The Idea of the OECS in the Context of a Developing Caribbean

By

The Hon Sir K Dwight Venner

“The University in the Community” 15th Anniversary lunchtime lecture series

Frank Collymore Hall, Tom Adams Financial Centre, Barbados

26 June 2014, 7:00pm
The Idea of the OECS in the Context of a Developing Caribbean

In searching for a topic to speak on at this very important lecture series, I was caught, quite naturally, between two institutions whose premises I have inhabited over my working life, the University of the West Indies and the Eastern Caribbean Central Bank. They are both institutions that lend themselves to intellectual reflection and research, but central banking has a more practical side to it and sometimes exposes one to crises of a magnitude that concentrates the mind wonderfully. They are however a wonderful combination if you need a frame of reference to reflect on the development of a country or region. Fortunately for me as well, my two other occupations have been extremely helpful in enhancing my understanding of the environment in which we live in this region.

The first was a very short stint as a clerk at Barclays Bank in Saint Lucia which operated under the trading name, at the time, of Barclays Bank Dominion, Colonial and Overseas. As a colonial and multinational bank it was a fascinating experience to see the connections of the former British Empire and the connections to the modern financial world through their trading desks. I had just completed my ‘A’ Levels and among my subjects were Economics and Economic History, so I therefore had a background against which I could appreciate some of these matters. (Ironically, when I arrived at the UWI a year later, my Hall Chairman, the present Governor of the Central Bank of Barbados, advised me to forget all the economics I had learnt at school and move on to the new stuff.)

The other experience in my working life was even more insightful. As the Permanent Secretary in the Ministry of Finance and Planning in Saint Lucia I learnt and practiced the canons of public finance. This has left an indelible mark on my intellectual development and a frame of reference for contemplating the development of the economies of small island states.

In the midst of my search for a relevant topic I was told of an article by my friend and colleague of many years, Dr Ralph E Gonsalves, whom I called immediately to get a copy and to enquire about the genesis of this latest contribution of his to Caribbean thought. It is an excellent article and I would go so far as to propose it as required reading for anyone who is interested, not only in Barbados, but the entire Caribbean and its future.
The article is called simply, "The idea of Barbados", and in ten pages sets out a view of Barbados and the region which has been held by many, but not as elegantly and succinctly framed as this. This gave me the inspiration to call my address "The Idea of the OECS in the context of a developing Caribbean". This of course I consider to be a work in progress, of which this is a further rendition, and I am extremely grateful and honored to share these thoughts with you.

My reason for choosing this topic, as inspired by the aforementioned article, is that the member states of the OECS, more than the other countries of CARICOM, have reached a veritable crossroads in their history and development. Ralph specifically addressed the situation in Barbados because of the current economic challenges being faced by that country. In doing so he referred to the model of development initiated by Errol Barrow which has brought Barbados to its current development status, one which is pretty high up the totem pole. The OECS countries have not however scaled those heights and may be in even greater danger of slippage, not having the institutional framework and other attributes cited by Ralph. As I indicated in a lecture I gave at the university earlier this year, there are four possible outcomes for the OECS member countries depending on the socioeconomic and political models they choose to apply at this time. These are failed states, barebones survival, moderate progress, and socioeconomic transformation. However, the OECS countries represent the possibilities for the region which result from their collective approach to development which, if carried to completion, will place the region in the space it aspired to prior to the failure of the West Indies Federation.

The core of my presentation will be based on an interpretation of two descriptions in Ralph's article. He describes Barbados as an “idea” and Jamaica as a “brand”. This is a very deep and fundamental observation with respect to the realities of both countries. This point has been made in another context by Peter Blair Henry in his recently published book, "Turnaround", which compares the policy approaches to crises in both countries. It was also alluded to by Sir Arthur Lewis in an article written in the 1950s, where he posited that Barbados, because of the thrift and hardworking nature of its people and its social stability, was likely to be the country in which industrialisation would be most successful.
What is interesting is that Jamaica is a much larger country, endowed with an important mineral resource, bauxite, while Barbados is comparatively very small and has no equivalent natural resource. Peter Blair Henry makes the point that the policies of the two countries differed and gave rise to different outcomes. However, these differences, it could be argued, arose out of the deep seated 'sense of being' which Ralph epitomized as the 'idea'.

