

CHAPTER 2

NATIONAL OBJECTIVES

2.1 As the National Development Strategy, for the period 2000 to 2010, was being finalised at the end of 1999, Guyana's economy appeared to be faltering. The budgetary deficit which over the last ten years or so was slowly becoming manageable, seemed to be attaining unacceptable proportions. Moreover, the rate of foreign investment on which the country is so highly dependent, had weakened significantly, and the value of the Guyana dollar had depreciated somewhat.

2.2 In addition, the rate of inflation which had been significantly reduced between 1992 and 1998, grew in 1999 to 7.4 percent. Perhaps not surprisingly, the rates of economic growth which had been so impressive between 1991 and 1997 had faltered, recording a negative performance in 1998, and recovering only to 3 percent in 1999, and the economy appeared to have lost its momentum.

2.3 Furthermore, although the rate of unemployment for those who indicate that they are actively seeking jobs had decreased in 1999 to 9 percent, almost 50 percent of the country's workforce was not gainfully employed. Moreover, the incidence of absolute poverty at 36.4 percent, though declining, remains high and 8.6 percent of the population experiences critical poverty.

2.4 These economic difficulties are aggravated by the political and racial tension which now appears to be an integral part of Guyana's social and economic landscape. It is an ailment which feeds upon itself: economic disparities and backwardness provide some of the fuel for ethnic and political conflagration which, in turn, leads to strikes and street protests and other forms of economic violence which, in turn, result in the decline of economic activity, economic growth, and general economic development

2.5 All this, despite the special character of our nation. Guyana, land of many waters, is in many respects unique in landforms and ecosystems. It is a land of savannas, majestic waterfalls, and renowned forest wealth. It is a land of rich coastal and riverain agricultural soils, and fabulous mineral deposits and marine resources.

2.6 It has the vigour of a multi-racial society, embracing the gamut of cultures: African, Amerindian, Asian and European. It possesses an outstanding educational tradition. The country's language is the *lingua franca* of the world, opening up international contacts and stimuli for all Guyanese, to an extent that is not true, not only for other developing countries in South America, but also for large parts of Africa and Asia.

2.7 With this background and potential, it is the greatest of ironies that Guyana, one of the world's least populated countries in relation to its geographic space, has become a cramped society characterised by small horizons, and bedevilled by self-doubt. Perhaps without realising it, over the decades of independence, we have grown to accept, almost unquestioningly, accretions of restrictions and constraints. By not expanding our transport and energy systems into our vast interior, we have allowed ourselves to become crammed into a narrow retreating coastal zone, trapped between seawall and backdam. Our capital is hemmed in by the Atlantic Ocean, the Demerara River, and expanses of cane and rice fields, with no adequate outlets for the urgent demands for housing, and for industrial development.

2.8 By accepting an overweening, interventionist, and controlling role of governments, which have to approve our access to land, our private investment decisions, and almost all the major decisions we make in life, we have restricted our social and economic space, and have placed a massive incubus on our creative energies. Too many of us now instinctively look to government, instead of to ourselves, for charting and

following our own courses. We are not a confident, self-assured civil society.

2.9 We have allowed the shadows of our history to dominate our potential and to perpetuate fear. We have become captive to our own racial and political stereotypes.

2.10 Guyanese who have chosen a life abroad have earned well-deserved reputations for hard work and competence. Those of us who have stayed, or have returned, to engage in the labour of building our nation can do so as well; provided that we free ourselves of these self-imposed restrictions. This means expanding into our geographic interior; extending our civic and private sectors; and putting central government in its proper roles of policy maker and regulator, not commander. It requires the strengthening of our local government system to allow fruitful participation by all. It demands resisting appeals to act and react on the basis of race. It implores us to conduct ourselves first and foremost as Guyanese.

2.11 This also means the further widening of our economy from the narrow base of sugar, rice, and minerals on which it has rested for decades. It means drastically diversifying our agriculture. It means moving from a predominantly agricultural society to an agro-industrial economy in which the value that is added to our products accrues in this country. It means utilising all the available technology rapidly to modernise our country, including especially, information technology.

