

**MEN, WOMEN AND CHILDREN IN DEVELOPMENT  
STATEMENT BY THE PRESIDENT, MR. WILLIAM G. DEMAS  
TO THE BOARD OF GOVERNORS  
AT THE SIXTEENTH ANNUAL MEETING  
HELD AT PARQUE CENTRAL, CARACAS, VENEZUELA  
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CONTENTS

- I. [OPENING REMARKS](#)
  - II. [PROGRESS OF THE BANK DURING 1985](#)
  - III. [MEN, WOMEN AND CHILDREN IN DEVELOPMENT](#)
  - IV. [CONCLUDING REMARKS](#)
- I. **OPENING REMARKS**

Mr. Chairman, Distinguished Governors, Members of the Board of Directors, Your Excellencies, Observers and Guests:

I am happy that this the Sixteenth Annual Meeting of the Board of Governors of the Caribbean Development Bank is being held here in Caracas, Venezuela - a country which, as the fatherland of the Great Liberator, will always have an important place in all of Latin America and the Caribbean and throughout the rest of the Third World.

Your country will soon be emerging as one of the Newly Industrialising Countries (NICs) in Latin America and the Caribbean and this is yet another reason why it will have an important role to play in Hemispheric and Third World affairs. I am confident that this role will be discharged in a highly creditable manner.

The distinguished President of your country, His Excellency Dr. Jaime Lusinchi, is well known to be one of the leading champions (and practitioners) of democracy in the Hemisphere and is also deeply committed to raising the levels of living of the disadvantaged groups in his country. Moreover, he has been in the forefront of efforts to reduce tensions in the Hemisphere by his prominent role in the Contadora Process.

Venezuela has always given strong support to the Caribbean Development Bank over and above its strict obligations as a member country. You will recall, Mr. Chairman, that at the Fourth Meeting of the Board of Governors of this Bank held in 1974 in Grenada, you

yourself announced measures for sharing Venezuela's newly increased oil wealth with the borrowing member countries of the Bank by the establishment in the Bank of a Venezuela Trust Fund of US\$25 million and by an additional contribution to the Bank's Special Development Fund (SDF) of US\$5 million, bringing your country's total initial contribution to the SDF to US\$10 million.

In addition, Venezuela has always viewed the Bank as a means of promoting not only Caribbean development but also Caribbean integration. Your country has also always seen the Bank as an instrument for giving special attention to the urgent development needs of its relatively less developed member countries.

Mention should also be made of your country's support for other multilateral financial institutions serving Latin America and other developing countries, and for your initiative in providing, along with Mexico, Oil Facilities under the San Jose Accord for Caribbean and Central American countries. I must also mention that Venezuela's Director of long standing, Dr. Aquiles Vilorio Vilorio of the Venezuela Investment Fund, has over the years been making a very positive contribution to the work of the Bank's Board of Directors.

In these difficult times our Bank looks towards Venezuela for continuing support and constructive ideas as part of your Government's firm commitment to Economic Cooperation among Developing Countries (ECDC).

## **II. PROGRESS OF THE BANK DURING 1985**

The Annual Report of the Bank for 1985 gives a large volume of information on the progress of the Bank last year. I am sure the distinguished Governors have studied it with great interest and will give their views in their formal Statements.

## **III. MEN, WOMEN AND CHILDREN IN DEVELOPMENT**

This year I shall speak on the theme of people in relation to economic development. Concern with this issue is more than justified since today no one denies that human resources development is crucial to the promotion of economic development. I am convinced that interest in this aspect of the development process is no passing fad but will be increasingly recognised as the most important factor in this process. Consequently, in the analyses of development issues in the countries of the Caribbean Community by the Caribbean Development Bank this aspect cannot be ignored.

a. **Human Resources as Both End and Means in Economic Development**

Human Resources Development is both an end in itself and a means in the process of economic development. A human being who is healthy in body and mind, has a sound basic education and is decently clothed and housed is obviously better off materially and at a higher level of human development than a person without a basic level of formal education, adequate food, clothing and housing and who suffers from bad health and malnutrition.

But the former person is also at the same time more capable than the latter of contributing to production of goods and services and so promoting economic development in his or her country.

In the first case human development is being viewed as an end in itself; in the second case it is being viewed as a means to economic development. Both are valid perspectives.

Education is probably the most important element in human resources development, since persons with a good basic education can, more easily than persons without any education, improve their nutritional and health standards and reduce their fertility. In addition, studies have shown that the rate of return (both to the individual and to society) on investment in capital and recurrent expenditures in education is high.

