

NATIONAL DEVELOPMENT STRATEGY

Eradicating Poverty and Unifying Guyana

A Civil Society Document

II CONSTRAINTS TO GUYANA'S DEVELOPMENT

Politics and Race

The major obstacle to Guyana's development is to be found in the divisive nature of its politics. Ever since the years leading up to the country's independence, the nation's every activity has been dominated by two political parties, the main followers of which are drawn from one or other of the two major racial groups. By and large, Indo-Guyanese support the Peoples Progressive Party, and African-Guyanese the Peoples National Congress.

Partly because of the prevalence of fierce racial political rivalries between these two groups, and partly because Guyana's constitution is largely based on the Westminster model which does not embrace inclusivity in governance as one of its main characteristics, there has been little or no meeting of the minds between these powerful political parties on any major political, social or economic issue since Guyana became independent. On the contrary, confrontation of every sort and form has been the norm.

It is evident, however, that if Guyana is to attain even a modicum of development in the next ten years or so, it is essential that a number of decisions, that are based on intelligent, objective discussions and consultations between the two parties, be made. Unfortunately, there is very little that a national development strategy can do about such matters, except to make specific recommendations for more inclusivity in government, for greater participation in the decision-making processes, for increased observance of the principles and tenets which would prevail in a society which cherishes law and order, for greater respect for human rights, and for more openness in government. A detailed strategy for the attainment of these goals has been put forward in the Chapter on Governance in this National Development Strategy (NDS).

Infrastructure

Guyana is very poorly supplied with roads. Although there is a coastal road which runs along most of the country's coastline, it is not continuous, but is interrupted whenever it intersects the main rivers of the country. Moreover, at least one part of this coastal road is not yet completely sealed. There is also a north-south road which begins in Georgetown, and proceeds south to the Takutu river, on the border between Guyana and Brazil. Most of this road, however, has not been constructed to international standards, and at least one stretch of it is difficult to traverse in wet weather. In addition, there is a number of lesser roads which connect the coastal villages to the east-west road. There are very few permanent roads in the hinterland of the country.

Of the existing road network of just over 1,600 miles, only 19 percent comprises primary roads, while 21 percent consists of feeder roads which link coastal agricultural areas to the primary road network.

The gross inadequacy of our transport system militates against our social and economic development in several ways. First, it increases production costs and, therefore, reduces our competitiveness, particularly in the mining and forestry sectors. Second, it inhibits our capacity fully to utilise those of our natural resources (gold, timber, diamonds, soils suitable for agriculture) that are not located on the coastland. Third, by severely limiting communication between those who live on the coast and those who sec < < /MClib Tw -16.994 -9

south. And sixth, our failure to occupy the greater part of our country, might tend to bolster some of the claims of our neighbours to our territory.

Public Utilities

The main public utilities in Guyana are those which provide electricity and telecommunications services. They are owned by two monopolies, in which the majority of shares are held by foreign companies, with the government holding minority interests.

Electricity rates are considered to be high by most customers. Moreover, the services that are provided leave much to be desired: outages and brown-outs are not infrequent, and the consequential damage to electronic and electrical equipment not insignificant.

The telecommunications sector, also, does not, at the moment, appear to be in a position to maximise its contribution to Guyana's development. Access to telecommunications is far from universal. Indeed, unless drastic changes occur, the prospects of even partially attaining such coverage in the near future appear to be remote. This is a somewhat frightening situation, because our effective utilisation of the advances in information technology which have taken place over the past two decades or so, and therefore our capacity rapidly to modernise our economy, depend in large measure on an efficient and modern telecommunications system.

Human Capital

Guyana's educational system, which at one time was considered to be among the best in the Caribbean, deteriorated severely in the 1980s. And although it has displayed a remarkable recovery in the 1990s, it still does not produce the quality of personnel, in the requisite numbers, that is desperately needed if we are going to stand the slightest chance of modernising our economy. The country lacks a critical mass of expertise in almost all the disciplines and activities on which it now depends, and on which it will increasingly rely in the future.

In addition, the educational system does not sufficiently focus on the training of Guyanese in science and technology, on technical and vocational subjects, on business management, and on computer science.

Furthermore, there are wide disparities, among the geographical regions of the country, in the availability of education, both in regard to its quality and in respect of the physical facilities in which it is provided.

Perhaps worst of all, many of the better-educated professional teachers have emigrated to other countries over the past two decades or so, mainly because of the low emoluments which are meted out to them in Guyana. As a result, there is a serious dearth of trained teachers at every level of our educational system.

This shortage of human capital is a most severe constraint to our future social and economic development. Although difficult, it may be possible, over the medium and long-terms, to train and educate a number of the personnel that would be required to assist in the development of our economy in general, and in the implementation of this NDS, in particular. In the short-term, however, measures and strategies must be devised to meet the estimated deficits. These might include the encouragement of expatriate Guyanese either to remigrate permanently, or to return home for specific periods to perform specific tasks; they might embrace the mobilization of overseas Guyanese, who remain permanently abroad, to undertake certain duties, through the utilisation of the new advances in Information Technology; and they might entail the seeking of technical assistance in a number of areas, particularly to implement donor-funded programmes and projects.

Diversification

Guyana relies too heavily for its economic existence on the production and export of a few virtually unprocessed commodities. In other words, the country's economy is almost totally dependent on the production and export of raw materials. Moreover, most of these products are sold in guaranteed preferential markets at prices which even now are generally higher than those that are obtainable in the non-preferential world. As a consequence, the Guyanese producer has had no incentive, indeed no overwhelming reason, to be competitive, to be as efficient as possible.

These objectives virtually speak for themselves. It is necessary, therefore, merely to state (i) that economic growth is essential if the national and sectoral developmental goals that are put forward in this document are to stand any chance of being followed; (ii) that for both economic and ethical reasons no nation ought to tolerate situations in which a significant proportion of its citizens cannot earn enough to provide themselves with the barest necessities of life. Hence the concentration on the eradication of poverty; (iii) that the geographical unification of our country is both developmentally and politically important. Penetrating our interior, and occupying our hinterland would put us in a more favourable position to utilise all the available resources in all parts of our country, would contribute significantly to the moulding of a truly Guyanese society, and would perhaps act as a psychological deterrent to those neighbours of ours who appear to have neo-imperialistic designs on our territory; (iv) that the attainment of an equitable distribution of economic activity would help to remove existing income disparities, and raise the standards of living in areas that are currently economically depressed; and (v) that, as has been already explained, it is vitally necessary to diversify our economy, particularly if we are to survive in the competitive world of globalisation.

IV THE STRATEGY

A multi-pronged strategy has been devised to attain these objectives.

The strategy has been informed by two basic considerations. First, that we could considerably assist in removing the scourge of racism from our land, if we developed and put into practice inclusive systems of governance in which all would feel that they have a stake, in which all would know that they are involved, and in which there were established both procedures and penalties to ensure transparency and accountability. Second, that a considerable degree of harmony would prevail in our country if we were able to formulate and implement social and economic policies which would lead not only to significant economic growth, but also to the widest distribution of the benefits of such growth among the population, no matter in what district they are located, and to what racial group they belong.

Accordingly, the first prong of the strategy has been crafted to ensure that the practices that are followed by all future governments of Guyana are as inclusionary, participatory, accountable and transparent as possible. This imperative applies to the regional and local governments, as well as to the central administration.

The strategy's second prong, which is inextricably linked to the first because the one cannot succeed in the attainment of ethnic harmony without the existence of the other, lies in the domain of macro-economic policy and economic management, and is multi-faceted. It includes (i) reforming the tax system (by eliminating some taxes, reducing others, introducing a more effective and equitable tax, and simplifying taxation procedures). Through this, it is intended to increase the quantum of investment in Guyana, and to provide incentives for investors both to engage in new ventures and to operate in economically depressed areas; (ii) formulating an investment strategy and code both to encourage financiers to invest in the country, and to spell out clearly the terms and conditions under which they would be required to operate; (iii) establishing a one-stop investment agency to expedite and facilitate the actual investment process in Guyana; (iv) enhancing the efficiency both of the country's revenue collection agencies and of those institutions that are charged with procurement, with other forms of expenditure, and with their monitoring; and (v) designing systems that would focus particularly on trade promotion, and on mobilising our economy to export more. In this regard, one aspect of the strategy is the establishment of two Export Promotion Zones.

It cannot be over-emphasized that this macro-economic strategy, while containing vital elements for the

transport infrastructural strategy which, if followed, will result (i) in the rehabilitation and modernisation of the coastal roads, and the placement of bridges across the Supenaam, the Essequibo, the Demerara and the Berbice rivers; (ii) in the construction of an up-to-date north-south road from Georgetown to the Takutu; (iii) in the building of a series of roads connecting both the coastal road and the north-south highway with all the

And finally, a strategy has been devised to implement the NDS. Apart from financing its implementation from government revenues, and from the normal multilateral and bilateral sources of financing, great dependence is placed on the involvement of private sector financiers even in the construction and repair of road, bridge, and port infrastructure. Specifically, it is strategised that we would enter into a build, operate and transfer ownership (BOT) and build, operate, own (BOO) arrangements with potential investors. In return for their services and finances, these investors will either be allowed to charge tolls, or be recompensed for their expenditure by being given the opportunity to utilise our natural resources, or by being paid in cash over a specific period, or through combinations of all these methods.

The obtaining of critical masses of personnel effectively to negotiate with potential investors; to design, build and monitor the construction of the infrastructure that it is planned to establish; to formulate developmental policies and strategies and to oversee their implementation; to increase productivity in the agricultural sector; to enhance our manufacturing capacity and capability;

In addition, by 2010, our economy would have become much more diversified, with the manufacturing, service and information technology sectors making much more significant contributions to our GDP than they now do. This is not

not only be independent, and thus able to make objective judgements, but would also be better equipped to administer justice fearlessly and professionally.

The Environment

By 2010 Guyana would have been subjected to an environmental regime in which no development project which had not passed the rigorous tests of an environmental impact study, would have been approved. Moreover, projects thus approved would have been continuously monitored in order to ensure that the provisions of the relevant laws and regulations and conditions had been followed. In addition, the country's natural resources would have been sustainably managed. Guyana would have been able to practise sustainable management because it would have paid special attention to the training of a requisite number of environmental scientists and environment inspectors, it would have enacted a body of laws that are designed to protect the environment, and it would have put in place, not only a central Environment Protection Agency but, as important, bodies of trained personnel in each relevant ministry or corporation whose tasks it is to recommend policies and programmes to the central Agency. **Special attention would also have been paid to the preparation and implementation of policies to reverse the despoilation of the country's urban areas and to enhance their environmental quality.**

As a consequence, at the end of the period covered by this National Development Strategy, not only would there be evidence that the quality of life in cities and rural areas had improved, that our natural resources were being managed on a sustainable basis, and that the environment in our hinterland was not being degraded, but, perhaps as important, it would have also been made clear that the protection and improvement of the environment was one of the major bases of the country's development strategy.

Macroeconomic strategies

The macroeconomic strategies which would have been pursued between 2001 and 2010 would have been based on a radical reform of the tax system. This would have included

led to inefficient financial intermediation, as evidenced by the wide spread of interest rates. In order to encourage the establishment of more banks, the requirements for establishing banks in Guyana would have been brought into line with those of other CARICOM countries, while maintaining the highest standards of accountability. In addition, special training courses would have been mounted, with the Government's assistance, for the training of the management and personnel of commercial banks. The courses would have been designed to reduce the high costs which they now seem to incur. There would also be in Guyana, by 2010, a greater deposit of personal foreign remittances. This would have been occasioned by permitting Guyanese citizens, resident in Guyana, to hold United States dollar accounts in the country.

In addition, the currently high reserve requirements would have been reduced. This would have not only enabled more banks to be established, but would also have resulted in increased lending by the banks to the private sector for investment.

Transport Infrastructure

It is anticipated that by the year 2010 an inter-connected road system would have been established in Guyana. This network would have been established by the year 2010. This network would have been established by the year 2010. This network would have been established by the year 2010.

- (xi) a two-lane road from Kwakwani eastwards to Epira and Orealla and a two-lane road northwards from Orealla to Moleson Creek;
- (xii) a two-lane road from Marudi to Camp Jaguar, and another from Marudi to Oronoque Camp;
- (xiii) a two-lane road from Orealla to Camp Jaguar;
- (xiv) a two-lane road from Annai eastwards to Apoteri to meet the road from Orealla to Camp Jaguar at Lanaballi River; and
- (xv) a two-lane road from Port Kaituma to Yarakita.

In addition, there would have been constructed high-span bridges across the Demerara River at the same site as the Demerara Harbour Bridge, and the Berbice River upstream of Everton; a series of bridges and causeways linking the islands in the mouth of the Essequibo River to Morasi on the East Bank and Supenaam on the West Bank; and Port Ka

and emphasis would have been placed in the first ten years of the new century to the cultivation of crops such as oil palm, coconuts, green vegetables, ground provisions, fruits and flowers. Although a significant amount of these products would be utilised locally, the greater proportion would be destined for the tourist havens of the Caribbean, and the niche markets of North America and Europe.

This expansion and diversification of the agricultural sector would, as in the manufacturing sector, have been greatly assisted by the tax incentives provided by the government; by the market intelligence made available to producers by the central authorities and by the expansion of the information technology base in the country; by help provided by the government, in some cases, in the actual marketing of the products; and by the research and extension services of the National Agricultural Research Institute.

By 2010 the livestock population of the country would have been significantly increased, and its quality much enhanced. As a consequence, not only would Guyana be self-sufficient in meat and milk, but a considerable amount of our beef production would have been exported. This would have come about because of improvements in the quantity and quality of feed supplies through the local production of energy-based and protein feeds; through the extension of the area available for pasturage mainly by improving the productivity of the saline soils to the north, and the acid soils in the interior; through genetic improvement of the livestock; and through greater attention to animal health.

Perhaps of the greatest significance, however, would have been the boost which the sector would have received through the opening-up of new areas for agriculture. This would have been made possible by the improvement and expansion of the country's infrastructure, the provision of adequate social services in the new areas, and the preparation of land use plans and programmes, with the specific objectives of diversifying the agricultural base and increasing production.

Sugar

By 2010, sugar would have become more competitive because of (i) higher field productivity, based on improved farm practices and improved genetic varieties; (ii) the utilisation of additional areas of land mainly in the Skeldon, and Albion/Rosehall areas; (iii) enhanced sugar recovery through the replacement of the existing obsolescent mills by larger state-of-the-art factories which, in addition to giving higher yields, exhibit significant scale economies. Special benefits would have been obtained through the construction of a new 350 tch factory at Skeldon; (iv) the rationalisation of the industry through the merging of some estates and some operations; (v) the utilisation of diffusion technology at two estates; and (vi) the co-generation of power from both the Guyana Power and Light Company and GUYSUCO's own bagasse.

In addition, private peasant farmers would have been supplying a significant proportion of the cane required for the new mills.

By 2010 also, GUYSUCO would be producing special sugars; would have introduced new pack sizes and packaging; established a distillery; built a refinery; and developed a market in the Caribbean for refined sugar.

Rice

The rice industry, also, by 2010 would have considerably improved its competitiveness. This would have come about by the attainment of increased productivity through better farming practices and the use of improved varieties; increased mill recovery through the modernisation and rationalisation of most of the rice mills; and by achieving greater efficiency in the use of water. In addition, because of the assistance which would have been provided by government in the obtaining of market intelligence, there would be a more diversified international market for Guyana rice, although the major importers would be the Caribbean Community (CARICOM) and the European Union (EU).

Scheme, south of Jagdeo Canal; the Jackson/Moleson backdams; Black Bush backlands; Manarabisi; Hogg Island; Akawini in the Pomeroun; and areas south of the Supenaam River.

In addition, the rice industry would have become much diversified, and rice straw (for mushroom production and as a ruminant feed), rice flakes, and popped rice would have been regularly produced.

Fisheries

The fisheries sector, also, would, by 2010, be displaying much vitality. There would have been increased production of both shellfish and fin-fish in an environmentally sound manner, and the production base would also have been considerably expanded, i.e. both industrial trawling for marine fish and small scale artisanal fishing would have been intensified. In addition, inland fishing, for food and for ornamental fish, and both brackish and fresh water aquaculture would have been much expanded and thriving. Indeed, growth in this sector would have been achieved mainly through the expansion of aquaculture.

Concomitant with the increase in the supply of fish, which would have been exploited on a sustainable basis, would have been a most significant expansion in the country's trawling fleet and processing plant.

The growth of the sector would have been mainly due to tax incentives; the rehabilitation of the Botanic Gardens Fish Culture Station and the efficacy of its pilot-scale demonstrations; the increased harvesting of currently under-utilized marine fish species by private investors; improved quality in the post-harvest handling of artisanal fin-fish; the expansion of cold storage facilities; the provision of market intelligence by the government; the provision of assistance in the marketing of fish (especially ornamental fish) by the government; and the transfer of suitable areas of government-owned land for aquaculture activities.

Forestry

By 2010 all of the State Forests of Guyana would be sustainably managed, through long-term concessions and tenurial arrangements which would have facilitated the obtaining of credit to establish infrastructure, the utilisation and maintenance of modern equipment in both forests and the mills, and the adoption of silvicultural and management systems which ensure the regeneration of the forests. The necessity for conserving the environment in all forestry operations would have been the guiding principle in the utilisation of our forests.

In addition, all the forests would have been regularly inventorised. A full knowledge of the resources would therefore be in the nation's possession.

Moreover, areas for production; and areas to be protected for both environmental and bio-diversity purposes, would have been identified and demarcated. In particular, a significant proportion of our forests would have been specifically set aside for the purpose of carbon sequestration.

All this enhanced activity would have taken place with strict adherence to sound environmental principles.

Because of the increased production of the wood raw material from the forests, and the massive diversification and deepening of the forest industries sub-sector, forestry's contribution to GDP would, by 2010, have grown substantially.

The reasons for the improved contribution of forestry to the country's development; would have been the fiscal incentives provided to both local and foreign inventors; and an expanded, strengthened and more efficient Forestry Commission capable of advising on the sustainable management of the forests, on the type of industries to be established and, most important, of monitoring the performance of the sector in order to ensure that its efficiency and competitiveness are achieved within sound environmental parameters.

Mining

At the end of the first decade of the 21st century, the activities in this sector would have been greatly increased because of improved access to the hinterland, the enhanced security that would have been given to holders of mining titles, the provision of tax incentives and the improvement of exploration techniques and methodologies.

As a result, the mining sector's contribution to GDP would also have grown significantly. The particular areas on which expansion would have been based are the gold and bauxite sub-sectors. After a relatively quiet period in the early part of the decade, the gold sub-sector would have increased production, partly because of an improvement in world prices, but mainly because of the opening of new mines, and the intensification of gold-mining activities by local producers. There would also have been much improvement in the performance of a privatised bauxite sub-sector, and the start-up of a new bauxite company.

In addition there would have been a not insignificant increase in the production of semi-precious stones such as amethyst, agate, green quartz and jasper.

Mining operations would, of course, have been subjected to the prevailing environmental laws of the country, and would have been continuously monitored by adequate numbers of environmental inspectors located within the mining areas themselves.

By 2010, also, there would have been greater local processing of minerals.

Furthermore, greater attention would have been paid to the social conditions prevailing in the mining communities.

It would also have been noted in the survey of 2010 that the quality and compass of primary health care had been significantly improved, a full range of services (preventive curative, supportive and rehabilitative) being offered.

By 2010, also, there would be clear and indisputable evidence that the racial problems which now exist in our country would have, to a large extent, been overcome. This would have resulted primarily because of the sustained improvements of the economy; the more equitable geographical distribution of economic activity throughout Guyana; and the inclusive, participatory systems of governance which had been followed throughout the decade.

In addition to the general influence of the economic environment, a specific strategy would have been followed. The first step of which would have been to teach the history and culture of each racial group throughout the school system, in order to instill pride in their various origins. Second, the strategy would have demonstrated how, from the strengths of all our cultures, a truly Guyanese multi-cultural nation could be woven and how this weaving together of the different strands was absolutely necessary for our survival. Great care would have been taken in the selection of both reading material and teachers. Special techniques would have been used in this important exercise.

The Family

The Guyanese family too would, in 2010, be much more self-reliant than it is today. This metamorphosis would have come about because the majority of the members of the family would be better educated; be in better physical health; would be better housed and sheltered; and would be in a much better economic position than they were in 2001, because of the greater access to educational and health facilities, and the increased availability of jobs and job opportunities.

Moreover, because a Family Code would have been formulated and implemented, to give guidance to families on the maintenance of values and acceptable standards of conduct, the dysfunctional behaviour which was so integral a part of the characteristics of some Guyanese families, at the turn of the century, would have to a large extent been replaced by more understanding and co-operative attitudes. Indeed, the tenets of this Family Code would have been taught in both primary and secondary schools by teachers and social workers specially trained to impart such attitudes and ways of life to the young.

Because, also, special attention will have been paid to the child, the youth and the elderly in our society, their conditions would have been much improved, e.g. programmes on drug and alcohol abuse, domestic violence, and teenage pregnancies would have been mounted for our youth; the NIS's medical care benefits would have been continued after retirement specifically to help the elderly; new senior citizens institutions would have been built to specifications which ensured that all the special services necessary for the comfort and security of the aged were in place; a programme of home-help for them would have been instituted; and facilities for adult training to give retirees a chance to update their skills and enable them to continue to contribute to the development of our society would have been put in place. Furthermore, arrangements would have been legalised for the state to provide counselling for abused and abandoned children; and legislation would have been enacted to increasing the minimum amount of child maintenance, to regulate day-care practices and facilities, and to empower the Children's Services Unit to remove children found to be in dangerous and threatening situations from their parents or guardians.

This list of the strategies laid down in the NDS to assist the child, the young and the elderly in our society, and people with disability is not exhaustive. It indicates however, the improvements which would have occurred, within the family, by 2010, if the strategy were followed.

Land

By 2010, all those who desire land in Guyana, would be in a position to acquire it easily and expeditiously. This would have come about because of the drastic removal of the red tape which hindered the transfer of land in Guyana, up to the year 2001; and by decisions of the State to lengthen the duration of leaseholds so that they might be used as collateral in loan transactions, to sell or transfer land of a minimum area to individuals; and to grant land, free of charge, to all those who are below the poverty line and desire such ownership. Restrictions would have been placed on speculating with this granted land within a specified period, and conditionalities would have been enforced in respect of its beneficial occupation.

In addition, those institutions that are responsible for the registration of land, and the transfer of titles, would have been made more efficient through the upgrading of their staff, the computerisation of their operations, and the rationalisation of their functions.

As a result, Guyanese in 2010 would not find it as difficult, costly and time-consuming, as they now do, to acquire and dispose of land, provided that they respect and meet the requirements of the zoning laws, and conform to the Environmental Protection Act.

Perhaps most important, the claims of the Amerindians and African Guyanese for the utilisation and titling of what may be generically described as 'ancestral land' would have been resolved.

Tourism

One of the most radical changes in Guyana's social and economic structure, by 2010, would have occurred because of the operations of the eco-tourism sector. By 2010, the contribution of tourism to our GDP would have overtaken that of many of the traditionally important sectors in our economy. This would have come about because of the

CHAPTER 3

GOVERNANCE

3.1 THE CONCEPT

- 3.1.1 The United Nations has defined governance as the exercise of political, economic and administrative authority in the management of a country's affairs. Governance comprises the complex mechanisms, processes, relationships and institutions through which citizens and groups express their interests, exercise their rights and obligations, and mediate their differences. Good governance is characterised by participation, transparency, accountability, effectiveness, equity and strict adherence to the rule of law.
- 3.1.2 Participation occurs when citizens or their representatives possess adequate and equal opportunities to initiate discussions on issues which concern them, to be consulted on matters of national or regional or parochial interest, to express their views and preferences on these issues and matters, and to play a role in formulating the ultimate decisions.
- 3.1.3 Transparency may be described as the absence of secrecy in all transactions and activities of the government, except those specifically excluded by law. Transparent systems of governance permit a wide range of information to be accessible as of right; are characterised by clear procedures for decision-making; and have open channels of communication between stakeholders and officials. Such systems enable citizens to scrutinise and assess all aspects of a government's business, to uncover wrong-doing, and to protect their rights.
- 3.1.4 Accountability is simply the requirement that government officials be responsible to citizens for any malpractices which they might perpetrate during the course of their work. Transparent systems of governance are a prerequisite of accountability.
- 3.1.5 It is possible, of course, for a government to be participatory, transparent and accountable and yet be ineffective. It should be obvious, however, that effectiveness, the capacity to realise objectives, is of paramount importance. As the United Nations has succinctly expressed it, "effectiveness requires competence; sensitivity and responsiveness to specific, concrete, human concerns; and the ability to articulate these concerns, formulate goals to address them, and develop and implement strategies to realise these goals."
- 3.1.6 The term equity speaks for itself. It implies that an essential element of good governance is that all citizens should be treated justly and without partiality; that no group, or race, or religion, or class should be discriminated against or given special privileges.
- 3.1.7 The final concept is that of the rule of law. The basic features of this fundamental of good governance are that (i) the law must prevail over all persons, and all institutions, including even the government (ii) citizens must be shielded from arbitrary and unlawful acts by other persons and by the state; and (iii) all citizens should be given equal treatment before the law and should be subject to the law. The rule of law is an essential precondition for accountability. For the rule of law to prevail there must be *inter alia* knowledge of the law and the legal system, an independent magistracy and judiciary, an uncorrupted and incorruptible police force, and the nondiscriminate application of the law itself.
- 3.1.8 **It is now generally acknowledged that there can be little lasting and sustainable social and economic development in the absence of good governance.** This is true for all societies. It is

especially true, however, for multiracial societies such as Guyana in which obsessions with ethnic origins often transcend policies, plans, strategies and performance.

3.1.9

Bad governance inhibits sound economic development in several ways. First, it creates a tension between the government and those who perceive that they are being excluded from government, or are being treated unfairly by the legal system or by law enforcement officers. The results are unnecessary strikes that occur too frequently and persist for too long; other forms of economic sabotage; frequent street marches, demonstrations, and other types of protest; and a general environment of disorder and upheaval. Second, there is often a reduced respect for established authority. Laws are therefore flouted as if to countervail against the illegalities that are intrinsic in bad governance. Third, it is often accompanied by corruptere ia lospes or denue pt

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(iv) putting into place institutions which would monitor the performance of the general economy, and of the private sector, not only to assist in its successful development, but also to make certain that the interests of Guyanese citizens are always taken into account.

- 3.II.6.3 This entails the identification of a range of possible developmental objectives and the selection of those that would be most beneficial to the Guyanese people; the analysis of the various options that might be available for the attainment of the selected objectives; the formulation of plans and strategies to optimise the returns from the chosen objectives; and the devising of methodologies, mechanisms, and institutions to implement the strategies and/or to monitor their implementation.
- 3.II.6.4 Such a Public Service must possess the skills of policy formulation and policy analysis; must be knowledgeable of relevant modern technologies and techniques; must either have at its disposal the most up-to-date information on a wide spectrum of topics, or know how to gain and interpret such information; must be able to analyse and adapt this knowledge to Guyana's needs, situations and environment; and must be able to apply such information in its dealings with the Private Sector.
- 3.II.6.5 Guyana does not have such a Public Service. Although the country is fortunate to possess a number of Public Servants with the capacity to perform many of the policy-making, administrative and technical functions of a modern government in a developing economy, critical masses of well-trained and experienced Public Servants do not exist in many areas. Indeed, in several vital disciplines, there is a complete absence of qualified personnel.
- 3.II.6.6 The Guyana Public Service is too large in certain non-essential areas and too small in many crucial fields. Moreover even where required skills are available, they are often under-utilised because of poor deployment practices and the existence of weak institutions.
- 3.II.6.7 In almost every tier of the Public Service morale is low. It is low because of still unrewarding salaries, a perception of political interference by employers, and a dearth of incentives. There are no merit rewards, and the system of annual increments has long been abolished. As reprehensible as the absence of rewards is the absence of penalties for inefficient performance.
- 3.II.6.8 On top of all this, Public Servants operate in systems which not only lack transparency and accountability, but in which mechanisms for asserting authority have broken down. It should not be surprising, therefore, that the probity of the Public Servant is most suspect, and that some of them have been accused of demanding and accepting bribes. The practice of rent-taking is allegedly particularly rife in the revenue collection agencies, and in those institutions that are involved in the tendering processes, and in the execution and implementation of government contracts, e.g., in the procurement of medicinal and educational supplies, and in the establishment of transport and building infrastructure. There are also serious claims that there is much discrimination and corruption in the allocation of land and housing.
- 3.II.6.9 Although many of these claims and allegations might be unprovable, there is little doubt that all the procedures which permeate these activities provide opportunities for fraud. The reform of the Public Service, which is now in process, should therefore be intensified, with a view to streamlining its structure and rationalising its activities. Special attention needs to be paid to the internal structures and working procedures of individual ministries and departments, the relationships and linkages among them, the objectives and functions of the various Boards which have been established, and the strategic utilisation of personnel who possess skills and expertise that are in much demand throughout the Government, but are in short supply.
- 3.II.6.10 Salaries, incentive schemes, packages of perquisites, and the enticement of expatriate Guyanese to return to their country of birth to fill certain positions, will have to be examined. Perhaps above all,

systems which ensure accountability and transparency, and which increase the possibility of detecting illicit acts, would have to be established.

3.II.6.11

The term public administration includes, of course, Ministers and the entire ministerial apparatus. Because, in Guyana, many allegations of financial impropriety are levelled at this group, it would be necessary to define clearly the responsibilities of Ministers and to distinguish them from those of public servants. There is also need to examine carefully the entire ministerial structure; to determine whether there are too many ministries; to enquire, for example, whether the duties of the Ministries of Trade and Finance overlap, and whether the responsibilities for some aspects of economic development, which seem to have been assigned to the Ministry of Foreign Affairs, do not add yet another unnecessary layer to the bureaucracy; to consider whether there is not duplication and waste in possessing both a Ministry of Agriculture and a Ministry of Fisheries, Crops and Livestock when in a reformed Public Service all that should be required of Ministries is the formulation of policies and the monitoring of their implementation. Moreover, it would be essential to establish transparent and accountability procedures which would make it easier to detect and punish transgressions. An

- 3.IV.1.6 Legal provision will be made for all regional assemblies to make laws, within clearly defined boundaries, and for them to impose taxes.
- 3.IV.1.7 Parliament will devise a formula for the sharing of state funds among the centre, the regions, the

appointments to the Court of Appeal and the High Court will be subjected to the approval of Parliament, by a two-thirds majority;

the Judiciary will be financed by a special vote on the Consolidated Fund and managed by a separate financial administration responsible to the Head of the Judiciary. To provide the Judiciary with its own budget both bolsters its independence an

3.IV.3.7 The range of the mandate of the Civil Rights Commission will be wide. It will cover discrimination on the basis of race, sex, physical disabilities, religion and national origin; it will include discrimination in respect of voting; and it will embrace, *inter alia*

- 3.IV.4.8 Special compensation packages will be offered to Guyanese experts who possess rare skills that are needed in Guyana to encourage them to join the Public Service if they are already in Guyana, or to return home if they live abroad. UNDP's TOKTEN programme, which funds expatriates of developing countries for short periods in their own countries, will be utilised more intensively. In addition, a register of expatriate Guyanese will be prepared and arrangements will be made with those who are willing to do so for them to undertake a number of duties while living abroad, through the utilisation of Information Technology.
- 3.IV.4.9 A code of conduct will be established for public servants. Penalties will be prescribed for breaches of this code. These penalties will be strictly enforced.
- 3.IV.4.10 The system of annual increments will be re-introduced. These increments will, however, not be obtained automatically. Civil Servants will be required to receive positive recommendations from their supervisors before earning these increments.
- 3.IV.4.11 The Ministries of Agriculture, and of Fisheries, Crops and Livestock will be merged.
- 3.IV.4.12 There will be a new Ministry of Natural Resources which will be responsible for the mining and forestry sectors. The forestry activities now performed by the Ministry of Fisheries, Crops and Livestock will be absorbed by the new Ministry, as will the wide range of activities currently undertaken by the Guyana Natural Resources Agency, which will be abolished.
- 3.IV.4.13 The functions of the Ministries of Finance and Trade, and the activities of the Ministry of Foreign Affairs which impinge on economic development, will be rationalised.
- 3.IV.4.14 A National Anti-Corruption Committee will be established and charged with the responsibility for devising and monitoring a strategy against corruption. In effect, this body will constitute a citizens' oversight board. Its duties will be to (i) assess the government's procedures in public procurement, tendering, contracting, and make recommendations for their improvement; (ii) investigate public complaints of corruption that are brought to its attention; (iii) identify key areas on which the anti-corruption effort might focus in the first years of its operation; and (iv) monitor the performance of any procedures against corruption which have been established. This National Anti-Corruption Committee will be a civil society organisation comprising representatives of the trades unions, the private sector, the consumers' association and various professional organisations.
- 3.IV.4.15 A systematic review of the discretionary powers now wielded by ministers and public servants will be undertaken. Thereafter, these discretionary powers will be substantially curtailed in order to reduce the possibilities of venality. Replacing these discretionary powers will be well-defined rules of procedures that are designed ultimately to eliminate corruption in the country.
- 3.IV.4.16 The Auditor General's office will be strengthened. More resources would be devoted to its modernisation and the introduction of new technologies.
- 3.IV.4.17 The accounting services in all government departments will be strengthened.
- 3.IV.4.18 A public information campaign against corruption will be mounted.
- 3.IV.4.19 It has been demonstrated in many parts of the world that corruption is a symptom of fundamental economic, political, and institutional causes. Accordingly, a number of social, political and economic reforms have been proposed as an integral part of the overall development strategy. Among these are some which would unambiguously reduce opportunities for corruption: lowering tariffs; eliminating enterprise subsidies; minimising regulations, licensing requirements, and other barriers to entry for

new firms and investors; privatising assets; enforcing prudent banking regulations and auditing and accounting standards; improving financial management and tax administration; and strengthening the legal and judicial systems.