Jamaica, as Ralph points out, has a well–defined brand which goes even further back and is even more encompassing than the examples cited in his essay. Jamaica’s brand is associated with Hollywood through Errol Flynn of piratical fame, Ian Fleming the creator of James Bond, and Noel Coward the English playwright, composer, director and singer. Jamaica has been winning gold medals at the Olympics since 1948 and rose to fame at the Winter Olympics through their bobsled team and the subsequent and very popular movie “Cool Runnings”. In Germany, one of the political party coalitions is referred to as the "Jamaica Coalition" because the parties involved use the colors of the Jamaican flag. In fact if you say to someone abroad that you are from the Caribbean they are likely to ask you if you are from Jamaica. However despite this reputation Jamaica has not been a stellar performer in the economic sphere.

Barbados on the other hand has contrived to achieve a very high level of access to education at the primary, secondary and tertiary levels; a very high ranking on the human development indices of the United Nations; political and social stability; and a high level of per capita incomes. Despite the current difficulties these achievements can be considered to be fairly outstanding among developing countries.

Here we have two very important but contrasting Caribbean countries in a region which has not reached its full potential. Barbados however, as agreed by all, has advanced to a much higher level of development as judged by international standards, in spite of its small size. This raises the very important question as to the sustainability of regional economies in the current global economic climate and given their continued structural deficiencies. It also raises the existential question as to where do we go from here in the post crisis era and what is the new paradigm which will lead to further progress for the region as a whole. It seems to be an act of faith that for the region integration is the answer to this problem. However despite the Treaties, it appears
that the deep level of integration required to achieve this outcome has not been contemplated, perhaps because there is no successful model of such an outcome.

The Jamaica brand has not led to self-sustaining growth, and the Barbados model has either stalled or reached its zenith. The question posed by Ralph is Quo Vadis, where are we going? This question was also posed by Dr Kenny Anthony in a speech he made to the Chamber of Commerce in Barbados earlier on.

The idea of the OECS is different; it is a vision of the future for an all-encompassing Caribbean which will give the region the possibility of achieving its true potential. The OECS member states can be candidly referred to as the Cinderellas of the English speaking Caribbean. They have been referred to 'patronizingly' as “small islanders” and this became formalized by official reference to them as the Less Developed Countries (LDCs) as opposed to the More Developed Countries (MDCs) of first CARIFTA and then CARICOM.

The perennial regional question has been: “what should be done with the small islands?” The British found it administratively difficult so they cobbled together various formations such as the Leeward Islands and the Windward Islands with Dominica being first a Leeward Island and then a Windward. These federations were disbanded when the West Indian Federation was established in 1958 and each island became a separate entity in the Federation.

One of the major reasons cited for the demise of the Federation was the perception that the bigger countries would have the financial burden of carrying the smaller ones. This was expressed vividly by the cartoon put out by the Jamaica Labour Party which showed Jamaica as a fat pig with a lot of little piglets feeding off her and a caption that read - "sucking me dry". Trinidad and Tobago, not to be outdone, coined the iconic arithmetic slogan - ‘one from ten leaves nought’.

With the demise of the Federation an attempt was made to establish a union of the remainder referred to as “The Little Eight” led by Barbados. This too came to nought as Barbados would not proceed without assurances of financing from the British. An attempt was made by Trinidad
and Tobago to absorb Grenada, its nearest neighbor, in an initiative referred as “Unitary Statehood”. A raft of studies was carried out, but this too did not come to pass.

