idea of what it desires to implement in the following year. The expenditure patterns of the authorities after the budget has been granted displays this lack of planning as it reflects, in the main, an attempt to respond to the pressures brought by individual politicians. It would be unrealistic to advocate an immediate jump by the Local Authorities into a complex system of expenditure planning related to specific areal needs and fitting within a precise regional development framework. Not only do the required planning personnel not exist but also the monitoring of expenditure and implementation at the local level cannot be drastically improved in the short run. Hence, it is even difficult to ascertain how much has been actually executed - a basic pre-requisite to decide what is to be done. The National Planning Agency should be required to assign officers to work with each local authority in order to organize their budget request in a form whereby it could be related to an overall parish development programme, which includes the programmes of sectoral ministries operating in the relevant parishes. To complement such a move, the Ministry of Local Government should then monitor that each year's expenditure is consistent with the proposed programme.

A third means of increasing local participation in the planning process is to have communities play a role in questions such as choice of the design and locations of social facilities. There are obvious advantages to such an approach; the most obvious being that there is a greater chance of community acceptance and use of facilities where this was initial community input in the planning. Moreover, with increasing experience in basic decision-making activities, it is possible to diffuse the planning process further by widening the scope of issues on which the input of communities become involved in data-gathering and learning how data can be used to aid planning and implementation. For these latter tasks, the role of agencies such as the Social Development Commission becomes increasingly critical and important.

(iv) Increased bureaucratic collaboration within regions. The Government of Jamaica is organized basically on a sectoral basis - as ministries have responsibilities delineated by functions. The Local Authorities represent an exception to this

rule but even in this case, the "parent", the Ministry of Local Government, is considered and dealt with as another sector ministry.

It is also true that within certain sector ministries there are regional structures which serve to provide guidance on peculiar regional demands within the particular ministry. However, the major potential value of these regional sections, within ministries, is lost because of the very formal inter-ministerial relationships which exist at the local level. Hence, it is quite possible for the local representatives of various sector ministries to be carrying out overlapping, contradictory (or perhaps complementary functions) with no official concern for the potential value of co-ordinating these activities. Such a state of affairs has several results. The first, and most obvious, is that it represents a waste of resources. In the second place it misses the opportunity to reap gains of co-ordinated state action at the local level. Perhaps most important of all is that it confuses the local resident who is unable to comprehend the actions of a government which supposedly has his interest at heart and has employed any number of different field officers who are keen on improving his quality of life but each of whom seem oblivious of the existence and activities of the other.

This state of inter-ministry confusion at the regional level is not surprising given the present organization of the bureaucracy. One important area which is marked for the absence of any regional planning consideration, in its structure, is the annual budget. It is presently impossible to decide whether a region is comparatively underserved by personnel, and to make plans to improve its situation. This applies in particular to the social services. Furthermore, the practice of planning the budgets under "heads" makes it extremely difficult to break out most capital projects carried out by ministries on a parish basis.

We suggest that certain basic steps can be taken to improve the country's ability to plan at the regional level. To begin, in addition to being classified by heads, the budget should be disaggregated by parishes. At the same time, an examination of the staff structure of each government agency by region would enable a rational decision to be taken on the question of the need to reallocation of personnel to serve areas of greatest need. Two basic steps such as this could greatly enhance the states' ability to do effective regional planning and simultaneously increase the level of service provided to the population.

#### CONCLUSIONS

The paper has outlined the operations of the main organizations involved in physical and regional planning in Jamaica. It pointed out the present shortcomings of the system and presented suggestions which will hopefully increase the link between physical/regional planning and the national planning system. However, a major cause

of the limited impact of physical/regional planning on either the national planning system, or the decision-making process, is the fact that the discipline is not projected enough by its membership. To be sure, the formation of an organization such as the Town and Country Planning Association is a commendable step and its existence will improve the image of regional planners in Jamaica.

However, the need to strengthen the structure of regional planning in Jamaica goes beyond the projection of a given discipline. If the whole rationale for planning is to better the lives of the inhabitants of a given area, region or country and to increase their involvement in making the decision affecting their lives, then it follows that to as great an extent as possible efforts must be made to relate the decisions made as closely to the people's wishes as is possible, subject, naturally, to constraints on resources. It is contended that this process is furthered by increasingly decentralising the planning and decision-making systems. There is no denial of the fact that, of necessity, certain planning decisions must be taken centrally; however, the goal should be to reduce this number to the minimum possible. Hence for real development at the local level to take place we argue that there has to be a corresponding growth in the status of regional planning and an increase in its influence on global planning and decision-making.

THE CARIBBEAN SHIPPING SECTOR <sup>1/</sup>: A PLANNING  
AND POLICY PERSPECTIVE

Winston Dookeran <sup>\*/</sup>

Traditional trade models ascribed a neutral role to the transport factor in the development of international trade. Empirical evidence has invalidated this hypothesis. Studies on non-tariff barriers to the exports of the developing world have identified shipping cost as a significant non neutral factor in the formation of international prices. Consequently, there has been some recent attempts to extend the basic trade model to explicitly include a transportation sector.<sup>2/</sup> A recent study on the movement of shipping cost in the developing world over the period 1965-1974 concluded rather disturbingly that "the increase in the nominal shipping cost has cancelled out some of the benefits accruing from multilateral negotiations on international trade".<sup>3/</sup> This study goes on to argue that while declining transport costs induced the development of periphery economies in the 19th century, this process was not repeated in the events over the period 1938-1974. Developing countries are expected to face rising shipping costs in the future.

The incidence of rising shipping costs may be even greater in the Caribbean region. The geo-economic location of the region, and the structural openness and inherent dependence of the Caribbean economy do not insulate the region from rising shipping costs. In addition, a large part of the development effort in the area calls for greater penetration of export markets and dependence on import markets for traditional imports and more raw material sources, which will make further demands on the existing shipping services. Technological changes in the shipping world may produce a level of cost that cannot be efficiently absorbed through the scale economies prevailing in the region.

In these circumstances the market forces cannot be relied upon to produce a socially optimum allocation and distribution of resources for the shipping sector. These factors underline the need for a clear focus on shipping policy. In these circumstances the market prices cannot be relied upon to produce a socially optimum allocation and distribution of resources for the shipping sector. These factors underline the need for a clear focus on shipping policy.

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<sup>1/</sup> In this paper the Caribbean refers to English-speaking countries of the region.

<sup>2/</sup> See for example Cassing, (2) and Falvey, (3) and (4).

<sup>3/</sup> Olechowski and Yeats, (1) p. 263.

## 1. Features of the Caribbean Shipping Economy

### (a) Traffic

The international ocean freight traffic in the Caribbean is concentrated on specific trade routes, which have remained largely unaltered even during the post independence period.<sup>4/</sup> Export and import cargoes are not in balance. In addition, the characteristics of export freight differ from those of imports. This in turn makes for differences in the respective transport markets and freight structures. A large part of the Caribbean exports are of a bulk commodity nature and utilizes tramp-like vessels. On the other hand, imports are mainly manufactured goods transported by regular liners. Freight rates for export commodities are subject to fluctuations which are caused by changes in the demand for the products themselves and by the low elasticity of the supply of ships. Import freights are generally established through the liner conference system.

### (b) Firms

In the operating environment, firms face "a structure and level of cost that are determined by forces largely outside the region's control. The cost of acquisition of vessels, the cost of chartering vessels, insurance and fuel costs, the cost of port equipment and in general the cost of technological changes are all determined thru the interplay of international market forces".<sup>5/</sup> This feature reinforces the cost dependency of the region. On the revenue side, shipping firms find their rate earning capacity to be constrained by local economic factors like the level of income, cost of living, and what the market will bear. International carriers do not however face the full effect of this constraint, as the foreign part of their tariff are exogenously determined, while the local part is largely influenced by non competing considerations.

### (c) Links

In the Caribbean environment, extra regional links are more developed than intra-regional links. This is due partly to the history of the region but has been reinforced by the existence of unchanging commercial forces. An internal transport network would only be commercially viable on a self sustaining basis if it were to extend to the external network or employ cargo reservation techniques within the region's economy. Since neither of these two measures were employed (there is strong

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<sup>4/</sup> It has been estimated that over 75 percent of Caricom imports of general cargo and 40 percent of Exports are with the USA, Canada and Western Europe. 40 percent of the several cargo exports are intra-regional.

<sup>5/</sup> Dookeran (7).

international opposition to both approaches), intra-regional links developed in a slow and almost haphazard manner. Also, the intra-regional carriers (both sea and air) were charged primarily with a service function and were called upon to discharge a social responsibility to the region.

(d) Service

Shipping services for general cargoes could be categorized into three groupings: external lines, regional lines and small vessel shipping. All of the external trade are carried by external lines. Some of the external lines are Columbus Line, Geest Line, Sea Land, Sea Train, Saguenay and Carol (Caribbean Overseas Line). Recently, nationally owned lines (Jamaica Merchant Marine, Guybulk Shipping Corporation) have entered the trade and are currently moving externally bound cargoes. The major regional line is the West Indies Shipping Corporation (WISCO) which has traditionally operated a general cargo service within the region. Recently, WISCO has extended its service to Miami. NAMUCAR is another shipping line owned by Governments of the Caribbean Basin and serves the Caribbean and Central America. A large part of the small vessel trade takes place in the southern half of the Eastern Caribbean. The small vessel sector is very important to the region's economy. Apart from its contribution to saving foreign exchange, generating income, moving goods, and employing sea-faring personnel, this sector provides the main forum for developing entrepreneurial qualities in this field for the people of the Caribbean. <sup>6/</sup>

(d) Institutions

The major public Institution is the Standing Committee of Ministers responsible for Transportation which was established in 1975 and succeeded the Regional Shipping Council which came into being in 1962 at the dissolution of the West Indies Federation. The Caribbean Shipping Association is a grouping of shipowners interest and has been a major forum for public discussion of shipping matters. Attempts to form Shippers Councils have not been very successful. In this regard, Export Corporations expect to play an important role in protecting the shipper's interest.

(e) Conferences

There are many liner conferences operating in the region. The most important is the Association of West Indian Trans-Atlantic Steamship Lines (WITASS). WITASS has been in operation since 1896 and represents 33 shipping lines, 5 associated lines and 21 different nationalities. Its services cover more than 100 ports in Europe and about 120 in the Caribbean and Latin American countries. Other conferences include US Atlantic and Gulf Jamaica conference, Japan-Latin American Conference, Brazil/Caribbean/Brazil Freight Conference and US Atlantic Leeward and Windward Islands Conference.

6/ For further information see AMB (15).

(f) Legislation

There is no uniform legislation in the Caribbean governing maritime affairs although this has been on the agenda of the Standing Committee for a number of years. The most significant legislation in the area is the recently enacted Jamaica Cargo Preference Act which provides cargo preference in favour of the Jamaica Merchant Marine. The existing legal framework is an open one rendering the Caribbean environment totally dependent on external legal constraints and conditions.

(g) National Shipping Lines

State owned shipping companies in the region include Guybulk Shipping Limited, Transport and Harbour Shipping (Guyana), Jamaica Merchant Marine-Atlantic Line Ltd., Puerto Rico Maritime Shipping Authority (PRMSA), West Indies Shipping Corporation (WISCO), NAMUCAR (Naviera Multinacional del Caribe) and the Shipping Corporation of Trinidad and Tobago (SCOTT). SCOTT however is not in operation.

Historically, the shipowners have played an important role in forming the shipping environment in the Caribbean region. In many cases, agents who represent the shipowner's interest (i.e. for external lines) were also large exporters and importers. As such, external lines were partially vertically integrated into large local plantation conglomerates. This feature is peculiar to the region and may partly explain the difficulty of forming effective Shipper's Councils in the region. Within recent times, the public sector has shown a major interest in influencing the Caribbean Maritime environment. The main vehicle used by the public sector for increasing its influence in the shipping world of the Caribbean has been thru the establishment of national shipping lines in joint venture arrangements with foreign firms. In addition, there have been attempts to effect consultation procedures with the Conference system. Attempts to establish consultative machinery have met with little success. - Cargo reservation practices have not been employed in many significant way.