These means (that is, human resources development) of achieving economic development are, however, very expensive - particularly education and training and health - and their cost-effectiveness needs always to be given close attention by the Government, which inevitably has to play a major role in providing them.

b. **Progress in Human Resources Development as an End in Itself**

From the point of view of Human Resources Development regarded as an end in itself, the countries of the Caribbean Community have made much progress over the last twenty-five years. I shall list some aspects of this progress.

I shall be using average figures throughout. But I must enter here the usual caveat concerning the somewhat misleading nature of averages, which conceal inequality in the distribution of income and wealth both within a particular country and between countries.

In 1960 per capita income in the CARICOM Region as a whole averaged about US\$400. A very high proportion of this - about two-thirds - was spent on basic consumer items such as food and beverages, clothing, housing, education and

medical care. Our average person could also afford cinema tickets once a month and a radio once every five years. At the same time, he or she enjoyed fairly good (but not excellent) health: out of every 1,000 babies born only 45 died before reaching their first birthday; life expectancy of the average person born was 63 years and since population was growing at the rate of 2% every year, it would double every 35 years.

In 1985, some 25 years later, 92% of all adults were able to read and write, compared with 87% in 1960, and the growth rate of the population had been reduced to 1.3% a year, partly because of a sharp fall in the birth rate. So our average person was receptive to education on why and how he or she could limit the size of his or her family and so contribute to the control of the level of the total population in the country.

For the CARICOM Region as a whole, per capita income in 1985 was over US\$2,500 - although this average was as high as it was in large measure because of the results of the oil boom in Trinidad and Tobago and the continually booming tourist industry in the Commonwealth of the Bahamas. The per capita income (excluding the Commonwealth of the Bahamas and Trinidad and Tobago) was US\$1,200 in 1985. In other words, 75% of the total population of the CARICOM group had a per capita income of US\$1,200 in 1985. Of his or her per capita income in 1985 the average person spent 62% on a revised list of basic consumer items and was able to afford a holiday abroad at least once during his working life and could look forward to owning a motor car in ten years' time. Persons saved a somewhat larger proportion of their incomes than they did 25 years ago. Finally, housing and services such as water, sanitation, public transportation, electricity supply and telephones had all improved to some extent.

Not only has per capita income in nominal terms increased; prices have also increased at a somewhat slower rate. In other words, although his or her real income has increased, the average man or woman over the last 25 years has been deeply concerned with inflation, a worldwide phenomenon throughout much of this period.

In 1985 the average person was healthier than he or she was in 1960. Few, if any, members of a household would die from tuberculosis or malaria; but because he or she was materially better off and perhaps less diet-conscious, he or she was likely to be more susceptible to diabetes, hypertension and heart disease. Hardly any young children would die from malnutrition or parasitical diseases; in fact, 98% of them would survive the first year after birth. The average person will now live to almost 71 years, with only three to four years separating him or her from his or her counterpart in Western Europe or North America.

Nevertheless, several negative features clouded the health scene. The probability that the average person will die in a motor vehicle accident has increased alarmingly. In some countries the rapidly growing incidence of drug addiction and

alcoholism has increased to an alarming extent; and in a few countries mental disease is on the increase. Finally, adults are not illiterate; their children are also better educated than their parents were in 1960. The average young person spends more years in school and receives secondary education as a matter of course. There is a fair chance that he or she will go on to University or another type of tertiary educational institution (such as a Community or Junior College or a Technical Institute). He or she finds too that the scope of education has broadened to include technical and vocational training and that at secondary school he or she has wider opportunities for studying Science and Mathematics than were available 25 years ago.

But there is a fundamental issue in all this. Levels of living, to judge by the figures cited above, have certainly risen in the West Indies over the last 25 years, even among the poorer groups - though this improvement for the masses of the people varies from country to country. But we should not be deceived into believing that we are firmly set on the road to self-sustaining economic development.

For our economies remain very fragile and vulnerable to both internal and external shocks. We need to improve considerably production and productivity in the agricultural, manufacturing and service sectors, to diversify both output and exports and to increase levels of domestic savings and domestically financed investment (by individuals, business firms and the public sector) if we are to achieve self-sustaining development.

Indeed, many of the gains made in levels of living over the past 25 years are under threat of reversal if our current efforts to strengthen and diversify our economies and make them more resilient in the face of internal and external shocks are not successful. This consideration, combined with the small size of our national markets and economies, entails that these current domestic efforts need, over the foreseeable future, to be supported by external financial inflows, much of them on concessionary terms, and by preferential access to markets in the industrialised countries and in the bigger Latin American countries. To maintain and improve our levels of living on a sustainable basis, our economies must undergo both growth and structural transformation. To achieve this goal we have to improve the quality of human resources so that they can make a growing and sustained contribution to our economic development.

