

**ADDRESS BY HIS EXCELLENCY ELIUD T. WILLIAMS, DAH, FCMI
PRESIDENT OF THE COMMONWEALTH OF DOMINICA ON THE
OCCASION OF THE OPENING OF THE FIRST MEETING OF THE FOURTH
SESSION OF THE EIGHTH PARLIAMENT
ON WEDNESDAY, 24TH JULY 2013**

Sustainable Development

Madam Speaker,

Honourable Prime Minister, other Members of Parliament.

Let me begin by expressing thanks to, Honourable Speaker for the invitation to me and my wife to attend this sitting of the House and also for the invitation to address Members of Parliament at this, the first sitting of the Fourth Session of the Eighth Parliament.

As a small island developing state, we are challenged to find ways to manage the many changes we face on our path to sustainable development. According to the United Nations Development Programme, Development is defined as the ability “to lead long and healthy lives, to be knowledgeable, to have access to resources needed for a decent standard of living and to be able to participate in the life of the community. Human development, therefore, is empowerment”.

Sustainable development which will be the focus of this address was defined by the World Commission on Environment and Development in 1987 as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” While this definition can itself raise several other questions, particularly in terms of today’s needs, I believe it is sufficient for our purposes. Further, this definition of sustainable development points us in the direction of the United Nations Declaration of 2000 where Heads of State and Heads of Government agreed on the Millennium Development Goals (MDGs).

Madam Speaker, Honourable Members, It will be recalled that prior to the 2000 Declaration, the Barbados Programme of Action determined that in order “to enhance their national capacities and self-reliance, Small Islands Developing States (SIDS), with the assistance and support of the international community, should actively promote human resources development programmes, including education, training and skills development. Their institutional capacity to implement the programme of action must be strengthened at all levels by

supporting partnerships and cooperation, including technical assistance, the further development of legislation and mechanisms for information sharing.”

It has also been noted that SIDS are limited in size with vulnerable economies and are dependent both upon narrow resource bases and on international trade without the means of influencing the terms of that trade. Thus, it is critical to recognise that the survival of small states is firmly rooted in their human resources and cultural heritage, which are their most valuable assets. It follows therefore that particular cognizance must be given to that critical asset and ensure the central role of people in the process of sustainable development.

It is primarily because of that recognition that the United Nations established the Millennium Development Goals as a blue print for moving towards a path of sustainable development. Permit me to return to these eight (8) MDGs briefly.

They are to:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education

3. Promote gender equity and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability; and
8. Develop a global partnership for development.

In the United Nations Resolution adopted by the 8th Plenary Meeting of the General Assembly, the Heads of State and Heads of Government recognised that “in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty to the world’s people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs.”

The leaders continued, “we believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world’s people. For while globalization offers great opportunities; at present, its benefits are very

unevenly shared, while its costs are (also) unevenly distributed. We recognise that developing countries and countries with economies in transition face special difficulties in responding to this central challenge. Thus, only through broad and sustained efforts to create a shared future based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable...”

The above recognition, notwithstanding, globalization of markets is with us. This is the reality in which Dominica and other Small Island Developing States find themselves. The globalization of markets is a dynamic environment and such environments require dynamic processes, people, systems and culture especially if we are to manage change successfully.

A review of the international literature on sustainable development reveals that, in the thirteen years since the start of the millennium, we have seen the fastest reduction in poverty in human history: there are half a billion people fewer living below the international poverty line of US\$1.25 per day. Child death rates have fallen by more than 30%, with about three million children’s lives saved each year compared to the year 2000.

This unprecedented progress has been driven by a combination of economic growth, better policies and the global commitment to the MDGs which had set out an inspirational rallying cry to the whole world. According to the U N Millennium Development Goals Report 2012, extreme poverty in Latin America and the Caribbean was reduced from 12% in 1990 to six (6) % in 2010.

This suggests that historically, nothing has worked better than economic growth in enabling societies to improve the life chances of their members, including those at the very bottom. We are also aware that economic growth in the OECS has remained low over the last two decades. Therefore, there is a fundamental question to be asked and that is: What keeps growth low in Dominica? I am also aware that this is a question that has been asked several times before. Indeed, it is a question that has been the subject of considerable study and analysis.