2. A Framework for Analysis

Planning and policy analysis requires an identification of the goals, the selection of means to achieve these goals and the development of an organic process that generates appropriate directional impulses. Too often the planning exercise identifies the goals and the means that may be used to achieve these goals and leaves the mechanics of change, the process by which change will take place, largely untouched.

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2/ In 1969 the Eastern Caribbean Consultative Committee was established. WITASS refused to co-operate and the Committee did not receive sufficient inputs from interested private and public sector organizations. Although there have been many attempts to revive the idea of "consultation" since that time, there have been no meaningful results.

For instance, to merely state that the establishment of a regional shipping network is desirable and to provide a planned programme for resource use will not be enough if the commercial forces operating in the environment lead towards opposite goals. A key to planning in the shipping sector, as indeed to other sectors of the economy is to concentrate on generating appropriate directional forces that would be consistent with the programme of action.

Like the rest of the economy, the shipping sector of the Caribbean is characterized by an open dependency relationship. The nature and degree of this dependency constrains the policy choices that are open to positively influence the economic environment. The limit of policy prescriptions will depend on the extent to which exogenous factors could be endogenized. In situations where this is not possible, policy and planning measures may attempt to contain the adverse impacts of structurally exogenous factors.

The distribution system of which the shipping sector is a part lubricates the production structure and the consumption pattern in the economy. There is an interactive process among the distribution system, the production structure and consumption pattern. The distribution system mirrors the production structure and consumption patterns existing in the economy and at the same time provides the basis upon which the production structure is built and the consumption pattern is formed. This is seminal to the understanding of the economics of change. The distribution system, the production structure and the consumption pattern are cumulatively self-reinforcing.

This framework leads to two approaches to policy formulation: the aggregate approach and the incremental approach. The aggregate approach focuses on the interactive processes, the cause effect relationship and may result in a multi-faceted policy approach. The incremental approach is directed to responses to contest specific situations. Ideally, the incremental measures should be integrated into the aggregate programme of action. In general, there has been a variance between micro economic efficiency and social <sup>8/</sup>efficiency in the methodology for transportation planning in the Caribbean region.

### 3. Planning and Policy Issues in the Caribbean Shipping Sector

In the context of the framework for analysis as outlined above public policy initiatives in the shipping field during the last decade have been of an incremental nature. The following major policy interventions were employed during the period in the region:

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<sup>8/</sup> For a full discussion of this point see Dockeran (5).

- (i) A planned programme of investment was agreed to so as to expand the intra-regional shipping service. (WISCO).
- (ii) National shipping lines were established. (Jamaica, Guyana, Trinidad). In addition, Jamaica and Trinidad became full members of the Multinational Shipping Corporation of the Caribbean (NAMUCAR) which was formally established in May 1975 by Costa Rica, Cuba, Jamaica, Nicaragua, Mexico and Venezuela.
- (iii) There were attempts to set up Consultative Machinery between Regional Governments and the Conference System (Caricom).
- (iv) Caribbean Governments established the Standing Committee of Ministers responsible for Transportation (Caricom).
- (v) There were attempts to set up Shippers Councils so as to increase the bargaining position of Shippers (Jamaica).
- (vi) Legislation was enacted to encourage cargo reservation practices (Jamaica).
- (vii) There were discussions on a proposal for the establishment of a Caribbean Shipping Corporation (Trinidad).
- (viii) Numerous technical reports on the provision of training facilities for all levels of shipping expertise were reviewed.

These policy interventions on the part of Caribbean Governments fall into the categorization of "incremental" as they were measured responses to contest specific situations. The geopolitical situation of the Caribbean did not encourage a common extra regional policy towards international shipping. In fact, it is somewhat paradoxical that the establishment of a Standing Committee of Caricom Transport Ministers came at the same time when a new wave of subnationalism rolled on the Caribbean scene. The situation manifested itself in independent action by each Government on the question of extra regional shipping and in some instances also with regard to intra-regional shipping.

In general, the focus of public policy in the shipping sector has been in terms of accommodation to developments in the world shipping economy. Frequent increases in freight rates led to the establishment of a Consultative Machinery and to suggestions and attempts to form Shippers' Councils. The expansion of the intra-regional shipping service was meant to provide feeder capacity that will be required to serve the extra regional shipping network, oblivious that such a feeder system would structurally be not financially viable in the current environment. The establishment

of national shipping lines were partly in parallel to such developments among large developing countries (India, Nigeria, Brazil, Mexico) and partly a result of the changing fortunes of international carriers. These public interventions in the shipping sector were of an incremental nature and provided a "visibility content" to Caribbean shipping measures without affecting the direction of commercial forces existing in the region.

#### 4. The Need for Policy Reappraisal

The Caribbean region will face an increasing demand for shipping services and if the economies were to expand this demand would increase even further. Secondly, the rise in the cost of shipping will adversely affect the terms of trade which are already deteriorating in response to falling export prices and rising import prices. World protectionist policies <sup>9/</sup> may reinforce these trends. Thirdly the international nature of the shipping industry and the openness of the Caribbean economy almost make 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 proportionally lower output. This implies that there must either be a lower level of technology or an increase in the scale of operations, otherwise the balance between resources used and macro benefits may not be achieved.

In light of these considerations, there is need to develop a methodology for a policy reappraisal and the evolution of a new planning perspective in the maritime economy. In this methodology, a clear distinction between the short and long term must be made. As was pointed out by Sturme<sup>10/</sup>y "in the short run the responsiveness of total international trade to changes in transport costs is quite low because it is generally only goods with inelastic demands for which carriage constitutes a large part of total cost. In the long term falling costs of carriage are a significant factor in increasing trade". In addition, changes in the structure of shipping (vessel type, routes, commodity carried etc.) takes time. During his period, immediate measures are necessary to protect and improve the terms of trade.

A second aspect of the methodology will be to examine shipping priorities in terms of other factors that may affect the terms of trade. There may be a high trade off between heavy capital investment in shipping and the removal of tariff and other non-tariff barriers (or higher export prices/lower import prices). The possibilities

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<sup>9/</sup> Protectionism embodies several facets including subsidies (constitution, operation, financing), bilateralism, flag discrimination (cargo reservation), coastal trade reservation, UNCTAD code (40/20/20 principle) and national monopolies.

<sup>10/</sup> Sturme<sup>y</sup> (8) p. 202.

for such a trade-off must be explicitly measured, and a programme of complementary action developed. Included in the action plan must be measures on tariff and non-tariff barriers to trade, fiscal measures and retaliatory responses by affected countries and parties.

A third aspect of the methodology is to integrate shipping policy with development of trade policy so as to plan in unison and within a policy reinforcing framework. A recent example of the absence of such a synchronization mechanism is the decision of some countries to join NAMUCAR without effective trade promotion policies which will ensure new trading opportunities and greater use of the NAMUCAR services. This has meant that the anticipated benefits to be accrued by such membership did not materialize.

A fourth aspect of the methodology is to separate the endogeneous factors from the exogeneous factors and develop adjustment mechanisms that will maximize the net social benefit to the regional economy. In this regard, it is somewhat paradoxical that in spite of the political geography of the region which makes ocean and coastal shipping a principal mode of transport, there has been little evidence of a maritime tradition among the peoples of the area. The development of human skills remains still an exogeneous factor that could be easily endogenized. In this context, the linkage effect of shipping must also be examined.

Shipping policy reappraisal must take into account the distinction between short and long term measures, the complementarity of action programmes between shipping and non-shipping measures, the integration of trade, shipping and development policies and the endogenizing of exogeneous factors wherever appropriate. Such a reappraisal scheme may be more appropriate if pursued in a regional context consistent with the global aspirations of the developing world.

##### 5. Factors in Planning Perspectives

The most important factor in developing a planning perspective for the future is the drive for national shipping. A large part of the current north-south dialogue is pre-empted by the recognition that developing countries should share more equitably in world commerce. It has been argued that the development of national fleets is one way to move in this direction. The drive for national shipping fleets is partly in response to recurring complaints against the conference system by the developing countries. While developing countries export 60 percent of sea borne cargoes by tonnage, they own only about 8 percent of world tonnage. Some of the arguments against the conference system are itemized as follows:

- (i) major decisions on shipping services and freight rates are made by conferences accountably only to their members and are inimical to the interest of the national economy.

- (ii) Liner rates are not subject to free bargaining between carrier and shipper.
- (iii) The conference system encourages collusion on price fixing and discriminatory competition to non-conference operators, including "closed shop" admission rules.
- (iv) The conference system is based on cross subsidization where freight revenue from the developing world supplements the freight revenue in the more advanced countries based on a ton mile measurement.

These arguments are reinforced by positive arguments for the development of national fleets. Some of these arguments are as follows:

- (i) national fleets may improve the balance of payments either through savings on foreign exchange or foreign exchange earnings especially on cross trades.
- (ii) National fleets may earn income directly or via linkage effects in other sectors of the economy.,
- (iii) National fleets may provide diversification of employment opportunities and generate entrepreneurial qualities in shipping.
- (iv) National fleets reduce economic dependence on other nations and provide a security of service even in periods of unusual disruptions.
- (v) National fleets may more effectively influence shipping conferences and the level and structure of freight rates.
- (vi) National fleets may be used to promote exports and foster economic integration movements.

A second factor for the planning perspective for the future is the introduction of the Code of Conduct for Liner Shipping. This has not yet received sufficient international support to bring it into operation. The basic objectives of the Code are, as expressed by UNCTAD <sup>11/</sup> are:

- "(a) The objective to facilitate the orderly expansion of world seaborne trade;
- (b) The objective to stimulate the development of regular and efficient liner services adequate to the requirements of trade concerned;

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11/ UNCTAD (14).

- (c) the objective to ensure a balance of interests between suppliers and users of liner shipping services;
- (d) the principle that conference practices should not involve any discrimination against the shipowners or shippers of the foreign trade of any country;
- (e) the principle that conferences hold meaningful consultations with shippers' organizations, shippers' representatives and shippers on matters of common interest, with, upon request, the participation of appropriate authorities;
- (f) the principle that conferences should make available to interested parties pertinent information about their activities which are relevant to those parties and should furnish meaningful information on those activities".

The Code provides for a 40/40/20 formula which is in conflict with the philosophy of liner shipping as it has evolved. It gives the trading partners the carriage of 40 percent of their trade, leaving 20 percent for third flag operators. Several traditional Maritime states have not found this proposition acceptable. At the UNCTAD 5 meeting in Manila it was proposed that the cargo sharing principle be extended to bulk shipping and that Flag of convenience shipping should be phased out.

A third factor in the planning perspective is the crucial need to reduce the cost of shipping in the short and long run. This factor is related to the development of national fleets and the adherence to the Code of Conduct. The Code of Conduct enunciates an environmental framework within which national fleets may expand and operate at higher levels of viability. This does not necessarily mean that the cost of shipping may reduce commensurately.

There are provisions within the Code which may allow for more accountability by ship operators to national governments. It is unlikely that these measures would significantly reduce the cost of shipping. The form of technology, the economic exploitation of scale considerations, the adequacy of infrastructural facilities, the level of shipping expertise and the industrial climate prevailing in the shipping sector are all important factors that would influence the level of cost in the shipping sector. The planning perspective must harmonize the internal and external factors as they affect the cost of shipping to the region.

#### CONCLUSION

Control of the Caribbean Shipping Sector is today largely outside the influence of the national or regional economy. It is still too early to say whether the UN Code of Conduct, and the development of National Shipping lines in the region will form the basis for reducing the shipping dependency in the region and the prospects for independent action by the region. A policy reappraisal requires the development

of a methodology that incorporates the short and long terms perspective, the reordering of priorities in terms of shipping and other terms of trade factors, the integration of shipping, trade and development policy and the separation of the endogenous and exogenous factors in the Caribbean shipping environment. A planning perspective may take these factors into account and in the context of the peculiar features of the Caribbean shipping sector provide a framework within which private and public policy decisions in shipping may be both evaluated and effected.