Our governments, in the age of internal self-government and independence, have done much to raise levels of living of the people. But much remains to be done to improve the quality of our human resources in their role as contributors to sustained and self-reliant economic development.

**c. Progress in Human Resources Development as a Means to Economic Development**

There are still several significant shortcomings in the Region in Human Resources Development in its role as a means to economic development.

First and foremost, the employment picture has been bleak. The labour force is now expanding at a faster rate than in 1960 and for CARICOM as a whole unemployment is now well over 20% of the labour force. Of almost equal concern is the very large number of underemployed. Moreover, in some countries of the Region there is a degree of economic inequality which goes beyond acceptable limits.

In addition, in spite of the rapid expansion in education at all levels, there are several deficiencies in all stages of the educational system - primary, secondary and tertiary. Nor is the system as cost-effective as it could and should be.

This is equally true of the health system where the concept of primary and preventive health care is still somewhat subordinated to expensive forms of secondary and tertiary care - mainly in hospitals.

There are also nutrition problems in most of the countries.

Strategies for increasing domestic savings and investment and for increasing and diversifying output and exports cannot be ignored if we are to promote self-sustained development. But these strategies should go hand in hand with plans for providing adequate nutrition, good basic health care, improved housing conditions and - above all - for bringing about meaningful changes in the direction and scope of education and training. These are the key factors in developing an efficient, highly productive and adaptable labour force. There is now immediate need for a fundamental review of the situation so that Human Resources Development can more effectively contribute to the process of economic development accompanied by high levels of productive employment.

#### **d. Health**

The greatest measure of improvement in health in the Region came in the 1950s and 1960s, when massive programmes for health care, health education, inoculation and pest control were first instituted in most of the countries.

Today current budgetary expenditures on primary health care and sanitation do not exceed 10% of total budgetary expenditure and these outlays serve to maintain the foundation laid during the fifties and sixties, adding very little to the services provided.

The Region faces a dearth of certain types of medical specialists - for example, dentists and ophthalmologists, radiologists and anaesthetists. Greater availability of doctors trained in particular fields of post-graduate specialization is urgently required. Apart from medical specialists, many countries lack a sufficient number of general medical practitioners and para-medical staff, and drugs and medical

supplies are in short supply partly because of budgetary and/or foreign exchange stringencies. In such countries primary health care has reached a dangerously low level.

Over the next few years, on grounds of cost-effectiveness, emphasis in health services should be on primary health care (Public Health and care in clinics and polyclinics rather than in hospitals) and on preventive and community medicine.

e. **Nutrition**

In spite of the existence of several nutrition-related problems, basic nutritional needs are, for the most part, not only met but exceeded in the countries of the CARICOM Region, with the possible exception of one or two countries.

However, fairly large pockets of malnourished persons do exist in most if not all of the countries, depending on the size of the country, the degree of urbanization, levels and distribution of income and the extent of education. Indeed, in some cases, poverty exists cheek by jowl with great wealth. A hungry or malnourished labour force cannot perform efficiently.

Despite evidence of overall adequate nutrition levels in many countries, persistently high incidence of diarrhoeal diseases in children exists - the result of the absence of safe drinking water and bad personal and household hygiene. Malnutrition or insufficient food intake of mothers during pregnancy exists in some cases and there is consequently a significant percentage of infants of abnormally low weight at birth. But "tracer" studies have shown that these children of abnormally low weight at birth, having suffered brain damage, are often subject to behavioural disorders, perform poorly in school and contribute to wastage in the education system. In due course, they go to swell the ranks of the unemployed and unemployable.

Then there are the "diseases of the rich". "Over-nourished" adults are suffering in increasing numbers from obesity, which afflicts both women and men in the Caribbean, and the related diseases of diabetes, hypertension and cardiovascular ailments. The high incidence of these diseases suggests that acute imbalances in the diet need to be corrected and that physical exercise appropriate to each age group and to each individual's health condition be more widely undertaken.

Because not all malnourished people are poor, nutrition measures such as improved food distribution, breast feeding of babies, care in food preparation and refrigeration, as well as increased local and regional food production, are probably more important for improving nutrition than increases in income. Raising the level of nutrition education and using the health service to support nutrition programmes would also be of considerable benefit. The people of the Region should also learn to eat more of the fresh, wholesome food that they produce and eschew the "foodless foods" and other styles imported from the industrialized countries. This is one of the areas in which the electronic mass

media could play a more constructive role.

f. **Housing**

The ratio of public expenditure on housing and community amenities to total expenditure has in most countries tended to decline, and averaged no more than 2% of total expenditure in 1984 in all countries except one. But since prime responsibility for housing has always remained within the private sector, public expenditure is not an adequate gauge of developments in this sector. In fact, census data show that the housing stock has undergone some improvement and the average number of persons per room has fallen, not only because household size has decreased, but because somewhat bigger houses are being built.

