

# ***SOME BUDGET SUGGESTIONS***

From  
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As a corollary to our editorial, the following observations and comments from a guest writer have the support of this newspaper and it would be well for the Government to accept the suggestions and the right for these views to contend.

The cutting of expenditures should concentrate in these areas:

1. ADMINISTRATIVE OVERHEADS
  - Cutting of the number of ministries.
  - Elimination or cutting of advisory staff.
2. PROGRAMMES WHICH ARE UNPRODUCTIVE (WHICH DO NOT YIELD RESULTS)
  - Reshaping of Agricultural Extension Service to contract service and payment based on performance.
  - Closure of NDC and placing useful activities for Ministry of Tourism, Ministry of Finance (investments incentives, etcetera) and Ministry responsible for Culture ( Creole Music Festival)
  - Privatisation of DEXIA.
3. WASTEFUL RECURRENT EXPENDITURES
  - Overseas travel
  - Use of Government vehicles in an unnecessary and abused manner
  - The public service should be the focus of reform for productivity and efficiency, and this will require:
    - Objective staff appraisal
    - Halt on increase in employment
    - Assessment of jobs to decide on redeployment of staff.
4. PROJECTS TO BE UNDERTAKEN SHOULD BE HIGHLY FINANCIALLY AND/OR ECONOMICALLY PRODUCTIVE and should be designed to achieve the best cost approach. At least they should be economically viable and capable of repaying any loan from revenue generated directly or indirectly.
5. ANY REFORM PROGRAMME TO DEAL WITH FISCAL IMBALANCE MUST FOCUS ON GROWTH MEASURES. These must be able to yield results in the immediate and short term. These are some measures which Government should implement because they are based on identifiable “growth points” of the economy.
  - IMPROVEMENT OF THE ROAD TO THE AIRPORT. This is linked directly to Tourism and will create jobs and stimulate income and employment.

- EXPANSION OF MELVILLE HALL RUNWAY And night landing facilities for the airport.
  - CULTIVATION OF SHORT TERM CROPS under intensive conditions for regional markets as well as for home consumption. The Taiwanese agricultural service can assist.
  - SELECTION OF PRODUCTIVE AND SKILLED BANANA FARMERS with good lands and capability to increase productivity for investments in irrigation, farm management practices and soil improvement measures.
6. TAX MEASURES
- Because Government is a big spender in the economy, any cutting of expenditures will reduce demand for goods and services and adversely affect business. It is therefore important that any tax measure such as the Stabilisation Levy should be on consumption and NOT income. It is assumed that the Stabilisation Levy is an alternative to any cuts in Government employee pay and civil service size.
  - However, Government must show how much money the Stabilization Levy will bring in and for what duration of time. Government must also explain how the fiscal gap will be closed and at what point in time, and what measures it proposes to put in place to ensure that this does not happen again.
  - Government must, in the budget, show a projected plan to close the fiscal gap and to start saving for investment.
7. SPECIAL MEASURES TO FACILITATE PRIVATE SECTOR GROWTH and its stimulative effect on the economy. Government should consider these measures:
- Special credit facilities for small productive enterprises
    - Venture Capital on reasonable terms.
    - Below average interest rates

Since more people are moving into self-employment and this is the area with potential for absorption of persons into gainful employment, Government must give special attention to this category of productive enterprise.

- Removal of consumption tax on production for export. Many small agro-processing enterprises suffer from the problem which makes their goods uncompetitive regionally, this is the case of Benjo's Seamoss, etcetera.
- Exemption of duty on building materials for first time homeowners, up to EC\$100,000 apiece.
- Reduction of Interest Rates. If the National Commercial Bank, which is the leading bank in Dominica and is controlled by Government, were to reduce its lending rates, this would stimulate economic expansion and would be a lead for foreign commercial banks to follow.

8. THERE IS NEED FOR A COMPREHENSIVE MEDICAL BENEFIT HEALTH PLAN.

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