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THE SURINAME - DUTCH RELATIONSHIP WITHIN THE FRAMEWORK  
OF POLICYMAKING AND PLANNING

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This paper presents a first attempt to analyse the Suriname-Dutch relationship within the framework of policymaking and planning.

It is not fully worked out and as such it does not pretend to introduce to you an all-round analysis; the outline is in general terms.

I will focus on the late colonial period, the semi-colonial period and from independence till Suriname today.

- (a) The first period starts, more or less, 1947 - 1954.
- (b) The second period starts 1954 - 1975.
- (c) The third period starts 1975 - 1980.

I will illustrate how steps directing to change in the political status of the country were connected in these periods with different conceptual approaches towards a planned development. A new institutional framework was designed to control the country in its totality. Development Aid became a post-colonial instrument to maintain/intensify the dependency relationship.

1. The late colonial period

- (a) By the installation of a commission for the Study of Constitutional Reform in 1947 in Holland first announcements were made for political independence of Dutch colonies in the future.

To understand the background of this Commission one has to take into account:

- (i) the economic position of the Netherlands after the World War II;
- (ii) the problems Holland was confronted with in the independence movements in what is now called Indonesia;

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(iii) the attitude of other West European countries in those days towards their colonies.

The observation has to be made that:

- Suriname was economically not the most attractive colony within the kingdom of the Netherlands; budgetary deficits were paid by the Dutch government;
- decline of the agricultural sector (coffee, sugar, cacao, except rice);
- increase of the population;
- decrease in foreign investments.

In 1947 the Dutch introduced the Prosperity Fund for Suriname. This can be considered as the first Dutch initiative to influence the country's future by a more or less planning oriented approach supported by Development Aid.

A number of projects were executed to improve the standard of living and exploitation of natural resources for economic development. (Goals formulated by the Dutch and accepted by the Suriname government).

The treasurer of the Fund was the Governor, the Queen's representative in Suriname.

The Central Planning Agency (CPA) in 1950 started with a mainly Dutch team. Development aid became a visible Dutch affair in the country. Although this Agency was formally related to a Suriname ministry; in reality it was a body in the society that was not integrated in public policy and in the budget planning of Suriname government.

The Dutch team mainly looked for a kind of integrated planning which could be described as regional local development and a solid co-ordination of the different sectors.

Emphasis was placed on agriculture and improvements in the social sector.

The lack of a comprehensive approach in planning in these days can be explained by the attitude of most Western countries towards planning on one hand and on the other hand by the too superficial interest in the development problems of the country. In the Netherlands a type of so-called "indicative" planning started in the fifties. In fact it restricted planning to a kind of a development program worked out by a governmental body and enterprises. The results of the first period of planning in Suriname are:

- (a) sectoral planning with little continuity and co-ordination;
- (b) a mechanism that gave no place to any sort of feedback and evaluation of the targets;
- (c) no co-ordination (at least) with public policy;
- (d) more financial dependency; and
- (e) aid became a political instrument.

I call this type of planning "marginal" planning because some improvements were made without structural reform.

## 2. The second period: semi-colonial status, 1954-1975

This period is in the history of Suriname identified by the Charter, which stands for the internal autonomy of Suriname. The Country's status was revised. Suriname became an equal part together with the Netherlands and Dutch Antilles of the Kingdom of the Netherlands. It was decided that foreign affairs and defence became Kingdom matters. Legal security and the administrative system were supervised by Holland. There was full Dutch control of the external transport system.

The Prosperity Fund was followed by the Ten Year Plan 1954-1963, the country's first perspective plan. Then followed the supplementary Development Plan 1955-1963, and the National Development Plan 1965-1975. The importance of the exploitation of natural resources was strongly emphasized. This led to investigation in the field of mining and geology, forestry (physical planning).

Large scale infrastructural projects were executed. The above mentioned is related to the main goal; attaining a greater economic independence and stimulation of local resources to increase socio-economic development. A special budget was used for the social sector; education and public health. The last perspective plan in this period is a first attempt for a more integral development.

In 1955 the Planning Act passed the Suriname House of Parliament. For the execution of the TYP the controlling function of a Dutch administrator - in relation to the CPA - was therefore legalized. In the Planning process the formal goal formulation was in the hands of the government. The CPA may redefine the goals and make the breakdown in specific objectives. Within the ministries another, sometimes deviant set of goals were worked out for execution. The two planning processes were not co-ordinated (between CPA and Ministries and between Ministries). The drafting of the Plan, financed by the development aid, is one of the main tasks of the CPA. The Dutch parliament discussed and approved the annual plan budget.

Any co-ordination with the Ministry of Finance in Suriname was absent. In 1970 a new act passed the House of Parliament in Suriname which offered a legal framework to improve the co-ordination between national and regional planning and the procedural planning system. The formal task of the CPA became also the setting up of research projects and functioning as an advisory board to the Minister of Development concerned with national and regional planning. Moreover, the CPA was also the controlling Agency for the execution of the Planning Act.

In this period of planning the concept of development was highly influenced by the Lewis Doctrine: Industrialization by invitation. In the late sixties and the beginning of the seventies the growth pole approach was introduced and a joint-venture strategy developed to achieve economic independence. The special regional planning body was not successfully connected with the Central Planning Agency: the human resources (manpower requirements) were not integrated in the development approach and with time the gap between CPA (Sectoral planning) and regional planning became clear. In this period the co-ordination between planning agencies and the ministries was absent. This planning period when future developments were devised and structured in close relationship to development in the welfare state can be best described as "dependency" planning.

### 3. The third period: Political independence in 1975-1980

In 1971 the Dutch announcement was made that the colonies in the West would become independent in the near future. A few observations can be made to understand the background of the announcement.

In Holland - an increasing migration of Surinamese to Holland.  
- critics from leftist movements in the Netherlands.

In Suriname - an increase of social and political conflicts which could make military intervention possible.

Global - the attitude in international agencies as UN towards colonial relationships.

A new perspective plan: the Multi Annual Plan (M.A.P.) was drafted by a Committee existing of Surinamese and Dutch experts. The most important reason for installation of such a committee was the need for a plan that would be accepted by both governments to guarantee developing aid after independence.

The dominance of the Dutch can be illustrated by the implementation of the development goals, being the same as they used for the selection of the so-called concentration countries:

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

In 1975 the Commission for Development Co-operation between the Netherlands/Suriname (CONS) was formed. This Commission consists of 3 Surinamese and 3 Dutch experts. The CONS approves projects to be financed out of the Dutch Funds for Suriname and control periodically the plan execution. Committees consisting of Dutch and Surinamese experts prepare the projects.

It may be concluded that planning in Suriname during the last period became more than before in the history of planning of Suriname a Dutch affair. The whole process is in the hands of the Dutch.

In the country the CONS was often called "The Super government". This could be illustrated by the rejection of several projects approved by the Suriname government.

It will be difficult to find a political independent country that is so controlled in its planning system by a metropolitan country as Suriname. The fact that the making of an annual Plan is formulated in the bilateral Treaty with the Netherlands and not in the Plan Act, is very illustrative.

A suitable name for planning in this last period is "Satellite" planning.

#### 4. Suriname Today

On 25 February the Government was overthrown by a military coup. Suriname has now a new government. A new ministry called "The Ministry of Development Planning" has been established. The Minister announced that he will underline the self-reliance approach. Special attention will be paid to micro productive projects to stimulate local people. An investment and subsidy policy has to be worked out.

There is no indication that the position of foreign enterprises and multi-nationals will change in the near future.

A national council for planning will make suggestions for socio-economic development and investigate bottlenecks in planning. It will consist of representatives of the government enterprises and trade unions. For a better co-ordination of sectoral planning a committee consisting of members of different departments will be created.

## CONCLUSION

Planning from its early days till now illustrates the nature of the relationship between Suriname and the Netherlands in the late colonial period up to the first period of political independence.

Different periods in Suriname planning are distinguished. In all periods the far reaching and growing influence of the Dutch in the planning system is illustrated.

It has to be considered that there have been disparities in views between the Dutch and Suriname governments and these may in the near future lead to financial sanctions from the Netherlands with far reaching consequences for Suriname governments.

Development Aid an instrument for control of a  
Third World Society: The case Suriname

	I	II	III
	Late col. period 1947-1954	Semi-col. period 1955-1975	Political independence 1975-1980
Political status	Commission for the study of Institutional reform	<u>Charter</u>	Declaration of independence
Plan	Prosperity Fund Agriculture	TYP/NOS. infrastructure/natural resources	M.O.P. 1975-1985 infrastructure/natural resources Social
Planning Organization	Treasurer: Governor. Act 1950	C.P.A. <u>Act</u> (1970)	C.P.A./CONS Bilateral Treaty (1975)
Approach conceptual	Modernization indicat. pl.	Lewis doctrine growth pole Joint venture	Self-reliance growth pole Joint venture
Type of planning	Marginal Sectoral Top-bottom	Dependency Sectoral and reg. integral Top-bottom	Satellite Sectoral and reg. integral Top-bottom

## TECHNOLOGY PLANNING AND CARIBBEAN TYPE ECONOMIES

Frank Long <sup>\*/</sup>

### INTRODUCTION

Technology planning is a recent addition to the stock of "planning terms" found in the literature - economic planning, development planning, regional planning, physical planning, social planning, urban planning, etc., for example, all belong to the existing store of terminological wealth. Often, planning exercises embracing each of these tend to overlap, planning in practice being much more difficult to delineate than neat terms make them out to be. This has resulted in some confusion in the literature as to what constitutes what.

One way of getting around the above problem is to use particular planning terminologies, e.g., physical, regional, as the centre of focus, whilst at the same time recognizing their importance to inter-connected aspects of socio-economic life. If this is done, the social implications of the planning exercise could be captured so that justice is done both to term and what it entails.

Bearing the foregoing in mind, this paper intends to place the term technology planning within the context of small open Caribbean type economies. Technology planning has been advocated by UNCTAD and the recently concluded United Nations Conference on Science and Technology for Development as a means of promoting technological development. We concentrate on these types of economics because of two reasons:

- (a) The technological dynamics of Caribbean type economies have hardly been considered in the existing treatment of technology planning. This, no doubt, is probably the result of the incipient nature of current thinking on the subject of technology planning.
- (b) Technology planning as an explicit operational device does not exist in Caribbean type economies. In fact, it exists in just a few developing countries.

#### 1. Technology Planning: General Remarks

It is necessary to consider technology before one tackles the question of Technology Planning. Technology can be briefly described as methods (engineering design, processes, know-how, skills and the like) that are involved in the production of goods and services. Economists have now come to regard it as the key factor accounting for real growth and transformation in developed economies. If this is the

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case, then it is also clear that technology assumes special importance to economies anxious to bring about self sustained increases in goods and services, improvements in social welfare including the satisfaction of basic needs, and structural change. In short, economies concerned with promoting development, such as the Caribbean.

In modern times, especially in developed economies, technology is often science induced. The term "science based technology" is often used to emphasize this. Even so, it would be misleading to regard technology as being solely the function of science. For example, in earlier times, the technology was generated mainly in workshops and or hit and miss methods where the scientific method of laboratory experiment and the like were seldom used.

If the importance of technology to production is established (since without it in one form or another production is impossible) then its importance to socio-economic life is obvious indeed. For example, anthropologists remind us that man must produce to survive. Production involves social relations between people (what we may call organizational technology) and ownership of means of production introduces us to the problem of social classes. In this context, we are reminded by Marxist scholars that the class nature of society is the basis for both historical evolution of societies and political change. At one stroke then, we readily see the direct and indirect importance of technology to economic activity, to historical development and to society.