2.12 The sad fact is that despite the interventions of the Bretton Woods institutions in Guyana since 1989, the political economy of the country has been neither restructured, modernised, nor diversified. We are still basically an agricultural society which depends, more or less, on the same crops which we have been producing for over a hundred and fifty years. We are still basically two countries: one located on the coast, and the other in the remote interior, with very few cultural and physical linkages between us. We are mostly still distinct ethnic groups which, in times of stress, unhealthily oppose each other. We still utilise, albeit inefficiently, the institutions which we inherited at independence; institutions which were designed for different times and with different purposes and objectives in mind.

2.13 The objectives of the National Development Strategy which would provide a policy framework and a set of guidelines for the country's development during the first decade of the twenty-first century must therefore provide a blueprint for the attainment of a wide-ranging set of objectives.

2.14 First and foremost, a strategy which would lead to the attainment of the highest rates of *economic growth* that are possible in the time-frame of the NDS must be formulated. This is an imperative. The other developmental objectives of the strategy would be, in large measure, dependent upon rapid economic growth.

2.15 The second objective of the strategy is that of *poverty alleviation*. In addition to the direct concerns for the plight of the most disadvantaged groups, the well-being of all societies depends upon significantly enhancing the living standards of the poor. The attainment of this objective would require not only massive investment in basic services such as health, education, water and housing, but also the formulation and implementation of effective programmes to place low income families on a self-sustaining path of betterment, programmes that are based on well-designed packages of incentives.

2.16 The third objective of the NDS may be described as the achievement of *geographical unity*. In effect, this means integrating the country spatially so that all its regions can become full partners in every sense. This is a matter of the highest national priority, given the present difficulties and costs of internal transport, and the fissiparous tendencies which appear to be growing in our society. Its urgency is attested to by the facts that several hinterland areas, in which Portuguese is commonly spoken, have more extensive relations with Brazil than with the rest of Guyana; and that Venezuela has unconcealed pretensions to a large part of Guyana's territory. The attainment of this objective would, also, of course, lead to the penetration of the interior and to a more rational distribution of the country's population.

2.17 The fourth objective, to a great extent, complements the third. **It is the equitable distribution of economic activity.** Its primary purpose is the removal of the disparities in income and economic activity among the regions, and the support of the process of shifting the country's population from the coast to the hinterland.

2.18 Fifth is the objective of *diversifying the economy*. The country cannot continue to depend on a narrow economic base, especially one that is so dependent on preferential agreements and tariffs. It is therefore necessary to diversify within the agriculture sector; to extend the range of economic activity to include agro-based industries; and perhaps of most importance, to adapt and apply cutting-edge technology wherever feasible in our country. The argument is that a developing country such as Guyana need not be condemned to repeat the technological learning process that the industrialised nations have passed through. It must attempt to bridge the gap.

2.19 These then are the main objectives. However, it cannot be too strongly emphasised that to attain these targets certain conditions must be put in place.

2.20 First, there must be a greater degree of political inclusivity in the governance of the country. It is absolutely necessary that the polity be restructured in a way that is widely acceptable, and in a manner in which all segments of society feel that they have an equal stake in the political process and in the country's future. Moreover, the effectiveness and transparency of government must be improved, for they affect all aspects of our social, economic and political life.

2.21 Second, to attain high rates of economic growth and higher standards of living, there must be higher productivity. Many factors contribute to raising productivity but, above all, productive forces can be unleashed through better basic education and vocational training, more productive infrastructure, and a clear economic policy framework which leads to a simplification and clarification of such matters as investment procedures, the obtaining of licences to perform various business activities in Guyana, and the ownership and transfer of property. The important point is that the Government's rules should no longer inhibit investment and production, but facilitate them.

2.22 Third, it is vital that the educational system be re-examined if the policies that are put forward in this National Development Strategy are to stand any chance of being translated into successful programmes and projects. The details of how this may be achieved are put forward later in this document. Suffice it to state, at this stage, that educational reform should embrace more effective teacher training, a greater emphasis on the basics of primary education, a more focussed attention on science and technology, and a consolidation and improvement of both the courses and facilities at the University of Guyana at Turkeyen. Failure to develop adequately our country's human resources can be the main constraint in the attainment of the nation's developmental goals.

2.23 To summarise, the objectives of the National Development Strategy are:

- i. the attainment of the highest rates of economic growth that are possible, by the year 2010;
- ii. the alleviation of poverty;
- iii. the attainment of geographical unity;
- iv. the equitable geographical distribution of economic activity; and
- v. the diversification of the economy.