

Remarks by ECCB Governor, Hon Sir K Dwight Venner
at the
Caribbean Growth Forum – Saint Lucia Chapter
22 January 2013

I would like to thank the Government of Saint Lucia for inviting the ECCB to the launching of the Saint Lucia National Chapter of the Caribbean Growth Forum. I would also like to thank the sponsors - the IADB, the CDB, the World Bank, DFID and CIDA - for their efforts in initiating this project at this time. This time for us in the Caribbean is not only different, but has exposed and exacerbated our fundamental structural deficiencies of small size, openness and extreme vulnerabilities to external shocks and natural disasters.

The countries of the Eastern Caribbean Currency Union have been very seriously affected, evidenced by four years of negative growth. Growth is therefore the number one subject on their agenda. However, it is not possible to talk one's way to the kind of growth, 5 to 7 per cent on a sustained basis, which is required to place us on the road to sustainable development. Such growth can only come from a clear vision and measurable objectives which are pursued with perseverance and discipline resulting in increased levels of production and productivity.

There have been significant responses at both the national and currency union levels to the challenges being faced by our countries. At the national level governments have undertaken IMF and Home Grown Adjustment Programmes; while at the OECS/ECCU level, three instruments have been crafted. These are:

1. The New Economic Union Treaty;
2. The Eight Point Stabilisation and Growth Programme; and
3. The Work Programme Coordination Initiative.

The Monetary Council of the ECCB established two task forces which have made recommendations on:

1. Growth, debt and development; and
2. Financial stability.

The Monetary Council also established three commissions on:

1. Tax and Tax Administration Reform;
2. Pension and Pension Administration Reform; and
3. Public Expenditure.

The Commissions have clearly identified the major fiscal issues which confront member governments and made recommendations for their resolution.

The challenge for the Growth Forum in terms of the important contribution it can make at this time would be along the following lines, which of course are not exclusive:

1. To absorb and complement the measures already underway;
2. To introduce and sustain a methodology which involves a wide range of stakeholders to reach a political and social consensus on our growth and development goals and objectives;
3. To spotlight the role of the private sector and galvanize them into a change in their business model towards one which is more innovative and outward oriented;
4. To work with the stakeholders on the growth agenda to develop a model and approach to integration which is inclusive of:
 - i. Countries at the national level
 - ii. OECS
 - iii. CARICOM
 - iv. CARIFORUM
 - v. Rest of the World
5. To highlight the significance of a structured, focused and institutionalized policy framework and architecture which can provide the capacity required to create macroeconomic stability;
6. To emphasise the absolutely vital importance of cooperation, collaboration, coordination and collective action to the achievement of our goals.

These processes do not happen by osmosis but are learned and practiced arts. Our hope is that a major outcome of this growth initiative would be a change in the approach to development and inclusive policy making which can be utilised in other areas of development.