- 3.IV.4.20 Tender Boards will be re-organised in order to provide civil society with the dominant role in the tendering system. The procurement of goods and services for every level of governance will be regulated by an Act of Parliament, which would make provision for the appointment of independent and impartial tender boards to deal with such procurement.
- 3.IV.4.21 The tendering system will be fair, public and competitive and tender boards will on request give reasons for their decisions to interested parties.
- 3.IV.4.22 No organ of state and no member of any organ of state will improperly interfere with the decisions and operations of the tender boards.
- 3.IV.4.23 All decisions of all tender boards will be recorded.
- 3.IV.4.24 A unified Procurement Code will be formulated. This will establish the basic principles and practices to be followed in public procurement.
- 3.IV.4.25 Bidding documents will be standardised, and simplified purchasing procedures for special kinds of procurement will be established.
- 3.IV.4.26 A public information programme will be mounted. It will be addressed to all parties, the public, suppliers, contractors and officials, and would clearly define all the procedures that relate to the public procurement of goods and services.

CHAPTER 4

MACRO-ECONOMIC STRATEGIES AND THE MANAGEMENT OF THE ECONOMY

4.1 THE STATE OF THE ECONOMY

- The exchange rate of the Guyana dollar to the US dollar in 1991 was 122.75. In 1992 it was 125.00; and in 1998 it was 165.25. At the end of 1999 it had depreciated still further to 180.00.
- Since 1990, the inflation rate in Guyana has been significantly contained. In that year it was over 100 percent; by 1991 it had fallen to 26.1 percent; it was reduced to 8.1 percent in 1995,

- 4.1.13 **The basic problem is that Guyana's economy is too narrowly based and is not sufficiently diversified. Moreover, the country relies almost exclusively, for its economic development, on the production and export of raw materials.** Very little value is added to that of the raw materials before they are exported, and the manufacturing sector is still, in many respects, embryonic.
- 4.1.14 There are other underlying weaknesses in the economy, which remains rooted to a great extent, in the 19th century. We still, by and large, depend upon the commodities which we produced and exported in the colonial era. We still, more or less, utilise the same technologies. And we still, to a great extent, experience the same infrastructural and utility deficiencies. In short, the economy has not been modernised.
- 4.1.15 Moreover, even the growth in GDP which has occurred since 1991, has not been widespread enough to have had a positive effect in many parts of the general economy. It has not been developmental. It has taken place in relatively small economic enclaves, and has positively affected only a relatively few of the country's population. As a consequence, one out of every three persons in Guyana exists below the poverty line, and is therefore unable to put together a sufficiency of resources to provide himself or herself with the very basics of life. Moreover, approximately 50 percent of the workforce in this country has no jobs, although only 9.1 percent of them acknowledges that they are seeking employment.
- 4.1.16 In addition, there seems to have been little or no attempt to integrate poverty alleviation measures into the mainstream of macroeconomic policies. Very few fiscal incentives, for example, have been directed specifically to poverty-stricken areas and groups; and not enough attention seems to have been paid to the specific problems of job creation. Reliance for the alleviation of poverty has been placed almost entirely on SIMAP, and non-governmental organisations which have simply been overwhelmed by the magnitude of the task, and have not therefore responded as effectively as it was hoped.
- 4.1.17 Much progress has been made, however, on the construction of social infrastructure. For example, many more schools have been built and a significant amount repaired and refurbished. Furthermore, a number of health centres and hospitals, including particularly the Georgetown Public Hospital, has been extensively rebuilt and more effectively equipped. Indeed, expenditure in the social sector has risen almost exponentially between 1991 and 1999.
- 4.1.18 Perhaps the underlying cause of our developmental woes, however, has been our failure to attract more significant amounts of investment to our country. We cannot diversify our economy, we cannot produce more goods and services, we cannot attain even a modicum of equity in our development, at both the individual and regional levels, unless there is more investment in Guyana. This is one of the major problems which shall be addressed in this National Development Strategy.
- 4.1.19 In the latter half of 1999, Public Servants received a significant rise in their emoluments. This they deserved, for their wages and salaries were abysmally low. However, it should be obvious that the gradual but persistent reduction in the budgetary deficit which had taken place during the preceding decade would be curtailed to some extent, unless steps are taken immediately to increase the revenue base and to improve the efficiency of revenue collection. The options for decreasing expenditure are few.

4.II ISSUES AND CONSTRAINTS

4.II.1 The macroeconomic constraints which hamper the smooth and rapid development of Guyana's economy are many and varied. Some are caused by occurrences in the external sector; most exist because of our country's own short-comings and deficiencies. Whatever the source of our problems, collectively they hinder our competitiveness, inhibit investment and capital formation, and adversely affect our capability to manage and administer the country's affairs effectively and efficiently.

4.II.2 **Globalisation**

4.II.2.1 In the context of this National Development Strategy, the term 'globalisation' is used to describe the closer integration of the national economies of the world, particularly through trade, and capital and financial flows. In a sense Guyana is already globalised. Because of the small size of our local markets, and because of the economies of scale that are inherent in many of the production processes which we employ, we are often forced to produce more than we can nationally consume, and must therefore export our surpluses. Moreover, it is of course essential that we earn a sufficiency of foreign exchange to purchase those goods and services that are vital to our development, but are not produced locally. It is evident, therefore, that we have no choice but to trade. In other words, there is no alternative but to take part in the process of globalisation.

4.II.2.2 What seems to be the cause of concern in this regard, however, is the high probability that Guyana's exports would be unable to compete in the open market, if the preferential access and relatively high prices which they now enjoy were removed. Although the indications are that for the next eight years or so our access to these areas would be maintained, it is almost certain that the prices offered for our commodities would be reduced. Indeed, there are already clear signs that this process of price

tariff levels represents a positive trend. Nevertheless, customs levies still exist, and the fact that they adversely affect the exporting sectors to some degree should be recognised, and reconciled with the necessity of collecting more revenue.

- 4.II.2.6 Second, exports from Guyana are made more costly than necessary by the inadequate state of transport infrastructure, and by the currently restrictive policies for commercial aviation. Although these constraints are not macroeconomic in nature, they are flagged here because of the importance of the competitiveness of our exports.
- 4.II.2.7 Third, the difficulties that domestic firms experience in obtaining credit and, sometimes, in getting foreign exchange, place them at a disadvantage vis-a-vis their competitors in other countries, and point to the need for continuing improvements in the domestic banking system. The very high levels of excess liquidity, which the banks have accumulated in the face of urgent needs for working capital by businesses, is a clear symptom that the system of financial intermediation is still deficient in some important respects. The downward trends in real interest rates are a welcome sign but do not fully address this concern. The automatic approval of dollar loans, and the introduction of measures which oblige domestic banks to engage in interbank trading in foreign exchange, are steps which should be urgently taken.
- 4.II.2.8 Elsewhere in this document we emphasise the necessity to enhance our competitiveness through the reform of our institutions, through the provision of fiscal incentives for export and for marketing, and through the improvement of the quality of our infrastructure. Indeed, the whole thrust of this strategy is to improve our competitiveness through increases in productivity. Such an approach would have

confidence in a government, capital flight occurs and the wealth of the country is undermined. Without confidence, skilled human beings emigrate and the country's major resource is woefully depleted.

4.II.3.3 Moreover, no person or group in Guyana should make pronouncements which, wittingly or unwittingly, may cause potential investors to shy away from risking their financial resources in our country.

4.II.3.4 Above all, a clear investment strategy and statement of principles, which provide comparable

4.II.5.5 Financial instruments that are available to the investing public consist mainly of treasury bills. Financial reforms in Guyana since mid-1988 have resulted in a shift from a system of monetary control by using interest rate ceilings, quantitative credit quotas, and reserve requirements, to one based on the use of

sector for access to funds on financial markets, as its deficit is reduced. Lower interest rates in turn stimulate growth, by promoting fixed investments and the acquisition of working capital for production.

4.II.7.4 In contrast, the policy of using high rates to attempt to stabilise the exchange rate has not been sustainable, has had negative effects on investment, and has been prejudicial to the expansion of production. It has not been sustainable because in the long run Guyana depends on exports to generate both more employment and more foreign exchange earnings. Any policy that inhibits export development undermines the exchange rate eventually. In its defence, it can be argued that the high lending rates, and the prevailing high margins of financial intermediation, have saved Guyana from the bank failures which have occurred in many other developing countries. Moreover, interest rates have to rise in the immediate aftermath of a significant depreciation, since domestic inflation will increase as a consequence of the rise in the cost of imports, and low or negative real interest rates are not conducive to the mobilisation of savings. These points must be acknowledged but, after the short-term effects of the depreciation have passed, it will be important to put policy on a path of effecting gradual reductions in real interest rates. The recently announced reduction in required bank reserves marks a step in that direction, but more still needs to be done.

4.II.7.5 Achieving the second objective of widening the social safety net requires expanding SIMAP and related programmes. This is a short-term measure. Of greater importance is the formulation of policies which would lead to greater job creation and more intensive economic activities in depressed areas. The attainment of this objective can also be promoted through innovative social policies, such as we have outlined in the Chapters on Housing and on Land in this NDS.

4.II.7.6 Obviously, there can be a contradiction between the goals of reducing the fiscal deficit and expanding the social safety net. However, this contradiction can be avoided by appropriate policies such as the following:

- in the first place, it is anticipated that there will be a modest reduction in external interest payments, as a result of fulfilling the conditions for debt relief under the HIPIC conditions. These fiscal savings can be devoted in part to supporting the basic needs of low-income families;
- secondly, tax administration can be improved considerably, thus generating significantly more revenues. This issue is discussed at length below;
- thirdly, it will be important to continue to effect gradual reductions in government staffing. The current rate of expenditure on government salaries, as a share of GDP, is high by the standards of developing countries. However, such reductions should be made in a humane way. This matter is also examined more thoroughly in other parts of this NDS.

term. So much so that one international advisor on tax administration in Guyana has characterised our existing tax collection system as "a charitable operation," referring to the practice of tax payments being sent in only by those who desire to do so, and to the fact that there is no follow-up mechanism in place for those who default.

4.II.8.2 The reforms that have been proposed in the context of the new Revenue Authority include the universal promulgation of a unique taxpayer identification number, computerised procedures for assessing the degree of compliance, procedures for follow-up in cases of failure to file tax returns, procedures for audits, higher penalties for lack of compliance, and procedures for the filing of grievances on the part of taxpayers. The planne

among other things, encourage companies to declare earnings instead of classifying them as cash reserves, or investments under loose definitions of the term, or other kinds

4.II.14 Access to Markets

4.II.14.1 To improve the access of local products to international markets, government and the Private Sector Commission should consider the following:-

- adopt a cost sharing formula to recruit experts to advertise Guyana's products abroad, and
- share costs to send private sector delegations to participate in international trade fairs.

4.II.15 Improving Quality Standards

4.II.15.1 One of the major constraints facing the private sector is maintaining high standards for products that are earmarked for the external market. The provisions of the World Trade Organisation (WTO) in terms of packaging and other set standards, further complicate the issue. It is important that exporters not only strive to improve the quality of their products, but also to ensure that products conform to the standards of the WTO.

4.II.16 Ensuring regular supplies of goods to the market

4.II.16.1 Several reasons have been given for the inability of the local private sector to meet their orders regularly, either in the Caribbean or elsewhere. While poor shipping facilities and poor road networks in the interior may contribute to this, the lack of proper planning by suppliers and the absence of private sector institutions to ensure that members meet their obligations are largely to be blamed. Measures should be taken to ensure that these *lacunae* are filled.

4.II.17 Export Promotion Zones

4.II.17.1 As we have often stressed in this document, Guyana's economy must in future be essentially export-oriented. To this end a number of fiscal measures has been proposed to provide incentives to exporters and to enhance the competitiveness of our exports. An additional mechanism, which has been successfully employed in many countries, is the establishment of Export Promotion Zones (EPZs).

4.II.17.2 The importance of having Export Promotion Zones in Guyana cannot be overemphasised. Such zones can become a source of dynamism for the entire economy in terms of efficient production, economic diversification, expansion of employment, provision of much needed foreign exchange, investment and technological transfer.

4.II.17.3 One of the outstanding characteristics of an EPZ is its ability to provide large amounts of employment opportunities for the labour force. To the extent that goods and services produced in the EPZ are labour-intensive, which they usually are, the relatively lower wages prevailing in Guyana would constitute an important advantage over other competitors in world markets, although we will have to ensure that the productivity of our labour is somewhat enhanced.

4.II.17.4 It should also be emphasised that EPZs usually provide an important income source for low-income families. Moreover, they can become a most significant additional income source for a family, thus improving living standards. Also, though a fraction of intermediate inputs is imported, an important share of exports from an EPZ is usually based on domestic products. In addition, although non-tradeable components can be very significant (electricity, construction materials, machinery maintenance, etc.), local producers can also supply several tradeable components more efficiently if their domestic production is sufficiently competitive and international transportation costs are high. Furthermore, an important aspect of EPZs is their ability to attract investment not only from abroad but also from domestic sources. Although it can be argued that there is some diversion of investment from

domestic projects towards EPZ activities, it is also very likely that an important source of funds corresponds to a reduction in capital flight and rent-seeking activities or, at worst, a contraction in socially less profitable investment projects.

- 4.II.17.5 Another aspect of investment in EPZs is their contribution to human capital accumulation. A successful firm in an EPZ requires qualified personnel in production and, probably more important, marketing activities. Labour force training, as well as developing managerial capacities, is therefore key to the success of an EPZ. These factors in turn have important spillover effects on the rest of the economy.
- 4.II.17.6 One usually overlooked advantage of EPZs is their role in bringing in and transferring technology to the rest of the economy. The establishment of a firm that will compete directly in foreign markets requires a high degree of specialisation and quality control. There can therefore be significant effects on efficiency and overall welfare. Moreover, when using domestic intermediate inputs, the requirement of quality goods delivered in a timely manner imposes a competitive discipline on the rest of the economy.
- 4.II.17.7 In setting up an EPZ, two considerations should guide the project: the fostering of dynamic comparative advantages and the requirements for private sector development. By *dynamic* comparative advantage is meant the development of industries that are not yet in production but could arise from the working of the EPZ. In Guyana, although the advantages of developing forestry industries (such as sawn wood or plywood) for EPZs would be apparent in view of the country's abundant forests, it is likely that wood derivatives such as doors or furniture or parquet flooring may represent a better long-run investment strategy. In a similar manner, the processing of diamonds and gold could become an important source of value added. In addition, clothing assembly plants are a possible area for investment.
- 4.II.17.8 It must be understood from the outset that an EPZ should be a private sector business area. The attractiveness of an EPZ for the private sector would be based, in great part, on the fact that firms are allowed to develop in an environment that, being free of Government intervention, can guarantee investment returns and the required flexibility to adjust to world market conditions.
- 4.II.17.9 It is necessary, however, in establishing an EPZ that Government define which exporting activities are to be developed in such zones; set the basic regulatory framework for EPZ activities (e.g., labour regulations and protection, legal responsibilities, installment fees, etc.); establish the locations, in consultation with the private sector, on which EPZs would operate; provide adequate infrastructure for the EPZs to be successful, especially adequate deepwater harbour facilities; provide the land for the EPZs very cheaply or at no cost; and establish the criteria for the selection of enterprises for the EPZs. These criteria should emphasise employment, and the net export earnings generated per unit of investment.

4.II.18 Privatisation through broad-based ownership strategies

- 4.II.18.1 A number of state-owned enterprises in Guyana still remain to be privatised. In order to involve more Guyanese both in the privatisation process, and to encourage them to participate more in the ownership and development of the country's economy, such privatisation, wherever possible, should be founded on broad-based ownership strategies. Similar requirements in other parts of the world have led to the development of voucher-based mass privatisation programmes in Central Asia, Eastern Europe, and in the former Soviet Union; to non-voucher variations that pool equity that is distributed to citizens in countries as diverse as Bolivia and Zambia; and to discounted public offerings to elicit worker participation in privatisation, or to achieve a wide ownership of privatised firms, in many other countries. These three basic techniques for achieving broad-based ownership: voucher – based programmes, collective investment programmes, and public offerings, offer social advantages over more traditional privatisation methods. They also contribute to the development of capital markets.

- 4.II.18.2 Unlike traditional privatisation methods, broad-based ownership schemes allow governments to address concerns about the distribution of wealth. Redistribution can be accompanied by issuing vouchers (the number or value of which may vary with the recipients age or years of work), by offering discounts on shares, or by limiting participation in collective investment schemes to low-income groups.
- 4.II.18.3 Moreover, public offerings of enterprise shares have been used by many developing countries in order to achieve widespread share ownership. To be successful, public offerings require a well-functioning and absorptive domestic capital market.
- 4.II.18.4 Guyana should explore the possibilities of adopting one, or a combination, of these broad-based ownership strategies as the means of privatising its remaining state-owned enterprises.

4.II.19 Stock Exchange

- 4.II.19.1 It is desirable that a Stock Exchange be established in Guyana as early as possible, for a number of reasons. First, it is one of the general objectives of this National Development Strategy to create an environment in which all citizens are given the opportunity to participate in all of the country's development activities, but especially in governance and as stakeholders in the firms and businesses of as wide a cross-section of the economy as possible. Second, if the proposals for collective investment which have been put forward in earlier sections of this chapter are to bear fruit, suitable mechanisms

4.II.21.3 As part of implementing this strategy, the following should be considered:-

the Private Sector Commission should be assisted to restructure and seek loans for 'distress' companies through the provision of experts;

assistance should be sought from multilateral and bilateral donor agencies for training and workshops in modern management practices for private sector companies; and

reviews to reduce the debt-servicing burden of participating 'distress' companies should be undertaken.

4.III THE OBJECTIVES

4.III.1 At the beginning of the 1990s the objective of our macro-economic strategy was necessarily stabilisation and structural adjustment. However, the successes of our efforts throughout that period now demand that the aims of our policy be significantly extended.

4.III.2 The successes to which we refer include, among other things, bringing inflation under control; freeing up prices throughout the economy, including interest rates and the price of foreign exchange; privatising state-owned assets to make them more productive; increasing fiscal revenues; reducing the fiscal deficit; lowering customs duties on average; generating adequate levels of foreign exchange reserves; substantially reducing the external debt; and strengthening, in some measures, the country's financial institutions. And although, as has been pointed out, problems still remain in several of these areas, the broad picture is quite different from that which obtained in 1989. For that reason, the priorities of macroeconomic policy should now embrace

- ensuring a broader tax base, a more uniform rate structure within each type of tax, a reduction of the reliance on indirect taxes, greater revenues from user fees, and improved tax collection methods; and
- promoting policies that enhance the role of the private sector in the economy and encourage greater levels of participation in decisions related to economic development and economic management on the part of families, communities, associations of diverse kinds, and local governments.

4.IV THE STRATEGY

4.IV.1 Monetary

- 4.IV.1.1 The volume of bond emissions for the purpose of liquidity sterilisation will be reduced. This will be done, first, because these bonds ultimately aggravate the problem of fiscal indebtedness; and second, because it is now clear that it is

4.IV.2.2 Because the country has committed itself to reducing the Common External Tariff, its tax base needs to be broadened even to maintain current levels of revenues. This will require among other things, a move from the consumption tax to a value added tax (VAT) regime. Under a VAT, the final consumer pays the tax, regardless of whether it is a good or service that is purchased. As has been emphasised,

- 4.IV.2.12 Corporate taxes for non-commercial companies will be reduced to 30 percent.
- 4.IV.2.13 Corporate taxes for commercial companies will be reduced to 40 percent.
- 4.IV.2.14 The annual licensing fees for motor vehicles will be significantly increased.
- 4.IV.2.15 A special tax regime will be developed for the export items that will be produced in the Export Promotion Zones.
- 4.IV.2.16 The royalty and licensing regimes for forestry, fisheries and mining will be revised as indicated in the sectoral chapters devoted to these subjects. Overall, more revenues would be generated thereby.
- 4.IV.2.17 All residents will be permitted to have foreign currency accounts in local banks.
- 4.IV.2.18 All discretionary powers in respect of all types of taxes will be removed.
- 4.IV.2.19 In future, tax holidays will not be granted on an individual basis, but will be applied to all forms of productive enterprises, both domestic and foreign, and will be for a maximum duration of five years.
- 4.IV.2.20 The thresholds for the payment of personal income tax will be considerably increased over time with a view to reducing their role in the revenue system, and thereby assisting in the evolution of a more equitable tax system in Guyana.
- 4.IV.2.21 Prior to the establishment of the Private Sector Development Bank, an arrangement will be worked out with the Private Sector whereby distressed businesses will be granted

- (v) inform the Minister of Finance and, through him, relevant ministries and central government institutions, on a regular basis, of the applications received, their status, and of the reasons either for their approval or rejection.

4.IV.3.15 The authority to approve investment applications for various developmental activities and for different sectors of the economy will have been delegated to the Minister of Finance by the several line Ministries. The Minister of Finance will in turn delegate approval authority for a selected number and levels of activity, to the Director of the Investment Authority.

4.IV.3.16 Such delegation of authority from other Ministries to the Ministry of Finance, and from the Minister of Finance to the Head of the Investment Agency, would have been much facilitated by the total removal of the prevailing discretionary powers, and by the specificity of both requirements and incentives.

4.IV.3.17 The Investment Agency will be staffed by Guyanese of the highest probity, integrity and competence. In addition to including a core of high-level administrators, economists, financial specialists and managers, the organisation will be bolstered by high-level members of the Ministries of Forestry, Mining, Agriculture, Manufacturing and Trade and Regional Development whose duty it would be to liaise with their ministries, and to ensure that their technical policies are being taken into account.

4.IV.3.18 The Investment Agency will rely heavily on computerised data and computer systems to enable them not only to access relevant information from various sections of the Public Service, and indeed from several countries of the world, but also to process investment applications as quickly as possible.

4.IV.4 The Restructuring of the Private Sector

4.IV.4.1 A comprehensive strategy for the restructuring of the private sector will be implemented. Although this strategy will focus on the rehabilitation of those companies which now find themselves in financial difficulties, it will not be confined to them.

4.IV.4.2 Approaches will be made to and agreements entered into with the International Financial Institutions and bi-lateral donors for technical assistance in restructuring those companies which indicate that they wish to utilise such facilities; and, utilising the same funding services, workshops, seminars, and training courses will be mounted to apprise members of the private sector on modern practices in management.

4.IV.4.3 Government will seek sources of financing to enable those companies in distress, but whose undertakings have passed the most rigorous feasibility tests, to obtain credit at relatively low interest rates, for specific periods of time. These concessions will be made conditional on the companies' acceptance of recommendations to improve their management practices and to restructure their organisations.

4.IV.5 Export Promotion

4.IV.5.1 In order to conserve human and financial resources, and to profit from the synergies which exist between export promotion and investment, the pro-active measures *re* investment which have been put forward in this chapter will also be followed in regard to promotion. Indeed, wherever possible, joint missions and joint publicity campaigns will be mounted.

4.IV.5.2 Moreover, in addition to the fiscal incentives which will be provided to encourage potential financiers to invest in export-oriented businesses and activities, and to the rewards which will be granted to those who successfully export significant proportions of their products, there will be established two Export Promotion Zones, one to be located on the left Bank of the Berbice River, in the vicinity of the deep

water facility, and another to be located on the left Bank of the Demerara River, south of the proposed deep water harbour.

4.IV.5.3 Subject to environmental considerations, there will be no restrictions on the types of industries that might be undertaken in the EPZs. However, in the first instance, the following will be encouraged: textiles and garment making; leather craft; ceramics; non-metallic minerals manufacture of articles based on clay, kaolin and silica; jewellery manufacture (gold, diamonds and semi-precious stones); glass manufacture; production of building materials e.g. clay bricks, tiles; manufacturing of packing materials; manufacture and production of wooden products: finished furniture, furniture parts, pre-fabricated buildings, house parts (doors, windows, panels, parquet flooring), clothes pins, toothpicks, etc.); processing, canning and bottling of agricultural products, the manufacture of chemical products; and optical goods.

4.IV.5.4 In particular, the provision of various types of electronic services will be encouraged in the EPZs, as will be electronic products.

4.IV.5.5 The operators of firms within the EPZs will not be subject to any taxes, but will be able to obtain incentives which include the duty-free entry of capital goods and raw materials; tax holidays on corporate profits; tax holidays on dividends; and free repatriation of capital and dividends among many others.

4.IV.6 Privatisation

4.IV.6.1 The privatisation of the remaining state-owned enterprises will be undertaken apace.

4.IV.6.2 The standard formula for such privatisation will include (i) the selection of a strategic partner with a sufficiency of finances to recapitalise the enterprise, and with adequate marketing connections and influence to enhance the sale of the products of the public corporation. Of equal importance will be the management structure that is proposed by the strategic partner, and a plan for the social and economic development of the corporation. These will have to include acceptable provisions for social and other benefits to local employees. The strategic investor will not normally have more than 51 percent of the equity; (ii) provision for the workers of the enterprise to hold at least 20 percent of the shares; (iii) provision for the government to hold another 20 percent; and (iv) provision for the Guyanese public to purchase the remaining proportion of the equity.

4.IV.6.3 It should be emphasised that this is the standard formula which we propose should be followed. However, there may be particular instances in which, in the interests of the country's overall development, other arrangements might be followed.

4.IV.6.4 A "claw-back" clause to the effect that if the new firm or company does not honour the work-plan that has been agreed upon, and does not adhere to the "social contract" *re* workers in the agreement for a period of at least five years after the signing of the agreement, the government will have the right to take back the corporation. In other words, an investor will not, for example, be permitted to buy a

equally important objective, given the current state of our economy, is that of involving overseas financiers in our development. In other words, the existence of a stock exchange would assist in

CHAPTER 5
ENVIRONMENT

natural resources but also not to repair any damage which might occur as a result of such over-exploitation. It follows, therefore, that it is imperative that an effective environmental strategy be formulated and implemented as soon as possible.

- 5.1.3 In general environmental problems in Guyana can be divided into two categories: *resource degradation* and *resource contamination*.
- 5.1.4 Some examples of resource degradation, which are experienced in our country, include: overfishing leading to the depletion of stocks, especially of breeding stocks of commercial species; the deforestation of mangrove swamps, resulting in the loss of habitats for juveniles of important marine species, and an increase in the danger of flooding in coastal areas; the over-harvesting of inland forests with a consequential loss of habitats and a reduction of species diversity; and soil erosion, with the attendant diminution of the water-holding capacity of watersheds, thus rendering the affected area susceptible to episodes of flooding and siltation.
- 5.1.5 The most common examples of resource contamination are associated in Guyana with water pollution from mercury, cyanide and other chemical wastes through mining; untreated human and animal wastes; and agricultural and industrial wastes. However, air pollution is also a public health concern, particularly in areas such as Linden, where suspended mineral particulates have been implicated in certain human respiratory disorders.
- 5.1.6 In the light of these problems, it must again be stressed that a National Development Strategy must be predicated on the basic principle that Guyana's development must not threaten the integrity of the environment. While it is acknowledged that no development can take place without the alteration of some aspect of the natural environment, such impacts must be restricted to the absolute minimum. In other words, the approach to development must be based on the *prevention* of environmental degradation, rather than on the application of remedial measures of doubtful efficacy, after the damage has already been done. It follows, therefore, that the environmental costs of development projects must at all times be factored into their overall economic analysis.
- 5.1.7 The environmental problems in the coastal zone in Guyana are intimately linked to activities associated with human settlement and, as has been indicated, wi

5.1.10 Fisheries

- 5.1.10.1 Our marine fishery resources also have been threatened by commercial fishermen who, in recent decades, have intensified their efforts in order to satisfy export markets. In addition, shrimp trawling, with its attendant dumping of by-catch, has progressively altered the species composition of inshore marine fauna.
- 5.1.10.2 Furthermore, fish farming in the littoral zone has been accompanied by the clearing of mangrove stands, thus exposing the affected areas to erosion by wave and tidal forces, and destroying habitats for breeding and juvenile stocks.

5.1.11 Mining

- 5.1.11.1 It is in the bauxite and gold mining industries, however, that the greatest signs of environmental degradation are to be found. Bauxite mine clearing involves the removal of forest cover to allow stripping to be carried out. This represents a direct destruction of portions of the ecosystem, the major casualties being elements of fauna and flora. Thereafter, the overburden is removed, or stripped. This process creates huge craters which eventually become receptacles of stagnant water. With the subsequent removal of the bauxite ore in the mining process, these pits are considerably deepened. The sediment released in these operations is transported in run-off and causes the siltation of streams and rivers. This, in turn, affects the drainage system in the mining area, with various ecological consequences.
- 5.1.11.2 In the process of drying and calcining the bauxite, the ore is heated to remove moisture and to effect a

5.I.11.6 Final gold recovery involves chemical treatment - amalgamation with mercury and subsequent separation by heat in the case of dredge – and “land” – mining, and “dissolving” in cyanide solution

these surveys and information available to members of the public; to provide annually general information on the state of the environment; and to maintain registers of information available to the general public showing all environmental impact assessments carried out, environmental authorisation granted or cancelled, prosecutions brought etc.

- 5.1.15.3 The EPA suffers from a lack of financial and human resources at various levels. As a consequence, it has been unable to carry out its mandate as effectively as it might.
- 5.1.15.4 There is also an Environmental Assessment Board, the functions of which include conducting public hearings into all environmental impact assessments and studies, as well as appeals from the EPA. The Board has recently been provided with detailed rules which should enable it to undertake its tasks more effectively, and should also ensure consistency in its approach towards all developers and investors.
- 5.1.15.5 And finally, in the environmental protection hierarchy, is the Environmental Tribunal. This is a superior court of record and has power to hear appeals against the refusal, cancellation or suspension of environmental authorisations; the conditions contained in permits or licences; and enforcement or prohibition notices.

5.II ISSUES AND CONSTRAINTS

In this section of the chapter a number of environmental is

between Guyana and other countries. However, any transportation system must be environmentally sustainable or the short-term benefits of increased trade will be outweighed by the long-term damage to our country's natural resources, and by the negative impact on the health of our citizens. These costs must be taken into account both from the beginning and throughout each stage of the design process.

5.11.3 Forests

public transportation and proper paths for cycling and walking thereby enabling citizens to choose their method of transport.

- 5.II.5.3 Guyana has the opportunity to develop an integrated and environmentally sustainable transport network drawing on the lessons learned in other countries, without paying the price of their mistakes. The transportation system must be designed to benefit not only the car-owning elite but also the majority who do not own a vehicle and are forced to rely on an unsafe public transportation system.

5.II.6 Iwokrama

- 5.II.6.1 The Iwokrama Rain Forest Centre was established by law in 1996, on the basis of an undertaking given by the President of Guyana at the Commonwealth Heads of Government Conference in Malaysia in 1990, to devote a significant proportion of Guyana's tropical rain forest to research on a number of topics. The Centre is now an autonomous International agency that is located in our country. The Centre is planning to embark on an extensive bio-prospecting exercise with an initial funding of US\$1.2m from the European Union. Under the Iwokrama legislation all discoveries belong to the Centre, although Guyana has the right to use such discoveries. However, the benefits to the people of Guyana from Iwokrama's bio-prospecting exercises in Guyana's forests are not sufficiently clear. In addition, the apparent absence of an adequate institutional and legal framework and the reliance on contractual mechanisms for a great proportion of its work, make it difficult to ensure that Iwokrama will itself be able to obtain full benefits from biological discoveries or to protect Guyana's biological resources against acts of bio-piracy.

5.II.7 Protected Areas

- 5.II.7.1 A national protected areas system is unlikely to succeed unless there is commitment from all citizens and unless benefits flow to Guyanese nationals. It is therefore essential that the current perception of most Guyanese that a national protected areas system means that development cannot take place in all protected areas, must be corrected. It is essential that our citizens realise that there are different categories of protected areas, ranging from strict protection reserves to parks in which some natural resource exploitation (such as mining or forestry) may be allowed.

5.II.8 Institutions

- 5.II.8.1 The key to successful development is the wise use of resources rather than the continuation of unrestrained exploitation of our natural wealth. In order to achieve this objective, Guyana must establish an efficient and effective system for the management (including conservation and exploitation) of natural resources and the environment. The multiplicity of institutions, agencies, committees and other entities dealing with natural resources and the environment should be reduced and the current system rationalised.
- 5.II.8.2 In addition, a further shift in thinking is needed if our natural resources and environment are to be used wisely for development to benefit the nation as a whole. There needs to be greater consultation, more transparent decision-making and greater accountability by Government. Decisions by technical agencies should not only be made on scientific and technical grounds but must be transparent so that they may be seen to be free of political interference.
- 5.II.8.3 In the long-term the EPA should be removed from the influence of the Office of the President which should retain an adviser on Science, Technology and the Environment.
- 5.II.8.4 A new ministry should be created which would include the EPA, the new Guyana Lands and Surveys Commission, the board responsible for the Kaieteur National Park, and any other agency or unit which is responsible for environmental protection. Agencies which have a dual role in respect of

environmental protection and resource utilization (e.g. tourism, agriculture, mining, forestry) would remain with their subject ministries but would have their environmental protection functions transferred to the EPA.

- 5.II.8.5 The conflict between the protection of the environment and the use of natural resources for development is an ongoing and at times difficult one. By putting in place adequate processes, by holding Government accountable and by ensuring that citizens have access to information, we may be able to improve the quality of our decisions. It is our responsibility not to foreclose the options of the next generation.