The history of technology planning dates back to the 1970's. We may describe technology planning as an attempt to identify the specific importance of technology to social and economic activity, projecting technological requirements of changes in the structure of economies over a given period of time, and attempting to fulfil these requirements (given prevailing constraints) through a set of policy instruments, guidelines and signals (market or otherwise) aimed at the utilization of human, financial and material resources to satisfy projected requirements. For practical purposes, these requirements will have to be broken down into sectors and on specific projects, and priorities will have to be accorded to these. Also, in terms of the resource use package, including R & D, a similar detailed breakdown is necessary.

In terms of developing economies strategically it means attempting to close the immense gap between domestic technological resource use and demand, and at the same time guiding the flow of imported technology which is required to fill domestic technological gaps which exist. In other words, planning for the development of indigenous technology and the acquisition of imported technology. Elsewhere, we have dealt with this question at a formal level. A few developing countries with divergent socio-economic systems, have been engaged in technology planning exercises during the course of the decade. They are, India, Pakistan, Mexico, Brazil, Venezuela, Tanzania and Algeria.

2. The Development of Indigenous Technology and the Acquisition of Imported Technology. Why are they relevant to Technology Planning in Developing Countries?

It was just mentioned that in so far as technology planning in developing economies go, two main components are crucial:

- (a) The development of indigenous technology.
- (b) Modalities of acquiring imported technology.

The development of indigenous technology is important because of the all pervasive nature of technological under-development in developing economies such as the Caribbean - its development is necessary in order to close the domestic technology demand - supply asymmetry or disequilibrium. At the same time, the development of an indigenous technological capacity, results in some type of technological transformation in a particular economy. This transformation has been identified in the literature (e.g., UNCTAD) as being not only basic to technological development, but to self sustained development.

The acquisition of imported technology is relevant because of two reasons:

- (a) Most of the technology in developing economies such as the Caribbean is imported. Any attempt at technology planning must therefore take this into account.
- (b) Empirical evidence has shown that the acquisition of imported technology, tends to operate against the long term interests of developing economies unless there is some policy framework to regulate and guide this process.

A cursory examination of technology plans in the countries already cited, confirms this two-fold emphasis. We have elsewhere exercised some caution over the narrow features of these plans. But that it is not the issue here. Conversely, in a developed economy, because of the existence of a developed indigenous technological infra-structure, it may not be surprising, in principle, to find technology plans which place a major emphasis on an already established indigenous technology sector. But no economy is wholly technologically self sufficient. However, the concern for the acquisition of foreign technology, if such concern exists, is likely to be qualitatively different than in developing economies. For example, Japan, U.K., U.S.S.R., to name a few.

### 3. The technological Dynamics of the Caribbean

We have identified two main pillars in technology planning. We must now see how these relate the Caribbean type economies.

In pre-colonial Caribbean economies, most of the technology used was indigenous. Amerindians had developed various techniques in order to survive. For example, fishing, medicine, hunting, construction and the like. In this light, it can be said that a fairly autonomous and indigenous technological capacity had developed in the region.

The history of plantations is well documented in the Caribbean. Less documented are the technological implications of the so-called plantation system. Several implications can be identified, but we single out two for mention:

- (a) It introduced the Caribbean into the existing system of world division of labour as it affects technology. In this system of international specialization, the Caribbean became not only a sugar producer, but a technological periphery.
- (b) At the same time, it destroyed the indigenous technological base.

We take each in turn. The "green" technology and other know-how relating to genetics and other aspects of sugar cane, were monopolized by transnationals (Booder and Tate and Lyle) engaged in the sugar industry. The same was true of technology related to sugar cane processing and refining and technology related capital goods for agriculture, e.g., farming equipment and machinery for processing. The concept of economic enclaves applied to plantation was therefore very much a technological one. The indigenous economy specialized mainly in technologically peripheral activities, e.g., planting, cutting and factory type activities (though from the point of view of generating surplus value, these were central indeed). Certain exceptions existed in the case of local labour aristocracies in the sugar industry, i.e., management, engineers, etc. However, it was the transnational firms which mastered the technological and other know-how related to sugar. This "technological preserve" including Research and Development, was not allowed to be diffused - to the rest of the society. Technological access was limited. Economic dependency on transnationals, therefore meant technological dependency. Of course, a full understanding of this is impossible without an analysis of the political economy of colonialism specific to the Caribbean. But that is not our present concern.

At the same time, plantation agriculture, triggered off heavy demand for labour power. That is, forced labour meant that Amerindian life styles which were importantly determined by the technological options opened to them, were severely disrupted. What was important, was not the use and development of existing technologies, (either

from Amerindian and Africans, etc.) but the ascendancy of modern technology at the service of sugar. It is true that some indigenous technology is still to be found in the Caribbean but the point is that it was not allowed to play any meaningful role in the society.

What the economies could not produce because of over-specialization (the term mono-culture is sometimes used to describe this) i.e., technology embodied in food, consumer durables, capital goods, etc., they imported from abroad. These were essentially technology intensive activities. This "embodied technological" penetration through foreign trade also meant that an indigenous capacity for food processing, manufacturing and capital goods production was unable to be developed. Recent research has identified the importance of the industrial property system such as trademarks and patents as playing an important role here.

In principle, this process of international specialization can be mutually beneficial, if there is a harmony of interest between the countries involved. For example, country A can use its comparative advantage, while B and C doing the same, can trade, thereby obtaining what they do not directly produce via exchange. Cost advantages reaped by specialization can in turn be passed on to consumers, thereby raising real incomes and welfare. However, as we will see, this pattern of world technological unevenness has served to militate against the development interests of the Caribbean in a manner which the theory of comparative advantage fails to explain.

Some change in the plantation system started to occur with the development of mining in the Caribbean (bauxite, petroleum) during the 20th Century, but the process of technological unevenness has continued none-the-less. The centres for mining technology remained transnational firms originating from North America or Europe, and the peripheries the Caribbean.

Further, the 1960's saw attempts to change the narrow resource use structures of the Caribbean by promoting industrialization strategies of the type advocated by Lewis. For example, assembly type operations and light manufacturing activities. Import substitution oriented strategies catered largely for small domestic markets, and export promoting ones, for the international market. Although these strategies did bring about some descriptive changes in economic life of the Caribbean, they did not fundamentally alter the technological poverty of the region. They simply added a new dimension to the problem, thereby aggravating its magnitude. In addition to plantation agriculture, and mining, then there was now another element in the proliferation of foreign technology - manufacturing; again, the interests of transnationals were paramount.

The same is true of tourist economies where transnationals directly or indirectly control the bulk of technology catering for tourist demand. A recent UNCTAD study on the tourist industry in Jamaica, has confirmed the all pervasive presence of foreign

technology. Thus, it is not surprising that a recent Heads of Government Meeting of CARICOM expressed great concern over the region's food import bill - the Caribbean being well endowed agriculturally. The import bill was then estimated at US\$400 million.

#### 4. Dimensions of the Problem

Some of the consequences of the foregoing are as follows:

- (a) Limited Research and Development on the resource use potential of the region. The critical minimum for R & D has been set by the U.N. at 1 percent of GNP. In most Caribbean economies it is way below this. R & D is critical for technological development.
- (b) Neglect of scientific and technical education in the Caribbean. Often, this neglect is induced by the technological configuration of a given socio-economic setting. For example, if options are limited in the productive sector for the use of local scientific and technical personnel, it means that the corresponding labour market is limited.
- (c) Lack of a capability to innovate and develop indigenous techniques as part of the development process. Most processes of economic and technological development are characterized by involvement of the indigenous technological infra-structure. It is only with this involvement that technology is likely to contribute to self sustained development. The Japanese and Russian experiences, for example, seem to attest to this.
- (d) Lack of a capacity to select and adapt foreign technology to suit demands of particular economies. In the main, foreign subsidiaries of transnationals and independent private firms have been responsible for the acquisition of such technology. There has been a divergence between the private interests of firms and the social economy of the Caribbean type economies. Lack of public policy intervention has resulted in little corrective action in this area.
- (e) Lack of public awareness of science and technology in development, including its cultural ramifications. That is so because of the tradition of distance between science and technology, and the native society.

#### 5. Further Aspects

In addition to the above, a number of developmental considerations arise. We turn to these. The world technology market is highly imperfect and is dominated

largely by transnationals. Economists, notably, product cycle theorists have identified technology as a main factor affecting oligopolistic competition on a world scale.

This has obvious consequences for small Caribbean type economies. For instance, they are likely to suffer from weaker bargaining power vis a vis transnationals, than larger economies at a similar stage of development. Small economic size and limited institutional capability for the procurement of foreign technology, are the main factors here. Kuznets and Demas, meanwhile, have identified openness as a special characteristic of small economies. Although the term openness is seldom applied to technology in the existing literature, it would seem self evident that small economies will be similarly open in terms of embodied technology, (consumer and producer goods). Likewise, in terms of process technology and other know-how relevant to production activities such as those associated foreign direct investment, patents and trademarks, small Caribbean economies are quite open, given the high degree of economic dependency.

What is implied in the foregoing, is that Caribbean economies are likely to be subjected to high "prices", e.g., fees and other forms of payment, for the acquisition of foreign technology, as well as strenuous conditions governing technology transfer. It is well known in economic theory that monopoly type markets are able to arbitrarily fix selling prices to the disadvantage of buyers, especially where there is great market power asymmetry between seller and buyers. This would mean high foreign exchange costs for the procurement of technology in economies short of foreign exchange and which, concurrently, are anxious to conserve same.

Ongoing research in the Caribbean, for example, has lent support to theoretical prediction. A number of restrictive conditions, tie in clauses to established technology suppliers, restriction in the local diffusion of technological know-how, clauses limiting the development of indigenous technology, and exports, and prohibiting the stimulation of inter Caribbean technological linkages, amongst others, have been found to be in existence. Also, foreign technology has been found to be inappropriate in so far as factor use in the Caribbean goes, and for the satisfaction of basic needs. Further research is likely to confirm these problems found elsewhere in developing countries. Rigorous quantitative work is needed to estimate the development costs involved.

As a result, the following developmental distortions, inter alia, are likely:

- (a) The aggravation of employment problems because technology is not geared to the absorption of surplus labour. Instead, it is capital intensive.
- (b) Basic needs problems are aggravated because the technology used tends to cater for affluent income earning classes.

- (c) Aggravation of economic inequality because of the distortion which takes place in the factor market. For instance, certain types of skills are rewarded much higher than others. The share of income going to owners of capital intensive operations, is higher than that going to the labouring classes.
- (d) Inability to exercise control over development planning since the strategic factor - technology is basically controlled from without.
- (e) Shallowness in the structure of Caribbean economies given the weak technological linkages existing in the macro economic production structure. This is a reflection of the inadequate technological infra-structure already referred to.
- (f) Cultural and economic dependency, the removal of which constitutes central development objectives of most Caribbean economies.

## 6. Technology Planning

Seen in the preceding light, technology planning can be regarded as a form of public intervention in the technological market place. This intervention might be considered necessary as a means of making technology more consistent with the development interests of small Caribbean economies. Economists, (even free market theorists) have recognized the principle of market intervention in terms of balancing the interests between different economic actors and the wider society. For instance, reducing negative externalities. However, the problem before us is not externalities as such, but national development.

In specific terms, technology planning can be aimed at minimizing the socio-economic ill effects of imported technology in the development process, whilst at the same time, benefitting from foreign technology (given the technological gap which exists). It also calls for a strategy of technological screening and selection taking into account relative costs and conditions of technology transfer from different technology suppliers, including socialist and Third World countries - namely, least cost procurement; prospects for adaptability of foreign technology (so as to optimize its contribution to development by making it more appropriate); unpackaging foreign technology which comes in disaggregated form, thereby reducing foreign exchange and employment creation costs, whilst at the same time, assisting to close the existing gap between domestic technology resource use and demand; and assimilation of foreign technology, thereby promoting technological linkages between indigenous technology and foreign ones, wherever appropriate.

