

Cost-cutting measures

by

[Dr. J. Bernard Yankey](#)

We have been speaking and writing of economic decline for some time, and the need for cutting public expenditures to allow Government the freedom to provide the appropriate fiscal measures to stimulate the economy. At the same time, money could be saved to invest in essential public productive programs, particularly in agriculture, agro-processing and tourism. Reducing public expenditures seem to be difficult. However, as revenues continue to fall, the current account deficit is expanding. This means trouble for Government. This is now being acknowledged. It is not difficult to identify what needs to be done. It is a problem of the will to act and making the necessary sacrifices.

Again, here are some serious suggestions. Choices can be made from among these suggestions for the good of Government in its fiscal management.

1. Cut and integrate ministries

- Integrate Trade and Industry with the Ministry of Agriculture and the Environment. Most export trade is in agriculture and prospect for industrial growth lies heavily with agro-processing.
- Remove the subject of Environment from the Ministry of Agriculture and the Environment and place it in the Ministry of Tourism. There is a strong relationship between Tourism and the promotion of the quality of the Environment to create and present a unique natural and exciting tourism product for an up-market clientele.
- The Prime Minister's portfolio should include that of Finance and Economic Planning. Effective leadership of the Prime Minister requires a strong hold on these subject matters. Most of the work anyhow is undertaken by professional and technical staff with advise from outside sources and regional/international institutions.
- The subject of Fisheries should be firmly within the Ministry of Agriculture. As a food sub-sector, this is obvious. (v) The posts of advisors should be abolished. Persons can be utilized far better in areas of their own expertise and competence. Currently this is a wasteful allocation of human resource. There will be no adverse impact on the performance of Government by such an action.

2. Re-deploy staff

An exercise in redeployment of staff should be undertaken to place people in areas where they are most capable and needed for certain tasks. This will improve value for

money. Staff must be facilitated to become more efficient and productive by undertaking performance appraisals on an objective basis, and provided appropriate training and re-training.

3. Cut travel budget

Travel should be authorized only for overseas business relating to specific matters of priority importance and linked to national economic planning process. When travel is paid for by Governments/agencies/etc., no travel allowance should be allowed.

4. Sell Government vehicles

Vehicles used by Ministers of Government except those for the office of the Prime Minister should be sold off. Ministers should be required to seek loans for vehicles to meet travelling obligations. Government could be involved in negotiating a special loan arrangement for this purpose as was done years ago. Ministers would be entitled to the usual travel allowances for vehicle maintenance and travel. The principle here is that you take far better care of what is yours and you will be most selective and careful in allowing anyone else to use the vehicle you own. Apart from reducing capital expenditure, vehicle maintenance costs will be reduced.

5. Cut out non-performing programmes

Government must look hard at the various ministries and identify areas of chronic inefficiency and poor performance and cut out those unproductive programs where costs far outweigh benefits derived. Expensive capital expenditures with relatively low economic benefits should be stopped. Much can be done in saving the bad fiscal situation if some of these suggestions are adopted and implemented. We do not always have to wait on the advice of regional and international institutions to do what is so basically obvious. Lots of talent and expertise reside right here in Dominica.

It is expected that national sacrifice will become a top priority at this time of national economic crisis. This should start from the top. Strong leadership is required at this time to take such actions. The population is already making the sacrifice from loss of jobs or no jobs at all. Leadership has to set the example to mobilize people from all interests in society to make the necessary sacrifice, knowing that it will pay off. These are unusual economic times and we must be bold and brave to respond appropriately and adequately.

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