

Speech Delivered by
The Honourable Winston Dookeran, Minister of Finance
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Opening Address

It is indeed a privilege for me to share this platform, in the name of the Prime Minister, the Honourable Kamla Persad-Bissessar, who has asked me to sincerely apologise for her absence this morning, and to express to you in no uncertain terms the sense of gratification that this meeting is taking place here in Trinidad and Tobago (T&T) at this time in our country's development.

I very carefully listened to the statement that has been made by the new President of the Caribbean Development Bank (CDB), Dr. Warren Smith. The title that he has chosen for his first presentation as the fifth president of the CDB, "*Caribbean Leadership*", could not have been more appropriate for us as we turn towards a new direction in resolving some of the anxieties and securities that we face. I want to say to Dr. Warren Smith that this indeed confirms the great confidence that the board of governors has placed in you in so selecting you to chart the leadership course of the CDB for the next term. I personally wish to congratulate you Dr. Warren Smith for accepting this offer and on behalf of the people and Government of Trinidad and Tobago, to sincerely congratulate you on the assumption of this high office. You come as a successor to someone who this nation and region has come to learn to be a true Caribbean development economist, someone who has served the region well and I have no doubt he will continue to do so. So I pay our tribute to eminent professor Campton Bourne for his service over the last 10 years to the people of the Caribbean - not only at the CDB but in the wider Caribbean Community.

It is said that it is only cricket that unites our people in the Caribbean and some say given the recent performances of our cricket team that they even reunite us in anger, but the CDB has been a quiet institution that neither solicits anger nor praise. It has been a pillar for government financing in the Caribbean and has been the corner stone for setting conditions for economic development in our region. There is no doubt that it is a premier institution and has done us well. The region is proud of what it has achieved, but clearly there is need now for a quantum leap into a brave new endeavor. And I feel confident that this leap that we talk about will set its genesis at this meeting. In your deliberations as you too know, it is not business as usual for the Caribbean anymore. Out of this deliberation there would be many different perspectives as to how we make that quantum leap into the brave new global world. A world in which changes are taking place in the global political order, in which new economic peace is being sought by countries that has previously felt somewhat outside the mainstream of the world economy and in a situation where developments are taking place that threaten to place the region in an even more marginalized position. And the quantum leap of which I speak about is a huge undertaking, but an undertaking for which we have no alternative but to embark upon.

So today I would like to share with you **three thoughts** with respect to that quantum leap in development that may inform the conversation that has to continue and deepen and expand.

1. Drilling Down For Development

We have been accustomed to the debate on the development paradigm shifts. We have become somewhat tired with the arguments that there are strategic imperatives that must be followed. We have reset our priorities and we have reset our priorities on more than one occasion. Today, I want to propose that we consider what I call *Drilling Down for Development*. For the real challenge that we are facing will be derived from our ability to drill down for development in our nation. In other words, it is a recognition that development cannot be imported and a realization that we must unearth the natural entrepreneurship talent and capabilities of our people. The new directions in building capacity and for delivering public goods must be at the top of our leadership agenda. The old institutions may have lost their relevance, calling now for new models of cooperation among the private, public and civil society. The role of the state must respond to the delivery that the society expects. And indeed, must also respond to the continuing pressing issues of equity confronting our societies. I believe it is the same Professor Compton Borne in one of his presentations, made mention of what he called the '*long term development of our nation*', saying that it will depend much more on the issues of hard work, on the issues of productivity and thrift and on the issues of individuals and enterprise within the framework of a supportive public policy framework. Then it will depend on large grandeur schemes and projects - indeed they work together. But drilling down to development now forces us to find the right chapter to organize a new thrust for empowering the capacity of our people for executing what has to be done.

2. Integration

The second area I would like to briefly mention has to do with the issue of integration. Integration within the region has been somewhat elusive on two counts.

- a) Firstly, our ability to ensure that convergence of our economies is a prerequisite to integration has not been achieved.
- b) And secondly, the issue of confronting the new global space that is before our doorsteps must now be explored in a new discovery for space. The limits to Caribbean integration in its orthodox definition may have been reached, and now to broaden that economic space to our geographical position in Latin America as well as the changing dynamics of the world order may become an absolute requisite for us to enhance the development and integration prospects of the region.