5.III OBJECTIVES

- 5.III.1 Guyana's principal environmental policy objectives are:

to enhance the quality of life of the country's inhabitants by utilising its natural resources while neither degrading nor contaminating them;

to ensure that the natural resource base for economic growth continues to be available in the future; and

to intensify and widen the dimensions of our living standards through the conservation of unique habitats, natural treasures, biodiversity and our cultural heritage.

- 5.III.2 To these ends, in the area of *resource contamination*, priority will be given to reducing the incidence of those problems that affect public health; and in the area of *resource degradation*, priority will be given to the sustainable management of those renewable resources that provide the critical foundation for our current and long-term economic development, in particular, fisheries, forests, soils and water supplies.

- 5.IV.43 Amerindian intellectual property will be recognised and protected by law. The sharing of traditional knowledge should take place only on the basis of informed consent and a fair share of the benefits for the communities.
- 5.IV.44 Guyana will accede to the following:-
- the Ramsar Convention of Wetlands of international significance;
 - the London Guideline for the exchange of information on chemicals in international trade;
 - the Cartagena Convention on the marine environment in the Wider Caribbean Region; and
 - the Kingston Protocol on Specially Protected Areas and Wildlife (SPAW).
- 5.IV.45 The establishment of a National Protected Area System will begin in the year 2000.
- 5.IV.46 The Guyana Lands and Surveys Commission Act will be thoroughly amended to establish a proper national land use planning system.
- 5.IV.47 The Land Use Planning Unit which is currently in existence will be disbanded and its resources transferred to the new Commission.
- 5.IV.48 The following existing bills will be reviewed and amended to achieve consistency with the national commitment to development which is environmentally sound:-
- the Guyana Biosphere Reserve Bill, authorising the establishment and management of biosphere reserves in Guyana;
 - the Conservation and Wildlife Bill, providing for the establishment of wildlife sanctuaries and the protection of listed wild animals and birds;

- 5.IV.52 The environmental regulatory functions of all the sectoral agencies will be transferred to the EPA.
- 5.IV.53 The EPA will regularly monitor all operations which affect the environment and will prosecute for breaches of the Environmental Protection Act.
- 5.IV.54 The forest policy functions of the GNRA will be transferred to the GFC.
- 5.IV.55 The mining policy functions of the GNRA will be transferred to the GG&MC.
- 5.IV.56 The GNRA will be dissolved. The rationale for its existence is difficult to comprehend. Its functions in relation to macro-policy is best exercised by the EPA, while its sectoral policy functions should be devolved back to the sectoral agencies.
- 5.IV.57 The EPA will be removed from the influence of the Office of the President, which should retain an adviser on Science, Technology and the Environment. The EPA will then become a semi-independent agency.
- 5.IV.58 A new Environmental Protection Commission will be established. This will include the EPA and all other agencies that are responsible for environmental protection.
- 5.IV.59 The EPA will assume the entire responsibility for ensuring that its policies and strategies are implemented, particularly in the areas of forestry and mining. To this end the duties now assigned to the GFC and the GG and MG, in the specific area of environmental monitoring, will be taken over by the EPA.
- 5.IV.60 The conflict between protection of the environment -0.000432EPATp8c -0.0016 Tw 0 -1.2036natudo/6 TD[(t

CHAPTER 6

INFORMATION TECHNOLOGY

6.1 BASIC FEATURES

- 6.1.1 In recent years, Information Technology (IT) has become pivotal to the process of economic development. Because of the tremendous strides which have been made in this discipline over the past two decades or so, information technology now provides the most efficient and cost-effective ways of exchanging information and transacting business. In addition, it has changed the very nature of the world's financial and other service sectors. Perhaps its most important potential contribution to the social and economic development of countries such as Guyana, however, is the fact that it embodies in its mechanisms and modalities the means of considerably enhancing our human and institutional capacities.
- 6.1.2 In this globalised world in which we live, information technology is now arguably one of the most important determinants of competitiveness and social and economic growth. Countries and firms are becoming more competitive because of their knowledge, rather than because of their natural resources and the low cost of their labour. What now determines a country's advantages are its access to information technology and knowledge. What is now more important than ever in the attack on economic underdevelopment is man-made not "natural", in the traditional sense of the term. And since man-made comparative advantages can only be acquired by knowledge, the implications with regard to labour markets, technical education, and human capital formation are tremendous and far-reaching. Countries that invest in, and quickly adapt, information technology will develop socially and economically. The inhabitants of those countries which do not so invest and adapt are, more than likely, doomed to lives of abject penury.
- 6.1.3 The prerequisites for the creation of an information-based economic structure are the existence of an efficient telecommunications infrastructure and effective telecommunications services. Unfortunately, Guyana's telecommunications infrastructure is far from adequate, mainly because there is a very serious shortage of telephones in the country, and the demand for inexpensive data connections, with adequate band widths, far outstrips their availability.
- 6.1.4 Until 1st June 1990, when an agreement for its privatisation was signed, Guyana's telecommunications sector was serviced by the Guyana Telecommunication Corporation (GTC) which was a public

also agreed to raise the resources that would be required to implement the plan. The original date for completion of the plan was December, 1993. However, the first proposals were amended, and the termination date was extended to February, 1995. Even so, by the end of 1999, GT&T had not yet completed the exercise. Accordingly, the Government has referred the matter to the Public Utilities Commission (PUC), an independent body with responsibility for regulating the telecommunications sector in Guyana. Its task is to act as an objective referee in order to ensure that both the consumer and GT&T are treated in a fair and just manner.

- 6.1.8 In addition, the agreement included *inter alia* the obligations to provide universal service to all subscribers, to fulfil all service requests that are deemed to be reasonable, and to interconnect the telecommunications system of licensed operators whenever practical, on a compensation basis.
- 6.1.9 It should be noted that no reference is made in the licence to value-added services; that the government can direct GT&T to provide interconnection to third party operators, and to license third party operators for the provision of long-distance services for distances greater than 50 kilometres; that the government can operate its own domestic and international network with interconnections to the public switchboard network; that GT&T must maintain quality-of-service standards that are equivalent to internationally recognised specifications; that GT&T is prohibited from entering into arrangements with international carriers which may unfairly restrict access to third party operators and must inform the PUC of all joint ventures; and that the government has the right to license a second mobile wireless operator.
- 6.1.10 Since 1991, GT&T has introduced a number of telecommunications-related services to Guyana: it has installed over 400 public telephones across the country; it maintains three public telephone centres from which the public can make international and domestic calls; it has increased the numbers of international circuits from 75 to just over 1,000; and it has established two satellite earth stations, one for international circuits and the other to connect remote interior locations. Moreover, it has invested in a wireless local loop service, a cellular service, and a fibre optic cable network which connects most of GT&T's switches. In addition, the number of telephone lines had grown to 63,500 by October 1999. However, the backlog is still immense. Indeed, it is now higher than when the new company signed the Agreement in 1991. Moreover, there appears to be little rationality in the allocation of telephone connections for, frequently, areas that are sandwiched between serviced districts are ignored and, far to often, individuals in particular streets are by-passed.
- 6.1.11 GT&T has contended that the primary reason for its failure to provide the universal service it has contracted to give the Guyanese public is the fact that the PUC has not given it the necessary permission to raise rates, even though the terms of the agreement and the licence warrant the granting of such permission.
- 6.1.12 Information Technology is currently utilised in Guyana in a very modest way. In the Public Sector, the government has introduced Personal Computers (PCs) to assist in its general administration, the Ministry of Finance, the Revenue Authority, the Lands and Surveys Department, and the Public Service Ministry being the main users of computer systems. They employ them, however, in a somewhat rudimentary manner. In the private sector, information technology is utilised largely to provide financial information.
- 6.1.13 There are many retailers of personal computers, and back-up support is available in Guyana. Computer hardware is duty free.
- 6.1.14 There are four internet service providers. There are also a few internet cafes which offer access to the internet. In addition, many local businesses and NGOs have developed websites. It must be again emphasized, however, that growth in the country's utilisation of the internet system is severely

restricted by the unavailability of a suitable national telecommunications infrastructure.

- 6.1.15 Computer training has been introduced into some schools, primarily in the leading secondary schools, about twenty percent of which possesses computers. Computers in such schools are usually located in a small computer laboratory, and are not generally distributed in classrooms. Moreover, computer literacy classes have been started in a number of schools and a few are actually teaching CXC information technology and CAPE information technology courses. A few primary schools also possess computers and offer elementary training in their use. Because a very small proportion of the schools which have computers possess telephones; most of them have absolutely no access to the internet.
- 6.1.16 The National Centre for Education Research and Development (NCERD) is in the process of formulating an information technology curriculum, mainly for secondary schools. NCERD has a small information technology unit and laboratory which also provides some support to teachers of information technology. It also utilises computers for administrative tasks and curriculum development. CPCE has a functioning information technology laboratory and offers courses for trainee teachers.
- 6.1.17 It is planned to establish through one of the projects of the Secondary Schools Rehabilitation Programme a pilot system in which a number of schools will each receive four computers to be utilised in the delivery of their curricula.
- 6.1.18 The main offices of the Ministry of Education have small networks of computers for administrative purposes. The Planning section maintains databases of information on schools.
- 6.1.19 The University of Guyana uses computers both for administrative purposes and for tuition. Unfortunately, coverage is very incomplete in both areas. Indeed, only one computer laboratory service is available for the entire student population. In general, students on campus have no Internet access, and staff access is normally limited to e-mail, using one terminal.
- 6.1.20 Instruction in computer science, to the diploma and degree levels, is provided by the Faculty of Natural Sciences, which includes the Department of Mathematics and Computer Science. However, the success of the programmes is constrained by inadequate staffing, the large sizes of the classes, and the inadequacy of practical training.
- 6.1.21 A number of private commercial computer schools exists in many parts of the country. They provide short business-oriented courses on basic computer skills, and are usually based on one particular software package. The emphasis in these schools is on the acquisition of practical skills. Unfortunately there is limited hands-on time, and the standards are not always high.

6.II ISSUES AND CONSTRAINTS

6.II.1 Telecommunications

- 6.II.1.1 As has already been pointed out, the basis of any efficient information technology sector is an adequate telecommunications system. Such a system should provide a number of services that are considered essential for the creation of an information-based economy. Among these, at the very minimum, are 'universal' services, (which term is interpreted to mean the provision of telephone lines to all who apply for them); and adequate band-widths for any number of computers. As we have noted, these essential requirements are not yet available in our country.
- 6.II.1.2 The reasons for this sorry state of affairs include the nature of the franchise of GT&T and the imperfections of the PUC. Indeed, the Public Utilities Commission seems unable to resolve issues pertaining to the levels of revenue to which GT&T is entitled, the true nature of the rights and

obligations of both the government and ATN under the terms and conditions of the agreement, and the payment of management fees to ATN by GT&T. If these problems are not solved expeditiously, the citizens of Guyana will derive little or no advantage from the tremendous advances which have been made, and are still being made, in Information Technology. If these issues are not resolved, Guyana will be obliged to continue to utilise outdated and obsolescent information mechanisms at a time when the country's development cries out for the employment of modern processes.

6.II.1.3

It is not the intention of the NDS even to attempt to resolve the *con etemps* between the Government and ATN. These are essentially of a legal nature, and ought therefore to be settled either by the PUC or by the courts. It is our opinion, however, that a word on the nature of "telecommunications monopolies", in this day and age, might not be remiss. **First, GT&T's licence does not appear to embrace a great number of the new services that are becoming available through the rapid changes which are occurring. It is more than probable that if there was competition in Guyana, many of these new facilities would have been marketed. Second, competition in telecommunications is now occurring to a rapidly increasing degree throughout the world in both developed and developing countries. This almost universal trend towards the curtailment of telecommunications monopolies is obviously of great importance to Guyana. We must not be left behind, again, in this matter. We must, therefore, explore**

result from our diversification programmes.

- 6.II.2.3 Second, we can improve our trade performance and our efforts at trade promotion by quickly and regularly accessing, through the internet and other means, relevant information on prices, the demand and supply of particular products and services, their specifications, potential buyers, and the periods in which they are frequently required. The inadequate exchange of such data is one of the main reasons for the low-level of commercial trade between Guyana and, for example, the rest of CARICOM. Trade thrives best when producers, exporters and consumers know about each other's products, product quality, and supply and demand capabilities.
- 6.II.2.4 Third, the use of computer technology for data processing could speed up delivery time, and reduce transaction costs.
- 6.II.2.5 Fourth, the application of information technology could help producers to deal directly with exporters thus circumventing the middle-man and, thereby, increasing their profit.
- 6.II.2.6 Fifth, small-scale producers, in various areas of the country, could, through the use of computers and the internet, combine with each other to obtain and supply export orders which they might not have been able to service on an individual basis.
- 6.II.2.7 **And finally, information technology could extend the scope of our tradeables in the service sector. Through the adoption of electronic commerce we could be in a position to provide or receive, for example, a range of legal, accounting, medical, educational, financial, data processing, retailing and tourism services. Indeed, new types of jobs and new fields of endeavour could become available through access to the information economies of the world: software development, translation services, data entry and data housing services, and data conversion, to mention only a few of the already available opportunities.**

6.II.3 Macro-economic and Public Sector Management

- 6.II.3.1 Although a most significant amount of progress has been made since 1989 in the management both of the country's economy and its public sector, very much still remains to be done. As we have seen, the country's economy has not yet been placed on a path of self-sustaining growth, and the incidence of poverty, though reduced, is still disturbingly high. There is also strong evidence that there are inefficiencies both in the mobilisation of resources, and in their utilisation once mobilised. Efforts in stabilising the macro-economic environment, and in improving the efficiency, transparency and accountability of our governance can be greatly assisted by the application of information technology. Such systems can also help us to design, implement and monitor the performance and the effects of the various policy reforms which have been initiated.
- 6.II.3.2 Moreover, we can use information technology to (i) follow-up on tax collection and validate revenue collection against expenditure; (ii) apply simulation techniques simultaneously to maximise revenue and minimise the tax burden in selected income groups and (iii) help to simplify purchasing procedures. In short, information technology systems, and computer-based modeling, should be used in as wide a range as possible of our governmental transactions.

6.II.4 The Small and Medium Scale Entrepreneur

- 6.II.4.1 One of the main thrusts of our economic development strategy between 2001 ad 2010 will be, as has been described elsewhere, the upgrading of the capabilities of small and micro-enterprises (SMEs) in Guyana. In this regard, we have emphasised that particular attention will be paid to the provision of credit, the liberalisation and reform of our land tenure system, and the training of small-scale

entrepreneurs. In addition to all this, however, because the members of this group operate in an information-starved environment, it will be necessary to provide them with the most basic types of data. Moreover, the means of delivering technical learning to these budding Guyanese entrepreneurs are, as yet, poorly developed. Indeed, they often do not exist. We must therefore utilise information technology effectively to increase the flow of information to these fledgling business-persons and to increase their capacity to "learn-by-copying."

6.II.4.2 Information technology can also help small and medium scale enterprises to form networks and to build alliances. In many developing countries, the building of alliances and networks has led to the formation of clusters of SMEs which reinforce each other, improve their international competitiveness, and expose them to technological change.

6.II.5 Agriculture

6.II.5.1 Although one of the main objectives of this National Development Strategy is the diversification of our economy, Guyana, for a significant time to come, will have to rely on agriculture, in both its traditional and non-traditional guises, for much of its development. Consequently, specific strategies have been put forward in the sectoral chapters that are devoted to various aspects of agriculture, with a view to improving the sector's productivity and efficiency. The implementation of these strategies would, however, be much enhanced through the adoption of information technology. For example, information systems could be developed to monitor our draining and irrigation systems, the utilisation of our land resources, and the control of crop diseases. Moreover, through information technology, access to new techniques and technologies for improving agricultural production would be considerably increased. Extension officers would then be able to advise growers on ways to step up their productivity. Indeed, the type of knowledge now being disseminated by information technology systems include advances in genetic engineering which could offer opportunities for Guyanese to use seeds and plants that are adaptable to areas of relatively low water availability and sub-optimal soil conditions, and would therefore be of infinite assistance in our utilisation of such locations as the Intermediate and Rupununi Savannas.

6.II.5.2 If Guyana is to emerge quickly from the morass which now seems to hinder its social and economic development, it cannot afford to follow time-worn and beaten paths. We must piggy-back on the new knowledge bases that are being established. We must leap-frog our development. Agriculture is one of the areas in which this process can best occur. Indeed, this is already taking place in many developing countries. For example, in Nigeria and Indonesia the utilisation of information technology has helped immensely in developing agricultural research databases; in Kenya, microcomputers are being used to improve crop forecasting; and, in Thailand, they are assisting in the regul3rural re

6.II.9.3 Another way, could be to purchase in bulk. It may well be that suppliers would be willing drastically to reduce prices if there is a commitment to purchase relatively large amounts over time. Using a planning framework, which details the quantities and qualities of the required computers, and spells out how many will be required and at what times, the government might be able to bargain with wholesalers to purchase the necessary amounts at wholesale prices over the time horizon of the plan or strategy.

6.II.9.4 It has also been suggested that, because the design capacity of computers and software is invariably not utilised by the majority of their users, buyers pay for features and qualities which they do not really require. Indeed, it has been put forward that a computer that is perfectly serviceable for Internet connections, word-processing and graphics can be built for less than one-fifth of the cost of the 'average' computer. It has also been argued that a modest colour display, with a 13-inch window into the Internet, is better than no window at all. Our researchers have indicated, however, that it is more than probable that Guyana, on its own, can do little to create a market for this type of product. Nor is it likely, it is claimed, that our country on its own would be in a position to persuade suppliers to produce such "minimalist" types. It is there(n)7nt7 2.6527 -15dge iplanniTJ--2(anaiceab3min27 t9)3(Tw -Tr

infrastructure, and services;

- the lack of awareness of the true potential of information technology at the policy-making level in both the private and public sectors;
- the contract between the government and GT&T which, if unaltered, could stifle the long-term development of information technology in Guyana;
- the existence of a regulatory body that does not appear to possess the functional capacity effectively to regulate the telecommunications provider;
- the fact that electricity, the main *supporting* information technology infrastructure, is too costly and unreliable. Computer equipment is sensitive to blackouts, voltage fluctuations, brownouts and spikes. Unfortunately, the Guyana Power and Light Company is by no means free of these problems. As a result, information technology equipment is either frequently damaged or the cost of its use is increased because of the necessity of installing anti-current fluctuation mechanisms; and
- the inadequacy of the training of many local information technology "professionals".

6.III OBJECTIVES

- 6.III.1 The overall objective of the sector is to assist in the modernisation of Guyana through the application of information technology to all aspects of the country's development, including especially macro-economic and public sector management, the production and export of agricultural and industrial

them; to undertake and monitor their purchase, distribution and use; and to make timely orders for their replacement; (ii) to coordinate the system through which patients are referred from one health centre to another, to follow-up the progress and treatment of such patients; and to provide transportation as necessary to move patients from the hinterland to the coast; and (iii) to rationalise the relationships between the central government and the various agencies of the regional administrative health system, by providing relevant information, and by establishing linkages among them.

6.IV.6.2 All these targets will be met also by 2004.

6.IV.7 Other Sectors

6.IV.7.1 Once the problems of the telecommunications system and the operations of the PUC have been sorted out; once the basic strategy of computerising the financial arms of the Public Service and the educational and health systems has been implemented, once computerisation has become part and parcel of our every day lives and the objective of laying the foundations for a completely computer literate society has been attained; the stage will have been set for the computerisation of those activities in the agriculture, industry, and service sectors which have been adumbrated in the earlier parts of this Chapter. So much so that it is envisaged that, by the end of 2010, the utilisation of all facets of information technology would have become a significant aspect of our culture.

CHAPTER 7

ENERGY

7.1 BASIC FEATURES

7.1.1 The fact that Guyana does not itself produce any significant amount of energy, combined with the high price of imported fuel, has had a profound effect on the country's economic and social development. Between 1966, the time of independence, and 1975/76, Guyana's economy grew at an average rate of over 7 percent per annum. However, with the coming of the oil crises in the mid 1970s, the frailties that were inherent in its economic management were exposed, and growth became negative. The radical steps which were then taken to adjust the economy and reverse its decline did not work. As a result, Guyana's citizens experienced severe economic and financial hardships, the effects of which are still being experienced. It is arguable, therefore, that the energy factor was one of the main contributing elements in the creation of a depressed economic climate which, in turn, added fuel to latent political dissatisfaction.

7.1.2 The principal primary sources of energy in Guyana are petroleum products, (which are all imported), bagasse and fuelwood. In 1999 they accounted for 67 percent, 26 percent and 7 percent respectively, of the energy produced. Portions of all are transformed to electricity for use in all sectors. In 1999, electricity generation, industry, and mining accounted for 90 percent of the utilisation of the primary energy supplied.

7.1.3 Petroleum

7.1.3.1 Although intensive petroleum exploration had been undertaken in Guyana since the late 1950s, petroleum has been brought to the surface only in the Takutu Basin in the late 1970s. There has never, however, been any commercial exploitation of this fossil fuel.

7.1.3.2 Petroleum exploration is currently being promoted in three areas of Guyana: the offshore Guyana Basin, the onshore coastal section of the Guyana Basin, and the Takutu Basin, which is inland in the Rupununi District. Seismic coverage on all these areas has improved significantly since 1985, and the existing policy is to offer attractive production sharing agreements to investors for fields with upside potential.

7.1.4 Hydropower

7.1.4.1 The economic potential of hydropower is estimated to be in the region of 7000MW. Although this resource is not now being exploited to any significant extent, it is considered that a large part of the solution to the country's long-term power requirements lies in hydro-energy.

7.1.4.2 The Guyana Natural Resources Agency (GNRA) has prepared a position paper on the development of medium and large scale hydroelectric facilities in Guyana. Based on existing data and previous studies, six sites have been identified with the purpose of selecting one for development in the first instance. These six sites are located at Tiboku in the Mazaruni Potaro River Basin; at Amaila and Tumatumari in the Potaro River Basin; at Kamaria in the Cuyuni River Basin; at Tiger Hill in the Demerara River; and at Arisaru in the Essequibo River Basin.

7.1.4.3 All these sites have been studied up to the pre-feasibility level, but environmental impact assessments have not yet been undertaken.

- 7.IV.2 Whenever feasible, locally available energy resources will be utilised in local production e.g. bagasse in sugar and rice mills, and wood waste in sawmills. Producers will be encouraged to utilise these resources through the provision of tax credits.
- 7.IV.3 Similar schemes will be put in place to encourage the use of wind and solar energy.
- 7.IV.4 Of the potential hydropower sites that have been listed earlier in this chapter Amaila, in the Potaro River Basin, has proved to be the most feasible. Its feasibility depends of course, upon the significant utilisation of the energy which it generates. In putting forward proposals for its financing, therefore, the potential market for the energy which will be supplied from Amaila, will be carefully described. A sales campaign will be mounted specifically to promote investment in this project. An investment package which will involve, in addition to private sector financiers, bi-lateral donors and the International Financial Institutions, will be formulated. The idea will be to persuade a consortium of financiers to invest in the project. The proposals to the consortium will include provisions for Build-operate-transfer, or Build-own-operate arrangements.
- 7.IV.5 While all this is being arranged, Guyana will enter into negotiations with the Venezuelans to purchase power from Guri. This will be the culmination of a process which was begun in 1991. It is more than possible that the Inter-American Development Bank would be interested in the financing of such a project. It is perhaps fortunate that an agreement has recently been reached between Brazil and Venezuela, for Brazil to purchase energy from the same source. As the Brazil power lines will run to an area very near to the Takutu, across Brazil's border with Guyana, it will be relatively easy and inexpensive to tap the necessary resource. The energy so obtained will be utilised throughout Guyana, and will be connected to the national grid.
- 7.IV.6 The intention will be to run lines from Boa Vista to Lethem, and thence to Mabura Hill. At that point, there will be a divergence, with one branch running to New Amsterdam through Kwakwani, and the other going through Linden to Georgetown.
- 7.IV.7 One important advantage of this arrangement is that it will immediately make feasible the production of aluminium and a range of other industries in the interior of our country.
- 7.IV.8 The available information strongly indicates that the type of inter-connection that is being described here will be vigorously supported by the Organisation for Latin American Energy Development, where the main mission is the establishment of a Latin American energy network throughout Central and South America. There is additional information that Surinam would be desirous of becoming involved in such an arrangement, if only because it would be much cheaper for them to access electricity from such a proximate source. Guyana will, of course, profit from such an exercise through its obtention of transit fees.
- 7.IV.9 When Guyana's hydropower supplies come on stream, they too can be connected with the continental grid, and be sold to other buyers.
- 7.IV.10 There is no intrinsic reason why such a scheme should not work. Indeed, in many parts of Africa, and, of course, in Europe, these inter-connections between and among countries are commonplace. It is probable, though, that Venezuela's claims upon our territory might cause some Guyanese to be cautious and to reject the idea, despite the obvious economic benefits. It is for this reason that it is urged that there be the fullest consultation on this matter between whatever government is in power and the citizens of Guyana. This is, of course, part and parcel of our strategies on governance. In these types of exercise, inclusivity and transparency are of the utmost importance.

CHAPTER 8

TRANSPORT

8.1 BASIC FEATURES OF THE SECTOR

8.1.1 ROADS

8.1.1.1 The Network

8.1.1.1.1 The main coastal roads are, from west to east, the Essequibo Coast Road, the Parika-Vreed-en-Hoop Road, the East Coast Demerara and West Coast Berbice Roads, and the Corentyne Highway from New Amsterdam to Moleson Creek. All these roads are paved.

8.1.1.1.2 South of Georgetown the primary road is the East Bank Demerara Road, a two-lane road which runs from Georgetown to Timehri, where the Cheddi Jagan International Airport - Timehri (CJIAT) is located. In the period 1966 - 68, Soesdyke, located on the East Bank Demerara Road, was connected to Mackenzie by a modern two lane highway, now called the Soesdyke - Linden Highway. This road was constructed as a section of a highway connecting Georgetown with Lethem. In 1968 a bridge was built across the Demerara River at Linden, and in 1974 it was decided that the route to Lethem would cross the Demerara River at Linden and go south, along the watershed of the Demerara and Essequibo Rivers, through Mabura, to Kurupukari. From Kurupukari it would run parallel to the old cattle trail to Annai, and from Annai it would follow an already existing road to Lethem.

8.1.1.1.3 In the early 1970s a two-lane road with modern geometry and surfaced with laterite was built between Linden and Rockstone. This road was later connected to Mabura and Kurupukari. In 1990-91 a two-lane laterite road was constructed between Kurupukari and Annai and a vehicle ferry installed at Kurupukari. Since there was already an existing road between Mabura and Kurupukari, and between Annai and Lethem, it was now possible for vehicles to travel between Georgetown and Lethem.

8.1.1.1.4 In the period 1974-78, an attempt was made to build a road between Rockstone and Annai, (Annai,)

of interior roads and trails. Most access roads are in poor condition. However, the Central Government has targeted several of them for complete rehabilitation, and already

8.1.2

AIR

8.1.2.1

Air transport plays a vital role in the development of Guyana. Within the country, it provides a link between the coastal areas and communities in the hinterland, many of which are inaccessible by any other means of transportation. Thus, the economic and social well being of these areas and their integration into the fabric of the nation are critically dependent on the availability of air transport. Externally, passengers are moved to and from the country almost entirely by air. In addition, the potential of this mode of transport for the carriage of cargo, especially exports, continues to increase.

8.1.2.2

Although air transport in Guyana had its early beginnings in the 1920s when the first "bush" services were introduced, Government's earnest participation can be dated from 1947 when a Director of Civil Aviation was appointed to regulate the industry. In 1955, the Government purchased the British Guiana Airways, a private airline that had been operating regular internal services since 1939. However, external services continued to be supplied almost exclusively by foreign airlines until the Guyana Airways Corporation commenced regional air services in 1979. Subsequently, restrictions on the repatriation of profits in foreign exchange and other circumstances contributed to the

8.1.3

MARINE

8.1.3.1

It is generally agreed that, for the movement of bulky low-value goods over great distances, water transport is cheapest. This is especially true where, as in Guyana at the moment, road infrastructural development is not well advanced. Moreover, with the widespread decentralisation of economic activity that is being proposed in this Strategy, and with the corresponding development of the interior regions of the country, the demand for water transport, even if the proposed road building projects are speedily implemented might, perhaps paradoxically, increase rather than diminish.

establishment of a Maritime Administration and subsequently a National Sea Ports Authority the ferry operations must either be privatised or operated as a commercially viable autonomous agency. While some increases in rates may accompany privatisation, it is anticipated that the quality and capacity of the service would be improved.

- 8.I.3.14 Ultimately, key ferry links will be replaced with bridges, starting with one from Rosignol to New Amsterdam across the Berbice River.
- 8.I.3.15 The fleet of ferry vessels owned by the Transport and Harbours Department, at the end of 1999, comprised nine motor vessels, six of which ranged in age from 15 to 55 years. Indeed, two of the vessels were over fifty years of age, and three over 30 years, with an average age of thirty-five. Perhaps not surprisingly, they are in almost continuous need of repair.

8.II ISSUES AND CONSTRAINTS

8.II.1 ROAD

8.II.1.1 Issues

- 8.II.1.1.1 The portion of the East Bank road between the Demerara Harbour Bridge and Georgetown is extremely congested. Indeed, most of the East Bank road is likely to become even more clogged because of increasing economic and housing activity in the catchment area which it serves. It is therefore necessary both to widen the road in this area, and to construct an additional route for commuters and other citizens.
- 8.II.1.1.2 The area between Mahaica, Parika and Timehri is developing as a conurbation centred on Georgetown, with significant flows of commuter traffic. There is need to supply enough road space to accommodate this traffic so that commuter time may be reduced.
- 8.II.1.1.3 There is a conflict between vehicles and vessels for the use the space where the DHB ve-Tsess.ae

- 8.II.1.1.10 Vehicles using the roads in the South Rupununi Savannas cross the creeks by fording. However, rainstorms often cause the water in the creeks to rise significantly and impede fording.
- 8.II.1.1.11 There is an insufficiency of all weather access roads connecting mining, forest and agriculture areas, in the hinterland, to the Georgetown - Lethem Road.
- 8.II.1.1.12 There are not enough disciplined forces to patrol the borders of Guyana and reliance has to be placed on the placement and development of the civilian population near the borders. Access to such areas by all weather roads is therefore vital. As important, is the fact that access roads in these regions would enable surplus agricultural products to be sold to markets in urban centres.
- 8.II.1.1.13 There is an alarming overloading of axles on the main road network.
- 8.II.1.1.14 Vehicles with containers 40 ft. long exceed the legal limits of vehicle size. A significant number of 45 ft. long containers are also in use.
- 8.II.1.1.15 Gross weights of a significant number of large vehicles exceed the design live loads of bridges. To place weight restrictions on vehicles crossing major bridges would increase the cost of transportation of goods and would require significant police resources to enforce. The bridges themselves ought, therefore, to be re-designed and strengthened.
- 8.II.1.1.16 The number of accidents, fatal and non-fatal, on all the roads in Guyana is unacceptably high.
- 8.II.1.1.17 There is inadequate maintenance of the road network.
- 8.II.1.1.18 There is encroachment on road reserves; moreover, reserves are not legally defined for roads in hinterland areas.

- 8.II.2.16 The limitation as to the approval of helicopter operations by privately owned companies, unnecessarily restricts ingress to and egress from the hinterland, and reduces the efficiency of search and rescue operations.
- 8.II.2.17 The limited runway length at Cheddi Jagan International Airport - Timehri severely reduces the opportunities of utilising it for international flights.
- 8.II.2.18 The substandard physical facilities at Ogle Aerodrome, including taxiways, runways, and approach and take-off clearways inhibit its use for both internal and external flights.

8.II.3 MARINE

- 8.II.3.1 There has been a shift in emphasis from the Demerara transshipment station to the Berbice River Deep Water facility which was created by the Aroaima Bauxite Company to facilitate the entry and exit of Panamax size ships, thereby allowing for the transshipment of great quantities of bauxite, a situation that was previously impossible. The success of the operations in this facility illustrates the necessity for the creation of full-service deep water harbours to cater for both imported and exported cargo.
- 8.II.3.2 The selling prices of quarry products and lumber for use in the urban centres, for road construction and in industry, are greatly increased by the high cost of transportation in Guyana. Indeed, it is because of this factor that it is sometimes argued that it might be cheaper to import some of these products, as against relying on indigenous sources of supply.
- 8.II.3.3 In an environment in which speed is often of the essence, a reduction in the distance of transportation in terms of nautical miles by the establishment of berthing facilities at Supenaam and Morshee might be eminently feasible. For example, the construction of a wharf at Supenaam would allow for a faster turn around of the Transport and Harbours Department vessel, thereby increasing the number of daily trips, and providing a distinct advantage to commuters.
- 8.II.3.4 The demand for a reliable and efficient water transport service to the outlying areas of Guyana continues to put a strain on the ageing fleet of vessels operated by the Transport and Harbours Department.
- 8.II.3.5 The absence of a functioning coast station impedes the process of effective maritime communication; stultifies search and rescue operations; constrains the surveillance capacity of the Coast Guard; and encourages piracy, the vandalism of navigation aids, drug operations, and fish poaching in our territorial waters, and the evasion of customs duties.
- 8.II.3.6 The nonexistence of a buoy tender makes it very difficult to position and repair aids to navigation.
- 8.II.3.7 The Georgetown Harbour has a plethora of wrecks which pose a hazard to effective navigation. Unless this situation is addressed as a matter of urgency, the harbour could eventually be declared unsafe for navigation by international marine regulatory agencies. This would obviously have an adverse effect both on our exports and imports, on the performance of the economy, and on our quality of life.
- 8.II.3.8 The inadequacy of financial resources to acquire the requisite equipment to boost or maintain an efficient and reliable maritime transport service is an obvious constraint to the development of the sector, and to the growth of the overall economy.
- 8.II.3.9 The failure to grant autonomy to the Transport and Harbours Department prohibits the organisation from establishing realistic fares and tariffs for the facilitation of commercially viable port and ferry services, and limits the development of the sector. In addition, weak institutional arrangements within

the Department, and the poor remuneration of employees, result in a lack of commitment and a high attrition rate.

