

A Response to Dominica's 2002 Budget & Economic Crisis

by
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In July 2002 our beloved country, Dominica is wracked by political discord, social dislocation and economic crisis. The 2002 budget, as it stands, has further heightened tensions in the country, as it seems to focus on taxation and expense reduction, with very little focus on wealth creation. There have been demonstrations in the streets and more are planned.

With the collapse of the banana industry, the huge debt burden imposed by past governments' spending and borrowing patterns, and our increasingly narrow tax base makes the proposed tax and slim-fast diet budget, unsustainable. While it is true that government must cut costs, the only VIABLE way forward is to focus on Wealth creation. We must seek the development of more local agricultural enterprise which services the local, regional and international market (vegetables, fruits, etc.), a vigorous eco-tourism marketing campaign with creative new ideas, the encouragement of new initiatives in technology and energy, and maximum inclusion of the human and financial resources of Dominica's Diaspora in the rebuilding of our island's stagnant economy. At this time of trial, leadership- on all sides- must show maximum restraint, and commit to quelling violent passions. The government must be open-minded and speak to the masses in a voice of reason, articulating a progressive way forward. Coupled with such wisdom and honesty with our people, dynamic government leadership based on inclusion and innovative ideas, which can be implemented quickly, are what we need at this time. All sectors must maintain a civil dialogue, without resort to threats, in order to ensure our escape from economic collapse. Rioting, looting or government ineptitude provide no solutions and would only discourage local and foreign investment and promote failed state status. We, in the Diaspora movement for development have already sacrificed much time, effort and resources for our country and wish we can all maintain the faith, discipline and focus, to continue working with all Dominicans toward building a free and prosperous country. To that end, the following must be done:

1. The government must show an immediate willingness to revise the budget now. A statement to that end, from government, would provide reassurance that it is willing to be inclusive. Failure to heed the cry of the people can only direct hatred against the government and destroy its ability to preserve social order, attract investment by Diaspora Dominicans and others and craft a dynamic new economic thrust.

2. The government must immediately float a new financial instrument, package or savings plan to attract Diaspora income to the country. Be it via a money market account at 4% interest, and insured up to \$50,000, a housing incentive package, a government bond at an attractive rate, or a saving account or certificate of deposit available to the Diaspora through collaborating banks overseas and the NCB, Credit Unions etc. government and the private sector can ensure foreign exchange inflow which can then be used for local enterprise development. The government can meet with NCB and the Credit Unions now to craft such a strategy. The package could be marketed by a reputable international brokerage, if need be, to ensure that it reaches the overseas communities. We can call the program the Nature Island Fund. Many patriotic Diaspora Dominicans currently bank in Dominica and would be attracted to this effort, if approached in a professional manner, with appropriate credibility and/or guarantees.
3. The government must target central banks of friendly countries to raise loan funds at a 2-3% lending rate. Those funds can then be re-loaned to local business at 5-7%, for development of export oriented industry, new technology, shipping, aviation, tourist enterprise and agriculture. That way the government can raise new funds for development on the interest spread available. Dr. Thomson Fontaine and other Dominicans in overseas banking, finance and business can work with a government team, which would include representatives from the opposition and private sector to fashion such a outside search for such funding. If we focus on results over narrow political advantage, many patriotic Dominicans at home and abroad will rally to Dominica's Cry!
4. The government must move to encourage an immediate reduction in rates of interest. Existing commercial rates are too high and discourage lending to local business owners. The usurious rates of interest creates a compression in loan demand and government can work to ease that pressure by securing the funding mechanism noted above.
5. The government, opposition and private sector must provide maximum support to the Dominica Sustainable Energy Corporation, Inc, which is made up of local and Diaspora Dominicans intent on harnessing wind, water, geothermal and solar energy to reduce the high cost of energy, and promote electric vehicles, energy efficient appliances, and eco-friendly energy for industry, residential use, research and the eco-tourism sector. Government, opposition, private sector and others must give the preference to this home grown effort at sustainable technology that will breed a dynamic new economy in Dominica. In August 2002 DSEC, Inc. intends to install a pilot wind turbine to prove the viability of its concepts. We ask all Dominicans to stand with DSEC, and not allow it to be circumvented or denied the opportunity to serve our long term needs. We cannot afford another CDC sellout, where foreign interests rob us of the opportunity to be masters in our own home and impose a monopoly on energy, crushing our people with some of the highest utility rates in the region.
6. The Government must encourage the local Diaspora returnees who built Q95, Kairi FM, Marpin and other businesses by granting them support, licenses and

other benefits, so that the Diaspora can be encouraged to invest its monies at home. Discrimination against local and Diaspora business, and in favor of outside investors can only bankrupt our country and create a disincentive for Dominicans who care to invest in Dominica.

