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## Some thoughts on SVG's Economic Development

### Introduction

In another month or so, the ULP administration will begin the final preparations for the 2020 Budget exercise, with a series of meetings between the Ministry of Finance, the lead ministry for the Estimates, and officials from all the other ministries and statutory corporations.

While this exercise is normal for the government at this time of the year, the manner in which it is done is completely different. The public servants are guided by a number of critical policy statements which set the stage for the intense discussions that will take place.

During his budget presentation this year, the Minister of Finance outlined ten key points to be considered in relation to the estimates. We reproduce these for our readers, so that you can get an appreciation for the way the ULP administration conducts its business, and the serious approach that is taken.

### The Economy

“First, that the 17 internationally-agreed Sustainable Development Goals are the bedrock of our modern agenda for growth and development. These Goals and targets, mainstreamed and adapted to the Vincentian context, are the broad conceptual lights that guide our developmental efforts.

Second, that an economy based on multiple, strong sectors is more resilient, more stable, and less vulnerable to exogenous shocks. In refusing to place all of our economic eggs in a single sectoral basket, Saint Vincent and the Grenadines has managed to avoid the wild cyclical swings and social upheaval that have typified the post-crisis era. A recently released credit analysis by Moody's noted that Saint Vincent and the Grenadines is less volatile than similarly-rated countries. This is by design. Even as we emphasize other sectors for growth and development, we will not abandon existing segments. Within the confines of typical small-state limitations, we rely on economic diversity to maintain our climate of confidence and stability.

Third, that economic transformation requires investment in productive, climate resilient infrastructure. The construction of public infrastructure – in and of itself – stimulates growth. But the completed projects, if well-designed and well-targeted, provide the foundation for long-term development. Budget 2019 is focused on multiple major infrastructure initiatives with transformative potential.

## **Social factors**

Fourth, that ambitious goals and targets must be leavened by an obligation for fiscal, social and environmental sustainability. This Budget reflects moderate growth and a small surplus on the current account. However, economic indicators are only part of the story; Budget 2019 commits to prudent fiscal reform and measured adoption of the more far-reaching adjustments to our way of life and production.

Fifth, that the greatest form of social protection is a decent job, and the best guarantors of a good job are education, experience and training. Budget 2019 will support job creation, and deepen the scope and reach of the Education Revolution, through a marked expansion in skills training and technical and vocational education.

Sixth, that in the context of small island states, social inequality is a massively inefficient and debilitating drag on national development. Budget 2019 advances multiple policies to reduce inequality, increase opportunity, and foster inclusiveness, particularly among the youth. Further, the biblical admonition to feed, clothe, tend to and accept “the least of these my brethren,” is also sound developmental policy. Budget 2019 focuses on the elderly, the infirm and the nutritionally vulnerable, with specific initiatives designed to support fulfilling lives, by reducing vulnerability and inequality.

Seventh, that crime retards development. As such, Budget 2019 targets crime and the causes of crime in new ways and with new tools, including an increased emphasis on community-based interventions and relationship-building.

Eighth, that while a healthy economy is dependent on a healthy and vibrant private sector, it does not preclude a catalysing role for an active and entrepreneurial State apparatus. As such, to complement timely private investments in critical areas, Budget 2019 will allocate public resources to accelerate sectoral growth and national development.

Ninth, that developmental transformation is impossible without concomitant enhancements to local healthcare architecture and service delivery. Accordingly, Budget 2019 reforms administrative structures, while substantially widening and deepening the healthcare offerings available to the Vincentian public; and

Tenth, that climate resilience, in the form of adaption, mitigation and advocacy, is the *sine qua non* of modern sustainable development in Small Island Developing States. Budget 2019 therefore dedicates unprecedented resources to renewable energy, resilient infrastructure and citizen support in the face of the gathering climate threat.

Our quest to transform the Vincentian economy is best exemplified by the following specific projects and programmes, each of which is materially advanced in this 2019 Budget.

1. The Modern Cargo and Ferry Port in Western Kingstown
2. The 10MW Geothermal in North Windward
3. The State-owned Hotels of Mt. Wynne and Diamond
4. The New Medicinal Cannabis Industry
5. The Pedestrian Access for Village Enhancement (PAVE) Programme
6. The Construction and Rehabilitation of 48km of Secondary Roads
7. The Acute Referral Hospital at Arnos Vale
8. The Reconstruction of the Lewis Punnett Home
9. The Sports Against Crime Initiative
10. The Renewal @40 Programme

Additionally, five significant private sector initiatives pose tremendous developmental promise, and are worthy of specific mention:

1. The Clear Harbor Call Centre in Kingstown
2. The Refurbishment and Reopening of the Buccament Bay Resort
3. The Black Sands Resort in Peter's Hope
4. The Rainforest Seafoods Plant at Calliaqua
5. The Saint Vincent Cocoa Company

Each of these projects and programmes will be specifically discussed over the course of 2019, and will occupy the attention of the state sector, into 2020 and beyond.”