8.II.3.10 Because of the relatively old age of the vessels maintenance costs are high, and the reliability of the services that are rendered most problematical.

8.II.3.11 The ferries, because of their own inherent inefficiencies, and because also of the low prices charged for the transport of goods, vehicles and personnel are, as we have seen, for the most part uneconomic to run and are a drain on the exchequer.

8.III **SECTORAL OBJECTIVES**

8.III.1 **ROAD**

8.IV THE STRATEGY

- 8.IV.1.30 A separate road maintenance fund will be established, with decision power on its allocations vested in a Board that includes representatives of the Ministry of Finance, the Ministry of Public Works and Communications, the Ministry of Local Government, RDCs, NDCs, and the Private Sector Commission.
- 8.IV.1.31 Tolls will be imposed for the use of new major bridges and new roads.
- 8.IV.1.32 Higher taxes will be required from vehicle owners. Indeed, the entire vehicle tax system will be periodically updated.
- 8.IV.1.33 The regulatory and operational functions of government will be separated.
- 8.IV.1.34 The policy of driving on the left hand side of the road will be reviewed *pari passu* with the establishment of road links with Venezuela and Brazil.
- 8.IV.1.35 Plans will be developed for a new bridge across the Demerara River, to be carried out through a build, operate and transfer ownership (BOT) arrangement. The Demerara Harbour Bridge has been rehabilitated with funding from EU. This work will extend the life of the bridge up to 2012. Work on plans for a new high level bridge will be initiated immediately, so that it may become

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8.IV.2.14 Systems will be put in place to improve the country's search and rescue capacity. This will entail close cooperation between the private and public sectors.

8.IV.2.15 All restrictions on Guyanese privately owned airlines, will be eliminated. Such airlines will, of course, be subject to the country's air operation laws and regulatory procedures.

8.IV.3

MARINE

8.IV.3.1 All wrecks which affect navigation and the smooth flow of traffic in and out of the harbours will be removed.

8.IV.3.2 Regulations will be established and implemented to ensure a high degree of safety standards on board all the vessels which ply the coastal waters of Guyana and those engaged in regional and international shipping.

8.IV.3.3 Better dredging schedules will be organised and implemented to keep open the access channels to Guyana's ports of entry and exit.

8.IV.3.4 Wharves and berths in the major ports will be upgraded so that they reflect standards in keeping with prescribed harbour and port regulations.

8.IV.3.5 All aids to navigation in the access channels in the major rivers of Guyana will be improved.

8.IV.3.13 Given the fact that Guyana has acceded to a significant number of needed to

- (vi) Reconstruction of the East Bank Demerara Road between La Penitence and Peter's Hall as a four lane highway.
- (vii) Construction of a bridge across the Berbice River, with its access roads.
- (viii) Construction of a new highway between Georgetown and Soesdyke.
- (ix) Construction of a road between Parika and Suribanna and between Patentia and Kamuni.
- (x) Rehabilitation of the Corentyne Highway.
- (xi) Paving the Linden - Mabura stretch of the Linden - Lethem Road.
- (xii) Improvement of the road between Linden and Bartica to enable cars to travel on it, and construction of a bridge in the vicinity of Kokerite Island to replace the ferry between Suribanna and Sherima.
- (xiii) Improvement of the road between Linden and Kwakwani to enable cars to travel on it.
- (xiv) Construction of bridges over creeks on the road between Lethem and Marudi.
- (xv) Construction of a two lane road between Moleson Creek and Orealla.
- (xvi) Execution of a feasibility study for a high level bridge across the Demerara River to replace the DHB.

- Upgrading the crash/fire rescue service
- Implementing the CNS/ATM system, inclusive of equipment modernisation in the air navigation and DGPS systems
- (ii) Implementation of the preliminary master plan for Timehri and Ogle airports prepared under UNDP/ICAO Project (1993) updated to reflect current trends and needs.
- (iii) Development of Ogle Municipal and Regional Airport:
 - Construction of new runway and taxiways
 - Construction of new Terminal Building
 - Improvement of Navigational and Telecommunication Aids
 - Construction and Improvement of Air Traffic Control Tower
 - Improvement of Fire Hall and CFR Equipment
- (iv) Upgrading and Rehabilitation of Interior and Coastal Airfields
- (v) Provision of modern Search and Rescue resources to the Civil Aviation Authority.

CHAPTER 9

SUGAR

9.1 BASIC FEATURES

- 9.1.1 Guyana's sugar is produced by a state-owned enterprise, the Guyana Sugar Corporation (GUYSUCO). Although a parastatal, the corporation has been managed since 1990, under a management contract, by a privately owned British Company, Booker-Tate.
- 9.1.2 The company's mission statement reads as follows: "To establish world-class standards in agricultural practices, sugar factory efficiencies, environmental protection and the productive use of human resources - in order to achieve sustained profitability in any foreseeable marketing environment - so that the sugar industry can make a full contribution to the economic, technological and social progress of Guyana."
- 9.1.3 The sugar sector, which is export-oriented, contributes immensely to Guyana's socio-economic development: 16 percent of the country's total GDP and 30 percent of its agricultural GDP are derived from this commodity; it is the largest *net* earner of foreign exchange in the country; and it is the biggest corporate contributor to public revenue. Moreover, it directly employs 25,000 people or about 10 percent of Guyana's labour force; indirectly, it absorbs a further 10 percent of the country's citizens.
- 9.1.4 Perhaps of as great importance are the services which GUYSUCO provides to the communities in which it operates, in the areas of education, training, health, housing, water and recreation. Indeed, distinct sugar communities exist in Guyana, with all the characteristics of company towns.
- 9.1.5 Although Guyana had produced 395,000 tonnes of sugar in 1971, output had dropped to about 130,000 tonnes by 1990. Since then, however, production has steadily increased to over 300,000 tonnes in 1999.
- 9.1.6 GUYSUCO holds 164,000 acres of Guyana's lands, all on the crowded coastland. Indeed, it is the largest agricultural entity in the country. On average, depending upon cultivation practices, and the disposition of land for human settlement, services and recreation, it occupies between 90,000 and 100,000 acres. It is estimated that about 50,000 acres of GUYSUCO's land holdings are either lands which are not under cane, or lands which have been permanently abandoned.
- 9.1.7 GUYSUCO is a relatively high-cost producer of sugar. Its cost of production was US\$0.23 per pound in 1995/96 and 1996/97, and US\$0.22 in 1997/98. It is estimated that in 1998/99 the production cost was also US\$0.22 per pound. This compared unfavourably with the production costs of the U.S.A., North East Brazil, Mauritius, India, Fiji, Australia, Guatemala, and Malawi, for example.
- 9.1.8 These production costs are not evenly distributed across Guyana. They are highest in the western regions of the country: in Wales, Uitvlugt, LBI and Enmore - the Demerara estates; and lowest in the other four of the eight estates which exist in Guyana: Skeldon, Albion, Rose Hall and Blairmont. The differences in productivity between these two groups of estates are partly due to agro-climatic conditions and, it is sometimes claimed, to contrasting management practices.
- 9.1.9 Despite its comparatively high production costs, GUYSUCO is able to sell almost all its production in Europe, the U.S.A. and in CARICOM countries. This is because of the EU/ACP Sugar Protocol; the EU/SPS programme; the USA sugar programme; and the Common External Tariff (CET) which CARICOM countries apply. These various agreements and arrangements give preference to the entry of Guyana's sugar at

prices that are usually higher than the so-called "world-market" price, or more properly, the price of sugar in the non-preferential market.

- 9.I.10 The fact that the value of the Guyana dollar has depreciated somewhat over the years has assisted GUYSUICO in the payment of local costs, such as salaries and wages, simply because the foreign exchange which it earns abroad realises more Guyana dollars and stretches farther.
- 9.I.11 Although some of the sugar-cane that is grown in Guyana is produced by farmers, as opposed to GUYSUICO's estates, the country has the lowest farmer/estate cane ratio among CARICOM sugar producers. Thus, in the crop year 1997/98 the farmer/estate ratio in Barbados was 66:34; in Belize, and St. Kitts and Nevis 100:0; in Jamaica 53:47; and in Trinidad and Tobago 58:42. In Guyana, however, the farmer/estate cane ratio was 10:90, quite the reverse of that obtaining in the other countries.
- 9.I.12 Cane farmers in Guyana receive a high wevearien of the un thata(re)-6(oab)-4ta(i)-5(n)1 set the sahe (f)-5(suga)-8

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- 9.III.1.8 Second, it is possible to reduce the unit cost of cane purchased from private cane farmers, to bring it into line with the prices paid to similar producers in other countries, by assisting them to increase their productivity. If this were done, the total financial benefits accruing to the farmer would be most rewarding, but GUYSUCO's unit costs would be reduced. In other words, it would pay to devote more resources to the training of cane farmers in all aspects of sugar cane production.
- 9.III.1.9 Third, there appears to be a shortage of administrative managerial, and technical skills on several estates. This affects the company's productivity and competitiveness. If steps are urgently taken to train the required personnel, or even to hire professionals of competence, GUYSUCO's competitive position would be much improved.
- 9.III.1.10 Fourth, with the company's plan to purchase a new modern factory, and to amalgamate others, not only would productivity be much improved, but the company would be able to enjoy the benefits of scale economies that are now denied it. Moreover, the company's energy costs, which are a not insignificant portion of its current expenditure, would be reduced, because of its programme to utilise bagasse in much of its future production. In addition the new mills would be much more efficient than those which are now being utilised.
- 9.III.1.11 Fifth, with the improvement of the deep-water facility in the Berbice River, shipping and transportation costs will inevitably be lower.
- 9.III.1.12 Sixth, GUYSUCO proposes to mechanise its loading operations. This, too, will reduce costs.
- 9.III.1.13 Similar considerations apply, in large part to the East Demerara estates, which are currently the highest cost producers within GUYSUCO. They are high-cost producers mainly because, according to the corporation, they utilise a high proportion of

generation, in the operation of the proposed distillery, in the packaging and manufacture of special sugars, and in sugar refining practices. Moreover, the management, administrative and negotiating skills of GUYSUCO's top Guyanese need to be somewhat enhanced. It will be necessary also to train both factory and field workers in many areas which will be innovations for most Guyanese: in the new factories, and with new types of field machinery.

19.III.3 Land

19.III.3.1 Land issues in Guyana are most complex. It is for this reason that a chapter in this Strategy is specifically devoted to this topic. However, because

9.III.5.2 The present procedures for establishing cane prices are cumbersome and, more important, do not appear to be either equitable or to be designed to improve efficiency. There are two determining aspects of the present price structure for farmers' cane: the method whereby the conversion factor from cane to sugar is derived; and the proportionate distribution of the net income from this sugar between the farmer and the processor. Both of these matters are dealt with in the National Cane Farming Committee Act, No. 29 of 1975 (as amended) which establishes that the so-called Puerto-Rican formula be employed to calculate the cane to sugar ratio. The appropriateness and accuracy of this formula have been fiercely challenged by Guyanese cane farmers, and by specialists in this area. Indeed it is now generally acknowledged that the Jamaican Recovery Cane Sugar formula is more accurate and equitable. There is obviously, therefore, a need to revisit this very crucial matter.

9.III.5.3 There are also problems in respect of the share of proceeds. It appears that cane farmers in Guyana are paid more than most similar farmers in other parts of the world. In the face of this, GUYSUICO seems reluctant significantly to expand their dependence on cane farmers. However, the returns to cane farmers are directly linked to the future of the company, be it through favourable sugar prices or efficient factory recoveries. It is evident, therefore, that the entire cane farming structure, from the organisation of farmers, the provision of inputs and extension services, to the methods of calculating both sucrose content and prices, be rationalised.

9.III.6 Transportation Costs

9.III.6.1 As has been emphasised elsewhere in this National Development Strategy, transportation costs for Guyana's exports are generally higher than in most other countries. This is especially true for sugar. If we are going to be competitive we will have to remove those constraints over which we have some control: the absence of an adequate deep-water harbour, the dearth of bulk loading facilities, and the inadequacy of our current port administration.

9.IV SECTORAL OBJECTIVE

9.IV.1 The objective of the sector is to improve the competitiveness of the industry so that it may increase its contribution to the development of Guyana.

9.V THE STRATEGY

9.V.1 The overall strategy will be (i) to utilise the most productive soils that are available within those agro-climatic areas which would yield the highest amounts of sugar at the lowest possible costs; (ii) to increase the productivity of the Demerara sugar estates by adopting more effective agronomic practices; (iii) to improve the quality of the milling process, through the establishment of new mills and the amalgamation of others; and (iv) to add value to the sugar cane raw-material through the expansion and deepening of the manufacturing process, the widening of the range of sugar based products that are produced, and the enhanced packaging of these products.

9.V.2 **Between 2001 and 2005 a detailed plan for the diversification of economic activity in those areas in which the Demerara estates are located will be formulated and implemented.**

9.V.3 **This plan will include the establishment of special micro-credit facilities the provision of training in various disciplines, trades, crafts and entrepreneurship; and the provision of land for cultivation, housing, and business development on favourable terms. In other words, a comprehensive land settlement and land redistribution plan will be implemented.**

- 9.V.4 **At least two housing schemes, one in Western Demerara and the other in Eastern Demerara will be established. The measures and incentives described elsewhere in this NDS, particularly in the Chapter devoted to *Housing*, will apply.**
- 9.V.5 The inhabitants of those areas will be encouraged specifically to engage in the cultivation of high-value non-traditional crops, aquaculture, and to establish specific micro-industries. They will be provided with relevant technical assistance and extension services.
- 9.V.6 **The important point is to ensure that undue reliance is not placed solely on sugar in these districts, and that there would be available other suitable options for employment.**
- 9.V.7 Although the main thrust of the sugar expansion programme would be in Berbice, i.e. Skeldon, Blairmont, Rosehall and Albion, where GUYSUCO'S plans for the extension of both milling and field capacity will be concentrated, sugar production in the Demerara estates will be made more competitive and, at the same time, an enabling environment for the creation of alternative development will be provided.
- 9.V.8 GUYSUCO's overall production capacity will be increased to 500,000 tonnes of sugar per year.
- 9.V.9 **Almost immediately, steps will be taken for *all* the land now occupied by GUYSUCO to revert to the State. The State will then lease to GUYSUCO, at normal rates, the land which it requires for current and future planned expansion.**
- 9.V.10 After consultation with representatives of the cane farmers, the National Cane Farming Act will be revised in order to make it more equitable, to increase the involvement of a greater number of cane farmers in the production of cane for GUYSUCO, to reduce production costs, and to make Guyana's cane more competitive.
- 9.V.11 New contracts, which will endeavour to be fair both to the cane farmers and GUYSUCO, will be negotiated.
- 9.V.12 Cane farmers will be provided with land to enable them to produce more cane.
- 9.V.13 Cane farmers will be trained in a range of agronomic skills to improve their performance. In addition,

- 9.V.17 The financial resources that are required to implement GUYSUCO's plans for the future will be raised through a consortium, put together by a lead banker, who will obtain the required amounts on the international market.
- 9.V.18 Intensive training courses will be mounted for all levels of the company's employees, in order to prepare them for the expansion and modernisation of the industry.
- 9.V.19 The Jamaican Recoverable Cane Sugar Formula, rather than the Puerto-Rican, will be employed in determining the sugar content of the sugar cane supplied by farmers to the estates.
- 9.V.20 Because of the importance of the CARICOM market to the survival of Guyana's sugar industry, special efforts will be made by the Ministries of Foreign Affairs and Trade to ensure that the terms of the

10.I.13

Two other institutions play an important role in the rice sector: the Guyana Rice Millers and Exporters Development Association (GRMEDA), and the Rice Producers Association (RPA). GRMEDA promotes the development, growth and expansion of the rice industry through the design and implementation of appropriate programmes. It also acts as a conduit for channeling technical and financial assistance to rice industry operators. The RPA is a statutory body which also qualifies as a non-governmental organisation. Its overall objectives are to promote, protect and advance the interests of rice producers generally and to facilitate GRDB's efforts in the operation of research and extension services by being in a position to mobilise and inform rice farmers of relevant meetings, etc. It receives financial support for its activities from the Guyana Rice Development Board.

term leases for which there are no renewable options; and the difficulty of transferring leasehold land into freehold are factors which contribute to the lack of security of tenure experienced by rice farmers occupying state lands. This insecurity has led to the reluctance of producers to make long term investments in the land. As a consequence, the sustainability of the land and future productivity gains are jeopardised. The establishment of the Lands and Surveys Department as a semi autonomous commission, and the rationalisation of the land tenure system in our country, it is argued, will remove some of the present constraints.

- 10.II.3.5 The size of many of the rice holdings is insufficient to support a household and to keep rural incomes above a certain minimum level.
- 10.II.3.6 The deterioration of the drainage and irrigation network over the past twenty years has been a considerable constraint on increased production and productivity. Although the rehabilitation and improvements which have been undertaken during the last six years have removed some of the constraints, much more needs to be done.
- 10.II.3.7 Companies importing reconditioned machinery and equipment do not always have the necessary spares for repairs. Moreover, opportunities for machine rental are insufficient. As a consequence, Guyanese farmers therefore invest in new machinery even when the size of their holdings makes such an investment uneconomical.
- 10.II.3.8 Farm productivity must be increased through the development of high yielding varieties that are not only resistant to blast diseases, but which also possess good milling and cooking qualities. In addition, varieties need to be of different grain lengths e.g. extra long grains, long grain and medium grains to meet the needs of different markets. The milling potential of the varieties should be between 55 and 70 percent.
- 10.II.3.9 The transfer of technology which is of fundamental importance to the future of the rice industry in order to increase productivity, reduce costs and make the industry internationally competitive, must be optimised. The efforts of GRDB Extension staff should therefore be concentrated on: (i) increasing yields, (ii) improving quality (iii) reducing cost (iv) producing high quality seed.
- 10.II.3.10 The RPA also plays an important role in the extension service. It is mainly responsible for mobilising farmers to attend seminars and demonstrations that are organised by GRDB. It also has the vital function of collecting information from the producers' communities.
- 10.II.3.11 The current strategy of increasing rice production through the utilisation of more land, greater intensity in input use, expanded milling facilities etc. is occurring within a general void of environmental legislation, enforcement, and monitoring. Although the passage of the Pesticide Control Bill and the Rice Factory Acts has addressed some of the environmental concerns, a more comprehensive approach to this problem is necessary.

10.III **SECTORAL OBJECTIVES**

- 10.III.1 The overriding objective is for the sector to become internationally competitive. This would ensure its sustainability in the face of reduced preferential access and falling export prices. In order to attain this primary objective, costs must be reduced throughout the rice production process of the industry.
- 10.III.2 This might be done through a combination of activities. First, the unit cost of padi production must be lowered, primarily by increasing yields per acre. At present the average national yield is around 26 bags per acre. This ought to be increased to at least 35 bags per acre. Second, Guyana's milling yields are currently at around 45 to 60 percent. These rates are significantly lower than those of the U.S.A., for example, which are estimated to be between 55 and 70 percent. And third, transportation

- 10.IV.7 Extension services will cover more than the traditional area of providing information on production techniques and inputs (seeds, agro-chemicals). They will, in particular, include farm management as a core activity.
- 10.IV.8 The RPA and GRMEDA will be strengthened and provided with assured sources of financial support from the GRBA, in the short run. In return for this support, these institutions will put in place systems for the full representation of their members, including transparent and democratic elections.
- 10.IV.9 The organisations will also move towards increased cost recovery for the services they offer, and will aim at eventually becoming self-financing.
- 10.IV.10 GRDB will establish a Market Information System. International linkages are especially vital to the future prosperity of Guyana's rice sector, particularly in the areas of market intelligence and research.
- 10.IV.11 A permanent, formal and appropriate mechanism for bringing together the primary institutions of the agricultural sector to discuss and resolve issues such as land use; the need to put down new infrastructure (D&I, roads, etc.) for opening new rice lands; competition for scarce water resources; and environmental matters will be established. Such issues require regular consultations among agriculture officials, other relevant professionals and civil society.
- 10.IV.12 The industry will be assisted by the relevant government industries to continue to access the markets of the European Union, Caricom and Africa. At the same time, it will be helped to develop further the markets in the broader Caribbean, particularly in Haiti and Cuba, and in other countries of Latin America. The use of Information Technology will be of special importance in this regard.
- 10.IV.13 To penetrate these markets successfully, the industry will be encouraged to establish a "consortium" with the capacity to export large shipments, develop export strategies, and a market intelligence service.
- 10.IV.14 Mechanisms for "futures" marketing will be developed.
- 10.IV.15 In addition to the rehabilitation of facilities in Georgetown, and the installation there of bulk and bond facilities, such services will be installed at Corriverton, Rosignol and Essequibo.
- 10.IV.16 A review of the present system of drying and storage will be undertaken in order to effect its improvement as these operations are crucial to the attainment of increases in yields and quality.
- 10.IV.17 Regulations will be issued and enforced to ensure that the quality of rice exported is that which is stated on the export contract.
- 10.IV.18 **The rice industry will be diversified. Fiscal incentives will be provided for the production of such value-added goods as rice flakes, popped rice, rice straw (for mushroom production and as a ruminant feed) and for the use of hulls as a fuel and in concrete production.**
- 10.IV.19 **Within the general policy of facilitating credit to Guyana's producers, measures will be taken to ensure adequate financing for rice producers and millers. In this regard several options will be explored e.g. group lending, in which farmers guarantee each other's loans; and the conversion of existing leaseholds to transferable tenures which could be used as collateral.**
- 10.IV.20 Millers will be provided with more intensive courses in financial management, in the operation of letters of credit, and in other methods of payment, as part of their regular extension and advisory services.

- 10.IV.21 Appropriate institutional and fiscal arrangements will be put in place to ensure that the Drainage and Irrigation system is operated and maintained in an efficient and sustainable manner. This will include greater farmer participation.
- 10.IV.22 **A machinery/inputs pool will be established to reduce costs of production.**
- 10.IV.23 A research programme, based on both market demands and the experience of farmers, will be developed and implemented. Such a programme will be relevant to the farmers' perception of field-level problems, and should lead to the long run sustainability of the rice sector.
- 10.IV.24 Research will concentrate on increasing productivity, decreasing the variability of yields, increasing pest resistance, enhancing quality, and developing and maintaining those characteristics demanded by export markets and domestic consumers.
- 10.IV.25 The economic analysis of research proposals will determine the feasibility of research projects. However, some *a priori*

PROJECTED PRODUCTION AND EXPORTS (2000-2010)

Production	2000	2005	2010
Acreage	360,000	400,000	420,000
Average yield (bags/acre)	28	32	36
Padi production (M/t)	640,000	813,000	969,000
Rice equivalent (M/t)	384,000	528,000	650,000
Exports (M/t)			
EU	100,000	100,000	100,000
Caricom	100,000	120,000	130,000
Haiti	40,000	50,000	80,000
Africa	30,000	30,000	30,000
Latin America (Columbia/Peru, Brazil)	30,000	100,000	160,000
<u>Total</u>	300,000	400,000	500,000

Achievement of the above levels of production and export is dependent on the sectoral objective being attained.

CHAPTER 11

AGRICULTURAL INSTITUTIONS

11.1 BASIC FEATURES OF THE SECTOR

- 11.1.1 The institutions which service the sugar and rice industries have already been described. Those which support the non-traditional crops and livestock sector are the Ministry of Agriculture; the Ministry of Fisheries, Crops and Livestock; the Ministry of Regional Development; the Regional Democratic Councils, the National Agricultural Research Institute; the University of Guyana; and the Guyana School of Agriculture. This list is not exhaustive, but it contains the main agencies.
- 11.1.2 The Ministries of Agriculture (MOA), and Fisheries, Crops and Livestock (MFCL) are at the centre of the sector. They formulate policies and monitor their implementation. They also collect, process, analyse and disseminate relevant information.
- 11.1.3 The Ministry of Agriculture comprises the Lands and Surveys and the Hydrometeorology and Planning Departments; the Ministry of Fisheries, Crops and Livestock is composed of the Crops and Livestock, and the Fisheries Departments.
- 11.1.4 The Crops and Livestock Department is primarily responsible for the provision of technical and extension services to the farming communities. Associated with the Ministries' extension activities are the following organisations and units that are all functioning far below their optimum and need to be rehabilitated if extension capabilities are to be enhanced – the Agricultural In-service Training Communication Centre (AITCC), which was developed as a centre to provide agricultural information and to train farmers and extension personnel; the Veterinary Diagnostic Laboratory which provides parasitology, haematology, pathology, microbiology and other diagnostic support to the livestock rearing community (this laboratory is currently not operational); and the Livestock Station at Mon Repos, which was originally designed as a centre for livestock research in the Ministry of Agriculture. It has now been transferred to NARI.
- 11.1.5 The present functions of the National Agricultural Research Institute (NARI) are to advise on, and develop, appropriate systems to promote balanced, diversified and sustained agricultural development and optimise agricultural production through adaptive and investigative research; and to facilitate the use of improved production technology by agricultural producers, and establish adequate feedback systems for them in order to achieve and maintain national self-sufficiency and export capacities in food and fibre.
- 11.1.6 An Agricultural Research Committee advises the Minister on matters of policy relating to agricultural research; supervises and controls the functioning and activities of the Institute; approves, oversees and evaluates the programmes being implemented by the Institute; and gives general and technical guidance to NARI's Director.
- 11.1.7 At its inception, the overall objective of the National Dairy Development Programme, which was established in 1984, was to achieve national self-sufficiency in fresh milk by 1988. However, the mandate of the NDDP was expanded and its mission statement was subsequently modified to read as follows:- "to spearhead the development thrust of a self-sustaining, self-regulating, economic viable cattle industry within the context of national self-sufficiency in milk and dairy products, beef and beef products, and the export of these commodities."

11.1.8

The original Guyana Marketing Corporation (GMC) was created in 1963. The Corporation operated like the typical marketing board of many developing countries at that time. It bought all farm products offered to it at a predetermined price, and then sold the produce to consumers at various outlets and from trucks going from house to house. Perhaps not unexpectedly there were tremendous losses. Accordingly, in 1985 the policy of the Guyana Marketing Corporation was changed drastically. There

orientation to national problems and conditions; the student intake is relatively low; there is a lack of basic textbooks and other teaching aids; and the available human resources are not optimally utilized.

- 11.II.13 Neighbourhood Democratic Councils have only a limited role in the mobilisation and disposition of resources and, under current legal and administrative arrangements, cannot function effectively as providers of services at the local level. Local authorities have been forced to operate through a narrow window of influence at the regional level, and have been made to be responsible primarily to central and regional governmental structures, and not to their constituents.
- 11.II.14 Studies of the sector have revealed that the supply of credit to farmers is limited by factors such as the risks linked to agricultural production and markets; the sector's small size; and its informal nature.
- 11.II.15 **The penetration of rural areas by commercial banks is low, leading to inadequate savings, credit mobilisation and delivery. In addition, this unsatisfactory interface and contact between the banks and the agricultural producers, coupled with the preference of commercial banks for asset-based, as opposed to cash-flow, lending, results in an inflexible lending policy towards the sector. As a consequence, only a small percentage of the banks' funds are lent for developmental purposes, while an extremely high percentage is invested in special deposit accounts or Treasury Bills and are therefore not available for productive lending to the economy. Indeed, current lending rules and practices effectively exclude from access to institutional and commercial credit more than eighty percent of Guyana' farm households.**

11.III THE OBJECTIVE

To develop institutions which would facilitate the improvement of the operations of the agricultural sector, by enhancing their efficiency in providing public services in the production and marketing of agricultural produce.

Specifically, the objectives are to:-

- (i) improve institutional support for the development of the diversified small farm sector;
- (ii) give greater priority to the rural poor as beneficiaries of publicly supplied services;
- (iii) improve co-ordination between national and local institutions so that local communities can access information and resources from other levels of government;
- (iv) improve the effectiveness of production and marketing organisations in providing economic benefits to their members;
- (v) enhance the public sector's capacity to assist these organisations;
- (vi) enhance the mobilisation of rural savings;
- (vii) increase credit delivery to agricultural activities that are based on rural savings; and
- (viii) increase the long-run viability of institutions for agricultural finance.

11.IV THE STRATEGY

- 11.IV.1 A new board will be established to encompass the roles currently being performed by NARI, NDDP, NGMC and the Crops and Livestock and Fisheries Departments of the Ministries. The Directors of this

sustenance to the rural poor, most of whom are self-employed in agriculture or are workers in the rice and sugar industries, both of which are seasonal.

- 12.I.11 Export volumes of non-traditional crops have increased through the initiatives of small traders rather than through organised and adequately financed operations.
- 12.I.12 Most of the crop farmers in Guyana are involved in mixed crop farming. Current agronomic practices are consistent with those for systems of low level technological packages.

12.II ISSUES AND CONSTRAINTS

12.II.1 Land and Infrastructure

- 12.II.1.1 The administration of State lands is inefficient, leading to the frustration of farmers' efforts to obtain information on leases and the availability of unutilised idle land. In addition, there is imprecision in the identification of boundaries.
- 12.II.1.2 There is no clear demarcation of which land falls under the jurisdictions of the Lands and Surveys Department, the Geology and Mines Commission, and the Forestry Commission.
- 12.II.1.3 There is growing competition for available land among traditional and non-traditional crops, housing, and industrial land developers.
- 12.II.1.4 The historical layout of drainage and irrigation infr

12.II.3.3 There is much gender discrimination in employment practices

12.II.4 Marketing

12.II.4.1 The production of NTCs and livestock is not guided effectively by market intelligence services. The seasonality of export demand, weather patterns, and input price fluctuations leads to a very unstable supply of produce ranging from gluts to scarcity. Input availability, soil types, farmers' experience and perceived demand also govern production levels and farmers' choices of commodities. There is poor organisation among farmers at local and national levels, and hence there is little exchange of experience and no coordinated effort to obtain information on external markets.

12.II.4.2 Essential marketing linkages (local and overseas) are limited. Knowledge of existing trends in prices and demand, and of the availability of supplies, is therefore restricted. Much needed information on existing acreages, costs of production, seasonality etc., that is required for farmers' planning purposes is poorly collated.

12.II.5 Transportation

12.II.5.1 Inadequate transportation infrastructure and poor transport services are a major impediment to the marketing of agricultural products within and out of Guyana. Poor transportation services contribute to the wide spread between ex-farm and retail prices. Riverain producers and consumers are particularly subject to very inadequate transportation linkages, but, in general, both water and road transport are unreliable and high priced. Local roads are in very poor conditions.

12.II.5.2 Exporters are seriously inconvenienced by poor port facilities, limited cargo space, and the frequent need for transshipment of goods through Trinidad.

12.II.6 Storage and handling

12.II.6.1 The extreme unavailability of power and potable water supplies are major causes of post-harvest losses and are a most serious constraint to the development of milk pasteurisation units and meat storage facilities.

12.II.6.2 The country has a shortage of trained cadres in post-harvest technology and very few entrepreneurs in agro-processing. A high percentage of wastage therefore results, and less than one percent of total production is exported.

12.II.6.3 The six established wholesale marketing centres (except Black Bush Polder) have been sidelined by private initiatives and local retail markets (34 municipal and 36 roadside), and are poorly serviced with basic amenities.

12.II.8 Credit and Investment

- 12.II.8.1 The highly risky nature of agricultural production in an environment that is not supportive of its development is not conducive to the procurement of lines of credit. Lending agencies do not seek out businesses in rural districts and are truly ignorant of farmers' financial needs. For whatever reason, GAIBANK, the major agricultural lending agency in the past, did not seek to recover funds expeditiously from defaulters. This has assisted in creating a poor credit servicing mentality in rural areas, which in turn increases the difficulties of obtaining new credit.
- 12.II.8.2 Prospective investors in NTCs and livestock have been unable to fulfill the conditionalities of creditors, and have been discouraged by unattractive terms for financing. Misleading investment guidelines further exacerbate the farmers' predicament. Tax

12.II.13.9 Poultry and swine breeding is *ad hoc*, and mainly consists of a selection process. The introduction of new breeds

12.II.13.10 For all types of livestock financial constraints and the absence of adequate physical facilities inhibit progress in a

12.II.13.11 ~~12.II.13.11~~ There is no monitoring agency to document and evaluate what is occurring in the field, though it is known that t

Management

- 12.IV.1.3 Research on relevant farming systems, particularly those relating to farm mechanisation, will be developed.
- 12.IV.1.4 Extension officers will pay particular attention to imparting information on agro-processing and post-harvest losses, and will give guidance on the selection of plant and animal germplasm.

- 12.IV.9.1 A survey on the main pests and diseases affecting local crops will be conducted.
- 12.IV.9.2 Programmes to control, prevent and eradicate the major pests and diseases identified in the survey will be developed and implemented.
- 12.IV.9.3 Workshops on critical pest and disease problems will be organised, and crop farmers will be apprised of their incidence, location, and relevant control methods on a timely basis.
- 12.IV.9.4 Plant quarantine laws will be utilised to provide greater authority to officers in the execution of their duties.
- 12.IV.9.5 New surveillance points will be opened along the country's borders to restrict the entry of pests and diseases.
- 12.IV.9.6 A National Surveillance Service Unit (NSSU) will be established.