7. The government must empower the thousands of Diaspora and other Dominicans to seek out investment, technology and relationships which can generate income to develop our country. Currently, our country has no credible diplomatic thrust to ameliorate our woeful economic state. If government commissions Dominicans to volunteer as overseas promoters of trade and industry, we all benefit.
8. The government budget must support Air Dominica, PEC shipping and other enterprises in order to move AGRICULTURAL produce to Diaspora niche markets in the US, UK, Caribbean and Canada.
9. The government budget has little in place to energize and provide new leadership or economic development programs for the YOUTH. The revised budget must include a clear position on training and utilizing the energy of our youth, via the revived Cadet Corp and other entities in export industries targeted at the Diaspora and, niche markets among environmentalists, overseas student groups and others to whom our youth can market local products and to trade with. The offer of Dominica's friends to Prime Minister Rosie Douglas during his time in office to develop a shoe industry that cadets would staff has withered on the vine. So too his efforts to build links with foreign Universities such as the University of New Orleans which had already trained 300 Dominicans in hotel and tourism management. Continuation of such dynamic youth leadership training, education and economic empowerment efforts must find a place in a revised budget. If young people are not engaged, who will build the new Dominica we seek? The Diaspora can assist with those contacts and provide material support. But that can only succeed where government can provide tax free, land grant lease and other incentives to those who invest in its wealth creation priorities. If our young people are not included in this struggle to chart a new course, we will witness a further hemorrhaging of our country's talent, as we are simply educating our young for export and as skilled labour for more developed countries.
10. Health tourism must find a way into the revised budget. A fund to comprise money from the Diaspora, donors, investors and soft loans will create a hi tech and eco-health sector, proceeds from which will subsidize our income starved health services system. If we use the human resource base on the Dominica Academy of Arts of Sciences and elsewhere we can create a self financing health care system, with our own local medicines provided by our rich tradition of herbs and packaged by Blows Tea products and such local entities. With our water resources, the revised budget should include such projects as the building of a saline solution plant in Dominica that can service the needs of the region.
11. In Education, we can promote academic tourism via institutions owned and operated by Dominicans, which can train Dominicans, while attracting

scholars, inventors and entrepreneurs the world over to witness and partake in the Nature Island of the world's transformation into a dynamic new country. We can move from a mono-crop dependent economy to a knowledge based, value-added economy. By that we do not mean low tech Call Center facilities, but a self funding Dominica Institute of Technology (DIT) which harvests the talents of Dominicans at home and in the Diaspora to conduct project specific ongoing programs, such as DSEC's wind energy program, or Nature Island Products banana based food items such as barbeque sauces, salad dressings, chutney, and pepper sauce, or Benjo's Sea Moss, or Blow's Tea. In that ferment of new technology activity we will build a new scientific infrastructure to employ our university graduates and recoup on our Diaspora's talent. Right now DSEC's affiliate the National Science Education Foundation (NSEF) led by Electrical Engineer Dexter Newton and Computer Scientist Janelle Prevost of MIT is working with, DSEC and University of Maryland researcher Bevin Etienne to gather Dominicans and friends of Dominica, who are skilled scientists and technology entrepreneurs to staff the DIT and ensure DSEC's success. Again, we have advised government of the existence of these efforts and asked that the civil service and other potential beneficiaries be alerted. We continue to urge the inclusion of such initiatives in Dominica's budget and development plan. However, we are left with the impression in some sectors, that we are not welcomed. Nonetheless, as Dominicans we intend to rally to the cause of our country's development and ask that such anti-inclusive obstacles born of bias and selfishness be removed.

12. We are aware that the current government inherited high interest bearing debts from prior governments. Thus, we urge that Government immediately work with the Diaspora, a major brokerage or investment firm or other entity/entities, to refinance the current government held debt at a lower interest rate. The savings accrued could be routed to a general investment fund which government can use on capital projects or recurrent expenditure.

These are some of our ideas, that of our affiliates, inclusive of our ongoing efforts and suggestions for a revised budget and wealth creation stimulus for our beloved country. We ask all our compatriots to embrace such contribution, over and beyond mere criticism, so we can emerge from the current crisis as proud, self reliant people, conscious that with faith and effort we shall overcome. All we want to see is that our country succeeds. And together, we do better.

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