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ACTIVITIES ON NATIONAL ECONOMIC
MANAGEMENT IN THE CARIBBEAN

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ACTIVITIES ON NATIONAL ECONOMIC MANAGEMENT IN THE CARIBBEAN

Over the past decade internal and external disequilibria in several Caribbean countries appear to have gone deeper than could be corrected by short-term policies of economic stabilization. The underlying causes of these imbalances are related to the region's external vulnerability, its limited capacity to generate savings and also to the inefficiencies and lack of competitiveness that tend to characterize local production.

In order to collaborate with the Caribbean Governments to deal with these issues, ILPES decided to join with the Caribbean Development Bank (CDB) and the Economic Development Institute of the World Bank to co-sponsor a Training Programme focussing on some structural issues confronting the Caribbean countries.

The Training Programme was initiated on February 1985, with headquarters in Barbados and was addressed to officials from all CARICOM Countries. To date five jointly-sponsored activities have been conducted, namely two senior policy level seminars and three middle level courses. Two additional activities are already organized for 1989.

It is expected that the Programme will continue since the partner institutions have decided to maintain their commitment in response to the enthusiastic comments they have received on the usefulness of the activities included in the Programme.

A. PROGRAMME DEFINITION

The Training Programme was designed to comprise two main types of activities:

a) The first type -Senior Policy Seminars (SPS)- was aimed at providing a forum for a continuous, non-politicized, structured and informal exchange of experiences among senior officials, something which is not that frequent in the Caribbean. The subject matter for each SPS would be to discuss major issues according to their particular relevance for the Caribbean region. The SPS would be addressed primarily to Permanent Secretaries of Planning and Finance from countries which are members of CARICOM. Also, representatives from regional institutions such as the CARICOM Secretariat, the Economic Affairs Secretariat of the Organization of Eastern Caribbean States, the Eastern Caribbean Central Bank, the UN Economic Commission Regional Office for the Caribbean, UNDP and the Inter Agency Resident Mission would be invited as observers. The SPS would be held once every other year.

b) The second type -Courses on Economic Policy Analysis (EPA)- was addressed primarily to mid-level officials staffing Planning and Finance Ministries of CARICOM countries as well as to officials from certain other ministries and government entities (depending on the subject matter). The EPA courses were aimed at deepening the participant's understanding of the analytical underpinnings of the policies needed to bring about necessary structural changes. The EPA Course was originally a three-week activity covering a full range of issues, however, by mid-1986 it was redesigned to take into account needs and constraints that appeared during the initial version of the course. The new format was a six-week rolling course divided into three major modules of two-weeks each, with one module given every year.

B. PROGRAMME DESIGN

The whole Programme was designed to address specific needs of governments in the Caribbean. Also taken into account were some of the known constraints relating to the availability of relevant personnel. The main guidelines were as follows:

1. Sustantive guidelines:

- the presentation and discussion of specific subjects should be policy-oriented rather than of an academic nature and they should build upon concrete Caribbean' experiences;
- lecturers and speakers should be selected considering not only their academic background and experience with policy making, but also their familiarity with Caribbean problems and policy alternatives.

2. Organizational guidelines:

- the SPS should be conducted in an informal and candid setting so as to induce an open-minded exchange of ideas drawing on each other's concrete experiences, following a pre-established agenda, incorporating short and issue-oriented presentations followed by open discussion;
- the six-week rolling EPA Course should address in-depth three major subjects: (a) Macroeconomic Modelling for Policy Analysis; (b) Public Sector Investment Programming; and (C) Trade and Investment Policies; each two-week course should be self-contained but the whole sequence could be attended by any official in different years;
- the decision to "modularise" the EPA Course was taken so that: (a) member governments would have available three courses to facilitate exposure of their staff to the full range of issues; and (b) the release of civil servants need not exceed two weeks in any one year, considering the problem of understaffing faced by most Caribbean Governments;
- there would be an increasing role of CDB staff both in organizing the Programme activities and also in lecturing, preparing case studies and conducting work-shops.

C. PROGRAMME CONTENTS

As has already been mentioned the Training Programme started in early 1985. Since then the following activities have been carried out.

1. Senior Policy Seminars

- a) National Economic Management Issues in the Caribbean, February 11-15, 1985.
 - Major Structural Issues in the Caribbean
 - Selected Institutional and Sectoral Issues
 - Selected Macroeconomic Issues
 - Countries Case Studies: Barbados and Jamaica
- b) Towards Self-Reliant Growth: Raising Public Savings, April 22-24, 1987.
 - Role of Public Sector
 - Tax Policy
 - Rationalizing Current Expenditure
 - Public Savings Policy and Capital Expenditure
 - Panel on Feasible Policy Options
- c) Increasing International Competitiveness, May 22-24, 1989.
 - Conceptual Framework
 - Macroeconomic Policies and Incentives
 - Financial Sector Policy
 - Determinants of Export Performance
 - Policies at the micro level
 - Regional Cooperation for Increasing Competitiveness

2. Mid-level Economic Policy Analysis Courses

- a) Economic Policy Analysis Course
September 30 to October 18, 1985
 - Interpretation of Macroeconomic Accounting
 - Macroeconomic Planning and Policy Making
 - Public Sector Programming
 - Selected Structural Issues
 - Panel on Policy Alternatives

b) Public Sector Investment Programming (Module 2)
October 13-24, 1986

- Macroeconomic Framework
- Public Expenditure Programming and Financing
- Public Sector Investment Process
- Management of the Project Cycle
- Sectoral and Project Issues by Sector
- Intersectoral Balances and Priorities
- Methodologies and Manuals for PSIP Preparation
- Integration of Plans, Budgets and Projects
- Country Case Studies: Dominica and Grenada
- Experience of Lending Institutions

c) Economic Analysis and Policy Formulation (Module 1)
October 26 to November 6, 1987

- Quantitative Macroeconomic Framework
- Model Building, Projections and Forecasting
- Economic Programming: Design and Policy Options
- Country Case Studies: Dominica, Guyana and St. Vincent and the Grenadines

d) Trade and Investment Incentives (Module 3)
June 19-30, 1989

- Review of Critical Issues
- Macroeconomic Framework
- Economic Incentives: structure and evolution
- Institutional Incentives
- International Marketing
- Regional Cooperation
- Work-shop on Incentives Design

D. PROGRAMME EVALUATION

Progress has been carefully evaluated by means of three types of procedures.

1. Individual Course (Seminar) evaluation conducted immediately after the closing session.
2. Internal evaluation by representatives from the three co-sponsoring institutions.
3. External evaluation carried out mainly by CDB in close contact with Planning and Finance Authorities of CARICOM countries,

The overall picture which has emerged is that the Programme, in respect of both the SPS and the EPA Courses, has been extremely useful for the Governments of the region.