12.IV.10 Livestock

Nutrition

- 12.IV.10.1 **The production of alternative energy feeds (low quality rice, corn, sorghum, or cassava) to counteract the decline in the supply of rice and wheat by-products will be pursued. Private investment in this area will be encouraged, through the provision of fiscal incentives.**
- 12.IV.10.2 **Similar incentives will be provided for the establishment of a rendering plant to produce high protein meat meals from the quantities of fish, poultry, swine and ruminant processing wastes that are currently discarded.**
- 12.IV.10.3 The livestock population of Guyana would, of course, require adequate pasturage to support its sustainable development. Efforts will be made to improve the productivity of the saline soils to the north and the acid soils farther inland for livestock rearing.
- 12.IV.10.4 Research will continue on the development of nutritious forage species that are adaptable to soil conditions.
- 12.IV.10.5 Land use capability studies will seek to ascertain the most appropriate areas for livestock rearing.
- 12.IV.10.6 An animal nutrition project that aims at educating farmers on correct feeding principles will be undertaken, collaboratively, by all relevant agencies (MOFC&L, NDDP, CARDI and IICA).

Animal

maintain inspection programmes, and to ensure the optimal functioning of a **Meat Marketing Board**, the establishment of which is an absolute priority.

12.IV.10.9 The Government will improve the emoluments of veterinary staff, and provide transportation facilities to allow them to execute their functions. Charging for drugs and surgical procedures will contribute to the costs involved. Core funding, however, will remain the responsibility of the relevant Ministries.

12.IV.10.10 A survey of the health status of all livestock in Guyana will be undertaken as a priority measure.

Genetic Improvement

12.IV.10.11 The livestock development programme for Guyana will include an Animal Breeding Unit, The unit will support itself by the sale of breeding stock; charges for artificial insemination; and donor-financed projects.

12.IV.10.12 It is important that breeds be fully identified, breed performance be evaluated, and cross-breeding programmes be established to derive optimal performance parameters. In sheep, the Corentyne white breed has shown superiority on empirical evidence. A complete study will be carried out to measure all technical performance parameters of this breed. Other proven tropical breeds for sheep, goat and pigs will be introduced and their performance evaluated. In addition, tropically adapted breeds will be included in a national breeding programme.

Management

12.IV.10.13 Integrated farming systems will be encouraged, to allow farmers to market produce and be self sufficient in their household requirements for meat, milk and vegetables.

CHAPTER 13

FISHERIES

13.I BASIC FEATURES OF THE SECTOR

13.I.1 Fisheries and the National Economy

13.I.1.1 The fisheries sector is of critical importance to the country's economy. Its importance is evident in five key areas: first, fish is the major source of animal protein in Guyana. It is estimated that per capita annual consumption of fish rose from 9 to 27 kilograms between 1980 and 1988, jumped dramatically to 45 kilograms in 1991, and reached 59.8 kilograms in 1998. This is more than four times the world average consumption of 14 kilograms per year; second, fisheries contributed 6.2 percent of the country's GDP in 1997; third, Guyana's export earnings from fisheries, which were US\$20.5 million in 1994, rose to US\$41.8 million by 1997; fourth, the fishing industry employs some 4,800 people in harvesting and 5,800 in processing. Many more citizens benefit indirectly from fishing-related occupations, such as boat-building and boat maintenance activities; and fifth, the fishery sector is a significant net contributor to the Government's revenue. Indeed, the ratio of the sector's revenues to the government's expenditure on it is more than 80 to 1.

13.I.2 The Fisheries

13.I.2.1 The fisheries sector of Guyana comprises three primary components: marine fisheries, inland fisheries, and aquaculture.

Marine Fisheries

13.I.2.2 Guyana has a coastline of 432 km. and a continental shelf area of 48,665 sq. km. The average width of the continental shelf is 112.6 km. The area of the Exclusive Economic Zone (EEZ) is 138,240 sq. km. Most of Guyana's fishing occurs in the relatively shallow waters of the continental shelf. The *marine resources* exploited within the EEZ are mainly the demersal fishery resources and, to a much more limited extent, the pelagic fish resources which are to be found both over(o)-7rntinental shelf

Resource and Production Levels in the Fisheries Sector

Item	Amount
<i>Resources</i>	
Pelagic fish biomass	300,000 mt
Demersal fish biomass	69,000 mt
Shark biomass	3,000 mt
Squid biomass	2,000 mt
Total estimated biomass	374,000 mt
<i>Production</i>	
Industrial fisheries	10,160 mt
Artisanal fisheries	37,121 mt
Inland fisheries	800 mt
All fisheries	48,681 mt

- 13.I.2.4 All of the production from artisanal fisheries, and also a significant portion of the industrial, are taken from the demersal stocks. The pressure on these stocks is therefore intense. In contrast, the pelagic species are hardly touched, except by poachers from other nations. These data immediately suggest the need to impose sustainable management processes on demersal stocks and, at the same time, the desirability of expanding seaward to deeper waters.
- 13.I.2.5 The industrial fishery dominates the export market, which is concentrated on shrimp, whereas the artisanal and inland fisheries, almost in their entirety, are oriented toward the domestic market. The industrial fishery consists of 125 trawlers, five fish/shrimp processing plants, and many wharves and dry docking facilities. The ice and freezing facilities which service this fishery are owned and operated by persons within and outside the fishery subsector. The trawlers are 54 percent foreign owned.

environment low in productivity and a relative abundance of catchable fish could be due to the very low level of exploitation to which the fish in these waters have been subjected until recently. Indeed, the steady increase in fishing pressure has already brought about a decline in the sizes of some of the fish that have been caught. **The implication is that the resource cannot sustainably support a yield much above that which meets subsistence requirements.**

However, areas that seasonally alternate between dry savanna grasslands and a shallow floodplain caused by heavy rainfall and rivers overlapping their banks usually have a high level of fish production. This is caused by the abundance of nutrient materials absorbed into the water from the dry lands when the flooding occurs. There are some forty or fifty thousand square kilometres of these seasonally inundated floodplains in the southwestern areas of the country, especially in the Rupununi, and a potential harvest of up to 100 tonnes per square kilometre may be achievable.

There is also a limited amount of harvesting, especially of crab, in intertidal and shallow sub-tidal areas along the coast, without the use of vessels. The main crab species taken are the blueback or blue sheriga (*Callinectes bocourti*), the bunderi (*Cardiosoma guanhani*) and the red sheriga (*Portunus rufiremus*). Better access to cold storage or processing facilities could add considerable value to this fishery.

There are many informal reports and a limited amount of systematic data to support the contention that water pollution and habitat degradation, particularly from mining and forestry activities on the river systems of the interior, are having a negative impact on the spawning and growth of many freshwater species.

Ornamental fish industry

There is a small but active trade in ornamental fish. In 1997 over five million of these fish were exported, with a value of G\$36 million.

Collectors catch ornamental fish mainly in riverain areas, utilising craft powered by outboard engines, and varying types of fishing gear (dragnets/seines, dipnets, pin-seines). Fish mortality rates are very high.

It should be noted that some of the more valuable species are now being cultured in the U.S.A, and that this development may have a long-term impact on the demand for ornamental fish from countries like Guyana. Furthermore, some consumers in overseas markets are demanding that strict environmental standards be followed in the harvesting of ornamental fish. This also may have a negative impact on the industry's development.

Nevertheless, significant opportunities for exporting ornamental fish still exist, provided that the quality of catch is improved, suppliers move into pond production, and exports are made directly to Japan and the EEC. It is thought that some of the present exports to the U.S.A. are re-exported to those countries.

Aquaculture

- 13.I.2.13 Although activities in aquaculture first started in Guyana in the 1950s, the development of the industry has been slow. It has been retarded by the lack of investment capital; inadequate technical skills; the utilisation of inappropriate technologies, equipment and inputs; and the almost total absence of research and training. Moreover, there has been very little foreign investment in the industry since investment prospects generally have been better elsewhere in the region.
- 13.I.2.14 Two forms of aquaculture are basically practised in the country: traditional extensive brackish water culture, and freshwater pond culture. Brackish water farms operate as extensive polyculture systems utilising the existing sluices and dams from the sea defence structures which control the exchange of water at high tide. In the empoldered areas, farmers often construct their own dikes and sluices to regulate the flow and exchange of water within individual ponds. In most cases, the trapped fish and shrimp grow to marketable sizes without any additional inputs. Brackish water culture occurs mainly in the swamps along the Atlantic Coast of the Corentyne. The average size of a farm is eleven hectares. *Tilapia mossambica*, *Tilapia nilotica* and, to a limited extent, *Hoplosternum littoral* (catfish), are the main species cultured in Guyana, in freshwater farms.

13.II ISSUES AND CONSTRAINTS

13.II.1 Issues

Sustainability

- 13.II.1.1 The key to the development of any type of fishery is long-term sustainability. If exploitation rates are not controlled, the continuous contribution of fisheries to GDP, exports, employment, and nutrition, will be significantly jeopardised. Conservation and mana

ornamental species demand a cautious approach even here. With proper research and development, there may be potential to produce ornamental fish by means of aquacultural methods.

Aquaculture

13.II.1.6 The aquaculture industry is still in its infancy. However it has significant growth potential both for the

13.II.1.13 The compelling paradox of Guya

development of legislation and regulations, and oversee the generation of adequate operational budgets for fisheries surveillance and enforcement operations through interdepartmental cooperation and sharing of resources.

Post-harvest Management (Processing and Marketing)

- 13.III.1.24 A feasibility study of fishmeal processing and marketing, both domestically and internationally, will be carried out and its results made available to the interested public.
- 13.III.1.25 Investment in cold storage facilities and ice making capacity for the operating fishport complexes and Fisherman's Cooperatives will be encouraged through the fiscal measures that are described elsewhere in this NDS.
- 13.III.1.26 Access to freehold land for cottage processing facilities will be improved through the land tenure strategies that have been put forward in this NDS.
- 13.III.1.27 Procedures for approvals and licensing of processing plants will be simplified and speeded up.
- 13.III.1.28 A national export quality control system will be established with effective mechanisms for its monitoring and enforcement.
- 13.III.1.29 Rules and procedures for the expo

13.III.1.46 The Chief Fisheries Officer will be an *ex officio* member of the Board.

Other Strategies

13.III.1.47 The Government will promote initiatives with the Governments of Venezuela, Suriname, French Guiana, and Brazil to regulate and control fishing in transboundary areas.

13.III.1.48 A certificate programme in fisheries management and quality assurance will be initiated at the University of Guyana.

13.III.1.49 The Department of Fisheries will develop a programme, and oversee its implementation, for the improvement of working conditions for women in fish processing plants and markets.

Log Production

- 14.1.2.2 Since 1987 there has been a significant increase in log production from Guyana's forests. The intensity of this increase rose markedly in 1994, when log production reached 420,000 cubic metres and continued through to 1997, when it had grown to 513,000 cubic metres. It is interesting to note that the production of chainsaw lumber, which had been negligible up to the mid-1990s, rose steeply to 41,823 cubic metres in 1995. This kind of production dropped, however, to 38,250 cubic metres in 1996 and to an even lower amount, 32,375 cubic metres, in 1997. Although it is too early to be definitive, it seems that chainsaw lumber production reached its peak in 1995 and is now significantly declining.

Other Products

- 14.1.2.3 The felling of Manicole Palm (*Euterpe edulis*) has been reasonably stable between 1994, when production was 5,946,633 stems, and 1997 when 6,625,749 stems were produced. However, there has been a downward trend in Mangrove Bark pr

Furniture and Millwork

- 14.1.2.14 There are about ninety joinery establishments in Guyana. These, together with those micro enterprises that produce lumber, millwork, lianes (nibi and kuffa articles), crafts, charcoal and shingles, are fast becoming a most significant source of income and employment. Indeed, in recent years, there has been growing interest in the export of furniture and millwork to the Caribbean, Europe and the USA, and important investments have been made in equipment, technology and training to ensure the accurate and proper finishing of furniture and furniture components. Furniture and millwork exports represent one of the most exciting possibilities for investments in the forestry sector.

Sawmilling

- 14.1.2.15 The domestic market for lumber has historically been very important for the forest industry. So much so that over the past two decades, the domestic consumption of sawnwood has consistently absorbed well over 80 percent of the country's total production. However, the traditional sawmilling industry is losing its share of the market to chainsaw lumber, and wood in general is being replaced to some extent by imported cement. Indeed, both total lumber production and the domestic consumption of lumber from formal sawmills have shown a steady decline since the mid-1970s.

14.II.2.2 The tolerance of Guyanese fo

interior where the forests are located, have resulted in the fact that the hinterland is virtually unknown to most Guyanese, and there is severe overcrowding of the population on the narrow coastland. The difficulties of communicating with the interior, and the virtual absence there of adequate health, educational and other social services, are major obstacles to the sustainable development of the country's hinterland. Indeed, many otherwise viable forestry development projects become prohibitively costly for private firms because, in addition to their normal production costs, they are

14.III **SECTORAL OBJECTIVES**

14.III.1 The *overall* objectives for the sector are to:

- a. increase the economic, benefits which Guyana derives from its forests and associated natural resources, and
- b. distribute equitably the benefits of forest-based development to Guyana's rural and interior areas.

14.III.2 The *specific* objectives are to:

- a. promote sustainable and efficient forest activities, which utilise a broad range of forest resources and contribute to national development, while allowing fair returns to local and foreign entrepreneurs and investors;
- b. achieve improved sustainable forest resource yields while ensuring the conservation of ecosystems, biodiversity, and the environment; and
- c. ensure watershed protection and rehabilitation.

14.IV **THE STRATEGY**

14.IV.1 **Land Use**

14.IV.1.1 The nation's forest policy will be an integral part of a comprehensive series of land use plans. These plans will recognise the conflicting but legitimate interests of different stakeholders and promote a process of developing a consensus on land use. Accordingly, regional authorities and local communities will be involved in their formulation and approval. They would provide:

- (i) guidelines for environmental protection and sustainable resource utilisation;
- (ii) a legal framework for resource management;
- (iii) national programmes for resource management; and
- (iv) an institutional framework for implementing land use guidelines.

14.IV.1.2 Amerindian Councils and private owners with more than 100 hectares of forest land will be encouraged to develop and implement sustainable management plans for forests on their lands. The Guyana Forestry Commission will assist in the preparation of these plans.

14.IV.1.3 Pending the finalisation of a national land use plan, a land use committee, which would serve as a forum for resolving land use conflicts at the institutional level, will be established.

14.IV.2 **Forest Management**

14.IV.2.1 The ownership of all forest resources, except those on private property and on Amerindian lands, will be vested in the state.

14.IV.2.2 All forests, including those now on State Lands, but with the exception of forests privately held, will be designated State Forests.

14.IV.2.3 **All resources of the forests will be managed in a sustainable manner for the optimisation of their social, economic and environmental benefits. The systems of forest management which would be adopted, will be designed to conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and, by so**

- 14.IV.5.1 Because the forests of Guyana vary in forest types and regenerative capacity, it would be difficult equitably to prescribe fees for the utilisation of the country's forest resources that are based on the spatial area of concessions. Fees will therefore be charged on the volume of timber felled. The rates charged will be common to all species, no distinction being made among species.
- 14.IV.5.2 Based on approved forest inventories and forest management plans, concessionaires will be required to extract a minimum volume of timber from their concessions each calendar year. The fees to be charged on this minimum volume will be paid in four *tranches*. The first installment will be paid at the beginning of each year and would cover the volume planned to be felled in the first quarter. At the end of that quarter, there will be a reconciliation between the amount which had been advanced and the volume actually felled. Further felling will not be allowed unless all outstanding royalties and fees for the assessed quarter had been paid, and unless the second *tranche* or installment were paid in advance of the operations of the following quarter. The same procedure will be followed for succeeding quarters. If, at the end of any quarter, the lessee has made payments in excess of fellings, the surplus payments will be credited to the upcoming quarter.
- 14.IV.5.3 All fees will be payable in the official currency of Guyana. The fees charged for the felling of trees will be half of the combined value of the area charges (concession rents) and stumpage fees now levied by the Guyana Forestry Commission. These will be revised upward in five-year periods, so that after the first two revisions, i.e. by 2010, the fees would be equivalent to those prevailing in 1998. Further revisions will be the result of negotiations between the Guyana Forestry Commission and the Guyana Forest Producers Association.
- 14.IV.5.4 All the fiscal measures adumbrated in this National Development Strategy, will be applicable to the forestry sector. No distinction will be made between local and foreign investors.
- 14.IV.5.5 A proportion of the fees collected will be retained by the Guyana Forestry Commission, the remaining revenues will be placed in the Consolidated Fund for the use of the people of Guyana. The share of fees allotted to either party will be decided by negotiations between them.
- 14.IV.5.6 One percent of the fees allocated to the GFC will be placed in a fund for the improvement of the operations of the Guyana Forests Products Association, in order to ensure that some of the constraints which now impede the progress of forestry in Guyana are removed.

14.IV.6 Forest Industries

14.IV.6.1 Priority areas for attracting foreign investment

14.IV.6.6 A Policy and Planning Unit will be established

14.IV.7.8 Relationships will be established with all in

CHAPTER 15

WATER

15.I BASIC FEATURES OF THE SECTOR

15.I.1 General

- 15.I.1.1 Approximately 90 percent of Guyana's population lives on a narrow coastal strip that accounts for only 5 percent of the country's total land area. This coastal strip, which stretches between the country's borders with Venezuela and Suriname, has rich alluvial soils suitable for the cultivation of rice, sugar cane, and other agricultural crops. Unfortunately, it lies between 1.5 to 3.5 feet below the mean high-water mark. The area therefore must be protected by defences to prevent inundation from the sea, and soil deterioration due to saline intrusion. Drainage, which is as important as sea defence, because the disposal of high surplus surface runoff by gravity is also complicated by the low level of the coastal plain, is effected through sea and river sluices which are opened during the low stage of the tide. Without these sea defences and a proper drainage system, all coastal property would be in jeopardy.
- 15.I.1.2 Compounding the difficulties of topography, are the problems that are inherent in the rainfall regime of the country. The average annual rainfall of Guyana is about 100 inches, with maxima and minima being 140 and 60 inches respectively. There are two distinct periods of high rainfall: May to June/July and November to December. In between these two wet seasons, there can be periods of severe drought.
- 15.I.1.3 The coastal plain of Guyana is also endowed with ground water. However, increasing demands for water for various uses severely challenge the availability of this resource. Perhaps not surprisingly, the competition of various uses – irrigated agriculture, the domestic sector, industry and commerce – is particularly felt in the dry seasons, during which severe water shortages are experienced throughout the country. The situation is aggravated by inappropriate water resource management, and inadequate institutional arrangements. Uncontrolled water withdrawal, inadequate water tariffs, an absence of economic incentives for water conservation, all contribute to the wasteful use of the water resource in both domestic and irrigation activities. Moreover, the environmental aspects of water development and urban sanitation are sometimes neglected and result in water contamination.
- 15.I.1.4 This coastal zone is protected from the intrusion of saline water by mangroves, dikes, sluices, and sea walls that have been built over the past two centuries. With the extensive drainage, irrigation and flood control network, the sea defences serve to make the coast habitable and cultivable. Without this hydraulic system, cultivation and settlement would have to be located much farther inland.
- 15.I.1.5 The area has a dense network of irrigation and drainage canals and other structures to provide water to the crops and keep it free from excess water for agriculture and other economic activities. The water for irrigation during moisture deficit periods is provided by conservancies which also serve to retain surplus rainwater, thus providing security, eT* ious also servoughndch

kilometres of sea defences have either collapsed or have been brought to the point of failure; and the drainage and irrigation system has been reduced to a state of total disarray.

15.1.2 Sea Defences.

15.1.2.1 Over the years, it has become understood that the design of sea defences must take into account the following five factors. First, the land level of the coast lies below that of mean high-water spring tides by about one metre; hence, any development along the coast must be protected against flooding during high tides; clay embankments are recommended, because they are inexpensive and watertight. Second, incoming waves, which are much higher during high tides, will break against any obstruction they encounter. Sea defence structures must therefore be resistant to wave action. Because earthen embankments will erode under such wave action, either the seaward face of the embankments must be adequately protected, or other forms of sea defences, e.g., concrete or sheet piling walls, should be used. Third, the foreshore of Guyana experiences the passage of large mud-banks that originate from deposits of the Amazon River. Wherever mud-banks are present, the foreshore will be high and sand and shell beaches may form. At locations between mud-banks, the foreshore will experience erosion and its levels will be much lower. The seaward toe of any sea defence at these locations should therefore be placed below the erosion or scour level, or else undermining, which will result in failure, will occur. Fourth, the fine nature of the predominant foreshore material does not encourage its deposition against barriers, so groynes are not very effective as protection structures. These structures are only useful where the transported material is sandy, and deposits easily. As such, groynes should be constructed only along the estuaries where sand is present. And fifth, the weak nature of the foreshore soils must be considered in sea defence designs. Embankments should therefore have gentle slopes or else the earth will slide and heavy structures will experience excessive settlement over time. Finally, it cannot be over-emphasized that the efficient operation of the sea defence system is dependent upon adequate maintenance.

15.1.3 Drainage and Irrigation

15.1.3.1 In Guyana, the drainage and irrigation (D&I) system was developed by sugar estate owners along the coastlands to draw water from the marshy lands behind their estates. The irrigation system basically consists of primary and secondary canals. The primary canals draw water from the conservancies, or any perennial source such as a river, through a control structure/pump system at the head, and distributes it to the secondary system through a control mechanism for onward transfer to the fields. The drainage system also consists of secondary and primary drains, the latter of which generally discharge water to the rivers or the ocean through sluices. The system which is operated today is still much the same as it was when it was originally constructed. Many primary drains do not drain directly into the sea but into a facade drainage canal running parallel to the coastline, which in turn drains into the sea through a sluice. Drainage and irrigation for the whole area therefore is dependent on the effective management of the network.

15.1.3.2 The efficient operation of this system is also dependent on regular maintenance. Canals require weeding and clearing between two to three times a year. If this does not take place, the vegetation reduces the flow of water and causes the canals to silt up quickly. This of course further retards the flow. As a consequence, both agricultural productivity and production are considerably reduced.

arrangements should be re-examined to enable local contractors to be eligible for at least the smaller projects. In addition, measures should be taken to encourage them to acquire relevant skills.

- 15.II.1.6 The finances provided under the current donor agencies programme fall in the range of US\$6 million and US\$14 million. This has led to restrictions in the selection of suitable contractors for the EC and IDA tenders, effectively excluding local contractors. Including them is likely to result in substantial reductions in the cost per kilometre of rehabilitating sea walls.
- 15.II.1.7 The Project Execution Unit is currently self-accounting. Auditing is undertaken by the Auditor General's Office. Expenditure is recorded under two headings: "local expenditure" and "specific expenditure." The accounting of Hydraulics Department is managed through the Ministry of Public Works and Communication using the traditional public service accounting procedure. One system should be applied.
- 15.II.1.8 There are two principal reasons why the sea defences are in such deteriorated state today: lack of performance of regular maintenance duties over the years, and failure to protect the mangrove areas that once were very prevalent along the coast. The remaining mangrove zones must be urgently protected, and a gradual programme of reforestation of other areas should be undertaken. Experience throughout the world has underscored the necessity of working closely with artisanal fishermen and local communities in designing and implementing such programmes.
- 15.II.1.9 Sea defence data need to be upgraded and a monitoring programme established. Among the immediate requirements are hydrographic surveys and wave measurements. Aerial photography to help in the determination of land use patterns, the extent of mangroves, and the locations of sea defences should be undertaken and then repeated regularly to monitor changes. A programme for monitoring erosion and accretion should be put in place.
- 15.II.1.10 Guyana can ill afford to continue sea defence construction at

- 15.II.1.15 Little consideration has been given to the role of D&I in the context of the country's entire hydraulic system, and its impact on the water balance of the country. The interaction is only at the top level and that also is not very effective.
- 15.II.1.16 The key to the deterioration of the infrastructure is the failure to secure financing for operation and maintenance. The financing of operation and maintenance depends on the collection of drainage and irrigation rates, with the added complication of conservancy and land development scheme rates. The rates are low and collection is poor. Indeed, rate collection is currently only about 30%. Farmers are unwilling to pay for the poor quality of services currently being provided by public agencies, while the main reason for the poor services is the severe financial constraints experienced by these public agencies.

Hydrometeorological Service.

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- 15.IV.6 **Legislation will be enacted to ensure that ground water is utilised only for domestic purposes, until additional exploitation is supported by confirmation of the sustainability of ground water supplies. Ground water is of immense value and a natural resource which may or may not be sustainable in Guyana. Until adequate recharge is assured, groundwater will be utilised for domestic uses only.**
- 15.IV.7 A public awareness strategy will be mounted to emphasise the value of both surface and ground water resources. Users will be encouraged to utilise more surface water as this is available abundantly in relation to the country's present and future needs. This strategy will not only conserve ground water, but will also prevent salt water intrusion in the coastal aquifers.
- 15.IV.8 Surface water *storage* facilities for agricultural, domestic and other uses will be established. The available information indicates that there is competition for this commodity during times of scarcity. This competition is not due to inadequate rainfall, but to avoidable spillage and inadequate storage.
- 15.IV.9 **Cost recovery programmes will be adopted. However, the price charged for water will take into consideration the feasible level of recovery from the user.**
- 15.IV.10 Low rainfall areas will be made less vulnerable to drought-associated problems through soil moisture conservation measures and the transfer of surface water from s(e)5(T.reb exushl9rr] r2784IG7hessoTc 0.0954

Wakenaam, Leguan, East Bank Essequibo, East and West Demerara and No. 78 and No. 83 on the Corentyne Coast.

15.IV.20

In areas where there are no residences, retirement of the sea defence line, when breached, will be the main criterion for intervention. If a small section of an exposed coastline is protected, then continued erosion upstream and downstream will require additional lengths of the shoreline to be protected or a

- 15.IV.30 In order to increase agricultural production and productivity in Guyana, D & I services will be improved and extended to include:-
- rehabilitation and modernisation of the existing D & I system with façade drain and pumped drainage as integral components;
 - the placement of D & I facilities in unserved areas that are already under cultivation;
 - special schemes for islands; and
 - modern D & I facilities to new potential agricultural area.
- 15.IV.31 Those hydrometeorological stations which now exist but are not being utilised will be reactivated. In addition the number of stations will be increased, in order to improve the design network for enhancing forecasting capabilities.
- 15.IV.32 Staff skills will be improved through seminars, and on-the-job training. Research capabilities and other related skills will be further developed.
- 15.IV.33 Real time data transmission from remote stations to the central station via satellite will be effected.
- 15.IV.34 **The Hydrometeorological Service will be made functionally autonomous. It will continue, however, to receive funds from the public treasury.**
- 15.IV.35 **The Service will determine prices to be charged for information, to offset the expenditures it incurs. It will begin to levy charges on users such as airport authorities and water related agencies which, to date, have been receiving these services free.**
- 15.IV.36 All development projects will be examined by the hydromet services with a view to assessing the relevant data/ information used in project planning/ design.
- 15.IV.37 The Hydrometeorological Service will be a permanent member on the water boards and other related agencies.

CHAPTER 16

MINING

16.I BASIC FEATURES

16.I.1 Contribution to the Economy

- 16.I.1.1 The mining sector makes invaluable contributions to the country's economy. It accounted for 17 percent of GDP in 1998; and, every year since 1991, the value of its exports was higher than that of every other sector, as were the amount of revenue that it engendered. Moreover, the industry directly absorbs between 15,000 and 20,000 of Guyana's labour force.
- 16.I.1.2 Indeed, the sector is both labour and capital intensive, the high degree of mechanization requiring a considerable range of support services. These include metal fabrication, machine construction and repair, transportation, carpentry, plumbing, welding, pipefitting, and blasting.
- 16.I.1.3 The larger mining companies and the Guyana Geology and Mines Commission (GGMC) are also involved in the construction and repair of hinterland roads, thereby improving the quality of the country's infrastructure, and facilitating the penetration of its interior.

16.1.3.3

There is only one established, locally-owned and operated, open pit hard rock gold mine in Guyana which employs blasting, crushing and gravity recovery circuits. In this system spent ores are being stockpiled for additional treatment at a later date.

16.1.5.4 The IRP did not achieve the expected results: the production of refractory bauxite (RASC), the pillar of the programme, fell continuously over the next five

- (iv) the investor and the Government should be able to foresee the fiscal consequences of alternative actions in managing the project or of events occurring in the international market that affect project operations.

16.II.2.9 From an investor's viewpoint the royalty rate and the free equity provision which have become standards in most mining agreements in Guyana are somewhat controversial. The royalty rate of 5 percent, which as has been pointed out is at the very top of the international scale, also causes special

not sold to the Gold Board and to local licenced diamond traders, but is leaked into the economies of our neighbours.

16.II.5.4 Moreover, there appears to be no policy to build new roads to service either areas with mineral endowments, or those in which mineral discoveries have already been made. Indeed, not much effort is displayed even to maintain and repair those that do exist. The wheel and hub concept can be developed where a few airstrips, capable of handling large aircraft can serve as staging points for distribution by smaller planes thus taking advantages of the cost effectiveness of the larger aircraft.

16.II.6 Availability of Suitable Labour

16.II.6.1 The mining industry is faced with shortages of local geologists, engineers, and drillers among others, basically because the University of Guyana is not currently attracting, and is not capable of adequately training, a sufficient number of candidates in fields relevant to the mining sector. Moreover, very few scholarships are being offered. In addition, the graduates from the University of Guyana have limited field experience.

16.II.7 Land Titling and the Mining Sector

16.II.7.1 Under the Mining Act all minerals are vested in the State. In relation to the demarcation of Amerindian lands, under the current laws of Guyana different enterprises could have rights to different minerals within the same land unit. This provision could potentially cause problems. Furthermore there is currently no clear land use policy. As a result, conflicts among rights holders, in general, but particularly between those who possess surface and sub-surface rights, are common. In addition, there are numerous examples of agencies granting rights for which they have no mandate.

16.II.8 Alienation Schemes and Practices

16.II.8.1 The system of Property Rights associated with industrial minerals is adequate. There is, however, an unclear definition of the manner of the treatment of competing land uses. The area of conflict surrounds what priority use if any is accorded the surface rights holder viz-a-viz the mineral rights holder, if in fact they are separate. No guidelines or mechanisms are in place to help in predicting with some assurance the optimally beneficial outcome.

16.II.8.2 Silica sand which is a very low-value product is being treated in the same manner as high-value gold. The rental rate on large-scale silica developments is punitive and should conform to comparable rates, as in the aggregate business.

16.II.8.3 Exorbitant import duties continue to be applied to machinery, equipment and supplies that are bound for the quarry sector. These constitute a barrier to the flow of investment in an industry which needs new investment for retooling and expansion.

16.II.9 Bauxite

16.II.9.1 Most countries that are endowed with bauxite almost exclusively produce the ore for the manufacture of alumina and aluminium. Guyana has, however, acquired the status of being a diversified bauxite producer with bauxite that is meant for aluminium production – (metallurgical bauxite (MAZ)) accounting for the smaller percentage of its total production. The major proportion of the sector's output was in non-metallurgical bauxite, especially Refractory bauxite, for which it had a monopoly and which was more profitable. In assessing the future market prospects for the industry it is, therefore, necessary to evaluate the different markets for its products, especially since they are affected by different economic, technological and market forces.

- 16.II.9.1 The specifications for metallurgical bauxite and its mineralogical composition have changed considerably over the years. These developments have widened the choices of the aluminium producers for sourcing bauxite, and have resulted in bauxite prices falling in absolute terms over the past 20 years or so.
- 16.II.9.2 Guyana's bauxite has always ranked among the highest quality metallurgical bauxites in the world. In addition to being consistently high in recoverable alumina, it possesses a pure gibbsite, and has excellent settling characteristics. The only disadvantages are its low iron content. This is especially significant because of the increasing emphasis that is now being placed on high purity aluminium. However, while Guyana's bauxite in its current form would hardly be used as the total feed for an alumina refinery, it is highly desirable as a sweetener in the alumina process.
- 16.II.9.3 The supply of world bauxite is going through significant changes. Because most of the world's low-cost, high-grade bauxite deposits are nearing exhaustion, a high percentage of the increase in bauxite demand, by those alumina refineries that are dependent upon imported bauxite, has come over the past 15 years, from the expansion of *existing* bauxite mining capacity. Indeed, Aroaima Bauxite Company (ABC) has been the only new project undertaken over that period. However, the two existing projects providing the bulk of that increase are approaching the limit of low-cost expansion, hence new projects could become competitive. Moreover, certain technical deficiencies make the bauxite that is produced by those companies which had earned the bulk of the supply unsuitable for low temperature digestion refineries and costly for high temperature ones.
- 16.II.9.4 **With all these developments pointing toward higher cost and, to some extent, lower quality bauxite, Guyana's bawni.02 0 0 1ei6[B)3(n[projoid92 0 Td[till of the)-6(highest gra**

16.III OBJECTIVE

- 16.III.1 The overall objective of the national strategy for mining is to establish the foundations for the continuing growth of the sector so that it may contribute to the economic growth of the country, the equitable geographical distribution of economic activity throughout the nation, the diversification of our economy, the penetration of our hinterland, and the eradication of poverty, particularly in depressed interior areas.
- 16.III.2 Put in another way, the sector's primary objective is to consolidate the gains it has made over the years, to set the stage for the expansion of production of both existing as well as new commodities, and to diversify and increase the value of its primary products by value added manufacturing and other down stream processing.