The prime responsibility for housing should remain with individual households supported by mortgage finance arrangements with banks and other financial institutions - both privately and governmentally owned. But Governments may have to provide, more directly, additional housing for the lower income groups so as to ensure that this segment of the labour force is adequately housed. Since financial resources available to Governments are severely limited in all countries, housing programmes for the lower income groups have to be highly cost-effective. For example, Governments could in future concentrate on the provision of developed sites and probably also on the provision by way of soft loans of "core" units which owners/occupiers would improve and extend over the years.

g. **Education and Training**

I have already said that education (and we must add training) is the most important and fundamental element in Human Resources Development.

Meaningful change in the direction and scope of education and training is needed to improve and widen the range of skills of the potential labour force. This should assist in leading to increases in the employed labour force, increases in labour productivity and declines in the rate of unemployment and under-employment. But results have been relatively disappointing and the question should be asked: is the education and training system in the Region designed to fulfill this role?

We need to look critically at our education and training system so as to reduce wastage, re-orient our curricula to provide more adequately a good scientific and technological basis for the acquisition of the constantly changing skills requirements of the job market, and strengthen our teaching capability.

Whatever the results of our assessment, it is certain that more funding will be required. But we should first attempt to manage our available resources better and make all our education and training programmes more cost-effective.

Illiteracy (in the literal sense of the term) is not a problem in the Region. Almost everyone of school age attends a school of some sort and enrolment ratios are



uniformly virtually 100% at primary level and fairly high at secondary level. Nevertheless, there appears to be a certain degree of "functional illiteracy" - it is estimated that more than 30% of primary school children perform poorly in the entrance examination to secondary schools and that more than 50% fail secondary school-leaving examinations.

The reasons for this very poor performance have not been spelt out but, clearly, most of the problem lies with the primary school system. First, there is a high degree of wastage in the primary schools: irrelevant curricula, uninterested and sometimes unqualified teachers, an unfavourable school environment and socio-economic conditions that lead to absenteeism among pupils - all contribute to this sad state of affairs. Second, some of the secondary schools are overcrowded, ill-equipped and under-staffed, while some of the staff who are highly qualified in their particular subjects could improve their teaching capability by greater exposure to training in child and youth psychology and up-to-date educational methods.

The system should provide education for teachers in the primary school where good, imaginative - and often remedial - teaching is needed. The skills of primary school teachers (particularly in the teaching of English Language, Mathematics and Science) need constant upgrading - one way being the organisation of a continuing series of workshops for such teachers. Another way may be special short refresher courses for them at the University of the West Indies. Much the same applies to many secondary school teachers.

In order to cope in the new technological age, the labour force must be equipped with the appropriate skills - at craft, technical and professional levels. With this in mind, Governments have adopted policies to diversify secondary education by providing for teaching of technical and vocational subjects within general secondary schools or in specialist vocational and technical schools to train young people at the craft and technician levels.

There is also in many countries some (although inadequate) provision for practical skills training at a fairly elementary level, outside the formal education system. This is often linked with apprenticeship and/or special training programmes. This is laudable and such schemes need to be considerably extended; but it has been remarked that in the Caribbean, practical skills training programmes are designed for students who have failed at everything else. This is an improper basis for technical and vocational training and justifies the tendency of many persons in the community to equate such training with low status and under-achievement. For the level of practical skills training to be raised, school-leavers must have a better general foundation at both primary and secondary levels in literacy, numeracy and elementary scientific principles. In addition, young people undergoing practical skills training should, wherever feasible, be required to spend a certain amount of time training in vocational and technical schools or vocational and technical wings of general secondary schools. Practical

skills training should very obviously, as far as possible, be tied in with the needs of employers, who should be more closely involved in both the formulation and implementation of such schemes. They should also assist in their financing by making facilities at the workplace available for part of the actual training and by being required by the Government to pay a special training levy or by being brought under a Government "levy/grant" scheme - that is, one where all employers are liable to pay a training levy, which is refundable if they undertake satisfactory training programmes. The foregoing considerations lead us to the wider and more fundamental issue of the need to give primary and secondary school children the intellectual foundation to enable them not only to learn skills related to employment after they leave school but also subsequently to learn new skills repeatedly in view of the expected rapid advances in technology. We are now entering the age of life-long "recurrent" education and training (and constant re-training) and we must be adequately prepared for it.