Further, it means planning the activation of local technology (including updating and improvement) in the development process; namely, indigenous technological

transformation, or what amounts to the same thing, import substitution in technology. For example, planning R & D allocations, manpower and educational planning aimed at fulfilling deficiencies in scientific and technological skills, estimations of technological requirements of development plans or policies, identification of the technological capability potential (engineering, construction, agriculture, fisheries, mining, consumer goods, capital goods, power, etc.,) of respective economies and how best this potential could be realized during the time horizon of development plans (based on the estimated requirements) etc.

Also, institutional arrangements are called for, given the weak linkages existing between centres of research and the productive system, the need for technological support service, and modification of laws governing competition and industrial property, etc. Moreover, a system of incentives for the stimulation of technological activity in the respective economies is called for, as well as a programme of cultural reorientation related to technology. Development objectives in the Caribbean are contained in development plans, or development policy documents. However, the technological implications of the plans are hardly explicitly spelled out in spite of the crucial importance of technology to development. What it therefore means, is giving scope, meaning and content to the overall development objectives.

Some of the advantages which can be attributed to technological planning in small economies are:

- (a) Removal of duplication in R & D, given the need to economize on the use of scarce R & D resources.
- (b) Making development planning more meaningful.
- (c) Greater scope for involvement of indigenous technological resources in the development process of small economies. In other words, increasing local participation and self reliance.
- (d) At the same time, stimulating the technological transformation possibilities within the respective economies, to the service of overall development objectives.
- (e) Greater control over the acquisition of foreign technology.
- (f) Greater control over the national development process, of respective economies.
- (g) Savings in foreign exchange and reduction of costs associated with the acquisition of foreign technology.

## CONCLUSION

This paper is mainly exploratory. The concern was to show the need for technological planning as a means of optimising the contribution of science and technology to development in small Caribbean type economies. While small size can in some respects be regarded as a constraint, we feel there is much such economies can do to transform themselves through greater control and rationalization over the articulation of technology in socio-economic activity. We do not accept the implication of established economic wisdom that it is to the best advantage of Caribbean economies to specialize in non technology intensive pursuits. In fact, this role, as we saw is one of the main problems affecting national development of small Caribbean economies. Transformation will then have to involve transformation of that role. Some form of technology planning seems to be an important pre-requisite for this, as well as for guiding the transformation process.

In the final analysis, to be effective, technology planning must be people oriented, i.e., it must involve participation by the people in the planning and implementation process.

NATIONAL EXPERIENCES

## NATIONAL PLANNING - THE ANTIGUAN EXPERIENCE

Ministry of Planning and Development of  
Antigua

### INTRODUCTION

When considering the preparation of a national plan for any one country, it is apparent that the state of this particular aspect of development economies is perhaps least suited to generalizations and standard methodology. The combination of the different types of planning, from complete central planning to almost complete laissez-faire, on the one hand, and the diversity of the levels of development of the economies, on the other hand, makes attempts at standardization particularly hazardous and the transfer of methodology even from economies at similar levels of development even more dangerous.<sup>1/</sup> Another reason for a non-standard approach is the type of plan to be drawn-up. It could be argued that three types of plan exist: one showing a true party (and therefore has more chance of adoption) and the third as suitable for persuading aid donors to provide funds and technical assistance, where possible combining this by demonstrating conditions for attracting private foreign investment. It remains up to the individual planner to walk this difficult path, to determine the element of Government involvement, choose the type of plan and the methodology to be adopted and, equally important, to build into the plan elements which will allow for ease of implementation in an attempt to bridge the gap between formulation and implementation the lack of which has accounted for the high mortality rate amongst national plans.

#### 1 Plan Preparation in Antigua

Several plans at the national level had been drawn-up prior to the present exercise. Dr. Carleen O'Laughlin prepared such a plan in 1974, but it progressed no further than the draft stage, possibly due to the untimely death of the Author. The United Nations Multi-Island project also wrote a plan for Antigua in 1978 and various World Bank missions have sought to establish public sector investment programmes. The economy of Antigua is characterized as being open and dependent on external factors such as tourism and foreign trade.

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<sup>1/</sup> In this context, it is worth noting that the Government of Antigua has a policy of limited control of economic activity and concentrates control in such areas as prices, foreign and local trade licences, activities of expatriate firms and workers, land wage, type of manufacturing.

In approaching the formulation of a national plan covering both private and public sectors, the Planning Unit, set up in mid-1978, sought first to establish the degree of commitment by Government to planning as such. A firm commitment from the Deputy Premier, who is responsible for Planning, was given and an outline of procedures and a timetable were accepted.

In examining the various type of plans and methods of preparation, it was clear that without total co-operation from all Ministries and Departments, the chances of success were severely limited. In ideal circumstances, sectoral plans could be requested from individual Ministries and a total national plan could be shaped from the resultant parts. However, to request Ministries to prepare such sectoral plans, even if outlines, criteria, assumptions and all such assistance were provided, seemed unlikely to be effective, especially with a limited time span, due to officials being involved in day to day duties and unable to spare time. A more practical approach was to allocate to each planning officer within the Planning Unit responsibility for sectors of the economy, and with four such officers within the Unit and eight major sectors, apportionment of responsibility was made. Each officer then worked full-time in the Ministries/Departments allocated and drafted the sectoral plan working with an appropriate Ministry official. Drafts were then submitted to Permanent Secretaries of the Ministries for approval. The Planning Unit officers worked from a standard list of subjects to be covered ranging from sectoral objectives and strategies, a background through present problems, existing projects to new projects and resources required. All projects were included as a vetting process was scheduled for later in the plan preparation and, where possible, priorities were established.

The philosophy behind the approach of involvement by Ministries at basic levels was to avoid the impression that a central planning unit was imposing opinions and projects upon Ministries and, that it was their plan that was now produced and not the figment of a central planner's imagination.

With drafts of sectoral plans approved up to Permanent Secretary level, the task of bringing these together into a National Plan and to sum up requirements of resources was begun. Resources were conventionally defined as manpower (both skilled and unskilled), finance (local and external), technical assistance, land, natural resources, utilities of water, electricity, roads and transport facilities. To these was added an estimate of administrative capacity of each Ministry to carry out the plans they had put forward. New projects were vetted for pre-feasibility within national objectives and sectoral objectives.

The next step was to see what effect the implementation of the total requirements would have on the economy and, more critically, whether such a level of resources could be obtained and absorbed in a five-year period. It was evident on the first estimate that even with a 10 percent proportion of finance sourced as local, the substantial

jump in local revenue this implied, would be too great a strain on the economy when combined with the sharp increase in debt servicing resulting from the inevitability of external loans even with a generous allowance for grant funding.

On the second round, with the postponement of several projects and a revision of the sourcing of finance, a more realistic picture emerged. For other resources, unskilled manpower was not a problem with unemployment hovering around 20 percent, nor was semi-skilled labour. Land is plentiful, especially good agricultural land, and utilities were improved during the plan formulation. Natural resources were not fully known so a consultant was requested to sum up the potential of mineral wealth, and another consultant to report on the possibility of oil being found in economic quantities. Lack of reliable statistics remained a problem throughout the exercise and still needs improvement before a sound base is established.

## 2. The next step

Plan implementation and monitoring is an area of equal importance to the preparation, and calls for a greater discipline and organization in Ministries to fit within the broad framework of the Plan. Even with a plan which is flexible, such discipline is required especially in communicating with the central planners. It remains to be seen how successful this exercise turns out in the Antiguan context. The intention at this time is to review plan progress every year but to retain the overall framework of the plan for the five-year period.

## SUMMARY

Of the various type of plans and methods to be employed, it is the feeling of the Planning Unit that the present plan is a strictly realistic set of guidelines for future development prepared by Ministries and Departments with some assistance from central planners. At the same time to achieve the objectives will stretch the economy to the limit of resources. The final version is with Cabinet and it is of great encouragement to the Planning Unit that the Hon. V.C. Bird, Sr., Premier, in his address to the nation upon re-election spoke of the blueprint of the future being set out by the Socio-Economic Development Plan now in front of Government.

## TECHNICAL ASPECTS OF PLANNING IN MONTSERRAT

Office of the Chief Minister of Montserrat

Policy decisions, whether at the regional or national levels, involve a choice among alternatives. Our colonial heritage includes certain common structural constraints which need to be taken into account whenever any effort towards regional planning is made. Each Caribbean island, however, has its own special characteristics; its own special goals; and, therefore, policies at the regional level will have to be broad and formulated along certain lines to incorporate any difference. Only then can they be meaningful to the region as a whole.

Like most other Caribbean islands, Montserrat has had its share of the problems associated with the economic recession of the mid-seventies. After a disappointing growth performance in 1977 and 1978, (GDP = EC\$25.2 million) it has, in 1979, experienced growth in real income estimated at 5 percent (GDP = EC\$26.5 million). This revival of economic activity has been due mainly to an expansion in the construction and tourism sectors.

### 1. State of Planning

The Montserrat Government's strategy for the 1980's has been crystallized by its awareness of development planning as its surest route to economic progress. It has attempted to assist, influence and direct the island's major economic sectors - Agriculture, Tourism and Industry because of its conviction that a broadly-based economic growth is the most reliable type to pursue.

Planning plays a vital role in any economic process. Montserrat possesses very little known natural resource for exploitation. There is also a shortage of skilled labour and the economic system operates under a considerable number of constraints. The policy measures of our Government are, therefore, based on its long-term objectives of:

- (a) realising self-sufficiency as far as possible (especially in terms of import substitution);
- (b) desiring to maximize foreign exchange earnings;
- (c) desiring to achieve full employment for the people of the island.

The Government has formulated a Development Plan 1979-1983, and with the help of the World Bank, has designed a project list which sets out the priority areas for development and the type of assistance that is needed to implement them. It stresses the need for Montserrat to pursue labour-intensive, Agro-based industries. A Manpower Planning Study which was carried out in 1979 with assistance from UNDP analysed the feasibility of the Development Plan in manpower terms and recommended the establishment

of labour-intensive projects especially designed for males. This is in view of the high unemployment rate of males - 22 percent when compared to that of females - 13 percent.

The Government Development Plan will require a total expenditure of EC\$35.9 million in five years. Montserrat is a Grant-in-Aid island and the intention is to approach donor agencies for assistance which is crucial to the successful implementation of the projects under consideration. These projects could realize a projected economic growth of about 3.3 percent per annum.

## 2. Relationship between Physical, Spatial and Overall Planning

The location of certain important facilities and productive areas influence the Proposed Spatial strategy of the island. A major road connects the airport in the east to the harbour in Plymouth, which is also the major centre of population concentration. The development of agriculture and forestry in the northern part of the island has necessitated the construction of roads in that area. At present a major road is being constructed to link the northern and eastern ends of the island. This will open up new areas for siting tourism and industrial projects. The intention is to establish four major areas for urban development in Plymouth (Western), Salem (North western), St. John's (Northern) and Harris' (Eastern). These centres will serve the surrounding rural hinterland and help to decentralize both the population and employment opportunities which would otherwise move towards Plymouth.

## 3. Planning the Social Sector

Montserrat's population is approximately 11 250 with a declining birth rate. The number of school children is declining, and according to reports from the Statistical Department, it will drop to about 1 600 pupils in the next ten years. If the pupil/teacher ratio remains constant, by 1988 about 25 teachers will become redundant.

The present shortage and future requirement of skilled manpower emphasizes the need for more secondary and especially technical education. The education authorities are working towards up-grading and expanding these facilities, and, in addition, towards providing Junior Secondary Education for all children on the island.

In the health sector the authorities are aware of the shortage of trained personnel in the fields of specialized medical services and the need to upgrade the housing conditions of the low-income groups. They have taken action towards improving housing conditions and have given priority attention towards training in the public sector.

#### 4. Planning the Transport Sector

In this sector, the construction of roads and improvements to the airport facilities are major projects planned for implementation during the next five years. Feeder roads constructed will link agricultural areas to main roads and will, therefore, assist in promoting increased agricultural production. The major road under construction between Trants in the east and St. John's in the north will provide an important connection between the airport and the northern parts of the island besides serving potential agricultural and forestry areas.