16.IV THE STRATEGY

16.IV.1 Fiscal

- 16.IV.1.1 There will no longer be any special agreements in respect of the mining sector. The fiscal regime will be so structured that it could be applied to a variety of projects and in a number of circumstances without wasting time and resources in devising a unique set of arrangements for each project.
- 16.IV.1.2 There will be a standard regime for each mineral or set of minerals.
- 16.IV.1.3 The royalty rate for gold will be on a sliding scale based on a maximum of 3 percent of the prevailing price of gold.
- 16.IV.1.4 A half percent royalty will be paid, for exploitation on Amerindian lands, into an Amerindian Development Fund, from the existing royalty stream
- 16.IV.1.5 The corporate income tax rate will be fixed at 30 percent for all mining projects.
- 16.IV.1.6 Export duties on minerals will be reduced to zero.
- 16.IV.1.7 The consumption tax on fuel will be 10 percent CIF. A coupon system for miners will be put in place.
- 16.IV.1.8 The consumption tax and duty on mining equipment, spares and supplies will be zero rated.
- 16.IV.1.9 The withholding tax on repatriated dividends will be fixed at 6.25 percent, which is the rate applied in the case of Omai, rather than the 15 percent rate that is normally applicable.
- 16.IV.1.10 A special commission will be convened to determine new, land rental rates in mining and to develop a sliding scale which correlates rental rates with the length of time the claim is held without beneficial occupation.
- 16.IV.1.11 However, rental rates on mineral land during the exploration stage will be fixed at
- US \$ 0.12/acre - Yr1
 - US \$ 0.175/acre - Yr2
 - US \$ 0.225/acre - Yr3
 - US \$ 0.275/acre - Yr4
 - US \$ 0.325/acre - Yr5

16.IV.1.12 A special tax will be applied to the purchase and to the operation of missile dredges, the proceeds of which will be deposited in a special fund to be used for the rehabilitation of river banks. The Environmental Protection Agency will oversee the management of the fund and the rehabilitation activities.

16.IV.1.13 A special reduction of the income tax to 25 percent will be offered to any company that sets up a regional gold processing mill, receives ore from independent miners for processing, and uses technologies that minimise the environmental impact of the processing (e.g., that do not result in discharges of mercury in the waterways). While exceptions to the tax code should be strictly limited, this one is justified because of its beneficial environmental externalities. Mercury is particularly long-lasting and pervasive in its transmission through the food chain, thus endangering public health.

16.IV.1.14 Because mining operations deplete mineral resources, up to half of the royalty income from mining will be allocated to a Fund for Guyana's Development that will be invested appropriately in long-term instruments and whose interest earnings will be allocated to projects concerning infrastructure, the environment, poverty alleviation, housing, and health care, according to special regulations formulated for the utilisation of the Fund.

16.IV.2 Gold Sales

16.IV.2.1 There will be a system of licensed and bonded buyers of gold. Each person or corporation that wishes to become a licensed buyer must submit financial statements, provide bonds against liabilities for royalty remittances, and must show a programme that involves a physical presence in the interior for at least part of each year. The buyers will be responsible for remitting the royalties to the Government. Buyers will invoice all purchases and sales of gold and will be tightly supervised by the GGMC.

16.IV.3 The Environment

16.IV.3.1 As noted above, Government will take steps to mitigate the harmful consequences to the environment of some types of mining operations, through the fund for the restoration of riverbanks and the fiscal incentives for regional gold processing mills.

16.IV.3.2 In addition, GGMC will make inspections on a continuing and regular basis to assess the state of the art in mining and milling technologies, with the aim of ensuring that the most appropriate and up-to-date environmentally-friendly methods are utilised in Guyana. In mining contracts, fines for incidents of negligence such as the collapse of tailings dams will be significantly increased.

16.IV.4 Administration

16.IV.4.1 The GNRA will be abolished and all its relevant authority transferred to an adequately staffed and equipped Ministry of Natural Resources.

16.IV.4.2 The GGMC will be completely reorganized and restructured with a separation of roles; the Ministry will deal with legal, administrative, financial and policy issues and the GGMC with technical, monitoring and regulatory issues. The GGMC will divest itself of all service functions. These will be outsourced to organizations better capable of providing quality and cost effective services.

16.IV.4.3 The mining industry will be overseen by a standing committee of parliament.

16.IV.4.4 The GGMC will commission a national mineral resource inventory and assessment, and publish the results for wide dissemination.

16.IV.5 Security of Titles and the Nature of Concessions

CHAPTER 17

MANUFACTURING

Manufacturing and agro-processing are defined in this National Development Strategy as the application of technical knowledge and processing equipment, in alliance with capital and labour, to the transformation of locally available or imported raw materials and/or intermediate inputs, into final or intermediate products. These include agricultural (marine, forestry, livestock, crops), industrial and mineral materials.

17.I BASIC FEATURES OF THE SECTOR

17.I.1 General

Marine Products

17.1.2.2 The marine subsector has been a cornerstone of

Pork

- Pig farming is generally small in scale and is, as a rule, part of mixed farming operations. Pork is the third ranking meat by volume. Two large operations have modern facilities for the dressing and packaging of this product, and for the manufacturing of ham, bacon and sausages.

Chicken and Eggs

- By far the most popular meat in Guyana is chicken. However, the expanding production only partially satisfies ballooning demands, the bulk of which is met by imports from North America. Imports also account for most of the eggs consumed locally and for those used for the reproduction of meat birds and layers. This component of the subsector is dominated by medium-sized farms which rear between one thousand and five thousand birds on a batch basis.

Processed Foods

17.1.2.6 Guyana boasts an extremely wide variety of foods which are manufactured locally for both the domestic and export markets. The traditional products have been rice and sugar. However, although there has been a most significant increase in the production of non-traditional foodstuff (juices, beverages, condiments, jams and jellies, and starch powder) because of liberalised trading policies, the influx of foreign products has not abated. Moreover, although the quantity and value of non-traditional exports have consistently risen, over the last decade or so, demand has consistently outstripped supply for both domestic and overseas markets.

17.1.2.7 The New Guyana Marketing Corporation is responsible for advising farmers and manufacturers on production, processing and the marketing of non-traditional agricultural products. However, this institution does not have sufficient human and capital resources to dispense its mandate effectively.

17.1.2.8 Entrepreneurs engaged in local agro-processing are generally motivated by identifying niche markets particularly in the Caribbean and North America. However, greater emphasis ought to be placed on high valued products outside niche markets. Additionally, market research ought to focus on "off season" produce in North America and Europe. Mexico, Central America and Kenya have effectively utilised this strategy to export tomatoes to the USA and vegetables to Europe during seasonal "windows".

Metal Fabrication, Foundry and Machine Related Products

17.1.2.9 This subsector has been gaining momentum over the last decade or so, primarily because of the high cost of procuring metal products from overseas sources.

17.1.2.10 The major concentration in this sector is the manufacture of brass, iron castings, and pumps; and the fabrication of equipment for the sug9 > > BDCr co2mps; season" produce in N610.02 5r, thi(manuficati)7(0.14

Leather, Textile and Packaging Products

- 17.I.2.12 This subsector is not well developed but has the potential of making a substantial contribution to the growth of the economy. Given the heavy incidence of livestock rearing in the Lethem-Rupununi area, this Region can be seen as a potential area for the development of the leather industry in all its diverse forms (shoes, belts, bags etc.). Leather treatment facilities can be established quite easily and, with the relevant research and development programmes put in place, the prospects for a dynamic leather craft and related industries subsector should be bright.

Beverages

- 17.I.2.13 This subsector, which includes the distilling and/or manufacturing of soft drinks (aerated beverages), beer, malta, wines and rum, is becoming a very significant contributor to the manufacturing sector. In recent years, a greater degree of competition has been infused into the subsector with the two largest operators (DDL and Banks DIH) now introducing, on a regular basis, beverages of international brand names. Along with these two major manufacturers th

inputs. For instance, there is in Region 2 an abundance of coconuts, cassava, plantains, nibi, coffee beans, carambola, citrus fruits, pineapples and guava which readily lend themselves to the production of oil and animal feeds, pulps, jellies and jams, juices (fruits and citrus), chips, crisps, plantain and cassava flour, furniture, and ground coffee. Yet there are only two old, antiquated manufacturing operations in the Region producing jams and jellies of a quality that are sold country-wide and could possibly be exported. And although there has recently been established a coconut processing plant, there is still scope in the Region for the expansion of manufacturing capacity. The same is true for Region 9 with its vast potential for dried and processed meats, and cashew and peanuts.

17.II.2 Export Processing Zones and Industrial Estates

17.II.2.1 Industrial estates have already proven their usefulness as a mechanism for the promotion of manufacturing and agro-processing in Guyana. They offer the users benefits of externalities and scale and common services at significantly reduced unit costs. The industrial estates of Ruimveldt and Beterverwagting, where all the sites are beneficially occupied, are cases in point. For industrial estates to succeed, they have to be located at the source of either labour, markets or materials. Moreover, adequate physical infrastructural facilities, such as access to transportation, power, water, and telecommunications are critical. The relative absence of these facilities partly explains why the

future, it appears that at present a significant number of our industries might not be competitive. What is the source of the high costs? In a study which compared the manufacturing cost structure of Jamaica, St. Lucia, Grenada, and Guyana, it was found that Guyana was the *least* competitive of the countries. And this despite the fact that the wage rates prevailing in our country were the lowest. In Guyana the cost of energy and transport was double that of the other countries; the transaction costs, which include the time spent in consultations with the Government, were deemed to be the highest; and the technology that was generally utilised in the manufacturing processes was considered to be not appropriate.

17.II.3.2

We have to be an export-oriented economy if only because we do not possess a large enough, and rich enough, internal market to consume all that we can produce; if economies of scale are to be taken into account; and if only because it is absolutely necessary for us to earn foreign exchange. Maintaining competitiveness is therefore vital to our very survival. The issues raised here suggest that the very top priority must, accordingly, be assigned to sustaining a policy framework that aids competitiveness. This means that the liberalisation of the economy has to be taken to the point where the remaining vestiges of protectionism which sheltered and nurtured policies of import substitution manufacturing are dismantled, with some provisions being made, of course, for the stimulation of infant industries and the development of certain geographical areas of the country. In addition, we must begin to

MOTTI, which itself has retained core responsibility for the sector, does not have sufficient capacity for policy design. Its management is preoccupied with the day-to-day tasks and related activities of the management function, with little policy coherence. At the central level, the Ministry of Finance, through its fiscal, monetary and planning instruments can, and does, profoundly affect the course of the sector. MOTTI has not the capacity to relate to basic issues for the sector at the key political and technical levels. Indeed, there appears to be a distinct asymmetry in authority. Unless some balance is restored, MOTTI may find, when it comes to policy design for the manufacturing sector, that it has the responsibility without the authority to deliver effectively, but remains accountable for /GSt-52for th9

17.II.6.1 Although privatisation has resulted in some improvement in the provision of telecommunication services, there are still important deficiencies. Telephone services are now supplied on a reasonably reliable basis on the coastland and, coupled with transmitting and related systems for hinterland communication, along with the recent introduction of cellular telephones and beeping systems, a network of telecommunication services is in place which is helpful to manufacturers and, indeed, to the entire country. However, the telephone lines network has not yet been extended to a desired level, and their basic inefficiencies somewhat hamper the process of development in the manufacturing sector.

Energy

17.II.6.2 The state-owned Guyana Electricity Corporation has been recently

17.III.2 Put in another way, the overall roles of the manufacturing sector are to enhance the vertical

- 17.IV.1.33 Manufacture of articles based on clay, kaolin and silica sand.
- 17.IV.1.34 Manufacture of garments and textiles for local and export markets (mainly U.S.A. and Canada). This sub-sector is a very dynamic one with over 80% of the companies in the industry being export oriented.
- 17.IV.1.35 Production of building materials such as stone, cement, clay blocks, tiles.
- 17.IV.1.36 Manufacture of glass.

- 18.I.17 The Teacher Training Programme at the Cyril Potter College falls into two categories: (i) in-service training for teachers already in the service; and (ii) pre-service training for individuals intending to make teaching a career.
- 18.I.18 A network of technical and vocational education and training institutions offers a wide range of training programmes. These institutions include: the Government Technical Institute; the New Amsterdam Technical Institute; the Linden Technical Institute; the Guyana Industrial Training Centre; the Carnegie School of Home Economics; and the Guyana School of Agriculture.
- 18.I.19 Other institutions including the Board of Industrial Training, the Private Aircraft Owners Association; the Guyana Sugar Company, the two government-owned bauxite companies, the Light and Power Company, and the Guyana National Engineering Corporation contribute meaningfully to education.
- 18.I.20 Over the last decade there has been a proliferation of private schools in computing, accountancy and business, electronics and mechanics.
- 18.I.21 During the last decade what can be described as a parallel system has developed alongside the formal Ministry-controlled system of education. Both because of its nature and because no serious analysis of it has yet been done, it is a significant and growing part of the educational system.

urgency to basic education and re-education, both in the rural and hinterland regions and in the capital city and its environs. Primary education, the platform for all future learning, where the fundamentals of the basics are learned, must be given the priority it deserves.

Inequities in Spending on and Access to Education

- 18.II.1.4 Recent patterns in educational spending show a distinct bias in favour of the students who are academically more advanced, many of whom come from families who might be capable of defraying part of the cost of their children's education. **This phenomenon is part of a larger syndrome in which educational expenditure does not seem to contain any element of targeting. It must be recognised that the provision of free education amounts to a fiscal subsidy, and that the targeting of such subsidies to the most needy students would enable the existing levels of funding to be more effectively utilised for raising the quality of education.**
- 18.II.1.5 An inequitable pattern, which is directly linked to the issue of teachers' salaries, is emerging, where families who are able to afford the cost of private tutoring increasingly take recourse to that option. Families of the lower-income strata are unable to provide this benefit, and so their children become educationally disadvantaged. The allocation of funds to all schools should be based on a more rational and equitable basis, having regard to programme, location, etc.

Gender Sensitivity

- 18.II.1.6 Gender imbalances are present at all levels of education in Guyana. For example, few female students specialise in the areas of science and technology, despite the fact that boys and girls are required to be involved in all subject areas up to Form 3 (Grade 9). In addition, the large drop-out rate of male students could be related to the fact that there are relatively few male role models in the profession, a situation which may be linked to low salary levels.

Administration of Education

- 18.II.1.7 The programmes that are implemented by the Regional Administration sometimes deviate significantly from the plans and programme of activities initially established by the Ministry of Education, in conjunction with the Regional Education Department. This is caused, in large part, by the inadequacy of the structural relationships among the Central Ministry, the Regional Education Department, and Regional Democratic Councils. As a result the educational system appears to be incapable of dealing effectively with the recent surges of capital and technical assistance inflows from bilateral and multilateral agencies. In addition, planning at the regional level currently does not always include officials serving in their respective communities.

Quality of Education

- 18.II.1.8 The overriding objective of the entire educational sector is to enhance the quality of education, i.e., improve the process by which children and youth learn. Attaining this objective will require an array of measures, ranging from improvements in the salaries, academic and technical qualifications and training of teachers, to curricular changes and improvements in physical plant, and to the promotion of greater community involvement in schools.

Social Infrastructure

- 18.II.1.9 **The collapse of social infrastructure - pride in community, social values and graces, civility - has made the teaching environment more difficult.**

Current Levels of Literacy

18.II.1.10

There is a literacy problem in Guyana. Indeed it is estimated that there is a 21 percent rate of absolute literacy in Guyana, and an overall functional literacy rate that is just over 50 percent. This state of affairs is due in part to weaknesses in the education system and in part to the absence of a culture of literacy in many home environments. As a result of this

- 18.II.2.8 The wide ranging differences in the interpretation and delivery of the curriculum offered at various primary schools throughout the system is a source of much concern.
- 18.II.2.9 Other basic concerns at this level are the need for teachers to spend more quality time

recruiting of suitably experienced lecturers to train the teachers and the inability of the current staff to properly assess the practical aspects of the training.

18.II.2.18 Inspection is done at all levels: nursery, primary and secondary, on an average of only once every three years. This is as a consequence of the shortage of staff, the non-existence of necessary amenities such as computers and the scarcity of transportation facilities.

University Education

18.II.2.19 **Tertiary institutions in most parts of the world which are developed, or are successfully developing, generally enjoy a level of autonomy which frees them from political and extraneous influences that would jeopardize or impair their ability to accomplish their mission. There are clear indications that the University of Guyana does not enjoy this level of autonomy. Heavy reliance on Government funding, and the uncertainty of the level of funding have undermined the ability of the University to operate as an autonomous tertiary institution.**

18.II.2.20 **The University of Guyana is not performing to its full potential because of a number of factors: these include undue interference in its management, many years of inattention to the physical plant; a number of minimally qualified lecturers; a lack of basic equipment; and inadequate facilities and low salaries.**

18.II.2.21 **Most importantly the University has failed to keep pace with the development of technology.**

18.II.2.22 Low standards of intake adversely affect the University's performance, as some of its limited resources are being used to deliver remedial courses to bring students up to entry level requirements.

18.II.2.23 The University needs to mobilise more funds and improve its capacity for financial management. It must strive to increase its cost effectiveness.

18.II.2.24 **The University's records highlight a strong student bias to enroll in the social sciences and the arts, and to avoid technology and natural sciences. This bias may also be a reflection of the state of education at the primary and secondary levels. Given the current demand for engineers and technicians, it is critical that the enrollment in these latter areas be increased either directly at the University or indirectly in special contractual arrangements.**

Technical and Vocational Education and Training (TVET)

18.II.2.25 **bring students up to e2avoi4(enla)TJ**

- 18.II.2.28 The term "special needs" is used to refer to slow learners and children with emotional and physical learning disabilities, as well as the gifted. There are very few schools in Guyana which are dedicated to children with special needs: David Rose's, Saint Barnabas, and the Sophia Special Schools. Four other schools have a classroom dedicated to children with special needs: Saint Rose's High School for the blind; South Ruimveldt Park Primary School for the hearing impaired; Diamond Primary School for multiple disabilities; and the New Amsterdam Primary School also for the blind. These facilities are meant to respond to all levels of children with disabilities. None is adequately staffed and equipped.
- 18.II.2.29 Considering the limited available resources, it could be presumed that most special needs children are either in regular schools or at home, and that their special educational needs are left unmet.

Adult Literacy Programmes

- 18.II.2.30 Many adults in Guyana are illiterate, or at least not functionally literate. However, there has not been enough emphasis on adult literacy campaigns.

18.II.3 Constraints

General Constraints

- 18.II.3.1 **In spite of an upward trend in recent years, budgetary allocations to education are still far from adequate.**
- 18.II.3.2 Teachers' salaries are in general too low to attract and retain the most qualified staff.
- 18.II.3.3 There is an insufficiency of instructional equipment and material.
- 18.II.3.4 Physical conditions have deteriorated.
- 18.II.3.5 **The levels of training for many teachers are inadequate, especially in the hinterland regions.**
- 18.II.3.6 **Many teachers are not academically qualified for the levels or subjects they teach.**
- 18.II.3.7 **The relative lack of amenities in many hinterland areas makes it more difficult to recruit teachers for those areas.**
- 18.II.3.8 There has not been a strong tradition of involvement in the schools by parents and communities, although

- Unacceptable standards in the quantity and quality of staff.
- Shortage of full-time staff at CPCE and at the in-service centres.
- Poor conditions of service (including salaries) for teacher educators, and a shortage of trained teacher educators.
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18.IV THE STRATEGY

Financing of Education

- 18.IV.1 **The share of the national budget allocated to education will be raised continuously from the present level of approximately 14 percent to 20 percent by 2005, and will be sustained at or above that level for the rest of the decade.**

- help students deal better with sensitive issues such as gender biases and discrimination by race, religion or social status, and to minimize the emergence of such attitudes as the children mature;
- facilitate the children's transition from the use of their dialect or home language to standard English;
- assist children to validate themselves persona

given for the attainment of appropriate relevant and additional academic and professional qualifications.

- 18.IV.26.15 **Except where there is a major learning difficulty, the focus at the primary level will be on improved literacy, numeracy and communication skills.**
- 18.IV.26.16 **Curricula relevant to the lives of students and to challenges of current and evolving trends will be developed. The curriculum will therefore include introduction to a foreign language and computers and the development of life skills or problem-solving abilities. Values, moral underpinnings and factual material for good citizenship will also be stressed. A panel of experts will be convened for the purpose of revising the curriculum.**
- 18.IV.26.17 Student performance norms, according to grade, level and subject, will be established.
- 18.IV.26.18 There will be a review of current assessment practices, supported by a system of improved record-keeping in schools to institutionalise continuous assessment.
- 18.IV.26.19 This system of continuous assessment will be put in place with a view to effecting a smoother transition from Primary to Secondary Level. Such assessments will be supported by the use of cumulative record cards, which are currently being developed. A national committee will be convened to evaluate the SSEE with the aforementioned performance norms and continuous assessments.
- 18.IV.26.20 There will be more than one entry point into the academic stream. Eliminating the SSEE will not alleviate the problems associated with the lack of sufficient places in good schools and the lack of qualified teachers.
- 18.IV.26.21 Primary teaching guides will be made available to all teachers in the system at this level. The guides will also be provided to all supervisory staff, in order to improve the capacity of the inspectorate and regional supervisory staff to monitor the implementation of the curriculum.
- 18.IV.26.22 Assistance from external donors and local NGOs will be utilized to strengthen school-feeding programmes so that virtually all primary schools will be covered.
- 18.IV.26.23 The programmes of rehabilitation and construction of schools will continue. Assistance for this activity and for the design of purpose-built structures for different levels of enrolment will be sought from donor agencies. Special attention will be paid to schools in poverty-stricken areas.
- 18.IV.26.24 The location of new schools and the rationalisation of existing schools will be informed by data gathered in a recently completed School Mapping Exercise and by norms established in the new Education Act and Regulations. The School Mapping database will be updated each year by information gathered from the returns of the annual statistical questionnaires, which are sent out to all schools.
- 18.IV.26.25 Alliances with programmes such as SIMAP, BNTF and others, for activities such as the repair of schools, provision of furniture, creation of libraries, and supply of developmental materials, will be maintained and strengthened. PTAs will be actively involved in the coordination of outside support for the schools.
- 18.IV.26.26 The libraries established under the PEIP will be maintained. PTAs will be encouraged to undertake the establishment of school and community libraries in cooperation with head teachers, teaching staff and students.

18.IV.26.39 Certification at the secondary level will be broadened to include an examination which, by means of content and reporting, will give indication of the level of achievement of students.

A Second Chance at Basic Education

18.IV.26.40 **The non-formal system of education will be strengthened. Programmes will be designed both to develop basic literacy skills and to raise the level of functional literacy and numeracy of young Guyanese adults as well as the older members of the population. This will be a part of the priority programme.**

18.IV.26.41 A Guyana Council for Adult and Continuing Education will be established as a coordinating body involving all stakeholders in adult education. This body will set strategic directions, develop logical progressions, and ensure coherence and standards in the learning path for adults, including certification. It will also seek funding, and establish creative partnerships between centres for basic and functional literacy and the private sector.

18.IV.26.42 Basic and functional literacy classes for adults, as well as core secondary curricula content, will be

18.IV.26.79

- 18.IV.26.107 The nature of examinations and assessments to which special needs students are subjected will be reviewed to make them more varied and appropriate.
- 18.IV.26.108 Existing special needs schools will be strengthened in all aspects to enable them to cater more effectively to their students.
- 18.IV.26.109 The committee on Special Needs will be resuscitated, more formally recognised, expanded in the scope of its activities, and empowered to deal more effectively with associated issues. The committee's substantive responsibility will be to develop, introduce, support, and monitor appropriate educational programmes for those students with special needs.

Other Educational Policies

- 18.IV.26.110 Guyana will become a centre of learning for English as a second language, for persons from the countries of South America. A task force will be established to review possibilities in this area and formulate recommendations.
- 18.IV.26.112 **To preserve its traditions and meet the challenge of interacting on a greater scale with the external world, programmes will be developed to promote reading and creative writing as a means of sustaining Guyanese art forms.**

CHAPTER 19

HEALTH

19.1 BASIC FEATURES OF THE SECTOR

19.1.2.3 *Basic sanitation*

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the Psychiatric Hospital in Canje; and the Geriatric Hospital in Georgetown. There is also one children's rehabilitation centre.

- 19.1.3.7 This system is structured so that its proper functioning depends intimately on a process of referrals. Except for serious emergencies, patients are to be seen first at the lower levels, and those with problems that cannot be treated at those levels are referred to higher levels in the system. However, in practice, many patients by-pass the lower levels.
- 19.1.3.8 The health sector is currently unable to offer certain sophisticated tertiary services and specialised medical services, the technology for which is unaffordable in Guyana, or for which the required medical specialists simply do not exist. Even with substantial improvements in the health sector, the need for overseas treatment for some services might remain. The Ministry of Health provides financial assistance to patients requiring such treatment, priority being given to children equir

19.II.3 The poor quality of the care offered at the lower levels has encouraged many patients to by-pass the referral system and seek care directly at the higher levels, thus causing the break-down of the referral system.

19.II.4 Overall, both structural and process quality is poor. In spite of recent increases in financing and improvements in management, the health sector still operates with vacancies in several key positions, and with malfunctioning and obsolescent equipment. Storage facilities for drugs are inadequate, as are quality control standards and implementation. Patients routinely purchase their own pharmaceuticals and medical supplies and are forced to spend excessively long time in repeated visits to medical facilities. Moreover, the overall quality of operations has not improved. Indeed, in some respects they continue to decline. In large part this is due to problems in the institutional structure of the sector, in

supplies, equipment, and health personnel; to the high hidden costs for the users (lengthy transportation,

19.IV.1.5 **Procurement of all pharmaceuticals and supplies for the public sector will be contracted out. A Procurement Board in charge of procurement and distribution of drugs and medical supplies will be established for this purpose.**

19.IV.1.6 **The Procurement Board will be autonomous and managed according to business principles.** Private physicians and facilities would be able to purchase drugs and supplies from the Board. The Board will be required to carry out an assessment of needs for pharmaceuticals and supplies in the entire system, to procure them, to deliver them in

19.IV.1.30 Following the survey mentioned above, a ***master plan for the rehabilitation of facilities***, including the acquisition and maintenance of an improved fleet

19.IV.1.45 Financial reforms will proceed in parallel with institutional reforms, in order to make expenditure on health care more effective.

19.IV.1.46 **The Central Government's budget will continue to be the principal source of funding for the public system of health care. Government health expenditure will reach 5 percent of GDP by the year 2002 and will increase**

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19.IV.1.49 *Cost recovery* mechanisms will not be directed to financing the health requirements of the vulnerable. Cost recovery will be utilised only for services for which public resources are inadequate, because they have been already allocated to other priority or essential health services. Indeed, user fees for well-defined services are currently charged at certain public care institutions. These include the Public Hospital Georgetown, (private rooms, pregnancy tests and physiotherapy services), at two Regional hospitals (X-rays mortuary service, laboratory tests), at the National Dental Care Centre (all treatments), at the Ptolomey Reid Rehabilitation Centre (for Orthotic and Prosthetic Appliances and hearing aids), at the National Blood Transfusion Centre, and at the Food and Drugs Administration. For other services, selective payments by patients will be imposed.

19.IV.1.50 **Within a system of selective fees for medical services, cost recovery will never hinder access to health care and no patient will be refused service because of the inability to pay fees.**

19.IV.1.51 **Financial contributions to complement the public budget will be sought from communities, or through Community Hospital Associations. This approach will also enable the communities to have a greater role in planning health services and monitoring their quality.**

19.IV.1.54 **A modest *registration fee* for both inpatients and outpatients will be charged at the Public Hospital Georgetown, and will be introduced in all district and regional hospitals from the year 2003, after the quality of service in these areas will have been improved.**

19.IV.1.55 ***Fees for patients bypassing the referral system* will also be charged from 2003, in order to avoid the overuse of upper-level facilities for care that could have been provided effectively at lower levels. Such a system of fees requires a definition of the rules governing the referral system and the establishment of adequate incentives and disincentives for providers of services at lower levels. These requirements will be met.**

19.IV.1.56 **At the Public Hospital Georgetown,**

- 19.IV.1.69 Public awareness programmes to sensitise people about the dangers of smoking will be strengthened.
- 19.IV.1.70 Education on nutrition and healthy lifestyles will be brought into schools. Campaigns to reach the entire population will also be strengthened.
- 19.IV.1.71 Improved nutritional care will be provided in hospitals, through the recruitment of dieticians and the provision of diet counselling.
- 19.IV.1.72 **Monitoring of the nutritional status of the population, especially the most vulnerable groups, will be carried out on a regular basis.**
- 19.IV.1.73 The vector control programme will be revised and modified to become a 'National Advisory Board', with the tasks of monitoring, research, emergency and crisis response, and the preparation of technical guidelines for guidance in the execution of programmes.
- 19.IV.1.74 Extensive inclusion of the community in the management of these diseases and vectors will form an Integral part of a national control policy to have effect. Such a policy will be prepared.
- 19.IV.1.75 STDs and HIV/AIDS constitute priority areas for health intervention in Guyana. The "National HIV/AIDS Prevention Plan, 1999-2001" recently prepared by the Ministry of Health will be thoroughly implemented, and rolled over, and funding from local and international organisations will be secured accordingly.
- 19.IV.1.76 Measures to treat all the population suffering from acute respiratory infections will be strengthened in all affected areas.
- 19.IV.1.77 Health education will become an integral part of the day-to-day health services given to patients and the community. These include the strengthening of counselling and informational services given to patients.

Vulnerable Groups

- 19.IV.1.78 **A social assessment system to determine eligibility to exemptions will be established. Until such a system is in place, means assessments will be carried out at public health facility level.**
- 19.IV.1.79 Inequalities in access to health care are of particular burden to the poorest categories. The Ministry of Health will examine ways to improve the provision and delivery, of services to these groups. The health needs of vulnerable groups are concentrated in the areas of nutritional problems, poor environmental health, vector-borne diseases and sexually transmitted diseases. Hence a health development strategy centered on the objectives of primary health care and health promotion will be designed and implemented to address the needs of the most vulnerable.
- 19.IV.1.80 While institutional reforms in the public health sector pursue objectives of equity, access and quality improvements of health services, an explicit stance will be taken to target the most needy.
- 19.IV.1.81 Policy documents addressing the health needs of each vulnerable group and detailing the action plans as well as institutional responsibilities will be prepared through processes of nationlit/P < < u2994 0i8.640

- 19.IV.1.82 Besides the preparation of 'basic package' of services targeting Primary Health Care interventions, to be made accessible to the entire population, the Ministry of Health will design extra basic packages for needy groups. The institutional responsibilities for the delivery of such packages will be assigned through a process of consultation.
- 19.IV.1.83 **Financing mechanisms, including those for cost recovery, will not be implemented unless they are accompanied by exemption policies and mechanisms targeting the most needy (the elderly, disabled, etc.), other categories of the medically indigent, and the poor (e.g.: the employed poor, falling in the group of people at minimum wage; the unemployed; single-parent or single-earner households; the homeless; the youth with no formal**

CHAPTER 20

TOURISM

20.I BASIC FEATURES OF THE SECTOR

20.I.1 The Opportunity

20.I.1.1 The economies of other countries, that are similar to Guyana, have been transformed in short order by tourism. Travel and tourism are on the brink of becoming the world's largest single industry. Worldwide, tourism receipts are projected to grow by anything from 3 percent to 6 percent annually for the next ten years.

20.I.1.2 The overall benefit of tourism is that most of the steps, which a developing country needs to take in order to improve its standard of living, are exactly those which are required to develop tourism within a country. Some of the benefits of tourism are:

- (i) the provision of a larger tax base;
- (ii) the generation of foreign exchange;
- (iii) the creation of a significant number of new job opportunities;
- (iv) the promotion of rural and interior development; and
- (v) human resources development

20.I.1.3 Tourism is not simply an attempt to save the environment; it is also an important opportunity for Guyana's economic development. Properly managed, it is a non-depleting, non-consumptive industry that provides ever-increasing economic benefits in a sustainable manner.

20.I.1.4 The main distinguishing feature of the current Guyana visitor profile is a relatively high proportion of business visitors and persons visiting friends and relatives. These two categories, together with

20.II.3

Guyana will never overcome the antipathies of the environmentalists and the potential eco-tourist while it remains the only country on this continent without an effective national protected area system. Our country has the potential to establish a comprehensive, ecologically representative protected area network in a supportive matrix of well-managed forests and other ecosystems. A significant level of eco-tourism development is unlikely to occur unless Guyana becomes known as a country where high standards of environmental stewardship are applied to all aspects of its natural resource utilisation and management.