Technical and vocational training is meaningless unless students have a basic understanding of Mathematics, Science and Technology. An ideal curriculum would be as follows: teaching of Mathematics, Science and English Language at the primary level; at the secondary level there should be added Social Studies (including West Indian History and Geography) and English and West Indian Literature. At least one foreign language - Spanish, with emphasis on conversational proficiency - should also be included as well as Business Studies. Exposure to systems-analytic thinking, including the provision of some degree of familiarity with the computer, is also highly desirable.

At the University level the proportion of those studying Mathematics, Science and Technology should be increased; but to say this is not to deny the importance of the Humanities and the Social Sciences (including Management Studies). There should also be more emphasis on Applied Science and Technology at the post-graduate and post-doctoral levels (this latter level of study being pursued abroad at Centres of Excellence in either Third World or developed countries). This scheme suggests that Science, Mathematics and Technology would not be confined to any one level of education but would be spread throughout the system in an integrated fashion.

One bottleneck in all this is the great shortage of qualified and competent teachers of Science, Mathematics and Technical and Vocational subjects at the primary, but even more so at the secondary, level. Some kind of action programme to meet this need should be drawn up and implemented as a matter of urgency.

Indeed, I would go so far as to suggest that teachers of Science, Mathematics and Technical and Vocational subjects at the secondary level be paid a special premium over their regular salaries, provided of course that they successfully complete initial and refresher training courses in effective methods of teaching of these subjects.

In the West Indies our thinking about the post-secondary or tertiary sector of the educational system has been too dominated by the University. We need to give more attention to other institutions of tertiary education - Community (or Junior) Colleges, Agricultural Colleges, Teachers Training Colleges and Technical Institutes. These other institutions are the ones which turn out technicians and sub-professional persons who in many fields are in even scarcer supply than full professionals. This suggests that such non-University tertiary institutions should be provided with the wherewithal to turn out annually many more graduates than the University does.

Another advantage of non-University tertiary institutions is that teaching costs less than at the University - largely because teachers salaries are higher and equipment more elaborate and costly at the University.

A related point is that secondary education is too dominated by a concern with gaining entrance to the University (and less so other tertiary institutions). Indeed, now and in the foreseeable future, most people will enter the labour market at age 15 or 17, after either three or five years of secondary education (some may still have only post-primary education within the senior classes of the all-age primary school) and the secondary school should be regarded as providing terminal full-time formal education. This has implications for both the content of such education and certification for the majority of those at secondary school. The Caribbean Examinations Council has based its secondary school-leaving examinations on this consideration.

In reconstructing the secondary school system we should not overlook the need to have in each country one or two intellectually (but certainly not socially) elitist schools with very high academic standards. These schools should serve as Centres of Excellence in Natural Sciences and Mathematics as well as in the Humanities and Social Studies (including History and Geography). Their aim would be to send on to University students who in time would become original and pioneering workers in their given fields of specialization - whether in research and teaching - and who could also eventually achieve top positions in the public sector and the private sector. Such highly trained and qualified persons could significantly contribute to the economic development and intellectual, scientific and technological progress of the countries of the CARICOM Region. Mediocrity is something our countries can ill afford in an increasingly competitive world.

Everyone is now aware that, in spite of high rates of return on expenditures both to the individual and to society, Education and Health (particularly the former) have extremely high capital and recurrent costs and that in virtually all our countries these two items together absorb between 30% and 40% of the Government Budget.

In this connection not only does the issue of the cost-effectiveness of providing the services arise; another closely related issue is whether some form of cost-

recovery for both these services should not be instituted. It is my view that, since Education and Health (particularly the former) are crucial to both economic growth and equity, they should for the most part be provided by the State free of charge. However, there are certain specific areas (for example, University education and hospitalization) to which some form of partial cost-recovery scheme might be applied. With respect to University education, it has been asserted that children of middle-income and high-income parents tend to have an advantage (in terms of general home environment and motivation) in gaining entrance to the University even though the process of selection for entry by the University authorities is highly objective, based as it is entirely on merit. To the extent that this assertion is correct, there is a case for forms of partial cost-recovery such as Students Loan Schemes. Even if the assertion were not correct, there would still be a case for Students Loan Schemes (or other forms of partial cost recovery) since University graduates get higher salaries than the average worker precisely because they have a University degree.

Another financing issue should be raised. Many of the countries of the Region (both MDCs and LDCs) have recently had, for foreign exchange and/or budgetary reasons, to cut back expenditure on Education, Health, Nutrition and other services relevant to Human Resources Development, particularly in the course of implementing economic stabilization and structural adjustment programmes. In view of the critical importance of Human Resources Development, there is no good reason why international development agencies (both multilateral and bilateral) should not in such situations support a part of both capital and recurrent costs of education, health and nutrition services.