The countries entered a period of constitutional limbo in which a West Indies Associate States (WISA) Council of Ministers was set up to provide common services while preparing them for constitutional advancement. They became states in association with Britain in transition to whatever new status evolved. The OECS countries were given two options for achieving their independence. They could proceed to independence as a group and write their own constitutions, or, proceed separately in which case they would have to negotiate what turned out to be a template, inclusive of entrenched clauses, which made it extremely difficult to amend these instruments.

Starting with Grenada in 1974 the attainment of independence extended to St Kitts and Nevis by 1983. Since then no other territory has achieved this status. This leaves the OECS countries incomplete in their achievement of sovereignty, with Montserrat, Anguilla and the British Virgin Islands being at various stages in their constitutional status.

This is in itself a dilemma, that is, not being able to see the OECS arrangement as complete and representative of a collective entity or canvas on which we can create an idea in the Gonsalvian sense, or a vision of an integrated arrangement in the future.

In the current and historical context of a deeply fragmented Caribbean, the OECS brings to the discussion a view of what could have been, had the wider regional movement succeeded in some form. It also provides a view of the possibilities that still exist or, as Gonsalves describes it, a mature regionalism with the idea of Barbados being a vital element of a path to sustainable development.

The region itself must come to grips with this disparaging view of the OECS countries to get over the hurdle of fragmentation and accept not only the idea, but the actual existence of the OECS countries as equal members of the regional arrangement. In university education and cricket, to name two highly important facets of regional life, the small islands have, for most of the last several decades, been on the outside looking in and this does not augur well for the future of the region as a whole.
The idea of the OECS currently lacks formation as there is a schizophrenic view of them, on the one hand as small islands with all the pejorative negatives and on the other, as a group of islands which have attained the highest level of integration in the region. The new idea or vision has had a long gestation period beginning with the Associated States WISA arrangements, and leading up to the creation of the OECS in 1981.

My understanding from some of the political leaders who were in power at the time was that there was a sense of abandonment and almost despair as the wider regional movement collapsed and they seemingly could not find a place in it for their respective countries. It can be gleaned from this that the smaller islands have always seen the path to their development as involving a wider regional arrangement, even up to today, while the larger countries have always appeared to act as though they had other options. One leader stated that, returning from yet another meeting in Barbados, having been unable to convince Errol Barrow to stick with them, the realization dawned on them that things "could not get any worst" and the idea of an OECS arrangement was conceived. They called on Sonny Ramphal, the then Commonwealth Secretary General, who was instrumental in getting the project off the ground. The project was completed with the signing of the Treaty of Basseterre in 1981.

Another regional arrangement which was disintegrating as countries became independent was the currency arrangement. This arrangement began in 1950 with the establishment of the British Caribbean Currency Board in Trinidad to serve Trinidad and Tobago, the then British Guiana, Barbados, and the Windward and Leeward Islands. First Trinidad and Tobago and Guyana left after obtaining their independence. The East Caribbean Currency Authority (ECCA), as it then became, moved to Barbados and lingered until 1972 when that country established its own central bank. ECCA then moved to St Kitts and, in keeping with the provisions of the OECS Treaty (1981), became the Eastern Caribbean Central Bank in 1983.

Prior to this however, the Eastern Caribbean Court of Appeal had been established in 1967 and an Aviation Authority had also been established, with responsibility for its operations being given to WISA in 1968. From these beginnings has emerged an arrangement which has substantially changed the development trajectory of the islands from helpless and hopeless, as perceived by their peers in the MDCs, to increasing levels of capability. The prejudices still
remain but the relative circumstances of the countries in the region have changed with the passage of time and the impact of both domestic and external economic and financial events.

The global economy is passing through an amazing transition with new countries, China, India, Brazil and Russia becoming more important parts of the international economy, and with the technology, transport and telecommunications sectors facilitating a more interdependent system. The global crisis has had an impact on all countries with different consequences.

The Caribbean as a whole has been hit quite hard with the structural weaknesses of the countries being further exposed and exacerbated. These weaknesses are:

- Extremely small size,
- Openness and vulnerability to external shocks and natural disasters
- The direct correlation with the business cycles of our main trading partners, the United States, Europe, The United Kingdom and Canada
- The seasonality of our major export and employment generating industries, tourism and agriculture.