The World Bank in its publication on the OECS: Towards a New Agenda for Growth in 2005 noted that the issue facing Dominica and other OECS countries is to accelerate growth. But the Bank states that “this challenge is not a newly recognised one. There have been a host of studies, reports and strategies

prepared for the governments, other stakeholders, development partners and academia addressing various aspects of the issue. As such, it is not the knowledge of ***what to do*** but rather ***the how to do it*** that is lacking.”

Recognising that this quest for economic growth in the OECS has been described as ***elusive***, I believe it is imperative to recognise Government’s role in eradicating poverty while simultaneously promoting and facilitating the achievement of the Millennium Development Goals. It has already been empirically determined that stimulating and sustaining economic growth is the fastest way of eliminating poverty and enhancing the living standards of significant numbers of any population.

Madam Speaker, Honourable Members, let us recall that the first MDG encourages governments everywhere, to eradicate extreme hunger and poverty by the year 2015. More specifically, the agreed target was to reduce the proportion of people living on less than US\$1.25 per day by 50% and also to reduce malnutrition by a similar percentage. According to Dominica’s Country Poverty Assessment (CPA), as reported in the Growth and Social Protection

Strategy 2012-2014, the CPA recorded a considerable decline in the level of indigence from 10% in 2003 to 3% in 2009. This is a 70% decline which strongly suggests that this MDG is likely to be achieved by the target date.

If we examine the issue of poverty and its reduction and the MDGs generally, we will observe that there are several positive indicators which suggest that the government's policy positions are strategically directed. Even then, it must be recognised there is still significant work to be done to raise the living standards of all our people. Notable indicators from the last Country Poverty Assessment are:

1. Over sixty-six percent of poor households had at least one person gainfully employed
2. Primary school attendance was high among the entire population while 75% of the 15-19 age group from poor households attended secondary schools
3. The health situation among the poor was generally good, with low levels of infant mortality, infectious diseases and malnutrition while life expectancy was high

4. Pipe-borne water and electricity were available to the great majority of the poor and non-poor population; and
5. Ownership rates for assets such as refrigerators, TVs and telephones approached or exceeded 50% among these households.

These indicators suggest that MDGs 2, 4, 5 and 7, which guide the direction of sustainable development, may well be achieved by the 2015 target date. Clearly, efforts must be strengthened towards the attainment of the empowerment of women, the promotion of greater gender equality and the development of global partnerships which are geared towards higher economic growth rates and the attendant benefits.

Given the considerable progress made locally in the areas of social development, particularly, in education, health, culture, care of the elderly, and physical infrastructure in telecommunications, roads, expansion and improvements of ports and air access to name a few, these goals can be achieved. However, given the low growth rates, a major question arises in terms of economic performance

and the macro-economic underpinnings necessary for socio-economic advancement.

One area of primary concern relates to Foreign Direct Investment (FDI). According to the Caribbean Trade and Investment Report of 2010, when direct inflows into the independent countries of the OECS were compiled, it was noticed that Dominica averaged US\$33M annually compared to Saint Vincent and the Grenadines which was the next lowest at US\$88M. This undoubtedly shows that a re-doubling of effort is required for investment attraction which is itself linked to the quality of the physical infrastructure, ease of doing business, ease of access into Dominica and the need for continuous legislative reform. In fact, Jeffrey Sachs, noted in one of his publications that “countries with higher levels of FDI per person are also the countries with higher GNP per capita.” Other studies confirm that high rates of foreign direct investment inflows have been associated with rapid economic growth.

Madam Speaker, Honourable Members having regard to all that I have said before, I am able to suggest that due consideration must be given to bold and

practical changes that should be made to hasten the pace of economic growth. Indeed, amidst our desire for higher levels of growth, we must pay due cognizance to the existing social, economic and environmental conditions, in a world still grappling with the worst economic crisis in several decades. This speaks to the need for organizational and personal change, a shift in emphasis after careful analysis of the likely impacts and ramifications on the Dominican society.