We have been focussing mainly on formal education, except where we discussed informal out-of-school training for young school-leavers. But it is glaringly obvious that in the Region today there is still a largely unsatisfied need for in-service training at all levels, both in the public and private sector - not only in technical and professional skills but, even more importantly, in management and administrative skills. We should have, as a medium-term goal, universal availability of such training in the public sector and in the larger-sized privately owned enterprises.

One very important aspect of training in administration and management relates to the urgent need to improve administration and management of the services connected with Human Resources Development itself - particularly in the fields of Education and Health. A start needs to be made immediately to provide more extensive and intensive training in administration and management for those who are responsible (at all levels) for the running of Education and Health services, if only because these services are inherently large-scale and complex and therefore difficult to plan, to manage and to subject to constant monitoring and evaluation.

Despite substantial expenditure on education and increased opportunities for training, there is a persistent mismatch between education and job opportunities

and critical shortages of technical, managerial and entrepreneurial manpower at all levels (but particularly at the sub-professional, technical and supervisory level) in the CARICOM Region.

It is often stated that long-term manpower planning is required in order to match the demand for specific skills with supply. This is an elaborate and difficult exercise, often circumscribed by lack of data and of firm knowledge on future demand for specific skills and specific occupations. The practical approach would be to train for broader areas of skill-shortages (or skill-clusters) that can be clearly identified now and to increase the number of persons who have the intellectual foundation for the later acquisition of different areas of skills. There is still need, however, for the type of manpower and human resources planning which would result in much more knowledge of the detailed workings of the labour market; in information on wages and salaries in all activities and occupations in the economy; in identifying, as far as possible, current areas of skill-shortage; in more effective career guidance to secondary school and University students; and in the carrying out of more tracer studies to monitor the post-educational careers of primary, secondary and tertiary graduates.

#### **h. Increasing the Demand for Labour**

It is important to note that even the best possible education and training systems and manpower planning programmes will not automatically lead to productive employment of all or even the majority of those who have undergone such training. Such supply-side actions and programmes help; but by themselves they are not sufficient.

This brings us to the demand side of the labour market and the problems of unemployment and under-employment, both reflecting the under-utilization of labour in our economies.

I cannot treat these problems at any length here. We all know that in our economies employment creation is crucially dependent on economic growth which earns and saves foreign exchange and that, even if the foreign exchange-earning or -saving sectors do not provide many jobs directly, they can indirectly facilitate job-creation in the non-tradeable services produced in the economy - construction (particularly housing), the public sector (paying full attention to cost-effectiveness and financial limitation) and other services (from distribution and transport to more sophisticated professional and financial services). We also all know that double- or treble-shift working in factories could facilitate employment creation (provided of course that markets can be found for all the goods produced). We also know that a strong agricultural and rural development effort can create many jobs both in production and ancillary services.

Some of us even believe that merely by sensible behaviour, workers, employers, and Governments can achieve what a formal incomes policy is expected to

achieve: making our exports more competitive; strengthening our public finances and balances of payments; and the creation of productive, reasonably well-paid employment opportunities and in some cases the avoidance of unnecessary retrenchment of labour.

It is also well-known that increasingly we must gear our education and training systems to turning out persons possessing higher levels of skills and technology so that real wages could rise over time in both the public and private sectors without creating adverse consequences for employment, the public finances, the balance of payments and domestic savings and investment.

The only new element I would like to stress on this occasion is the need for the entire society to give more attention to the expansion of self-employment and small-scale enterprises. This in effect means that the education and training system (both formal and informal) should consciously set about to assist in the orientation and training of entrepreneurs at all levels for both the formal and informal sectors of the economy. The need to include Business Studies at Secondary School has already been stressed. But, beyond that, there is a large, growing and urgent need throughout the CARICOM Region for programmes of technical assistance and informal training for existing and prospective entrepreneurs (including both teenagers and adults) in the many aspects of Business Management, combined with the provision of much larger volumes of risk-capital by national and regional financial institutions (both public and private) and by international development agencies (both bilateral and multilateral).

**i. Women in Development**

There can be no discussion of Human Resources Development in the Caribbean (or any other part of the world) without dealing with the involvement and role of women in the development process. We have to be concerned with the subject of women in development because we cannot on either moral or economic grounds overlook the claim of the other half of the population to attaining the same degree of human development and involvement in the productive process as men. In addition, the strong role of women in the family household in relation to children argues for greater effort to promote the human development of women.

It is a fact that women, who have traditionally headed households in the countries of the Caribbean Community, have not yet gained full recognition as making a specific contribution to the development process. Undoubtedly, this situation arises out of a complex array of factors, including custom and attitudes. While some research has recently been done in the Region on matters that affect women, two questions still remain not completely answered: one, what has been the impact of women on the development process; and two, what are the main difficulties and constraints that limit the contribution of women to the productive process.