The OECS countries have experienced, as a currency union, three consecutive years of negative growth leading to increasing fiscal deficits and higher debt to GDP ratios, higher levels of unemployment and poverty, and a fragile financial system. The rate of growth has shown a secular decline over the last three decades and poses a fundamental challenge to the future development of these countries. It is clear, that like Barbados, we have reached a crossroads in our development trajectory and that we have to find a new model of development to ensure our survival and progress.

The idea or vision of the OECS is critical, not only for its member countries, but also for Barbados and in a differentiated manner, for the other CARICOM countries individually and for the region as a whole. The significance for the other countries is related to the economic and financial benefits to be derived from a prosperous OECS arrangement, and for the region as a whole there are the possible benefits to be had from a successful integration arrangement.
The idea or vision of the OECS, to satisfy the outcomes envisaged above, would require the fullest implementation of the new Treaty of Basseterre and a different model of development which we refer to as the Aggregation- Coordination- Productivity Model. The new Treaty envisages a full Economic Union which could set the stage for a full political union of the member states. It is based on the absolute necessity for an arrangement which is based on a vision of where we want to be in the future and one which has the capacity to effectively implement the provisions of the treaty in order to achieve these objectives. These must be built on the concept of the political and physical space occupied by an entity which has the makeup and capacity of a state. In other words, we must enter the sphere of nation building in order to have a connecting and rallying concept on which a vibrant and enduring socioeconomic construct can be established.

The Treaty refers explicitly to a single economic and financial space, both in the main body of the document as well as in the Protocol. This is the domain on which policies, programmes, and projects can be superimposed aimed at sustained socioeconomic development leading to high and sustained levels of growth, high levels of quality employment, the reduction or elimination of poverty and the highest ratings possible on the United Nation's Human Development Indices.

There are five major factors which we must confront as we seek to create a structure, environment and ethos in which a truly modern state entity can emerge. They are:

- the nature and functioning of our constitutional and political regimes;
- the sociocultural environment in which we exist and have our being;
- the policy framework and architecture with which we address our development challenges;
- our technical and administrative capacity; and
- our current and potential human and physical resources.

The architecture of the new Treaty offers the opportunity to address these issues as can be seen from Article 4.1(f) which sets out among the purposes of the OECS the following: " to be an institutional forum to discuss and facilitate constitutional, political and economic changes necessary for the successful development of member states and their successful participation in the regional and global economies".
The Treaty provides for the three basic elements of a state, namely, an Executive, which also has limited legislative authority (Article 7.1(a)); a Legislature which is selected by National Assemblies from elected representatives (Article 7.1 (c)); and a Judiciary which is defined as an Institution of the Organisation (Article 6.1(a)).

The wording of Article 4.1(f) and the typology of the “organs” and “institutions” cited in Articles 6 and 7 provide the opportunity for the creative development of and experimentation with two concepts, that of an entity which we will refer to as a State Nation and a dual system of government and governance. These derive from the fact that we still have in existence sovereign states but that these states have acceded to the highest level of integration, just short of political union. In addition, these states are the members of a currency union with a common currency and common central bank which implies a need for the coordination of regional and national policies to ensure macroeconomic stability. The state nation can therefore be described as "a grouping of separate sovereign states which pool their sovereignty and resources and coordinate their policies as an instrument for collective decision making and collective action in order to achieve the goal of socioeconomic development”.

A dual system of government and governance implies a two-tier system which is closely aligned and coordinated. In this system one can identify the following layers or levels of government. At the regional level there will be the supranational and intergovernmental or functional cooperation while at the national level there will be the sovereign state and local government. It will be imperative that the OECS countries come to some collective agreement on the nature of their constitutions and the constitutional status of those members which are still British Overseas Territories. We will also need to explore new or alternative political forms such as:

1. Direct elections to the regional Assembly;
2. The choice between Presidential and Prime Ministerial systems; and
3. Possible approaches to transitioning from the current system to a Federal system if that becomes desirable and feasible.