These bold and practical measures require a new development partnership involving Government, the private sector, business institutions, trade unions, local government, youth, women and the rest of civil society. It will also require a process of change management. Change management entails thoughtful planning and sensitive implementation with well-developed systems for consultation and the involvement of all people who will be impacted by the changes so that the ***changes can be realistic, achievable and measurable.***

Change needs to be managed and understood in a way that people can cope effectively with it. The change process imposes considerable responsibility on the executive and management of any organization whether in the public or private

sector. It is the role of leaders to facilitate and enable the change and especially to understand the situation from an objective standpoint and then help people to understand the reasons, aims and methods of responding positively according to their own situations and capabilities. It cannot be over emphasized that leaders and managers are indispensable to the change process. As leaders and managers facilitate and enable change, they must ensure that the objectives, aims and reasons for the change are effectively communicated and results monitored.

It should be recalled that we are seeking to move to a higher level of growth where people's participation, through active involvement, consultation and buy-in are prerequisites to success. John P. Kotter, the Harvard Business Professor and leading thinker on Organizational Change Management, developed an eight step model for achieving successful organizational change. Essentially, he states the following:

1. Increase urgency, inspire people to move, make objectives real and relevant
2. Build the guiding team, get the right people with the right skills mix in place

3. Get the vision right, get the team to establish a simple vision and strategy
4. Communicate for buy-in, involve as many people as possible and communicate the essentials
5. Empower action, remove obstacles, reward and recognise progress and achievements
6. Create short-term wins, set aims and targets that are easy to measure
7. Don't let up, foster and encourage determination and persistence; and
8. Make change stick, reinforce the value of successful change through recruitment, promotion and weave change into the culture of the organization.

Getting the vision right requires strategy. Yet it is at this juncture that our drive towards sustainable development becomes most intriguing as there are those who hold the view that in our fast changing world there is no time for long term strategy. However, Michael Porter, the Harvard Business Professor and perhaps the world's best known business academic, says that when we look at companies

and organizations that we all agree are successful, we also agree that they all clearly have strategies.

Porter also makes the point that there is a fundamental difference between strategy and operational effectiveness. Strategy, he contends is about making choices and trade-offs; it is about deliberately choosing to be different. Operational effectiveness is about the things that you really shouldn't have to make choices on. Indeed, there is perhaps no better time to reflect on these critical propositions than during the annual budget and work programme preparation.

Madam Speaker, Honourable Members, while operational effectiveness must remain a primary concern since it seeks to do what's good for every organization, public or private, only strategy can create sustainable advantage. A strategy must start with a different value proposition. It delineates the territory in which a company or organization seeks to be unique. The essence of strategy is that Government, like any other organization, must set limits on what it is attempting to accomplish. It is for this reason that I submit that any Annual Work Plan must

be read in conjunction with other medium and long term plans that point the country into a particular direction. ***It follows then that strategy must have continuity.***

Strong strategy requires a set of underlying principles which must endure even in the face of change. The technology, the know-how, might change. But the overall goal and direction must remain. Thus, even when we have set the goal and reaffirm the country's direction, we must continually improve our systems and processes so that we can achieve higher levels of social and economic well-being for all our people without compromise of the physical environment. That is, continuity of strategic direction and continuous improvement in how the country does things are absolutely consistent with each other. In fact, they are mutually reinforcing.

Therefore, the ability to change constantly, to respond effectively is made easier by high level continuity. Strategic positioning is such that the more explicit an organization is about setting its direction; the better the leadership will be placed to seize opportunities that help advance the drive towards poverty eradication

and economic growth. And let's be clear; I am in no way suggesting that getting the development strategy right is a simple matter. Far from it; strategy is in fact very complex and demands steady application of the underlying principles. ***It calls for the alignment of all the policy planning and implementation actions of Government to be focused in the same basic direction of a better life for all citizens.***

Recognising that Dominica, like its sister countries in the OECS and wider Caribbean Region, has been adversely impacted by the reality of the economic and financial crisis which sent shockwaves through the economies of developed and developing countries, what then might be the propositions, policies and strategies that should guide our future actions towards sustainable development? Earlier, I suggested that economic growth is a complex development challenge; it is not straight-forward or one dimensional. Yet it has been reaffirmed by those who have studied the phenomenon, including the World Bank, that economic growth is the surest way to bring prosperity to large numbers of any citizenry.