These questions are not easy to answer in any quantitative sense because information has not been collected in a systematic way. We do know that in the Caribbean, women have been largely engaged in production and marketing of food crops, domestic service, petty trading, nursing, secretarial work, work in shops and stores, teaching in primary and secondary schools and working in enclave or off-shore assembly manufacturing industries and services (particularly tourism). The last two are also the areas of production that made significant headway in the sixties and seventies. But studies have shown that, on average, women earn lower wages than men - largely because of the particular occupations in which they are engaged. This is particularly so in enclave manufacturing industries where women work usually as operatives. But even so employment in relatively low-paid enclave industries at the present time does give the women concerned some degree of independence vis-a-vis men and serves to reduce fertility. This is an important social gain for women.

The answer to this problem can be found only if the activities in which women now tend to be concentrated upgrade their technology and consequently their skill requirements over time or give place to new activities which are more skill-intensive and 50 in either case enable higher wages to be paid. At the same time the women themselves should be encouraged to upgrade their skills through appropriate education and training.

Although women have become increasingly visible in the workplace, they still carry the multiple responsibilities of breadwinning, housekeeping and child rearing. Because of this, the productivity of female labour is often impaired. This constraint could be partly removed if employers provide facilities at the Workplace for women to care for their children while they work.

Be that as it may, the most important a venue for advancement of Women in Caribbean society is the educational system.

It is true that any educational bias against women has long been removed; but custom does to some extent still dictate scholastic preferences. Data on subjects studied in Forms IV, V and VI of Government and private secondary schools in Barbados showed that, during the period 1983/84, male enrolment in Science and Technical and Vocational Studies outnumbered female enrolment in the ratio 2:1. Girls tended to concentrate on subjects such as languages, commercial studies and home economics. Although girls are not prevented from pursuing Science and Technical and Vocational Studies, they are in many cases not actively encouraged to do so by either their parents or their teachers or both.

It is also true that women are now being given more and more recognition and there is no institutionalized discrimination against them. They have equal opportunity at all levels of education - where they are excelling - and have been streaming into activities and professions that were previously male-dominated, for example - law, medicine, public and business administration, insurance and

politics, and are now becoming very noticeable in the study at University of such subjects as Computer Science, Business Management, Banking and Finance and even Agriculture and Engineering. Moreover, women are beginning to emerge as entrepreneurs in small and even medium-sized enterprises producing goods and services. More women should be encouraged in this area.

Finally, we need to step up hard systematic factual research on all aspects of women's involvement in the development process and on any areas - whether by law or custom or attitudes - where women may be consciously or unconsciously the subject of sex discrimination.

**j. People in Programmes and Projects**

Beneficiaries of certain programmes and projects - particularly when they are grass-roots and localised ones (such as those for small farming, land settlement, cooperatives, artisanal fisheries, self-help projects in low-cost housing and public works, literacy and adult education programmes, rural feeder and access roads and specific measures for improving the economic and social condition of women and young people in both urban and rural areas) should always be consulted in the formulation and design of such programmes and projects and actively involved in their implementation. In such cases the need for development from below and the crucial role of people cannot be ignored.

**k. Incentives for Scarce Skills and Difficult Occupations**

In most countries of the world - and particularly so in developing countries - incentives in the labour market are not always rational in that relative rewards for jobs do not always reflect relative degrees of training and skills required and difficulties of particular occupations (for example small farming). In other words, the labour-market is subject to many imperfections, the result of the stickiness of wages and salaries for particular jobs resulting from tradition and custom and, in some cases, Trade Union power. There has also in recent years been a growing tendency in both the public and private sectors to reduce skills differentials in pay by awarding higher percentage increases to employees at the lower end of the wage and salary scales than those higher up. In the longer run the situation usually corrects itself and the forces of supply and demand come into play. But in the short and medium-run Governments should do whatever they can to influence the labour-market towards a more rational structure of incentives, from the point of view of the promotion of economic development. (However, in very high productivity sectors such as mining, wages and salaries will always remain much higher than in the rest of the economy for jobs of the same degree of skill, training and difficulty).

**l. Science and Technology**



We need, as a matter of urgency, to forge a much greater domestic capability in Science and Technology. This is an area which cries out for regional cooperation. First, we need to develop at the CARICOM level a policy on Science and Technology indicating, inter alia, priority areas of action. Second, we should give more support to existing regional Institutes of Applied Research into scientific and technological matters particularly with respect to the adaptation of imported technology to regional needs and circumstances. This is an extremely expensive area where the Region is also very short of appropriately trained manpower and where much regional coordination and consultation are called for so as to avoid duplication of effort and expenditure. The systematic and effective dissemination of information to agricultural and industrial producers should also be stressed.