#### 5. Planning the Agricultural Sector

The Agricultural Development Plan has recently been updated and revised and its objective is to establish a fully commercial agricultural sector with emphasis on fruit trees development and vegetable production. This is proposed to be done by maximum land utilization to increase production and substitute imports. The Government's efforts are being diverted towards acquiring four estates. The intention is to develop the infrastructure; subdivide the lands and lease or sell them to farmers to whom necessary credit is available for providing production inputs. Assistance in research and extension services are being obtained from the Caribbean Agricultural Research and Development Institute (CARDI). The training of extension officers both locally and at regional institutions is being carried on and will be continued under the plan.

It is expected that, with the development of marketing outlets, agricultural production and exports will increase over the next five years. In the livestock department projects are aimed at import substitution. The programmes include rabbit multiplication, sheep breeding, a project aimed at upgrading beef cattle and a dairy project.

In short then, Government's agricultural strategy is aimed at the maximum utilization of land resources and the provision of adequate supporting services to farmers e.g. research, extension, credit and marketing facilities. The benefits expected include the increasing of farm income and a reduction in foreign exchange losses due to a high food import bill.

#### CONCLUSION

The Government's Strategy for the next five years is geared towards achieving full employment and improving the income distribution on the island. Despite the constraints under which it operates, in terms of size and lack of natural resources it appears that Montserrat will experience a sustained growth rate over the next few years. To achieve this goal, external assistance in the form of capital grants and soft loans will be crucial. Only with the availability of these can there be any successful implementation of the projects referred to above which have potential for economic growth on the island.

## DEVELOPMENT PLANNING IN ST. VINCENT

Ministry of Planning of St Vincent

### INTRODUCTION

The report on St. Vincent presented at the First Meeting of Planning Officials in the Caribbean held in Havana in January 1979, reviewed the attempts at development planning there over the past fifteen years.

The Report noted that:

"apart from what were essentially economic reviews and projections carried out periodically by international and regional agencies and traditional aid donors ....., 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 crisis 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".

It was suggested that this rather limited role for planning represented an essentially pragmatic response to a prevailing situation in which:

- (a) Virtually all public sector development projects were financed by external grants and loans.
- (b) A disproportionate part of total public sector development expenditure emanated from one source - British Grants funds.
- (c) The small, open and dependent nature of the economy appeared to afford Government limited scope for meaningful expansion of its planning horizons beyond budgetary exercises.
- (d) Inadequate administrative machinery and absorptive capacity often frustrated the implementation of projects.
- (e) Consequently, the entire planning apparatus became progressively weaker and eventually ceased to function as an established department within the machinery of Government.

The Report suggested however, that a change in the official policy towards planning as an activity had begun to emerge as evidenced by the establishment of a Central Planning Unit in 1978. This was in fact a merger of an operational Physical Planning Unit with an Economic Planning Unit which existed only on paper followed by the later incorporation of the Statistical Division in the Unit.

## 1. Current Concept and Scope of Planning

The establishment of the Central Planning Unit is another pragmatic official response to changing political relationships and economic conditions. Certain obvious political and economic implications of independence (achieved in October 1979), pointed to the need for a reappraisal of the planning process and resulted in a decision to improve the planning mechanism.

This was perceived initially in terms of:

- (a) the desirability of centralizing and improving the co-ordinating machinery so as to negotiate more effectively with a multiplicity of agencies and donor countries in respect of development aid, and
- (b) the need to develop a capability for the identification, preparation, evaluation and monitoring of public sector projects.

Assistance from UNDP in the establishment of an appropriate apparatus and programme of work was sought. The project which officially commenced in 1978 but is only now beginning to get off the ground is designed to enhance and streamline Government's project planning, co-ordination and management capability through "the building up of an effective planning machinery manned by Vincentian professionals and dependent on foreign expertise only in fields too specialized for Vincentian self sufficiency to be a realistic goal".

The planning machinery envisaged is intended to have the capability to formulate plans and programmes designed to achieve the following expressed aims:

1. A reduction in the openness of the economy,
2. Bring benefits to lower income groups and rural dwellers,
3. Reduce unemployment, and
4. Promote balanced national economic development.

The planning machinery will concern itself with developmental questions in areas which include agriculture and forestry, trade and industry, infrastructure and physical planning, health and education and overall economic and social planning.

Pending the realization of the full potential of the Unit, the UNDP project is designed to contribute to the realization of a secondary development objective - that of technical assistance with the day to day planning activities pending the consolidation of the aforementioned planning machinery.

A draft work plan for the project is now being discussed within the Unit. It provides for the carrying out of the following activities over the period 1980-1983:

- (a) Preparation of a 5-year Socio-Economic Development Plan for period 1982-1986.
- (b) Economic and financial analysis and evaluation of proposed development projects and programmes.
- (c) Economic policy analysis and recommendations.
- (d) Presentation of a Training Seminar on the economic and financial evaluation of development projects and planning the implementation of projects.
- (e) Presentation of a Training Seminar on socio-economic development planning in the preparation of:
  - (i) long range projections and outlooks,
  - (ii) medium range plans,
  - (iii) annual plans
- (f) Preparation of regional and local physical development plans.

The planning programme envisaged is expected to take full advantage of the broad range of information which will become available from the 1980 Census. In the meantime, full advantage is being taken of the integration of the Statistical Division within the Central Planning Unit to ensure that priority is given to the collection, processing and presentation of data of maximum relevance to planning, and that the services provided by the Government's Data Processing Unit are fully utilized in the planning process. Currently, attention has focused on the compilation and presentation of National Income Accounts (figures for the period 1975 to 1978 have now been completed), and the processing of Tourism data.

## 2. The Planning Process

In 1978, the Government of St. Vincent with the help of a World Bank - led economic mission prepared a public sector investment programme and financing plan for the period 1979-1983. This document presented in the form of an Economic Memorandum at the June 1979 conference of the Caribbean Group for Co-operation in Economic Development and updated (April 1980) serves as a general framework for decision-taking in the planning context.

The document contains a brief analysis of development policy issues and outlines in broad terms Government's development strategy. It contains a list of major on-going projects, a list of projects for which external financing will be sought during the period 1980-1984, individual project descriptions and individual technical assistance profiles.

The project lists reflect the strategy for the realization of the sectoral objectives identified in the Memorandum. In general terms, this strategy focusses on export-oriented and employment generating agriculture, industry and tourism and on the satisfaction of basic human needs. The public sector investment programme for the 1980-1981 to 1983-1984 period totals EC\$100.7 million to be allocated as follows: Agriculture 24 percent; Industry 8 percent; Economic Infrastructure 27 percent; Social Infrastructure 36 percent; and Public Administration Improvement 5 percent. For this period, total investment is projected to average 20 percent of GDP with one-half of this investment to be public sector.

On a day to day basis, the Central Planning Unit is engaged in negotiations with external agencies for the financing of these projects and in monitoring their implementation. Decisions on ordinal priorities for financing are generally taken at the level of the Planning Committee which comprises Permanent Secretaries, Heads of key departments and includes the Director of Planning. The Central Planning Unit prepares the annual capital estimates based on firm commitments from external funding agencies and to a very minor degree, anticipated operating surpluses. The draft capital is discussed by the Projects Committee and submitted to Cabinet for further discussion, amendment and final approval.

### 3. The Outlook for Planning

During the period 1975-1978, the St. Vincent economy exhibited encouraging growth. In 1978 for example, GDP grew by about 15 percent in real terms. During this period too, it is estimated that unemployment fell by about 5 percent to 20 percent of the labour force.

The eruption of La Soufriere volcano in April 1979 impacted adversely on economic activity particularly agriculture, however recovery has been rapid in this sector and production is expected to return to 1978 levels by mid 1980. Growth performance on the whole is expected to be satisfactory in 1980 with GDP expected to increase by about 4 percent. In the medium term, Government expects overall investment during 1980-1983 to generate an economic growth of 5 percent annum.

The realization of projected levels of growth is significantly dependent on the maintenance of high levels of public sector investment. There has been clear official acknowledgement of the vital linkage between achievement of targeted public sector investments and the existence of a well-supported planning machinery geared especially towards the efficient identification, preparation, evaluation, monitoring and even management of public sector development projects. The current official policy is therefore directed towards the strengthening of, and continued support for, planning within the machinery of Government. This policy is reflected in current official efforts aimed at:

- (a) the provision of training particularly in national development planning and project administration;
- (b) the establishment of a planning unit within the Ministry of Agriculture; and
- (c) general support (staffing and accommodation) for the Central Planning Unit.

This increased commitment to planning was further demonstrated recently when the Government of St. Vincent (April/May 1980) hosted a successful seminar on Project Organization, Planning and Management in Public Administration mounted jointly by the Caribbean Centre for Development Administration, the German Foundation for International Development and the Caribbean Development Bank.

# PLANNING IN THE BRITISH VIRGIN ISLANDS

Lorna Creque  
Erik Blommestein\*/

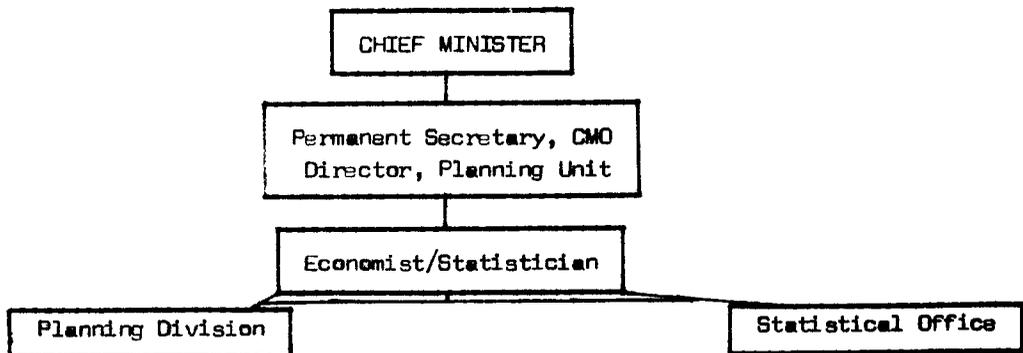
The British Virgin Islands is a small, multi-island Territory with a land mass of approximately 59 square miles and, according to the preliminary results of the 1980 Census, a population of 10 700. Compared with many of the other Caribbean islands its Gross Domestic Product of \$28.5 million is relatively high. Since the growth of tourism in the late sixties the structure of the BVI economy has undergone profound changes. From 1968 to 1978 the contribution of the service sectors to GDP increased from 38 to 52 percent; obviously reflecting the growing predominance of the tourist sector and its related activities. At the same time the contribution of agriculture, manufacturing construction, electricity and water declined from 46 to 20 percent.

## 1. History of Planning

The first concerted planning effort began in the sixties when it was co-ordinated by the Development Advisory Committee, an advisory body made up of members of the private and public sector. This Committee was responsible for two strongly project oriented development plans which covered the periods 1963-1966 and 1966-1971. Further an outline for a more ambitious development plan was prepared as a Government "green paper" but after this no further systematic planning was carried out and in all but name the Development Advisory Committee ceased to exist. After several efforts this body, now renamed Economic Development Advisory Committee, was re-activated in late 1977. Under its auspices several policy background papers were prepared and the Committee was instrumental in the establishment of a formal planning unit (1979), which in November 1979 published a Draft Development Programme 1979-1982.

## 2. Planning Unit

At establishment the planning unit was formally organized as follows:



\*/ Planning Unit, Chief Minister's Office.

The responsibilities of the planning unit are:

- (a) to prepare a project oriented development plan;
- (b) to review this plan from time to time;
- (c) to prepare project proposals based on the plan for submission to funding agencies;
- (d) to co-ordinate requests for foreign financial and technical assistance;
- (e) to assist ministries with the preparation of plans and projects for submission to the planning unit and with the implementation of approved plans;
- (f) to issue periodic statistical reports on the economy of the Territory.