The sociocultural environment which is required is in the mode of the idea of Barbados. The question is: “What are the attributes of our societies which will contribute to social and political
cohesion and create modern and dynamic societies which will enable us to navigate successfully in an ultra-competitive global environment?” These would undoubtedly include an understanding of the world in which we live and a world view that allows us to be successfully integrated into the international economy based on our competitiveness and sense of self.

The policy framework and architecture of the OECS will be critical as an overarching arrangement which brings the national and regional policy making bodies together in a seamless construct for greater effectiveness. A crucial issue here is the allocation of time in our deliberations with respect to national as opposed to regional policy matters. The current situation at both the CARICOM and OECS levels is that a disproportionate amount of time is allocated to the former. In an effective integration arrangement the regional matters become an extension of the national. In such a situation the national policy agendas must lead to regional policy and action in areas where the issues are supranational or intergovernmental. This leads naturally to the question of the administrative and technical capacity which we have found contributes directly to the observed gap in implementation which could only be effectively addressed by the sharing of personnel or the coordination of their functions.

Finally, the current and potential resource base is a reflection of the production possibilities frontier facing each country in isolation or as a group of economies. Our experiences and realities are not only that our economies are small but that there is a mismatch of resources because of the input mix. Obviously there is no effective market clearing mechanism given our objective circumstances and therefore the role of the state becomes a critical ingredient to a resolution of this problem; hence the need for an all-embracing policy framework and architecture and the attendant administrative and technical capacity.

These issues must be widely canvassed and debated because they provide the fundamental bases for a new paradigm in a rapidly changing environment. The issues are deeply political and require an intimate appreciation of the political cultures and the importance of political status and influence in very small island states.

Jorge Dominguez, in an article entitled ‘The Caribbean question: Why has Liberal democracy (surprisingly) flourished?’, asserts that a number of factors, beyond the merely economic, have
helped to shape a political culture based on the Westminster model and the welfare functions of the state. This has resulted in a commitment to the liberal democratic state by both business elites and trade unions and has, to a certain extent, supported political and social stability and with it an advancement of the economic status of the populace.

The other Caribbean question Dominguez draws attention to is "Why is the Caribbean so divided and above all why is there not a better integration?" For the larger countries of the region this is a debatable question, however for the OECS countries this is the line between survival and prosperity. This, in fact, has been the perceived view since the Post Federation era and in better economic times. The global crisis and the change in economic circumstances, for instance, the removal of protection for traditional export crops and increasing competitiveness for new services in tourism and finance, have rendered the old model of our concept of the welfare state inoperable and resulted in increasing fiscal deficits and sovereign debts.

The tale of two integration arrangements can now be contrasted. In Europe an integration arrangement which was predicated on the economic rebuilding of the continent and the need to end wars, particularly between France and Germany, led to one of the largest trading blocs in the world. Its current rationale is to maintain the importance of Europe as an internationally significant continent, at least as a trading bloc. They have used this position to hold on tenaciously to the position of Managing Director of the IMF in order to maintain their influence on a major international institution.

The Caribbean on the other hand has been committed to, but has not implemented, the deep form of integration that could have a significant impact on our development, both in terms of trade with external parties and the structural transformation of our domestic economies. The nature of domestic politics, despite its liberal democratic nature, has not allowed for the medium to long term view of economic transformation that was and is necessary for the progress of these islands and their successful integration into the international economy. Just as an aside and in contrast to the Europeans holding on to an important international position like that at the IMF, there was a time when Caribbean nationals held leading positions in several international institutions and the region punched above its weight in international relations. This is no longer the case and this
could conceivably be another instance of the fallout from the absence of a cohesive regional approach to international relations.

