

Working for Our Future - The Way Forward

by

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In the political/economic arena some recent calls for change have been risible. Not least an IMF official's pronouncement for a possible banana industry funeral. As ever the long Dominican road towards peace and prosperity by continuous change requires much change in processes and attitudes. As always the continuous journey will be an experience of heartaches and happiness. By all informed accounts macro economic change through the Government/IMF partnership programme has been accomplished. Public sector investment led growth is a reality. Now Dominica stands out as a beacon to her CARICOM comrades to take the same macro medicine she did. To rejuvenate or atrophy, that is always the challenge in a world of continuous change. But what further change must Dominica undergo to capitalise on the testicular fortitude of her past five years; to become the shining pentacle of the Caribbean; to be a winner in CSME?

According to the World Bank International Finance Corporation's (IFC) Doing Business in 2004 research, there are four key attributes for developing countries to become winners in the global economy. The underlying theory to acquiring such attributes is that countries grow out of poverty not only when they manage their fiscal and monetary policies responsibly but also when they create an environment at the micro economic user level that makes it easy for people to start businesses, raise capital and become entrepreneurs. They must also subject their people to foreign competition. Because companies and countries with foreign competition always innovate faster. The IFC's designated attributes for an enabling environment are:

1. High Grade Infrastructure of roads, seaports, airports, utilities and telecommunications.
2. Effective and efficient regulatory institutions.
3. Education and continuous education structures aimed at employability.
4. Enlightened cultural ethos for relations with the world and treating foreign investors as a strength instead of a threat.

The IFC's Doing Business survey asked 5 basic questions about how easy it is to 1) start a business in terms of local rules, regulations and license fees, (2) hire and fire workers, (3) enforce a contract, (4) get credit and (5) close a business that goes bankrupt or is failing. The bottom line is that countries that make all these things relatively simple and friction free are becoming winners in the global economy; those that have not are stalled at the macro fiscal reform level and are not likely to prosper

under the new world order. The message for developing countries is that if you change the regulatory and business environment conducive for the private sector, i.e. give them the tools to be successful, they will do the rest.

The fiscal reforms of recent years were achieved by order and steadfastness of the Government. Those necessary fiscal reforms were a prelude to the necessary environmental changes outlined herein. They met with little constructive criticism but with much verbal abuse in opposition thereto. However unlike the implementation of those fiscal reforms the environmental changes still required will need a much wider base of social partners participatory support and parliamentary social responsibility if they are to be achieved successfully.

Fortunately for Dominica many of these winning strategies are underway or in the pipeline. These were first spearheaded for implementation by the late great Prime Minister Dame Mary Eugenia Charles in the early 1990's under the auspices of her Working For Our Future National Campaign. That campaign was underpinned by Canadian Consultants and a strategic plan for service sector led growth. That initiative however was cast aside in 1995 and Dominica ended up on a merry-go-round and pie-in-the-sky voodoo economics resulting in economic stagnation and decline. Through the Government/IMF partnership of 2002 Dominica's economy was stabilised and recently returned to a path which if adhered to is destined to make Dominica a winner in the global economy.

In his 1993 Epic (Preparing for the 21st Century) Paul Kennedy aptly stated the challenge facing Dominica and other countries - 'the pace and complexity of the forces of change are enormous and daunting, yet it may still be possible for intelligent men and women to lead their societies through the complex task of preparing for the century ahead. If the challenges are not met humankind will have only itself to blame for the troubles and disasters that could be lying ahead@. Since 1993 there is no doubt that Dominica lost valuable years of opportunity to capitalise on the vision of Prime Minister Dame Mary Eugenia Charles' Working For Our Future strategies. However Dominica is now back on course to become a winner rather than a loser in 2006 and beyond.

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