- 20.II.10 The development of tourism cannot be considered *in vacuo*. It must be accompanied, for example, by the provision of easier access to Guyana and its interior, and by the improvement of all types of transport infrastructure, water systems and medical services. It must be supplemented by the provision of adequate security. It must be underpinned by simpler and rational procedures for obtaining permits to travel into the interior and for obtaining visas.
- 20.II.11 Areas in which standards and regulations are urgently needed include those for licensing tour operators, for building eco-tourist resorts, and for customer servers and services such as taxi and boat drivers, and hotels and restaurants.
- 20.II.12 **Policies that protect the environment and promote safety must be accompanied by policies that could attract investment. The Guyanese tourism industry is currently considered to be a high-risk business by investors and bankers because of the multiple problems which exist in the country. In addition to the financial risks normally associated with tourism itself, there are problems peculiar to Guyana: the country's democracy is considered to be fragile; the investment climate is uncertain; and Guyana is still an emerging tourist market.**
- 20.II.13 The behavior of tourists can be an important issue. Tourists should not only be educated about their responsibilities to the environment, they should also be educated about the environment. It is therefore useful for citizens of a host country or region to recognize the elements of the natural environment that may be of interest to the visitor.
- 20.II.14 **Local people also need to be educated on the potential impacts of receiving tourists as well as the expectations of such visitors. An informed and trained citizenry is the backbone of any successful development process.**
- 20.II.15 The lack of skilled staff for the tourism industry is another major constraint to its development. The design and implementation of a programme to upgrade the skills of personnel in the sector are therefore imperative.
- 20.II.16 At present, Government regulations and support services for the tourism industry are provided through the Tourism Division in the Ministry of Trade, Tourism and Industry. The Division is understaffed and lacks the internal systems and structures for the smooth facilitation of programmes and activities required for its work. It is affected by many of the same ailments that are prevalent in other Government departments, such as a shortage of skills, a lack of facilities and no legal mandate to perform many of the functions that are required.
- 20.II.17 **There is a proposal for the institutional arrangements for tourism to be placed under a Minister responsible for Environment, Protected Areas and Amerindian Affairs. However, while there is merit in linking protected areas and tourism under a general environment ministry, Amerindian Affairs which involves a much wider range of issues, probably justifies having a separate Ministry.**

20.III OBJECTIVES

- 20.III.1 The broad objective of the sector is to contribute to the sustainable development of Guyana by earning foreign exchange and providing job opportunities, while conserving the natural environment and the multi-faceted culture of the country.

- 20.III.2 To achieve this overall objective, a number of specific objectives can be defined.
- (i) The promotion of an industry that makes appropriate use of Guyana's resources and takes full advantage of market trends.
 - (ii) The development of the industry by placing the protection of its natural resource base as its highest priority through the use of sustainable practices.
 - (iii) The establishment of standards and practices that are commensurate with the market that is being targeted.
 - (iv) The development of an industry which ensures that its activities and operations are of benefit to as wide a representation of Guyanese as possible, but particularly the Amerindian community.

20.IV THE STRATEGY

20.IV.1 The central thrust of these new policies for tourism is a focused and unambiguous strategy of pursuing high quality, up-market eco-tourism in controlled numbers that do not exceed scientifically determined carrying capacities of interior sites. All other policies should flow from this central thrust.

20.IV.2 Ministerial Responsibility

20.IV.2.1 Tourism is currently part of the Ministry of Trade, Tourism and Industry. Unfortunately, the range of the portfolio of this Ministry is so wide, and trade and industry so important in the developmental strategy of our economy, that tourism is often not given the attention it deserves. Since the future of tourism will be heavily dependent on the protection and sustainable development of the environment, a Ministry of Tourism and Environment will be established.

20.IV.3 National Tourism Board or Authority

20.IV.3.1 **A National Tourism Board or Authority will be established. This will replace the defunct Tourism Advisory Board. Its main responsibilities would be regulation, marketing, research and product development. The Authority will be established by an act of parliament as a body corporate.**

20.IV.3.2 The composition of the Authority is critical for its success. It will therefore be composed as follows: the Permanent Secretary, Ministry of Tourism and Environment; The Permanent Secretary, Ministry of Regional Affairs; two persons from the Tourism & Hospitality Association; one person from the Private Sector Commission; one person from the Private Aircraft Owners Association; and one person from an Amerindian NGO.

20.IV.4.1 **The according of special status to areas known to possess unique natural characteristics is fundamental to the development of tourism in Guyana. Therefore the work which has already begun to establish a Protected Area System will be expeditiously concluded.**

20.IV.4.2 It is important that certain criteria, including definitions for the carrying capacity and guidelines for visitation, be established for each protected area in the interest of tourism. Among the guidelines for visitation will be specifications regarding the length of stay of visitors, requirements for trained guides, the means of access to protected areas, controls on the removal of flora and fauna and the taking of pictures, access by individuals or groups, etc. Within the park itself, in order to protect the area's biodiversity, there may be areas in which absolutely no one is allowed to go.

20.IV.5 Amerindian Involvement in Tourism

20.IV.5.1 Amerindian communities will of course decide for themselves if nature-based and eco-tourism ventures are worthy of their involvement and participation, on a project-by-project basis. However, in the process of developing the tourism industry, efforts will be made to ensure that Amerindians are involved at all levels.

20.IV.5.2 Tourism activities will be started at a slow and measured pace in Amerindian communities so as not to overwhelm local capacity and result in an increase in social stresses.

20.IV.5.3 Because of the limited experience which Amerindians have with development projects, those tourism ventures that are to be started and managed by Amerindians will be accompanied by: intensive and extensive training of Amerindians in business management, and account-keeping; start-up capital; the encouragement of partnerships among Amerindians, investors and nature and conservation NGO's in developing tourism sites; and continuous information sharing and consultation with Amerindians.

20.IV.5.4 Non-governmental organisations will be encouraged to assist in all these endeavours.

20.IV.5.5 Guidelines will be provided and enforced in respect of tour operators entering Amerindian communities.

20.IV.5.6 An overall code of conduct will be developed between tour operators and the Amerindians. Such a code will provide rules, for example, concerning the taking of photographs, access to sacred sites, and times of visiting. Amerindian communities may develop stricter codes.

20.IV.5.7 The collection of head fees by Amerindian communities will be legislated, and the responsibility for this placed within the proposed Board of Tourism.

20.IV.6 Investment

20.IV.6.1 An incentive regime will be introduced that will endeavour to make the industry attractive to investors. The regime will compare favorably with those of other countries which are developing tourism and will offer no less than the following:

- a tax holiday of up to five years for hotel and resort development and tour operator enterprises;
- exemption from duty and consumption taxes for items to be used in the construction, expansion, refurbishment and equipping of licensed hotels or resorts and for the creation, expansion and equipping of licensed tour operator enterprises and tourism facilities as approved by the Board. This exemption will apply to all interior resorts, and to hotels in Georgetown of not less than 10 rooms;

- replacement and refurbishment for hotels resorts and tour operators once every 5 years; and
- accelerated capital allowances on the construction cost of the hotel or resort.

20.IV.7 Air Transport

20.IV.7.1 *The strategies for liberalising activities in the air transport sector, and for attracting investment to it, are outlined in the Transport Chapter of this National Development Strategy.*

20.IV.7.2 **The Tourism strategy is dependent upon the development of the Cheddi Jagan International Airport at Timehri to meet international requirements.** Other key imperatives are:

- the redevelopment of Ogle as a municipal airport; and
- an airstrip, as a complement of the road system, will be immediately developed to the West of Kurupukari.

20.IV.8 Visitor Safety and Security

20.IV.8.1 **The security of visitors will be given priority throughout Guyana and steps to this end will include raising awareness among the local population as well as within the security forces. Training on interactions with tourists will be provided to the police force. In the long run, consideration will be given to the development of a division of police within the force who are specifically responsible for visitor security.**

20.IV.8.2 Search and rescue mechanisms will be put in place with the capability of dealing with all eventualities, and will include high-level detection methods, fast and effective evacuation procedures and top level medical training and equipment. This will be facilitated by an established mechanism between the Private Sector, the Government, the police and the army.

20.IV.8.3 Tour operators will be obliged by law to possess adequate safety equipment for the tours they conduct.

20.IV.8.4 Training in first aid and CPR will be mandatory for all persons/guides conducting or in charge of tourists, and adequate emergency evacuation plans and procedures will be set for all tour operations and resorts. These safety procedures and equipment will be linked to the licensing of these operations. Failure to comply with the minimum safety standards set for the industry will carry severe penalties.

20.IV.8.5 Adequate insurance for all resorts, hotels, charter airlines and tour operations will be made mandatory and linked to the licensing of tourism operations. In order to facilitate this, the laws pertaining to insurance will be amended to give the tourism industry access to adequate levels of insurance.

20.IV.9 Marketing

CHAPTER 21

URBAN DEVELOPMENT

21.1 BASIC FEATURES

21.1.1

Guyana has six urban municipalities: Georgetown with an estimated population of 177,900; Linden with a population of 33,500; New Amsterdam, the population of which is 21,700; Corriverton with a population of 15,700; Rose Hall with a population of 8,000; and Anna Regina with a population of 2,625. The drainage systems in all but one of them are in various states of disrepair.

- 21.1.19 In addition to the poor hygienic conditions which have already been mentioned, water supplies in the urban areas are sub-standard, the treatment of sewage inadequate, and there is a plentiful number of stagnant pools of water that encourage the breeding of mosquitoes.
- 21.1.20 These deficiencies and inadequacies are manifested in low levels of public health, insufficient recreational facilities for children, juvenile delinquency, and higher levels of crime than for other areas of the country.
- 21.1.21 The Central Housing and Planning Authority is the principal element in the local physical and planning system. It is the hub with direct functional linkages with Regional Democratic Councils, local authorities, and the Central Board of Health. It also liaises closely with those statutory authorities which supply such urban services as electricity and water, and maintain the sewerage system.
- 21.1.22 In most towns, development seems to be haphazard and unplanned. While there are zoning regulations, these are honoured more in the breach than in the observance. Everywhere, in all the towns, business places, vehicle repair shops, and manufacturing enterprises are permitted to grow up, like Topsy, alongside and within districts that have been zoned for residential occupation alone.
- 21.1.23 There is much illegal occupation of land. Indeed, so-called "squatting" areas abound mainly on the outskirts of the towns. Apart from being unseemly, they tend to contaminate the areas in which they are sited, because of a multitude of poor hygienic practices and conditions, and because of the intricate drainage and irrigation systems which service the coastal areas of Guyana.

21.II ISSUES AND CONSTRAINTS

- 21.II.1 The basic issues and constraints to urban development in Guyana are financial, administrative, and managerial. Because of the low levels of rates and taxes that are collected, because of the low bases for these rates and taxes, and because Government subventions bear no relationship to the needs of the urban areas, the amounts available to the municipalities for their mere existence are always most inadequate.
- 21.II.2 Also, mainly because the municipalities cannot afford to pay attractive salaries, they are unable to hire the most competent persons. As a result they spend even the pittance which they collect and receive, most ineffectively. Moreover, because the councillors are elected from lists, they do not, as has been pointed out, have any allegiance to, and responsibility for, any particular district. As a consequence, often the whole municipality is neglected. Ways must therefore be found to widen and deepen the revenue base; ensure that funding from the central government is both adequate and reliable; and make certain that individual councillors are accountable to specific districts.
- 21.II.3 Very little urban planning is being undertaken. Whatever planning is being done does neither attempt cohesively to establish goals and objectives at a national level, nor to link their attainment with economic and financial policies. In practice, sectoral strategies have been formulated in isolation, with little attempt being made to integrate them into national strategies, and with little consideration as to how the plans are to be implemented, whether through communities, the private sector, the municipality, or even the government.
- 21.II.4 The expanded boundaries of the city of Georgetown and other municipalities have placed severe strains and pressures on their drainage systems. In addition to the heavy siltation of canals and the dumping of refuse, the lack of *maintenance* of the sea and river defences, indeed of the entire drainage system, is the main cause of poor drainage of the cities.

materials and equipment contribute to the financial burden of municipalities, government, and other related agencies.

21.II.15

A major factor which impedes better performance are the poor working conditions found in the government agencies (malfunctioning equipment, cramped office space, poor lighting, sanitation and telephone services, etc.). In addition, many agencies, - Neighbourhood Democratic Councils, regions, municipalities, GUYWA, GSWC, GPL,

21.IV.19 Standard criteria will be adopted in order to instal comparable and uniform methods of property tax assessment.

CHAPTER 22

LAND

22.1 BASIC FEATURES OF THE SECTOR

- 22.1.1 There is no land-use policy in Guyana. Although over the years, several attempts have been made to devise comprehensive land capacity classifications for the country, and to utilise these as the basis for land zoning and land allocation, the process is far from complete. As a result, land-use throughout the country is haphazard, unplanned and wasteful.

and possess lease documents that are issued by the Land and Surveys Department; (b) *sub-lessees of State leases* who rent lands from principal lessees. Under the present lease arrangements, they are considered illegal occupants of State lands; (c) *unregularised occupants of State Lands*: those who have applied for lands they occupy while waiting on the applications to be approved; (d) *squatters on State Lands* who are illegal occupants of State Lands, not including sublessees; (e) *owners of freehold lands*: those who have purchased from the State or previous holders by way of transport or certificate of title; (f) *renters of freehold lands*: those who rent under private arrangements from freeholders, both formally and informally; (g) *unregularised occupants of freehold lands*: those who have claims to the lands they occupy but whose claims are not legally documented. This is often the case on old freehold estates that have been subdivided but for which individual titles have not been issued; (h) *squatters on freehold lands*: illegal occupants of privately owned lands; (i) *indigenous communities*: Amerindian communities throughout Guyana, recognised as Amerindian Districts, Areas and Villages; (j) *the sugar industry*: meaning GUYSUCO and inclusive estates; (k) *prospective investors*: those who seek to possess lands for agricultural or other purposes; and (l) *the landless*, may be classified as citizens of the lower income bracket, desirous of obtaining land for agriculture but who are deterred by cost factors, the laborious process and other associated arrangements.

22.II ISSUES AND CONSTRAINTS

- 22.II.1 Each of the categories of land holdings that have been listed in the previous section of this Chapter embraces a number of issues and constraints in terms of access to lands, the land market, and especially security of tenure. This has led, among other things, to a thriving informal land market, which is beneficial to many absentee land holders, either of freehold or leases, from which the Government loses a considerable amount of revenue that could have been applied to improving land administration, other related services, and infrastructures. It is imperative that these issues be dealt with promptly in order to ensure increase agricultural productivity.
- 22.II.2 The large number of agencies and sub-agencies that are concerned with the allocation of land and the collection of rents and fees from the plethora of land types has led to accusations of unfairness, bribery and corruption. What is certain is that this high number of government organisations lead to inefficiencies. The whole system of land administration therefore needs to be rationalised.
- 22.II.3 Land Selection Committees have been established and authorized to approve or deny applications for leases of state land. Their procedures are inefficient because of the absence of clear-cut criteria for approval or denial of applications; the time-consuming and bureaucratic process of decision-making involving the Regional Democratic Council, in addition to the district and regional land selection committees; and the abuse of power by members of the land selection committees at both the district and regional levels.
- 22.II.4 There exist over 2,000 provisional leases, waiting for surveys to be done before their final determination. Land in this circumstance cannot be used as collateral for production financing, so the 'provisional' lessee is prevented from investing as he or she desires in the land occupied. This obviously impedes agricultural development. This situation also increases the possibility of boundary disputes, since formal boundaries are never demarcated. The Lands and Surveys Department is not now in a position to deal with disputes adequately, because of human resources limitations and the lack of support from an internal legal unit.
- 22.II.5 The unattractive conditions of State leases include: the *duration* of leases, which is currently twenty-five (25) years. There is great difficulty in obtaining production financing, since most banks do not accept a lease of 25 years as collateral; *transferability and use for collateral*: " The lessee shall not transfer or mortgage his interests in the lands occupied in this lease or any part thereof except in accordance with the provisions of the State lands regulations." This provision also limits the use of

leases as collateral; and *subleasing*: "The lessee shall not sublet or give possession of the land thereby leased or any part thereof." This provision creates major difficulties for the lessees in cases of illness or economic difficulty and limits their ability to utilise the land to its maximum capacity and accumulate capital. The landlord/tenant relationship is not recognised. Sublessees are denied access to formal financing for investment in agriculture since their tenure is not recognised. The provisions also limit long term investments by farmers of leased land who have tilled the same plot of land for a number of years, but are restrained from making significant capital investments for fear of the termination of a lease or sublease, and the lack of security over the long run.

- 22.II.6 The low rents paid by lessees of State lands directly impact on fiscal revenues and the quality and efficiency of administration and management of State lands. This situation gives rise, among other things, to land speculation and has the effect of subsidising those who are least in need of subsidies, e.g., large landholders, who sublease the land at market rates. Land, like any other input of production, should be priced as close as possible to its market value. If not, the resource will be underutilised or misused. Increased land rents would also serve as a deterrent to land speculation and would, in fact, encourage intensive land use and reduce the amount of idle lands. Ultimately, land rents would provide funds for agricultural research and development and for funding the Land and Surveys Commission towards an efficient and effective agricultural land administration and sustainable land resource development.
- 22.II.7 Unregularised occupants also include those who have inherited a lease or have had the original lease transferred to them without the necessary documentation, due to the time-consuming process of applying to Lands and Surveys for approval or permission to do so; as well as those whose leases have expired and have not bothered to renew it but still occupy the land.
- 22.II.8 The illegal occupation of State lands for agriculture and other purposes, especially housing, has increased over the last decade or so. Much of the land squatted on for housing is prime agricultural land for both cultivation and grazing. Many persons resort to squatting for agriculture as a result of slow administrative procedures for granting land. This situation thrives due to a lack of enforcement mechanisms at the Lands and Surveys Department.
- 22.II.9 The Land and Surveys Commission has been unable to discharge its statutory functions effectively, since under this system the responsibility for routine cadastral surveying and the administration of State lands, was transferred to the Regional Democratic Councils. This has had a profoundly negative impact on the national system for administering Government leases. The absence of an efficient communication system between regions and with head office adds to the inefficient regional service.
- 22.II.10 There is a tremendous backlog of surveys to be done, because of the inability of the Lands and Surveys Department to perform parcel surveys in support of agriculture leases. In addition, there are outdated cadastral index maps that undermine the reliability and integrity of the records, resulting in uncertainty of land ownership.
- 22.II.11 As has been emphasized the Registrar of Deeds under the direction of the Attorney General is responsible for the registration of all transactions involving freehold land: buying and selling, creation and cancellation of mortgages, encumbrances, private leases, use rights, etc. It also records intellectual property and functions as a commercial registry. It is considered that both land and commercial affairs are too much for the current registry to deal with adequately, as persons wishing to transact property business at the registry compete for attention with those who are there for commercial affairs.
- 22.II.12 As has been pointed out, in order to effect a transport (sale) of property, proposed sales must be published in the official Gazette for two weeks before the transaction. If no objections are filed, the transaction is allowed to go on. If timely objections are made, the matter is settled in court. Such a

requirement for all transactions is burdensome, expensive and time consuming. In principle, this process could be completed in about the three months that would be necessary for publishing requirements and file review. However, transactions can take a year or much longer, due to institutional and human resource related inefficiencies.

- 22.II.22 **Many prospective investors interested in acquiring portions of land for agriculture, aquaculture and other pursuits are often deterred by unavailability of data regarding the particular parcel of land and the process they are forced to pursue to acquire the land needed. Given the need to promote foreign and local investment, clear and transparent procedures regarding the application and granting of leases should be adopted.**
- 22.II.23 **More than eight thousand farm families possess less than ten acres of land with an average holding of two acres in that group. This clearly is an infrasubsistence level of land holding, and very likely it is the major explanation for the poverty found in rural areas. Indeed, because a holding for the rural non-poor is about 26 acres, it might be argued that this disparity in access to land is a contributing factor to rural poverty. Undeniably, the fundamental fact is that having larger farms means having more income. Everything else being equal, too many rural families have too small a land base to rise above poverty.**
- 22.II.24 No central data base system exists for the storage, analysis, management and retrieval of data on title and tenure conditions. There is also inadequate data on existing land-use, soil type, temperature, rainfall, slope, land tenure, indigenous settlements, physical infrastructure, social infrastructure, and population, etc. The lack of data hinders the planning and implementation of a land-use plan and subsequent development projects, as well as individual choices and decisions in land-use for agricultural and other purposes.
- 22.II.25 **The absence of a clear strategy for the opening of new agricultural lands puts a greater demand on already limited lands with the necessary infrastructure.**
- 22.II.26 **There is no consistency between the acreage restrictions in land development schemes and the lack of such restrictions on the acreage of land that may be leased outside them.**
- 22.II.27 The absence of environmental regulations on the occupation and utilisation of the land resource, can lead to environmental degradation of the land resource through deforestation, pollution from waste disposal etc.
- 22.II.28 **The issues of land distribution, in general, and of ancestral lands, in particular, are of extreme importance in Guyana. Indeed, they are considered by many to be as potentially explosive as the racial problem. Strategies for the settlement of the claims of Amerindians for land titles and extended land rights have been put forward in Chapter 24, which is devoted to Amerindians. However, somewhat similar claims have been put forward by Guyanese of African origin who assert that th**

- To improve the coordination and communication among all related institutions, in order to attain improved land utilization.
- To improve the functioning of each institution responsible for land allocation and administration.
- **To clarify national land policy, at a broad level in this Strategy and more specifically in subsequent documents.**
- To improve the collection, storage, retrieval and dissemination of data nationally.
- **To acquire the land use and land capability data necessary for investment.**
- To develop new lands that have the potential for sustaining economic activities, clarifying intentions and programmes in this regard.
- To provide economic sized land holdings for all farmers.
- To promote the sustainable use of land for agriculture and other purposes by continuous environmental impact assessments.

22.IV THE STRATEGY

- 22.IV.1 **The selection of lessees for lease on state lands shall be made using clear established criteria, such as the applicant's ability to work the land, the amount of land already in the applicant's possession, the size of his family, etc. These criteria will be weighted. Reasons for decisions will be clearly spelled out and made available to all concerned, with timely appeal mechanisms in place to deal with queries.**
- 22.IV.2 **There is no need for the Regional Democratic Council to be involved in decision making since it has delegated to a district and regional land selection committees the authority to review applications, interview applicants and make recommendations before forwarding the application to the Lands and Surveys Department. In this light, the Regional Democratic Council will be omitted from the land selection process.**
- 22.IV.3 **The members of the land selection committees will be elected to office by the people of the district, and the regional committee will comprise elected members from each district committee. It is important that the composition of both committees reflects the people's choice. Regional committees will no longer review applications directly, but will rather review the functioning of the district committees and once a year issue a report containing observations and recommendations, if any, regarding the process of selection.**
- 22.IV.4 **For plots that are already surveyed, a time limit of 20 days will be established for review of each application by the district committee and 20 additional days by the L&SD. If no decision is made within those periods, it will be construed as automatic approval of the application at the respective level. Applications will be dated upon submission at each level, and the date will be acknowledged for the applicant in writing. If the 20 days pass with no explicit decision, the recording secretary at the respective level will be required to write "application approved by reason of no decision before the deadline" on the application, enter the corresponding date, and provide a copy to the applicant.**
- 22.IV.5 The responsibility of carrying out field inspections for application purposes will be delegated to the

legal unit to help with cases involving defaulters. If the unit is not able to make significant progress within a year, then collection of lease fees will be contracted out to private agencies, on a commission basis.

- 22.IV.17 The regional offices will be staffed with clerks and land rangers as necessary, to handle applications and inspections for applications, along with the district and regional land selection committees.
- 22.IV.18 The regional offices will be linked by a computer/telecommunication network. The importance of being able to relay rapidly data cannot be underestimated in this sector. With improved communication the Commissioner will be able to deploy statutory functions effectively, especially that of surveying.
- 22.IV.19 An accurate land register and cadastral maps will be established. Some of the information needed will have to be acquired from an inventory, to verify occupancy on the ground with the existing title records. The acquired data will then be recorded in a computerised land register system that would allow easy access, updating and the production of cadastral index maps.
- 22.IV.20 Other than the time required for judicial procedures, the time required for transactions under the "Transport System" will be reduced significantly. This will be done by creating a procedural system for receiving and processing transactions, grouped according to subject.
- 22.IV.21 **The Deeds Registry will be established as a semi-autonomous body. Under this arrangement the Registry will be able to retain a portion of revenues generated by its services. Since many fees and charges are outdated, it is also necessary to revise and implement realistic charges for services, to put the institution on a financially sustainable basis. With available funds under a semi-autonomous arrangement, better wages and benefit packages will be offered to personnel. Entrance requirements will be raised from three subjects to five subjects. In-house training programmes will be offered in modern systems of property registry.**

- 22.IV.22 The State will embark on a land registration process to regularise those who have legal claims to parcels of land but have no title to confirm this. The process by which this is done will be revised to ensure its efficiency, this would mean the revision of the Land Registry Act.
- 22.IV.23 **An assessment of the status of all lands held by GUYSUCO will be made to determine immediate and future needs, and to develop a programme for relocation of lands to other users.**
- 22.IV.24 L&SD will start a central data base where information to guide prospective investors can be accessed, such as land capability maps. The process of applying for land will be improved and opportunities for funding or credit will be sought by providing full documentation on the land to banks.
- 22.IV.25 At the same time, Government will identify and open new frontiers for agriculture development. The necessary infrastructure can be made available through two schemes:
- (i) Granting land to those capable of providing the necessary infrastructure on condition that a portion is released to small farmers without charge, except annual D&I maintenance fees paid to a users' group.
 - (ii) **Government will carry out an institutional analysis of current land administration, including non-agricultural lands as well, eliminating existing overlaps and giving the responsibility to the institution most related to and involved with each function. Given the historical role as manager of the land resource, and that the Commissioner of Lands and Surveys is the custodian of all lands, the Lands and Surveys Department should be the final clearing house regarding land use.**
- 22.IV.26 A communications network will be established, with each institution feeding data into their relative systems, which are then fed into a central system housed in the Lands and Surveys Department that would be accessed by all.
- 22.IV.27 The formulation and implementation of a National Plan on Land Use, based on present land use patterns and possible opportunities, are critical in this effort. This plan should take into consideration physical, environmental, economic, social, cultural and demographic factors from a Guyanese perspective.
- 22.IV.28 **The national land use plan will utilise the concept of sustainability, to protect all lands, in this instance agricultural lands, and it will strive to make that concept operational in as many instances as possible. It will take the lead in defining sustainable land use practices.**
- 22.IV.29 **Environmental regulations will be incorporated into all leases or title conditions, regarding proper waste disposal, replanting, etc.**
- 22.IV.30 **Environmental impact assessments will be carried out for existing large-scale land uses (agriculture, effect of D&I on soil erosion) and they will be mandatory for any proposed land development scheme, before granting permission, and as a method of monitoring land use regards environmental degradation of the land resource.**
- 22.IV.31 **A special Parliamentary Committee will be established to examine, and make recommendations on, the distribution of land among the various races of the country. Although it will pay special attention to the claims for land which have been submitted by Amerindians and African Guyanese to the Constitution Reform Commission, the special**

Committee will also investigate any other submissions of other racial groups in the country.

CHAPTER 23

23.1 BASIC FEATURES

number of new applicants more than compensated for those processed. In other words, the quantum of the backlog remains virtually constant.

- 23.I.11 What is most reprehensible is the feeling in many parts of the country that the household selection process is still characterised by high degrees of opacity, ministerial interference, extreme elements of official discretion and, perhaps not surprisingly, by a great amount of social and political wrangling.
- 23.I.12 **The current land distribution policies seem geared to favour low-income families with a minimum number of five children. It is obvious that such policies effectively exclude and act against young people and the unmarried. It also militates against marriages by younger couples because they cannot move into houses of their own. In addition, it**
- 23.I.14 Other almost inevitable consequences of this failure of supply even to approach demand, are high house-lot and house prices, and high rents. Indeed, the selling prices of houses are, on average, about seven times annual household incomes, and monthly rents are from one-half to two-thirds average monthly earnings.
- 23.I.15 ince Government owns the bulk of developable land in urban areas, serviced lands are scarce, prices are extremely high, and are affordable only to the elite.
- 23.I.16 Mortgage financing for middle and upper income households in Guyana is relatively easily available. However, it is often a daunting exercise for the low-income classes to obtain loans for housing. This is so partly because there are very few specialised mortgage lenders in Guyana, and partly because of the complex of collateral conditions which the existing mortgage institutions require.

ability to adapt and adopt. As a consequence, new and cheaper but effective building techniques and

23.II.21 As has been emphasised, the private sector should be activated. Their involvement could be enhanced by tax incentives in construction activities. Moreover, any remaining rent restrictions should be removed. Tax relief should continue on mortgage interests and Government should improve access to

inflation rates. Contributions to the fund will be made by the Central Government. International contributions will be sought as well.

- 23.IV.2 A fund for supplementing the mortgage payments of low-income families will be structured in a manner similar to the one described above. Its operating rules will also be similar although, in this case, under the eligibility criteria, the topping-out level of family income will be somewhat higher than for the previous fund. The fund for mortgage supplements will assist families of low incomes to make down-payments on houses, provided that they put some of their own funds into the payment, and then it will supplement their monthly mortgage servicing. It is suggested that assistance on the down-payment be provided in a matching fashion, with a maximum amount of G\$250,000 that could be drawn from the fund for this purpose. The upper limit on assistance with monthly mortgage payments would be established at G\$20,000, made directly to the financing institution. Both sums would be adjusted annually for inflation. Again, the fund would depend on contributions from both the Central Government and the international community.
- 23.IV.3 As well as assisting the poor directly, the presence of these two funds will have the beneficial effect of stimulating private investors to provide more housing, in the knowledge that the effective demand would have increased considerably for this type of housing.
- 23.IV.4 In addition to these special funds, the Government will establish a rediscount line in the Central Bank that will provide an incentive to commercial banks to extend mortgage loans, in exchange for their reducing interest rates on mortgages below the equivalent level for other classes of loans, by a specified number of percentage points. The subsidy inherent in this rediscount line will be funded explicitly from the annual Central Government budget, with the possible additional contribution of international funding. Through this financial facility, banks will be encouraged to place a higher share of their assets in mortgages without incurring the risk of weakening their capital base because of below-market interest rates.

- 23.IV.9 If the institutions are not viable in these respects, Government will eventually find that the burden of sustaining them is insupportable. The institutions will then be forced to curtail operations, thereby losing the ability to provide support to the citizenry for the acquisition of homes.
- 23.IV.10 Laws and regulations that would permit financial institutions to recover the collateral in cases of default will be strengthened, or otherwise the commitment to service a mortgage would become almost a meaningless gesture from the viewpoint of mortgage finance institutions, and those institutions would be doomed to insolvency.
- 23.IV.11 **Land for housing will be granted free of charge to all those below the poverty line.**
- 23.IV.12 Regional land selection committees for houses will be given the authority to review applications,

- 23.IV.21 These semi-urban settlements will be designed to house and provide job opportunities and social facilities for 1,000 families in self-sustainable townships.
- 23.IV.22 Unutilised sugar lands or unutilised government lands on the outskirts of the towns, and areas in the Intermediate and Rupununi Savannahs, or sites in any other part of the country in which there is land that is suitable for the purposes of the projects, will be selected.
- 23.IV.23 **The Government will, with the assistance of the private sector, develop these lands.**
- 23.IV.24 **The private sector will be encouraged to assist through the provision of tax incentives and free land, if it agrees to establish businesses and enterprises in specific areas of the settlement.**
- 23.IV.25 Areas in each settlement, will be set aside for religious worship, a community centre, a primary and a secondary school, a health centre, administrative services, and commercial and industrial activity.
- 23.IV.26 **Each family will be allocated one acre of land for housing. In addition, each family will be provided with an agreed amount of land for either agriculture, or manufacturing or commercial enterprise, or trade, etc.**
- 23.IV.27 All settlers will, of course, have to agree voluntarily to the proposals and arrangements before participating in the projects.
- 23.IV.28 No attempt will be made rigorously to establish patterns of settlement. However guidelines will be drawn up in order to make the schemes as cost effective as possible. It is suggested that:-
- (a) the townships would be circular in shape;
 - (b) that there would be in the centre of this circle, i.e. in the centre of the township, a substantial area of public open space, bordered by trees and perhaps lined with seats for recreation, and with pe0006 gytax ioo make toax iidelines[(ard01 Tw 20.610ddltive)stl(e)as.001 Tw -20.3832 -1.2096

23.IV.32 Although full cost recovery will be the ultimate

mainly for the benefits in the form of affordable shelter, but it could also provide benefits in the form of more employment and savings in foreign exchange. Page 6 of 10

- 23.IV.55 Self-help communities that are organised for the construction of houses for those below the poverty line will be provided with duty free materials when it is necessary to import them.
- 23.IV.56 The basic infrastructure for housing lots will be installed over a realistic period, with community participation and other institutional assistance.
- 23.IV.57 Legislation will be passed with the approval of the Public Servants Union to enable the pension funds of Public Servants to be used both as collateral and for capitalisation in housing projects for both Public Service housing schemes and for Public Service individuals.
- 23.IV.58 The government will also facilitate the accumulation of financial resources by Trade Unions, and the seeking of concessional financing for residential construction by them.
- 23.IV.59 The Central Housing and Planning Authority (CH&PA) will be restructured and upgraded, so that it may continue to be the Government's instrument through which the housing sector will be facilitated and national policy maintained and upgraded. It will be restructured around the implementation of a manageable number of distinct lines of business. These will include (i) developing raw land into serviced, individually titled residential lots; (ii) preparing national land-use and settlement plans to guide local decisions; (iii) regularising squatter areas that generally conform to acceptable settlement patterns; (iv) improving depressed areas and removing environmentally unsound settlements; and (v) providing Guyana with reliable information systems to support planning and other policy making.
- 23.IV.60 The Housing, Housing Development, Town and Country Planning, and Condominium Acts will be brought up to date.
- 23.IV.61 A modern Building Code will be designed and implemented.
- 23.IV.62 Regulations will be put in place to reduce the time needed to establish absolute title of residential land ownership.
- 23.IV.63 A "one-stop shop", with technical competence and authority to oversee all surveying, site preparation, infrastructure construction, and conveyancing will be established.
- 23.IV.64 The Town and Country Planning Act, using the Model Physical Planning Bill prepared by UNDP/UNCHS for OECS, will be modernised.
- 23.IV.65 Comprehensive development plans for all population centres will be prepared, and a Geographic Information System with supplementary staff, training and financing will be established.
- 23.IV.66 Infrastructural standards that permit the progressive upgrading of communities will be developed to replace the single infrastructure standard that now exists and is too costly for low-income neighborhoods.