The contrast with the small states of Europe is stated in this way by Dominguez. "Small European states fashioned domestic political and economic arrangements, including creation of a welfare state, to maintain social peace but also to ensure their ability to survive on their own in the international system by means of the cohesion of their polities and the competitiveness of their economies." This is very instructive for us in the region as our inability to grow at sufficiently high rates is now bringing serious tensions to the fore as, not only in the private sector but also in the public sector, there is a struggle for scarce resources in what is turning out to be a zero sum game. This lack of strategic coherence at the wider regional level towards the rest of the world, compounded by the absence of a coordinated internal approach to resource mobilization and production, has left us behind in the development stakes, as has been dramatically illustrated by the impact of the global crisis on our individual economies.

The message should now be very clear that we have to fashion new political and economic arrangements to cope with what are decidedly unprecedented economic circumstances. The question for the OECS countries as a vision and an idea is, “Given the advanced nature of their integration arrangements through the new Treaty, can its full implementation give a fillip to the wider region and provide as a pilot and by trial and error a viable way to the sustainable development of themselves and the others?”

The new treaty does provide the possibility for an active debate on such issues, an endeavour in which the University of the West Indies could and should play a very important role. This period is reminiscent of the debate on the American constitution in 1787 in which the founding fathers crafted an instrument which led to the beginning of an experiment in government which has endured. Can we have such a debate in the region?

The economic model which derives from the current and future possibilities of these countries and the region was referred to earlier as the Aggregation-Coordination-Productivity model. It does have as a necessary, though not a sufficient condition for economic progress, the need for at
least a review of our politics, but it does apply a rational and, I dare say, a common sense approach to the historical and current impediments to our economic growth.

Aggregation is, in a manner of speaking, the response to very small size. This concept falls within the realms of both economic theory and economic geography. In the case of economic theory, we have by way of an experiment the case of Montserrat which is by any measure among the smallest of nation states. The negative aspects of extremely small size can be reasonably well identified in this case, as can of course the advantages that go with it. The sequential addition of the countries with populations which are larger than Montserrat allows for releasing the constraints on size as we proceed to the other end of the spectrum of member states, that is, from the smallest to the largest. At various points along the spectrum, the critical mass for the provision of public goods or private markets for consumption goods or services such as banking and insurance can be established. The possibilities which derive from a single financial and economic space as opposed to individual country spaces can be identified.

Economic geography would inject the factor of distance and transportation which is an impediment which would have to be overcome to operationalise the single space. The possible advantages of aggregation would be the following:

1. Economies of scale in production, marketing, distribution and Public Administration;
2. The spread of risk over a larger physical and economic space; and
3. Increased capacity to negotiate with third parties including governments and multinational corporations.

The impact of aggregation and the single financial and economic space would certainly have an impact on the financial system in the currency union where because each country is a separate entity there has been extreme fragmentation and fractionalization of the sector. There are at present count 40 commercial banks, 67 credit unions, and 161 insurance entities serving a total population of approximately 600,000. The arithmetic clearly does not add up.

The private sector on an island by island basis is severely limited by market size and the level of per capita incomes and its concentration on non-tradeables namely, wholesale, retail, real estate
and construction. The cost of government is high given the small population and the limited tax base.

Aggregation however is not simply arithmetic but the organic assimilation of factors of production, agencies and institutions to produce a greater output than the original inputs. There are two variables that will impact on the final configuration of public and private agencies in the single space, namely, market forces and government policies. One can assume that market forces will send signals but that government policies will be a major determining factor in ensuring positive outcomes in this approach to development. This again highlights the issue of state capacity as referenced in the nature of the constitutional and political regimes, the policy framework and architecture, and the administrative and technical capacity at the disposal of the state.

Aggregation will require and will inspire new state forms and institutions at both the national and regional levels to treat with such issues as

- Justice, Law and Order,
- Public Administration
- Tax Administration
- Trade and international economic relations and
- Regulation of both financial and real sector entities.

The wider space will also inspire new firm structures which will operate at the economic union, CARICOM and international levels. There will be a preponderance of small and medium size firms but three or four flagship firms must be encouraged to assist in the penetration of regional and international markets.