So, on those two counts I suggest that perhaps the agenda and conversation that we may wish to encourage is *how* to make that happen. No longer can we rely on what has to be done. We must now find the mechanics to make it happen. This is a challenge facing the region and all the institutions that promote Caribbean integration within the region. The Caribbean Development Bank is one such institution and has a pivotal role, but it must at the same time ensure that it provides the leadership that

is required for opening up wider economic space in the region as well as deepening the convergence process in our economic framework. On this score, we cannot ignore the absolute necessity to deal with the very important issue of innovation. I believe it was Professor Michael Porter who recently participated in a distinguished lecture program here in T&T at the University of the West Indies, when he emphasized the nation's neighbours as our natural trading and investment partners and the natural part of internationalization of local firms in the neighbourhood, and I quote *"I believe our survival as individual nations and indeed as a region in a new age of innovation driven economy rest on exploring the interconnectivity of our economies on how best we can use it build a stronger competitive".* advantage."

A stronger competitive advantage is predicated on the issue of entrepreneurship. Unfortunately, the traditional private business sector tends to be risk adverse and has less interest to move into development path of the choices before them. This new entrepreneurship calls upon the private sector to change its own perspective towards the country. No longer are we in the framework in which we can say to Governments what I can get, but indeed what I can be. To some extent these are deeper issues underlining the development strategy before us, but in the final analysis it is important for opportunities to be determined in order to create dialogue, conversation and action. To that end we are very happy that in Trinidad and Tobago this month of June there will be month in which there will be opportunities to so do. The Caribbean Investment Forum which will be hosted by the Commonwealth Business Council is scheduled to take place later this month right here in Trinidad and Tobago, and it is indeed part of the Caribbean Investment Week that will follow. I see the Minister of Industry and Commerce here with us, the Honourable Stephen Cadiz, and he has been instrumental in putting that together for the benefit of the people of Trinidad and Tobago.

3. Politics of Development

And finally, in terms of some of the issues that may inform our conversation I want to raise just a few points on the question of the politics of development. So often we believe that development is a technical matter. So often we expect that we can find solutions that are based on professional and technical analysis. But we know that such could only happen if there is a deep appreciation of the development politics that make things happen. Sustainable development is indeed a process in which we must bring together a synergy between economic logic and political logic - measures that are needed to pursue economic efficiency in both the international and regional sphere with the political logic that is now required to make it happen, and to ensure that the adjustments in the politics is appropriate to the requirements of the economic logic.

The growing gap in the Caribbean between expectations and performance, and the rising tension between intension and reality, has widened the space between the art of politics and the discharge of

governance. Political rhetoric tends to base new promises on old premises. It is this politics of illusion, past hopes remain unfulfilled and tentative new hopes have little expectations for action. Whatever programmes we develop therefore, must ensure that we bring the political and economic logic together.

Governments in both the developed and the developing world are facing increasingly difficult task of managing their national economies, in order to improve macro-economic performance increase public investments in job creation, education and health care and develop policies and institutions that will address the issues of poverty and inequality. In our own region we need to re-embark on strategies that will build the buffers against external shocks and at the same time provide the triggers for sustainable economic growth. In this respect there is a deep requirement to understand the power culture that is holding back growth and development in the region. A very recognized academic recently spoke about the anti- growth coalition arguing that is so deeply embedded in the socio-economic and political culture in the small states that any development strategy must break that anti-growth coalition before any growth and development can take place. These are issues that will ensure that the political logic and the economic logic work together as we embark on a programme to give the Caribbean Development Bank and Caribbean integration a new quantum leap into challenging and confronting the future insecurities that are before us. No doubt the agenda before us is enormous, but we can neither succumb to the forces of history nor surrender to the new vulnerabilities that will surface in the paths ahead. Our resilience must be founded in the sense of our Caribbean identity with an enduring commitment to building that confidence in the future.

I thank you, the Chairman of the Board of Governors, Dr. Bhoendradatt Tewarie, for hosting this Conference here in Trinidad and Tobago, and to all of you I hope that some of our hospitality, Caribbean style, you will be able to enjoy during your stay here in Trinidad and Tobago.

On behalf of the Government and the people of Trinidad and Tobago and behalf of the Prime Minister Kamla Persad Bissessar I welcome you and wish you a wonderful few days in Trinidad and Tobago.

Thank You.



In Photo: Finance Minister, the Honourable Winston Dookeran as he delivered the Opening Address at the 41st Annual Meeting of the Board of Governors of the Caribbean Development Bank (CDB).