Indeed, the private sector should be asked to support these initiatives and generally to refer the technical problems they encounter in the process of production to such Research Institutes. Third, since critical mass is essential in most areas of applied scientific and technological research, we in CARICOM need to cooperate closely with Venezuela, Colombia and Mexico and other countries of the Latin American and Caribbean Region.

We also have, through changing the emphasis in Education and through special training programmes for graduates of the University and other tertiary educational institutions, to start learning some of the new technologies in electronics, the information industries and bio-technology. Obviously, we would be followers and not leaders in these areas, but we cannot afford to lag too far behind the economically advanced countries.

**m. Reducing the Brain Drain**

No discussion of Human Resources Development in the Caribbean would be complete without reference to the Brain Drain, which afflicts our area perhaps more than any of the other parts of the developing world. The problem has been exhaustively discussed over the last 25 years and, as far as I know, no really feasible solution has been put forward. Nor do I have any to offer at this point in time. I would merely point out that its incidence could be greatly reduced if persons with entrepreneurial, managerial, professional, technical and craft level skills were to feel that they are wanted and appreciated in their country, can have a fulfilling career there and are reasonably well remunerated for the contribution which their skills make to the development of their country.

**n. Establishment of Human Resources Development Units**

We obviously need to devise comprehensive and workable action programmes in Human Resources Development within the framework of our overall national development plans and strategies. Special Human Resources Development Units should be created in the Central Planning Ministries of Government to coordinate efforts as between the various Ministries and agencies involved in specific aspects

of Human Resources Development - but not to undertake the detailed work themselves. The Units should be staffed with competent persons in fields such as Statistics, Manpower and Demography, Science and Technology, Economic Planning and Health and Education Planning.

(Perhaps one such Unit, operating as a Common Service or Pool of Experts, would be appropriate for all the OECS countries, probably together with Barbados).

The Units should also be responsible for administering all international Technical Assistance Programmes since (apart from meeting short-term emergency needs often connected with the execution and management of development projects) the only valid long-term purpose of Technical Assistance to Third World countries (whether North-South or South-South) is to strengthen national and regional capacities for the formulation and implementation of Human Resources Development Programmes.

**o. Role of CDB in Human Resources Development**

CDB has long been playing a role in the financing of the development of Water Supplies and Sewerage (both essential to Health) and in the provision of global lines of credit to financial institutions for mortgage financing of lower-middle income housing. Through the Basic Human Needs Programme (co-financed with USAID), CDB has also been providing grant finance for smaller projects in the construction of Primary Schools, Health Centres and Clinics, Child Day-Care Centres and small rural Water Supplies. In future We intend also to finance Technical and Vocational Education projects in the OECS countries.

Our Bank has also been providing specialised training in Project Administration and National Economic Management to senior and middle-level personnel in all borrowing member countries.

CDB is also active in the field of Technology. We are now operating a Caribbean Technological Consultancy Service under which a network of technical information centres has been established in the CARICOM countries, these being drawn upon to meet requests for specific technical information from private sector producers throughout the Region. Our Technology and Energy Unit has been also active in the formulation of a CARICOM Science and Technology Policy and in promoting throughout the Region the need for adaptive research on technologies of relevance to the Region.

Finally, the Bank's Management would like to give support to borrowing countries which have to cut back expenditures on vital areas such as Education, Health Services and Nutrition because of budgetary and/or foreign exchange stringencies associated with economic stabilisation and structural adjustment programmes; but regrettably, as a very small Regional Development Bank, we do not have the fairly large quantum of financial resources required. I would

nevertheless appeal to bilateral and other multilateral development agencies to consider meeting this vital need of many countries of our Region.

#### **IV. CONCLUDING REMARKS**

Mr. Chairman, Distinguished Governors:

Our countries past efforts to develop our Human Resources as a means to economic development can be adjudged to have been less than optimal. It could be that our approach has been too scatter-shot .

We need to make an in-depth review of our efforts in this regard and formulate improved and sectorally well-coordinated strategies of Human Resources Development.

But even this is not enough. Of even more fundamental importance is the need to increase the motivation of our people to attain higher levels of initiative, discipline and skilled productive effort.

Such motivation needs to go considerably beyond the level achievable by a more rational system of material incentives. This raises far-reaching cultural and socio-political issues such as the development of a stronger sense of national and West Indian cultural identity, pride in ourselves and therefore, in our work (of whatever kind) and a greater Spirit of individual, national and regional self-reliance.