In going forward, amidst ever-changing global dynamics, including climate change, it seems clear that some transformational shifts are both necessary and urgent. These shifts must be all-embracing and build on the gains made from the Millennium Development Goals and the progress made towards the eradication of poverty and the achievement of the social targets. Clearly, it would be an error to ignore the considerable progress achieved to date in the drive toward sustainable development.

As we move the development process forward, a useful point of departure is the articulation of Government's vision for the country. That vision is expressed in the Growth and Social Protection Strategy as follows: ***“Leveraging all of the human, natural and financial resources available to the country, in order to realise the vision for Dominica as a place characterized by economic success and by the much enhanced quality of life of its people, through their own empowerment, and through policies of Government geared to facilitating an environment within which private enterprise can flourish.”***

The vision presupposes that *no one should be left behind*; irrespective of ethnicity, gender, geography, disability or other status, in the quest for an improved standard of living. The vision also encompasses the wider Dominican society, and I might add wherever these Dominican nationals may be located. It speaks to the recognition of all the basic rights enshrined in our Constitution and the creation of economic opportunities through the mobilization of social, economic and environmental action.

In all this, the greatest development challenge relates to the transformation of the Dominican economy for the creation of sustainable jobs through inclusive growth. I believe it is generally well accepted at the policy making level of the public and private sectors that a quantum leap in existing growth rates is a *sine qua non* to greater prosperity. It is also generally well recognised that innovative approaches must be developed, using existing and new technologies to greatly increase the rate of growth from the existing levels of between two and three percent annually to levels closer to five percent on a consistent basis in order to achieve the desired turn around.

A purposeful analysis of the vision statement must propel us to a new resolve to fully utilize all our human, natural and financial resources and thereby define policies and programmes that engage our overseas based residents to make a more direct contribution and intervention. One such policy option would be to invite these Dominicans to invest in businesses and major development projects with which they could beneficially identify. ***These investments could take the form of low yield long term bonds or other financial instruments with a generous moratorium on interest and repayment of capital.***

Expansions in hotel facilities, utilisation of water resources and air access are three developmental areas that would be mutually reinforcing. These potential investments have the capacity to create both short term and long term jobs that are sustainable and could be seen as a perfect fit in on-going private and public sector initiatives. This further diversification of the economy with the direct involvement and participation by overseas-based nationals and expatriates as well as well as other key stakeholders could also serve to help bridge the Foreign Direct Investment gap referred to earlier and unleash the potential of many youth and women.

Indeed, creating good job possibilities while moving to sustainable patterns of work and life are highly necessary, given the limited natural resource base of our country. To achieve the best results, the country must continue along the path of sound investment in secondary and tertiary education for the development of the requisite skills-mix that is indispensable to meeting the development challenge.

These education and skills training programmes will also contribute vastly to an increase in the number, quality, variety and success of micro, small and medium sized business enterprises as these businesses offer the best potential for successful transformation of our economy for an enhanced quality of life for all. Here, too, the decision to enact enabling SME legislation must be given priority as such legislation will define the scope, responsibilities, technical assistance and incentive packages required to facilitate greater contributions by SMEs. Government, therefore, needs to continually find innovative ways to make it easier to start and grow a business.

Additionally, as the country continues its efforts towards greater accountability, a public, private partnership could be established based on pre-established criteria

that would help promote dialogue and a deeper understanding of the policy measures and strategic directions geared towards a higher living standard for all. The benefits to be derived from such high level partnership between Government, Private Sector, Academia, Youth, Women's organizations, Media, Diaspora and Civil Society could then lead to all joining hands with ***everyone involved being held accountable by their respective constituents and the wider Dominican society by extension.***

Madam Speaker, Honourable Members, as I conclude, let me extend to all Members of the House my very best wishes for continued good health and for a fruitful and productive session. I thank you.