Though it appears that the responsibilities of the planning unit include comprehensive and sectoral planning as well as project preparation and evaluation its actual role does not go much beyond the preparation and review of the plan and the issue of periodic statistical reports. A number of factors are responsible for this. First of all a formal planning mechanism was not institutionalized before 1979 so that the relations of the planning unit with other ministries and departments are not very well established. Secondly an inter-departmental co-ordinating body consisting of the permanent secretaries and some members of the private sector proved to be an unviable undertaking and this idea was abandoned early 1980. Thirdly the plan is still in draft form and therefore does not have the impact of a complete document. Finally and possibly the most important reason for the limited responsibilities of the planning unit is the quantitative and qualitative lack of manpower. Except for an executive and two clerical officers in the statistics office no full-time post is being filled. For instance, the economist/statistician also acts as Deputy Financial Secretary and hence does not have the time to be fully involved in planning. However the planning and statistical functions of the unit are at present being carried out by UN Technical Assistance, but this can only be a temporary arrangement.

## 2. Some issues of the Development Programme

Resource management, the special relationship with the United States Virgin Islands, labour and the predominance of tourism are four salient factors which should influence planning for social and economic development. Except for the migration which is largely traditional the other factors result from the structural changes in the economy. Given the importance of the factors we will give them some elaboration.

### 3. Resource Management

The sea and its adjoining shores is the most valuable and abundant natural resource possessed by the BVI. This resource is put to traditional uses such as fishing and non-traditional uses like pleasure boating which became one of the biggest contributors to the economy. At present these uses put a heavy strain on the resource which is manifested by:

- (a) rapid depletion of the mangrove stocks;
- (b) declining quality of the coral reefs;
- (c) overcrowding of safe anchorages;
- (d) loss of moorings for fishing and other local boats;

which could result in a gradual or even rapid decline of the fishing and boating industry. Preservation of this resource is so important to the growth potential of the economy that the Government should attach top priority to management and conservation of this precious resource. In this regard a study is being conducted on the management requirement of pleasure boating in BVI waters which has amongst as its purpose the determination of the extent to which future growth of pleasure boating is likely, possible and desirable.

The Planning Unit is also in the process of drafting a chapter on natural resource management which will take into account the following resources:

Sea and adjoining shores, subdivided into:

- (a) Fisheries and fisheries support systems;
- (b) coastal water, offshore islands and sand (including beaches and near shore deposits);
- (c) fresh water and fresh water support systems;
- (d) oil, gas and minerals.

Also within this context the planning unit is co-operating with the physical planning office and CCA/ECNAMP in a marine parks project. This project tends to identify through the development of relevant criteria, areas that can be included in a system of protected areas and marine parks in the BVI.

#### 4. Relations to the United States Virgin Islands

The British Virgin Islands is not only in close geographical proximity to the United States Virgin Islands but it also has intimate traditional, social and cultural ties with these islands. These factors along with a favourable US immigration policy which permits 625 immigrant visa to BV Islanders each year, have resulted in a traditional and large migration of BV Islanders to the US Virgin Islands where wages and possibilities of self fulfilment are greater than in the BVI.

It is one of the major objectives of Government to create a social and economic climate which will induce BV Islanders to remain in the Territory and also to encourage these trained abroad to return. To this end more emphasis will be laid on developing local entrepreneurial skills and to stimulate upward mobility through training and immigration policies.

#### 5. Labour

The high labour mobility caused by the above mentioned migration has turned the British Virgin Islands into an area where severe labour shortages are experienced at all occupational levels. As a consequence some 40 percent of the labour force is made up by expatriates originating from the rest of the Caribbean as well as from some metropolitan countries. These immigrant workers fill a disproportionate share of the medium and managerial levels, since these are shortages of entrepreneurship, managerial and technical skills amongst the local labour force. There is little formal and on the job training offered which tends to weaken the upward mobility of BV Islanders to medium, managerial and ownership levels and hence tends to reinforce the migration of BV Islanders to the United States Virgin Islands. One of the more important planning problems then is how to break this vicious circle. In this regard Government is considering the establishment of a vocational school along with appropriate apprenticeship legislation that will ensure that belongers will receive adequate training on the job. However the seriousness of the situation may call for more stringent policies with regard to trade licences, work permits and legislation concerning the stimulation of industry and hotels.

#### 6. Tourism

Tourism and its related activities is the most important contribution to the BVI\* economy. Tourist arrivals grow fast and in 1979 some 130 000 overnight tourist visited the islands while it is estimated that by 1985 the number of overnight visitors will reach 300 000. For 1979 total tourism expenditure is estimated at \$29 million, though the impact on the economy was much lower since a large share finds its way out of the economy in the form of payments for imports and company transfers. Indeed there are only a few linkages with other sectors and consequently multiplier effects are low. It will be the Government's policy to continue to develop the tourist attractions of the BVI but more attention will be laid do on increasing the participation of BV Islanders and on increasing multiplier effects by stimulating agriculture, fisheries and light industries which can provide intermediate products to the tourism sector.

NOTES AND COMMENTS

SUMMARY OF THE REPORT OF THE SECOND MEETING OF PLANNING  
OFFICIALS IN THE CARIBBEAN

The Second Meeting of Planning Officials of the member countries of the Caribbean Development and Co-operation Committee was also held in Kingston, from 29 May - 2 June, under the auspices of CEPAL and ILPES; it was opened by the Minister of Finance and Planning of Jamaica, Mr. Hugh Small, and was chaired by Mr. Norman Girvan of Jamaica. The meeting - the conclusions of which were subsequently submitted at the Fifth Session of the CDDC - was attended by representatives of Antigua, Barbados, Cuba, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Montserrat, Jamaica, St. Kitts-Nevis, St. Vincent and Suriname. Belize was represented as an Associate Member and the Netherland Antilles attended as an observer.

Representatives of the following inter-governmental organizations attended the sessions: the Caribbean Community Secretariat (CARICOM), the Eastern Caribbean Common Market Secretariat (ECCM) and the Latin American Economic System (SELA).

Representatives of the United Nations Development Programme (UNDP) and the United Nations Development Advisory Services (UNDAS) also attended.

The meeting began with a review of the state of planning in the Caribbean countries on the basis of a report prepared by a joint ILPES/CEPAL mission which made studies of ten countries of the region.

In brief, the report on the general state of planning in the Caribbean stressed that all the countries had some planning machinery, although its use was frequently restricted to the orientation of public sector spending. Planning did not include long-term programmes and referred instead to short- and in some cases medium-term objectives, although the governments had clearly expressed their desire to use planning as an instrument for the modernization and industrialization of their economies.

In cases in which planning policies had been expressly established, it had been done in general terms and they had to be postponed owing to the pressure of domestic or international problems which had forced the governments to concentrate on immediate difficulties. With the sole exception of Trinidad and Tobago, none of the countries had a surplus which enabled them to allocate resources to long-term objectives, which meant that the fate of planning was bound up with the possibility of receiving and managing financial resources. On the other hand, the lack of statistical information and trained staff had prevented many Caribbean countries from undertaking planning work, which had to be restricted in the majority of cases to the preparation of projects.

The experts then reviewed the situation of planning in some sectors of economic activity, such as agriculture, energy, transport, the environment and the social sector, the role of information in planning, and training.

At the end of the discussions, the experts adopted the following resolutions:

Bearing in mind the present challenges facing the countries the Caribbean sub-region with respect to their economic development and the need for closer co-operation among these countries;

Taking into account the fact that the majority of the countries of the sub-region, within the framework of the world economic crisis, at present experience serious economic difficulties: balance of payments problems, the worsening of unbalanced trade, the growth of foreign debt and high interest rates, the dangerous expansion of protectionist policies which restrict exports from countries of the region to their traditional markets;

Also taking into account the problem of unemployment, the rising cost of imported energy, the growing food deficit in the sub-region, the serious difficulties in the social and cultural sector and the urgent need of the management of the physical environment in the sub-region among other problems;

Acknowledging that undertaking short-term programmes of a deflationary nature do not treat the underlying causes of these problems and may hinder achievement of the objectives of development and structural change to which all the countries of the sub-region subscribe;

Recognizing the need for careful and integrated planning as an indispensable instrument for the elaboration and implementation of medium and long-term development strategies;

Stressing that the main recommendations approved by the First Meeting of Planning Officials in Havana are still valid and should be reinforced and reiterated;

Conscious of the need to establish adequate machinery to facilitate co-operation in planning among ODECC countries and to promote joint productive ventures:

Recommends:

1. That Working Groups should be established in priority areas of co-operation, including the following:
  - (i) Agriculture, including livestock, fishing and forestry, taking into account the need for adequate food supply to guarantee a satisfactory level of

nutrition, and also noting the relationship between agriculture and energy.

- (ii) Energy, including both traditional and non-traditional energy resources and the need for adequate procedures, information and documentation needed for planning in the energy sector;
  - (iii) Physical and regional planning, including the relationship between planning for the environment and other aspects of planning, and taking into account the importance of the marine environment to OCEC Member States and also the importance of planning in coastal area development.
  - (iv) The Transportation Sector, especially maritime transportation and building on recommendations made in numerous studies which have been undertaken.
  - (v) Manpower planning, taking special account of the problems of data availability both in the qualitative and the quantitative sense in labour market statistics; and, also noting the impact of intra-Caribbean labour migration on a number of countries.
  - (vi) Training in the methodology and techniques of development planning in all its aspects, noting especially recommendations of the First Meeting of Planning Officials on this question.
2. Working Groups shall comprise:
- (a) Officials and experts drawn from the relevant government organizations in member countries;
  - (b) Experts and consultants from the universities, regional and multilateral organizations or such other sources as may be required.
3. The OCEC Secretariat shall be the Secretariat for the Working Groups and will seek such additional facilities and resources as may be required to support their work. In particular, the meeting gratefully accepted the offer of ILPES to support the work of the Working Groups through the OCEC Secretariat.
4. That the recommendations made at the Meeting of Women in Development Planning (12-14 May 1980 - Barbados) be adopted. In the application of these recommendations the possibility of convening a follow-up of the meeting of Women in Development Planning should be considered.
5. That the Social Sector as an integral part of planning should be emphasized according to the approach taken in the background paper E/CEPAL/OCEC/31/Add.1,

and that the above-mentioned paper be used as a general outline for CCCC member states.

6. That adequate funding be provided from regular budgets of Governments for financing the establishment of National Information Centres and that the Caribbean Information System for Planning be developed rapidly and that funding be sought from international sources for the rapid development of the Caribbean Information System for Planning.
7. To accept with appreciation the offer of the Government of Cuba to host a Seminar on Physical and Regional Planning for 20-25 specialists from CCCC member states at the National School of Economic Management, Havana, during the first half of 1981 and to accept the offer by the Cuban Government of the provision of lodging, meals, internal transport and any medical attention as may be necessary in Cuba.
8. That the CCCC Secretariat make efforts to obtain the necessary resources from member Governments, ILPES and the UN system in order to implement these recommendations and request for their strongest support in the development of co-operation activities in CCCC countries; and that CCCC member governments request financial support from UNDP and other international funding agencies to implement these recommendations.
9. That the Agenda for the Third Meeting of Planning Officials include the following priorities:
  - (a) the examination of planning in CCCC countries be continued;
  - (b) the results of the Working Groups and the report of the Executive Committee be taken into consideration and discussed;
  - (c) recommendations be made for the following topics to be considered at the next meeting:
    - planning and social policies;
    - short-term planning as a tool for improving planning and meeting current situations;
    - Strategies of development and long-term plan.
10. That ILPES organize a national training course in planning for officials and experts from Grenada prior to the convening of the Third Meeting of Planning

Officials and also the organization of a national training course previously discussed with Jamaica.

11. That adequate provisions be taken by the ODECC Secretariat and the Executive Committee of planning officials to promote the institutional collaboration of the Latin American Economic System (SELA), and its various Action Committees, for which the establishment of permanent operative links and exchange of information be fundamental.