The Coordination element of the new growth model is of tremendous significance. The market is of course a major coordinating instrument in the allocation of resources and the production of final output. However there are gaps in what the market can do and market failures are common as economic systems become more complex. For developing countries and from our own experience, small island states do suffer from major coordination challenges which affect their development possibilities. The coordination which concerns us is evident at several levels. At
the country level it is within ministries or departments themselves and is a function of management, leadership and the exchange of information. Within the state itself, that is, the macro state as opposed to single ministries, it is the coordinating mechanisms and the exchange of information, as well as the absence of measurement tools which lead to sub-optimal outcomes.

The next level involves relations with regional and international institutions as well as the donor community. The scale of duplication and replication at this level is tremendous and results in a serious wastage of resources and time that affects productivity in a negative direction. The situation gets worst at the regional level as it is multiplied by the number of countries involved. At the private sector level coordination is seriously affected by the organization and representation of the sector. Given the sizes of the firms in our countries their success is predicated on their ability to cooperate and collaborate with each other. The private sector needs a high level of sectoral organization in order to interface effectively with the state so that the coordination of public and private strategies with specific national and regional goals coming into alignment could engineer the restructuring of these economies.

The role of the state as envisaged by the political establishment can be placed in several categories, for instance, welfare oriented, rent seeking, or developmental. These three are not mutually exclusive but one trait will appear to be dominant in any regime. The capacity of the state however will be determined by its scope and strength as set out by Francis Fukuyama in his book "State Building: Governance and World Order in the 21st Century". States, he asserts, are distinguished by the range and scope of their functions and by the effectiveness with which they can execute them. Some states limit themselves to fewer functions but this does not mean that they perform better. Other states attempt to carry out a wide range of functions but, lacking capacity are not successful in providing public goods at least cost and of high quality. Most OECS states are overstretched and have limited capacity which has led to fiscal and debt issues. For them the resolution of the coordination problem will be a major plank in their quest for sustainable development.

The Production element of the model is based on the following education and skills training, research and development and information technology. In the literature on modern growth models education and skills training is important because of the linkage of knowledge to growth
In small island developing states this is critical for the simple reason that the smaller the population the more skilled it must be to achieve higher levels of competitiveness and per capita incomes. The strategic approach to education and skills training involves, in the case of the OECS, the aggregation and coordination of educational policies and facilities as well as the use of distance learning and alliance with selective external education institutions.

Research and development must of necessity be of the applied kind. This will require practical approaches to improved production methodologies in the productive sectors and the collective efforts of the public and private sectors in achieving gains in knowledge if it is to successfully contribute to the development process. Information technology is the platform on which increased productivity in both the public and private sectors will be based. The issue revolves around access to more broadband, computers, and internet services by the largest proportion of the population. The use of information technology will imply the same shift that must take place in the financial and real sectors that is, from a disproportionate allocation for consumption to more investment-oriented activities.

The success of the idea and vision of the OECS will provide the region, not only with a blueprint of what a successful integration arrange can deliver, but with an entity which stands as equal with the rest of the region and changes substantially, and in a positive way, the relations between these states. The lead given by Barbados in their development model, augmented and underpinned by a working model of effective integration, would be the central fulcrum for the states of the Eastern Caribbean which should draw Trinidad and Tobago, Guyana and Suriname, as resource abundant economies, into a dynamic growth sphere.

The countries of the northern Caribbean may be induced, if this growth pole was powerful enough, to realign their economic programmes to widen the market space available to what could be a significantly revitalized CARICOM.
In conclusion, one can say that sometimes in the middle of challenging times, someone comes forward with an idea or a thought or an essay which can have an extraordinary effect on the way forward. I have a feeling and an intuition that the idea of Barbados as put forward by Ralph will spark many debates on the future of our countries. It is therefore fitting to end this presentation with a quotation from Johann Wolfgang Von Goethe - "Daring ideas are like chessmen moved forward. They may be beaten, but they may start a winning game."