SPEECH MADE BY THE HON. HUGH SMALL TO THE SECOND CONFERENCE OF PLANNING OFFICIALS OF  
THE MEMBER COUNTRIES OF THE CARIBBEAN DEVELOPMENT AND CO-OPERATION  
COMMITTEE HELD IN KINGSTON, JAMAICA FROM MAY 29 TO JUNE 2 1980

Hon Hugh Small \*/

Mr. Chairman:

Distinguished delegates to the Second Conference of Planning Officials of the Member Countries of the Caribbean Development and Co-operation Committee,

Distinguished representatives from the sponsoring organizations:

The Economic Commission for the Latin American Office for the Caribbean, and the Latin American Institute for Social and Economic Planning

Distinguished representatives from other Regional and Multilateral Organizations.

Friends,

Jamaica is honoured by your presence at this meeting and on behalf of its Government and people, I extend a sincere welcome to our shores.

In January 1979, the first ever meeting of Planning Officials of the member countries of the Caribbean Development and Co-operation Committee was held in Havana, Cuba, and its host was the Cuban Ministry of Planning - JUCEPLAN. Jamaica salutes our Cuban friends for having the vision to play the host for this meeting, which took important steps towards building a system of Caribbean co-operation in the field of planning.

At the first meeting six member countries and one observer country was represented. At the meeting which commences today, these numbers have grown to 13 member countries and one observer. We take this increase as a concrete sign of the growing awareness within the Caribbean of the importance of planning and of the need to exchange experiences and develop our co-operation in this field. Jamaica is pleased to be the host for the second meeting, and this should be interpreted as a sign of our strong commitment to the objectives of these meetings.

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\*/ Minister of Finance and Planning of Jamaica.

We are particularly happy to note the very substantial representation at this meeting from the less developed countries of the Eastern Caribbean, a number of whom have recently attained their independence while others (are about to achieve) the status of nationhood. We also note with pleasure the presence of representatives from the Dominican Republic, which has brought the representation from the Spanish-speaking members of the Caribbean Development Co-operation Committee up to its full strength of two.

We say a special word of welcome to those countries who were not represented at last year's meeting as well as, of course, to those who were. We would like to hope that next year's meeting will achieve full participation from all member countries as well as observers.

Mr. Chairman and distinguished representatives, it is no secret to any of us here that we live in times of great difficulty and acute instability in the world economy, which impacts so heavily on the economy of the Caribbean sub-region and the individual countries in it. It is only two months since I assumed the portfolio of Finance and Planning but in that short space of time, I have been struck by the fact that nowhere can one encounter any great degree of confidence or optimism about the immediate prospects for that part of the world with which we are closely associated. This is equally so in the meetings in which I have participated in New York, Washington, Rio de Janeiro, Nassau, or right here in Kingston.

If we look back ten years to the beginning of the decade of the 1970's, I would imagine that meetings of this kind would have been marked by totally different assumptions. We would have expected continued buoyant growth of world trade and foreign investment, modest price inflation, and reasonable stability in international monetary arrangements. Today, meetings of this kind are attended by acute anxieties about the problem of balance of payments deficits of inadequate external financing flows of rising energy prices, and of mounting external debt servicing costs. There is concern about inflation and increasing degree of protectionism among the developed countries of the world. Overall, a general atmosphere of crisis pervades these deliberations.

As most of you are aware my country presents a striking example of these problems presently affecting the developing oil-importing countries of the world. Only last week, in presenting this year's Budget to our Parliament, I had occasion to observe that in 1980 the cost of servicing Jamaica's external debt and of paying for imported oil will absorb more than the entire amount of our receipts of foreign exchange from export earnings and from tourism.

Countries in this position have no option but to seek external financial assistance to finance their deficits while they undertake the internal structural changes required to address the problem of acute dependence on imported energy, imported food, and imported raw materials for their productive sector. But the principal source of

balance of payments assistance - the International Monetary Fund - is singularly ill-equipped to deal with the kind of external deficits presently affecting countries like Jamaica. The unduly heavy reliance of the IMF on stabilization programmes which use fiscal and monetary measures to deflate the economy and on an adjustment period of one to three years stands in peculiar contrast to the requirements of oil-importing developing countries in the circumstances at the beginning of the decade of the

That is why my Government has decided to seek an alternative path in the solution of our balance of payments problems while addressing the crying need for economic and social development in the medium term. We are convinced that it is in the mutual interest of all members of the international community for new and more relevant methods of financing these deficits to be established methods which take account of the needs for development and structural change and the extended period of time that such a process requires.

Mr. Chairman, it is a sad fact, but one that this meeting should consider, that planning is often the first casualty of crisis. This is especially so in small, open economies like ours, where the crisis is usually of external origin and brings home forcibly to us the limited degree of control that we exercise over our economic life. In our experience in recent times the economic problems which we have experienced have forced us into a process of crisis management as opposed to the systematic and orderly planning of the development of our society, and I venture to suggest that the very opposite should be the case; that it is precisely the urgency and the immediacy of these problems that underlines the necessity for planning. Because if there is one thing that the present crisis teaches us, it is that these problems cannot be solved by short-term, ad hoc solutions. They can only be addressed by programmes for development and structural change in the medium-term, and in fact in the long-term. And such programmes are impossible to develop, and to implement, without proper planning.

I will give only two examples drawn from our own experience. One relates to the question of energy, and the other relates to the question of food.

In Jamaica we have seen the cost of our imported energy climb from US\$55 million in 1972 to a projected US\$460 million this year. By 1985, even with modest growth in demand and an annual increase of 10 per cent per annum in oil prices, this cost could reach nearly US\$1 000 million per year, and by 1990, nearly US\$2 000 million.

We are taking active steps for energy conservation. We are striving to develop our non-conventional, renewable energy resources, such as wind, solar, and bio-gas. We are about to initiate an oil exploration programme. But even with the best of success, these are not expected to displace more than a relatively small proportion of our imported energy by the year 1990 (except in the fortuitous event of the

discovery of oil). We are therefore going to have to plan our economic development along a course that makes far less use of energy than the kind of development that we followed in the past. This requires new and different technologies, and different kinds of investment. And this involves very careful planning.

As regards food, we have estimated that to guarantee adequate nutrition to our growing population by the year 1990, we will need to increase national food availability by between 75 and 100 per cent by that year. But we are being advised by international organizations that there is a growing shortage of food-grains in the world, and that this will result in a rise in the relative prices of such food-grains - principally wheat, maize, rice, and soya.

So we will have to strive for maximum national self-sufficiency in food. This requires the most careful and intensive use of our limited land resources. And this will be impossible to achieve without comprehensive planning - both economic and physical. We will have to develop programmes of integrated development which speaks to the economic, social and physical development of a given area and which recognizes the real limitations that exist both in terms of personnel and resources. We must be prepared to explore all possibilities that there are for the systematic development of our people and our resources.

The countries of the Caribbean region taken as a whole contain ample resources of agricultural land and water; and considerable resources of energy. On the face of it, there should be ample opportunities for the implementation of programmes to develop these resources within a regional framework to assist in the solution of the problems of food and of energy over the next ten to twenty years. What is needed is not grandiose schemes but specific projects for such regional co-operation projects which receive adequate and thorough technical preparation. The identification of these projects may then become the basis for challenging the collective political will of Caribbean Governments to address at least some of our problems within a framework of co-operation. Our countries are in that part of the world where there is an abundant and constant supply of solar energy throughout the year, yet most of the experimentation in the harnessing of solar energy takes place in temperate climates where the sun does not shine as abundantly as it does here. The countries of our region must work together for the development of projects for the harnessing of solar energy in our region. Similarly, we must work together for the production of new varieties of grains which will enable us to provide food for ourselves and animal feeds for the production of protein.

I am very interested to see that both the question of agriculture, food and nutrition; and the issue of energy, is receiving attention at your meeting. I dare to hope that flowing from your technical discussions there will be specific proposals to put to the meeting of the Council of Ministers of the OCEC countries which follows your own meeting during the course of next week.

Mr. Chairman and distinguished representatives, a short while after assuming this portfolio, my attention was drawn to the Planning Bulletin published by the Latin American Institute for Economic and Social Planning - ILPES, whose issue of June 1979 was devoted to the Caribbean. I noted with interest the report on the First Meeting of Planning Officials of the Caribbean held last year and the attention which the officials paid to Agriculture and the Rural sector, Transport, Energy, Technology, the Environment, and Communication.

I was particularly struck by the provocative and stimulating paper entitled "Six Problems of Development Planning in the Caribbean" which I read with great interest. I would like to comment on the first problem identified - "Failure to Control" - and the third problem - "The Lack of Appropriate Organizational Structures and the Failure to Involve the People".

Incidentally you will have noted that I skipped problem No. 2 "The Nature and Orientation of the Political Directorates in the Region". As a member of the political directorate, I could easily take the view that discretion should be the better part of self-criticism, but I wish to say that members of the political directorate of our region must become more conscious of the need to orient our thinking towards the systematic planning of our economy and new technicians have a special role to undertake a constant process of informing the political leaders of the importance of understanding planning as an essential element in economic development.

Here in Jamaica we are painfully aware of the problem of failure to control in the implementation of plans. At this stage although we will always be concerned about the preservation of our sovereignty and the control over the economy by external interests, we are equally concerned that even for those segments of the economy falling within the public sector, our mechanisms of control and co-ordination are in need of considerable improvement. We have found, for example, that whereas a large number of planning units exist within the Ministries, Statutory Organizations and Public Enterprises, these do not have a formal structured relationship with the National Planning Agency, which is the central technical planning organ of the Government.

Again, we have found that whereas the investment expenditures of Government organizations are considerable, the mechanism for integrating these investment flows into the planning process is much too weak. In the last financial year, for example, the investment expenditures of the Ministries of Central Government, the Public Enterprises and the lending programmes of the financial institutions under Government ownership, probably amounted to about J\$822 million. We believe that the contribution of the public sector to the development effort could be much improved if effective planning and control were established over this area of the economy.

We are also struck by the disjuncture which presently exists between planning for a particular sector of the economy and planning for a particular region or community,

within the country. It is not just that from the technical point of view, development requires a proper balance of investments between different regions, and a proper co-ordination between economic and social infrastructure on the one hand and productive investments on the other. Even more important is the fact that the people of a country must feel involved in the preparation of plans which affect their own livelihood and their own environment, and in the actual carrying out of such plans. Without this involvement, the most sophisticated planning techniques will be absolutely useless; for such techniques can never fully take into account the physical conditions, the preferences and the perceptions of the local population, which vary from place to place and from community to community.

This issue is also down for discussion in your meeting and the Jamaican delegation will be particularly interested in exchanging experiences with the rest of you in this area. We have an obligation to inform the public of what is possible and what is not possible, because very often people do not realize what are the real limitations on our economies and their ability to provide for our material needs. We also have an obligation to call upon the people to undertake special tasks so as to ensure that the plans which we make are fulfilled. People must be aware of their specific role in the implementation of plans.

Mr. Chairman, distinguished representatives, before I close, I would like to pay a special tribute to the sponsoring organizations for this meeting - the Caribbean Office of the Economic Commission for Latin America, and the Latin American Institute for Social and Economic Planning. Their pioneering role in the development of a system of Caribbean co-operation in the field of planning is acknowledged with warm gratitude by my Government. It is for you - the officials and the technicians - to take advantage of the framework which has been provided, by the quality of your work and the depth of the discussions and exchanges which you are going to have at this meeting and in the work that follows. It will be for us, the politicians, to respond to your proposals, conscious of our responsibilities to the people of the Caribbean. We must not merely respond to proposals, but we must begin to accept the absolute necessity of planning. Political leaders must recognize that in pursuing plans we have to:

- (a) make conscious choices between different alternatives;
- (b) make sure our choices are informed by investigation and not intuition; and
- (c) be determined that as our priorities have been established, we stick to them and resist the temptation to be deviated unless the deviation is undertaken after careful assessment and as a conscious and deliberate act and not an impulsive response to popular pressure.

May your meeting be a highly fruitful and productive one.

Once again I extend to you the warmest welcome and hospitality from the people of Jamaica.

I take pleasure in declaring the Meeting open.