CHAPTER 24

THE AMERINDIANS

24.1 BASIC FEATURES OF THE SECTOR

24.1.1 Distribution

24.1.1.1 The best estimate of the Amerindian population indicates it to be 46,010 or 6.4 percent of the total population. This suggests that the Amerindian population has declined by 5.8 percent between 1993 and 1999, when the two most recent surveys were undertaken. Amerindians rank as the fourth largest ethnic group, after East Indians, Africans and Mixed Guyanese. They comprise most of the population in the remote interior of Regions 1, 8, and 9 and a significant percentage (one-third) of Region 7. The bulk of the Amerindians live in Regions 1, 2, 7, 8 and 9. Regions 1 and 9 have 28.80 per cent and 24.95 per cent respectively of the Amerindian population, followed by Regions 2, 7 and 8 with 11.72 per cent, 9.45 per cent and 8.63 per cent respectively.

24.1.1.2 The Amerindian peoples in Guyana were traditionally separated from each other by natural environments and by their distinct languages. This pattern still holds true, except for the coastal Amerindian settlements of Region 1 and at Orealla in Region 6, in which Arawaks, Waraus and Caribs are often found in the same village.

24.1.1.3 The highest number of Amerindians (about 15,500) is to be found among the Arawaks (or Lokonas as they call themselves). These are followed by the Makushi whose population is about half that of the Arawaks. Next are the Wapishana whose numbers are slightly higher than the Warau, the Akawaio and the Patamona. The Caribs are the next smallest group, and, at the bottom of the Amerindian population scale, are the Arekuna and Wai Wai, remnants of the Atorad people who still speak their own language and can still be found living in Wapishana communities.

24.1.2 Socio economic Conditions

24.1.2.1 While the Amerindian population is important in regional demographic terms, it is not homogeneous. Perhaps as a result of this, it has not traditionally been an effectively organised lobby. There are signs, however, that the position is now changing and that Amerindian groups are exercising an increasing

communities. Full titles were granted to 62 communities under the Amerindian Act. Titles for very scattered communities were to be known as Districts, and two were recommended under this head. At the time, 12 villages in the Upper Mazaruni District were not granted title because of their involvement in a proposed hydroelectric scheme. However, those communities also received land titles in 1991. Outstanding issues and problems that remain to this day are the failure to implement all the recommendations of the Land Commission; the inadequacy of the areas covered by land grants; the failure to demarcate boundaries on

24.II.1.14 Intellectual Property Rights and Cultural Heritage

24.II.1.15 Indigenous peoples are particularly vulnerable with respect to their heritage. Usually viewed as “backward”, they have been the targets of a type of cultural imperialism, aimed at their assimilation into what are considered to be more “advanced” ways of life. Their arts and knowledge are confusingly and contradictorily treated: often not regarded as world treasures, they have been simply destroyed; at other times, they are collected by museums. Today, the threat has intensified, and tourism, a growing demand for “primitive” art, and the development of bio technology combine to threaten the ability of indigenous peoples to protect what remains of their heritage. Perhaps not surprisingly, indigenous groups have called for legislation to protect their intellectual property rights and to promote the revival and enhancement of their heritage. Indeed, the Convention on Biological Diversity, which has been ratified by Guyana, obligates the state to recognise and protect indigenous intellectual property, to exploit such knowledge only with the consent of the affected peoples, and to ensure an equitable distribution of benefits.

Education

24.II.1.16 Because of several factors, the Amerindian population has been traditionally excluded from the mainstream of educational opportunities. The inability of Government to address these constraints has resulted in a lack of educational opportunities for Amerindians. Education for Amerindians should be wide in scope. It should not only address issues of formal education for children in the school system, but should be extended to empower Amerindians of all ages to improve their standards of living. Education and training policies should be of such a nature that they enable Amerindians to deal with other contemporary issues that affect them. Strategies should therefore be designed to ensure that they encompass all aspects of human development.

24.II.1.17 Training in the conservation and use of hinterland resources should equip Amerindians to benefit fully from the development of these resources. Such training should, among other things, focus on appropriate agricultural techniques and forestry practices, food processing, handicraft, artisanal trades, and on entrepreneurship and management.

24.II.1.18 The overarching economic difficulties which afflict the entire country are intensified and affect education in the interior even more adversely. As a result, Amerindian villages have suffered much in the education sector.

24.II.1.19 Among the most important issues is the lack of trained Amerindian teachers at the community level. The trained teachers in Amerindian villages are often non-Amerindian. Despite the best intentions, the result has been that education has a non-traditional focus that may not be applicable to community development. Students are therefore not inculcated with an appreciation of the value of their own traditions. In addition, many cultural aspects of Amerindian life are being eroded. Among these is the gradual loss of language, traditional dress and dance, and medicinal knowledge. To make education a success and relevant to the needs of the Amerindian peoples, the question of linguistics must also be addressed with urgency.

24.II.1.20 Many Amerindian teachers in the interior are not trained and do not possess the requirements to enter the Cyril Potter College of Education or the University of Guyana. This problem can be tied to a larger issue, which is the absence of secondary schools in the interior. Decisive steps in the educational area are needed to remedy this situation.

Village/Community Administration

24.II.1.21 In many Amerindian communities, the prescriptions of the Amerindian Act are not followed; in others where they are followed, the development of the communities is hampered by the limited powers given

24.II.2 Constraints

Land

- 24.II.2.1 The ambiguity and vagueness in the laws regarding the issues of occupancy, ownership and control of land need to be resolved. There are also fundamental differences between Amerindians' notions of ownership and those precepts that are to be found in the laws.
- 24.II.2.2 Interdepartmental conflicts among different Government ministries and agencies have exacerbated the Amerindian land situation. As agencies responsible for indigenous affairs attempt to regularise land use, they have to contend with other ministries and agencies whose purposes are to regulate and exploit natural resources.
- 24.II.2.3 The unfamiliarity of Amerindian peoples with their legal rights and correct administrative procedures is part of the overall societal neglect of Amerindian concerns and the weakness of the education system in interior communities. Some Amerindian villages did not apply for land titles to which they were entitled according to the Amerindian Lands Commission Report, simply because they did not know it was an option available to them.
- 24.II.2.4 The dearth of resources to take on as a matter of urgency, the physical demarcation of Amerindian lands is a serious constraint. If this activity is undertaken, fears among Amerindians about their land rights will to a large extent be ameliorated.

Poverty

- 24.II.2.5 The absence of a centralised entity with the resources to coordinate all governmental, non-governmental and international agency activities in Amerindian and hinterland development hinders the alleviation of poverty in the interior. Because the Ministry of Amerindian Affairs is ill-equipped to perform this task, many initiatives which it might have taken are not seized, or are put in place by other agencies in a haphazard manner.
- 24.II.2.6 The chronic shortage or nonexistence of appropriately trained personnel with the expertise in matters such as agricultural extension, forestry and natural resource management is part of a larger problem. Other chapters in the National Development Strategy present proposals for addressing this problem. The success of these policies will have a positive impact on Amerindians.
- 24.II.2.7 The inadequacy of physical infrastructure such as schools and health clinics to deliver basic social services to Amerindians and their frequent remoteness from communities make the general poverty situation worse.
- 24.II.2.8 The extreme isolation of most Amerindian communities demands that basic physical infrastructure be put in place, e.g., roads, airstrips, river transportation and telecommunications. The absence of these facilities adds considerably to the cost of projects in the interior.

24.II.2.10 Access to capital, finance and credit is a major obstacle to Amerindian development. It is difficult for

(iii) To enable Amerindians to participate in a

24.IV.1.11 Legislation will be enacted and enforced to protect cultural and intellectual property rights.

24.IV.1.12 **A communications network integrating telephone/ telecommunication systems, roads, airstrips, improved river and sea communica**

will require special coordination between the Ministry of Education and the communities. Language will be seen as an integral part of the education of Amerindian children and corresponding curricula will be developed by the Ministry of Education, the Ministry of Amerindian Affairs, and the Amerindian Research Unit in full participation with Amerindian communities.

24.IV.2.6 Integrated training complexes (along the lines of the Zariwa Education Complex) will be established in strategically located hinterland areas to provide training and education in cultural, academic, technical, vocational and adult continuing education programmes.

24.IV.2.8 **Land claims for Amerindians, in areas where Amerindians are located, will be settled**

CHAPTER 25

GENDER ISSUES

25.1 BASIC FEATURES

- 25.1.1 Gender issues should not be examined as a separate topic. Indeed, when the subject is treated in isolation, it is often marginalised. It is discussed here in a single chapter merely for convenience, and it is urged that when reading the chapter, its wide-ranging significance and pervasive influence be clearly understood.
- 25.1.2 Above all, what must be understood is the centrality of gender issues to the key economic strategy of the NDS, which places emphasis on the private sector as the engine of growth: as a document, "Mainstreaming Gender in the National Development Strategy" which was published in 1997 states, the NDS must recognise that "the model for a gender equitable society has to be one that is built on the understanding that women, because of their gendered roles, have multiple responsibilities and as a group, are impoverished, lacking the power and capacity to compete with the strength and tenacity of the market". That document also urges that the State play a strong role in favour of the disempowered of the society, including women, and points out that targeted action is key for equitable and sustainable development.
- 25.1.3 A definition of "gender" is necessary to avoid misunderstanding. The word "gender", unlike the word "sex", speaks to roles and relationships that are defined by societal norms and practices, and supported by societal attitudes. Thus, while this chapter usually speaks of "women" and "men", it is really discussing the roles and relationships that are ascribed to females (women and/or girls) and males (men and/or boys).
- 25.1.4 The structure of gender relations is skewed against women: for example, in the world of work, it is women who are overwhelmingly responsible for the unwaged and unvalued work of family care and family subsistence, and it is women who are allocated most low-waged and sTRvfa2(s and prac)7(tices.tc)

25.II.1 Issues

25.II.1.1 An accurate analysis of the current situation is inhibited by the paucity and unreliability of statistical data on gender matters. However, there is broad agreement on the following description of their status.

Poverty

25.II.1.2 Under a number of indicators, the incidence of poverty is higher among women than men, though higher among some women, such as female heads of household, than others. In particular, women are paid lower wages and salaries, face greater difficulties in accessing credit, and own less property. Further, because of their very limited occupation of decision-making posts in both the public and private sectors, women are often not in positions to make or influence policies on salaries, credit, and other avenues of economic empowerment. In Guyana as in other countries, gender stereotyping in the home, gender bias in education, and gender segmentation in the labour market combine to keep the majority of women at the base of the economy. It is also important to note that a great deal of poverty among women remains unperceived.

25.II.1.3 Weaknesses in physical and social infrastructure have a disproportionate impact on women and are an important factor in their poverty; they increase the time and energy needed to perform daily tasks of family care and, therefore, reduce the time and energy women have available for paid work and other activities.

25.II.1.4 The poorest women in Guyana – Amerindian women - are the most geographically difficult to access. Indeed, by definition, their poverty is produced by their lower access to education and health services and to economic opportunities.

Employment

25.II.1.5 Women's apparently low participation in the work force can be explained by their substantial participation in unwaged work and in the informal sector. Increased participation in paid employment may mean an increase in the hours they have to work each day, unless there are corresponding changes to reduce women's unpaid work burden. In addition, women often work as unpaid labour in agriculture and in family businesses. Neither this, nor most of their substantial involvement in the informal sector, is reflected in the employment data.

25.II.1.6 In general, not only are women paid significantly less than men for similar work, but they are far less represented in higher-paying occupations and higher positions in occupational hierarchies. Women continue to predominate as low-paid domestic workers, and in many jobs which are non-unionised, unregulated and not subject to a minimum wage. As has been found in many Export Processing Zones established in the developing world, women are often exploited as a source of cheap labour.

25.II.1.7 This last point relates to a broader issue in women's employment and in women's poverty. The situation of women in Guyana is shaped by national and global economic factors which have contributed to negating the impact of positive changes in their legal and educational status. To take three examples: (a) the process of structural adjustment has been found to impact negatively and disproportionately on women; (b) as the public sector is miniaturised and the private sector becomes central to economic growth and employment, women are disproportionately affected because of the size of their presence in the public sector, and because the real growth areas of the Guyanese economy are not the areas in which they are concentrated; and (c) given the emphasis on the private sector as the engine of growth, the need to attract foreign investment, and the competition between countries for foreign investment, there is a strong temptation on the part of government to informalise

which are not gender-stereotyped. In addition, there is an under-representation of women in senior administrative positions within individual schools and the educational system as a whole.

- 25.II.1.12 Another major area of concern is that the system does not cater for adolescent girls whose education is interrupted due to pregnancy; this is a form of discrimination because there is clearly no prohibition against teenage fathers remaining in school. It also contributes to continuing the cycle of poverty for adolescent girls who give birth, and for their children.

The Household

- 25.II.1.13 A high proportion of households in Guyana do not conform to the model used in much development policy and statistical data collection. The prevalence of female-headed households and visiting relationships in Guyana puts into question the stereotype of the "ideal" or "typical" nuclear family headed by a male breadwinner, with a wife focused on domestic duties and child rearing.
- 25.II.1.14 Household income is a poor measure of the welfare of individuals within the household, given that the distribution of income within the household can be very unequal. It would follow that increases in household income do not necessarily imply the improvement in the welfare of women and children. Studies that have been done elsewhere on intrahousehold resource allocation, but which can be extrapolated to Guyana, have found that women fare worse in the areas of nutrition, medical care, education, and inheritance.
- 25.II.1.15 Two other major household issues are levels of female responsibility for unwaged work, referred to earlier; and levels of household/family violence, directed by men against women, adults against children, the able-bodied against the disabled, and offspring against elderly parents. There is also an alarming increase in suicide whose immediate cause is often reported as family disputes. Issues of power are clearly at work in domestic violence. In addition, alcohol and other substance abuse, overcrowded housing, and general frustration contribute to the violence, although it is important to bear in mind that it is not a feature in poor households only. In relation to children, there is a generalised acceptance of beating as necessary discipline. In relation to women and girls, both in the household and in the wider society, they are more likely than males to be victims of sexual violence throughout their life cycle.

Institutional Framework

- 25.II.1.16 The major government institution for addressing women's issues is the Women's Affairs Bureau (WAB), whose objectives are made difficult to achieve by its weak institutional capacity. The effectiveness of the WAB is undermined by two main factors: (a) inadequate staffing: the Bureau is staffed with an administrator and two officers. Given the importance and scale of its task, this, together with budget allocations far below requested amounts, severely limits what it can achieve; and (b) its structural location within Government: during its first 10 years (1981-1991) of its existence, it functioned under six different Ministries and Government offices, which hampered its development. Its current location within the Ministry for Human Services and Social Security inhibits its ability to participate in central decision making and to impact upon policy formulation. Its ability to function is further hampered by the paucity of inter-ministry linkages and focal points in technical Ministries.
- 25.II.1.17 In relation to the non-government sector, while there are some individually vibrant women's organisations, their efforts have not been coordinated, largely because of political polarisation and racial disunity, coupled with resource constraints within the organisations.

25.III.3.3 To create a “family-friendly” employment environment, so that women can effectively balance their reproductive and productive roles. The aim will be to make it easier for women and men to combine family responsibilities with work outside the home.

25.III.3.4 To ensure that those areas of employment in which women are concentrated conform to acceptable levels of occupational health and safety, terms of employment and remuneration. The aim will be to ensure that women are not exploited as cheap or informalised labour.

25.III.4 Health

25.III.4.1 To alleviate health problems facing women, such as low nutrition, maternal morbidity and mortality, and the rapid rise in the incidence of AIDS.

25.III.4.2 To support women in their child-bearing and child-rearing roles, by providing better access to maternal and child health services.

25.III.4.3 To improve women’s access to health services in general, as well as to potable water supplies.

25.III.4.4 To increase women’s control over fertility decisions, including improving access to contraceptive advice and technology, and ensuring that medical terminations are conducted under medically safe conditions, at reasonable cost and in compliance with the law.

25.III.5 Education

25.III.5.1 To improve women’s level of educational attainment.

25.III.5.2 To provide second-chance educational opportunities for girls who leave the system early, whether due to pregnancy or otherwise, as well as for young adult females who wish to continue their education.

25.III.5.3 To improve access to education, such as through distance learning and the promotion of non-formal education, so as to take into account the multiple demands on women’s time.

25.III.5.4 To increase the number of females and males in non-traditional subjects, such as in Science and Technology courses after Form 3.

25.III.5.5 To encourage females and males to pursue non-traditional careers.

25.III.5.6 To ensure that educational materials, teaching methodologies and classroom management reflect gender considerations.

25.III.5.7 To sensitise and heighten the awareness of teachers, school administrators and education officials, as well as those involved in non-formal education, to gender issues.

25.III.5.8 To facilitate the participation of more women in decision-making positions within the education system.

25.III.6 The Household

25.III.6.1 To improve our understanding of the nature and extent of women’s unwaged work, with the aim of valuing this for statistical purposes and for policy and programme formulation.

25.III.6.2 To improve our understanding of the internal workings of the household, not only in relation to the sexual division of labour, but also in relation to the internal distribution of resources and patterns of decision making.

25.III.6.3 To develop effective societal mechanisms to protect women against domestic violence, which is an infringement of their human rights.

25.III.7.2 To improve co-ordination within the non-governmental organisation sector and between this sector and the WAB as the focal point in Government. The ultimate aim will be to encourage the emergence of a women's movement, comprising a network of women's organisations and individuals, regardless of class, race, religious pers

- 25.IV.5.5 **The level and quality of education, particularly at the primary level and up to the 3rd Form level, will be enhanced through improvements in (a) teacher quality (which includes an increase in salaries and an improvement in access to teacher training colleges); and (b) the quality and quantity of schools, which includes the provision of up-to-date teaching and learning equipment and materials.**
- 25.IV.5.6 **Programmes to promote the inculcation of desirable social skills and an acceptance of a value system as a sound base for quality citizenship will be introduced.**
- 25.IV.5.7 Parenting skills will be imparted through the curricula of both formal and non-formal institutions.
- 25.IV.5.8 Women (including teenage mothers) returning to the educational system after pregnancy or child raising will be assisted by the provision of grants or loans, as well as formal and informal back-to-school and job training programmes.
- 25.IV.5.9 Day-care facilities will be provided at secondary and post-secondary academic and vocational institutions, so as to help women *students* with children to balance the different demands on their time.
- 25.IV.5.10 **National distance learning schemes will be strengthened. This will enable those women who do not have access to schools or training centres, to gain an education.**
- 25.IV.5.11 A careers' advice service and system of industrial placements will be established in non-traditional firms for female students. Career guidance programmes at the secondary and tertiary levels will be introduced to emphasise an expanded set of career choices for women. Placements and work-study programmes will be arranged post-CXC, post-A-Level, or as a part of a "sandwich course" at University. These programs will be financed by Government and the private sector firms involved in the programmes.
- 25.IV.5.12 **Guidelines for classroom management and educational materials (such as textbooks and audio visual materials) will be provided. Educational materials that are sensitive to gender issues will be encouraged, while those which are not, will be modified or actively discouraged. In addition, it will be ensured that the curriculum avoids gender stereotyping at all levels and, indeed, that gender sensitivity is included as a topic.**
- 25.IV.5.13 Gender training courses for teachers and educational administrators will be conducted. Trainee teachers will be equipped with the requisite skills and techniques for gender-sensitive teaching and learning, as well as for managing mixed classes.
- 25.IV.5.14 The employment of female lecturers at tertiary institutions and in management positions will be encouraged, primarily by the removal of discriminatory barriers and by the persuasion of females to apply.
- 25.IV.5.15 A "Task Force on Gender Issues in Education" will be established, to act as the "focal point" in the Ministry of Education. Members will be drawn from the Ministry of Education, teachers' unions, the Women's Affairs Bureau, the Women's Studies Unit at the University of Guyana, and school administrators, counsellors and teachers. The Task Force will address the re-design of overall curricula; the standardisation of the secondary school/post Form 3 curriculum, with slots for electives; and gender sensitivity training for counsellors, administrators and teachers. The conclusions of the Task Force will be made public and its recommendations will be implemented, in stages, upon review by the Ministry of Education and the Women's Affairs Bureau. It will remain active after presenting its

findings as a monitoring and assessment unit, with continued support from government for its administration.

25.IV.6 The Household

25.IV.6.1 Adequate institutional capacity will be provided to monitor and enforce the implementation of the Domestic Violence Act. This will require institutional strengthening of the WAB, a national campaign to bring about public awareness, and training of those directly involved in enforcing the existing law (particularly the police). Counselling facilities will need to be developed alongside this.

25.IV.6.2 In order to gain deeper insights into the situation and position of women, the household and its significance for improving the status of women will be assessed through a series of studies on income distribution within the household; patterns of decision making in the household; and quantification of unwaged work in the household.

25.IV.7 Institutional Framework

25.IV.7.1 The institutional capacity of the WAB will be strengthened so that it may perform its key functions (including training and monitoring) mo s i 6

25.IV.7.5 Women's focal points will be established within ministries and agencies, and will be staffed by trained gender-sensitive officials.

25.IV.7.6 In order to fulfil its mandate of promoting the status of all Guyanese women, across all differences of race, class, disability, religion, culture, political persuasion and geographical location, the national machinery, i.e. the WAB, will be given semi-autonomous status. It will have the capacity for policy formulation in all areas relevant to the needs and concerns of women, as well as for on-going programme implementation, thus ensuring continuity across changing administrations. Its operations will be supported by realistic budgetary provisions, in spite of the constraint of an inadequately functioning economy.

25.IV.8 Legislation

25.IV.8.1 A national legal literacy campaign will be conducted to enhance awareness and understanding of women's legal rights, including by women, and to mobilise public opinion in favour of their enforcement.

25.IV.8.2 Gender training for law enforcement officials will be provided so that they may better understand and respond to complaints of abuse and discrimination.

25.IV.8.3 The law will be reformed (by amendment or repeal and enactment, as necessary) in those areas where weaknesses exist. Relatedly, all language which excludes women will be removed and replaced by appropriate, inclusive language.

CHAPTER 26

THE FAMILY AND ITS MOST VULNERABLE MEMBERS

26.1 BASIC FEATURES

- 26.1.1 The family, in all its variety of forms, is the pivotal institution in any society. As the Family Code of the Caribbean asserts: “the family ... is the elementary cell of society, and as such, contributes to its development and plays an important role in the upbringing of the new generations.”
- 26.1.2 The family may also be pivotal in a negative way. Instead of being the primary source of emotional and material support to its members and the primary base for child development, families of all types, across social strata and race, may be places where power, whether based on income, gender, age and/or disability, is misused.
- 26.1.3 The family is pivotal for the good or ill of the society because it shapes the individuals who in turn shape the society. Put another way, just as the family is impacted on by constraints in the macro economic and social and cultural environment, so it in turn impacts on that environment, most visibly in the skills, attitudes and behaviour of people – whether as they function in the labour force or in the community. The chapter therefore adds to the discussion of the family as a unit, discussion of its most vulnerable members – children, adolescents, the elderly, and those with disabilities.
- 26.1.4 Neither in Guyana nor elsewhere is the family static in form. Instead, family form is shaped by the environment – for example, by changes in the macro and household economies. Moreover, differences in the social organisation and value systems of families are most pronounced in plural societies such as Guyana in which several ethnic groups, originally from different parts of the world, with varying traditions and distinct cultural practices, inhabit one nation state. There is therefore no one typical Guyanese family structure but different family structures shaped largely by differences in ancestral patterns of life and local histories.
- 26.1.5 Overlying this, however, is the broadly-shared belief, backed by most religious teaching, that the ideal family form is the nuclear family bound together in marriage that is legally and/or religiously approved. This was the teaching even during slavery when the practice of the slave owners and their allies destroyed any possibility of building such families and began the process through which the single-parent, female-headed household became a dominant feature in the Afro-Guyanese working class. Thus, even as this form of family becomes more and more usual among Amerindians and Indo-Guyanese under pressure of migration, all races and social strata continue to describe the nuclear family within marriage as the norm, and other forms, particularly female-headed, single-parent households, as deviant. This was borne out by a survey undertaken especially for the preparation of this chapter. In fact, what the society must confront is that among all race groups, the growing number of single-parent female-headed households are today especially vulnerable because widespread migration from and movement around the country have dispersed extended family support networks, while alternative support systems are either absent or underdeveloped.
- 26.1.6 Family structures in Guyana are the nuclear family in both its legal and common law forms: the single-parent, female-headed household, sometimes with three generations headed by a grandmother; the extended family of different types, its members sometimes living in the same household, sometimes in several households; child-headed households; and the household consisting of one individual, often an elderly or old person, more frequently a woman.

26.II ISSUES AND CONSTRAINTS

- 26.II.2.2 In short, the Guyanese child is being born, nurtured, and educated in an environment in which his or her physical and psychological health, viewed from any angle, is far from optimal. Cultural traditions are no longer being passed down to the young generation, resulting in a lack of appreciation of the significance of cultural norms and a lack of interest in cultural practices. Children and adolescents are poorer for not having this value system as part of their knowledge base and are more prey to what was earlier described as the growing culture of illegality, violence and disorder. Children and adolescents may also be particular victims of the continuing flaws or gaps in the law. For example, no laws exist which empower the Government or any of its agencies to remove children, found to be in threatening and dangerous situations, from the custody and control of parents and guardians. There are currently no laws governing foster care.
- 26.II.2.3 Schools cannot take up the slack for weakening families. Many teachers are themselves products of an education system which has been in decline, and a society where standards have fallen. This has implications for their teaching of academic, technical, vocational and life skills. Schools no longer

disintegration of the family structure, but also to the dearth of facilities which can provide them with opportunities for participating in recreational activities and for social interaction.

26.II.3.3

In a survey undertaken in 1997 by a Senior Citizens Policy Development Committee, senior citizens almost unanimously expressed a preference for remaining in their own communities and homes rather than live in either public or private institutions. Moreover, the cost of keeping senior citizens in institutions is higher than that of supporting them to remain at home. In addition, they are often able to maintain or regain their independence when they live at home, and are provided with at least a minimum number of community services, including services by health professionals and trained

programmes can be built at community level, using nonprofessionals to deliver services. However, specialised and institutionalised services need to be provided as part of Primary Health Care.

- 26.II.4.4 The National Policy on Disability emphasises that while the material problems that people with disabilities face in Guyana are critical, societal attitudes towards them are no less crippling, and it adds that “the right of people with disabilities to education, to health services, to employment, to sexual relations and to parenthood...is far from assumed, still less provided for”. Part of the reason for this is that organisations of and for people with disabilities do not focus on advocacy for their rights, nor are these rights raised as a matter of sustained, central concern by organisations and agencies working for the rights of other groups such as children or women.

26.III **SECTORAL OBJECTIVES**

- 26.III.1 The overarching goal is to enable Guyanese to create lives that are at least sufficient, at best liberating, in economic, social, cultural and spiritual terms.

- 26.III.2 What Guyanese families need to begin to regenerate themselves is the progressive transformation in the country’s macro-economic conditions, and in the quality of and access of all to basic services, that this National Development Strategy proposes. But it will not be possible to transform the environment and enable development unless the process is led by a population that sees its future here; that has a strong sense of wholeness or nation across ethnic and other differences; that is willing to reduce the disparities that exist between groups and render some groups more vulnerable; and that is healthy and imbued with the skills and values needed for creative and productive work and leisure. All this depends on creating and creating anew, families that can protect, nurture and enable its members. This is work not only for government but for government and civil society.

26.IV **THE STRATEGY**

- 26.IV.1 Many of the strategies outlined below are detailed in other chapters, for example, strategies related to economic opportunity and housing. In addition, strategies are drawn from existing documents such as the National Policy on the Rights of People with Disabilities. All these are summarised here, grouped with new strategies, and prioritised, in order to indicate how they will interact in the regeneration of the Guyanese family. It is emphasised that the regeneration of the Guyanese family is a process of thin accohts o

26.IV.3 Actions to be initiated in the Short-Term and continued

26.IV.3.1 To provide new economic opportunities for families below the poverty line:

- **New, accessible microcredit schemes for the rural, urban and hinterland poor below the poverty line will be introduced.**
- Public servants who are retrenched will be offered retraining and low-interest loans.
- Social Assistance for parents unable to have paid employment because of the care needs of disabled dependents will be increased; and National Insurance Scheme provisions amended to provide benefits for such parents as self-employed persons.

26.IV.3.2 To open up opportunities for housing to new groups among the poor:

- Guyanese nationals resident overseas who can provide evidence that they are fit persons to adopt will be permitted to adopt children, provided that the local Adoption Board and the Courts, informed by the International Social Services, are satisfied that the adoption is in the best interest of the child.
- All new senior citizens' institutions and institutions for people with disabilities will be built to specifications which ensure that all the special services necessary for comfort and security are in place, and provision will be made to upgrade existing institutions to such standards.
- The National Insurance Scheme's medical care benefits will be continued after retirement since this is when illness most often occurs and assistance needed.
- Duty free concessions will be given to the elderly and to people with disabilities for drugs and other health-related necessities.
- A health visitors' scheme will be re-introduced and clinics will place emphasis on the monitoring of the situation of senior citizens and of people with disabilities to ensure that a supply of essential drugs and essential aids is always available for their use.
- For seniors living independently, a programme of Home Help will be institutionalised to ensure that they are cared for and have some contact with others during the day. Economic support, counselling, and care services will be provided to enable people with disabilities to live at home.
- All health personnel will be trained in some aspects of care of the elderly, and geriatric clinics will be established for their use at the central and regional hospitals.
- Access to rehabilitation, health, educational and other services for people with disabilities will be improved through the upgrading of facilities, the establishment of new specialised facilities, and the integration of people with disabilities into general-use facilities, as determined to be appropriate by people with disabilities and their organisations and agencies.

26.IV.4.2 To expand economic opportunities for families living in poverty:

- **Land reform increasing the size of the hold**

- A comprehensive, countrywide recreation and sports programme will be formulated and implemented. It will include the establishment of sports centres in strategic locations throughout the country; the employment of an adequate number of coaches in various fields; the organisation of a greater number of competitive games for all relevant age classes, beginning with the primary schools, and extending through the secondary schools to the University and public at large; the engagement of scouts to recognise early skills and genius in our youth, and the provision of better amenities and services.
- **At least two multipurpose sports stadia, one in Demerara and the other in Berbice, will be established by 2010, and a third will be established in Essequibo as soon as possible thereafter.**

CHAPTER 27

LABOUR AND EMPLOYMENT

27.1 BASIC FEATURES

- 27.1.1 Perhaps somewhat paradoxically, between 1991 and 1997, when there was a remarkable upsurge in economic growth there was a reduction in employment in the public service, the bauxite sector and in the sugar industry. Indeed, in the public service, between 1992 and 1997, the decline was 46 percent; in Linmine for the same period, it was 43 percent; in Bermine the decline was 30 percent; and in GUYSUCO the drop in employment levels was 31 percent.
- 27.1.2 It appears, however, that in the rest of the economy, the employment position was more positive. So much so, that the Bank of Guyana, in its Report for 1996 stated that the "buoyant economic activity was accompanied by expanding employment opportunities and higher earnings in most sections. The same optimism was recorded for 1997. In 1999, according to the Household Income and Expenditure Survey which was conducted in that year, the rate of unemployment was 9.1 percent .
- 27.1.3 The truth of the matter is that most of the public servants and those who lost their jobs in the bauxite industry, did not register as being unemployed. Instead, they occupied themselves as hucksters, as petty traders, and as small-time entrepreneurs, many of them eking out a scanty existence.
- 27.1.4 Possibly because they are mainly unskilled and untrained many of those who enter the workforce for the first time are forced to resort to the informal sector for employment. This is especially true for women and young people. Indeed, even when jobs are secured by them in the formal sector, these new entrants still tend to cluster in low-paying occupations that require few skills.
- 27.1.5 It follows, therefore, that if the strategies that are put forward in this NDS are followed, although, the rate of job creation would undoubtedly increase, it would be more than probable that many of these women and young persons will not be qualified enough to be employed.
- 27.1.6 There is a geographic dimension to the consequences of unemployment. In the rural areas, the unemployed have turned to self-employed agriculture or work as manual wage labourers. In urban areas, unemployed women have been forced into the low-paying market of domestic services, while the unemployed youth, with few jobs available for which they are adequately trained, have fended for themselves, sometimes illicitly. Indeed many former junior-level employees of the public service can now be found among the ranks of pavement vendors, the numbers of which seem to be growing. It is evident that if this trend continues, earnings amongst this group are likely to decrease, unless the disposable income in the society increases significantly.
- 27.1.7 Much *underemployment* is also to be found in Guyana. This is of two kinds. The first is visible underemployment in which people are not employed for an established minimum number of hours per week. The second is invisible underemployment, in which people are employed in jobs that require a skill-level that is below their qualifications. It would appear that, besides poor wages, underemployment also contributes to poverty in Guyana.
- 27.1.8 In urban areas there is much invisible underemployment for certain classes of workers. At the highest end of the education scale there is a shortage of skilled personnel. However, many workers with

educational qualifications that are at least at the secondary education level have chosen to enter the urban informal labour force, primarily because of the low levels of remuneration in the Public Service. Perhaps not surprisingly, it is often the more entrepreneurial and better motivated workers that choose this course. The impact of this is that the average educational levels are reduced in the formal labour force, especially in the lower levels of the Public Service. Hence, because of the lack of in-house training, and low wages, the Public Service is left with too many poorly trained individuals.

27.I.9 Despite the reduction in the Government's work force between 1986 and 1999, the core Public Service remains over-dimensioned. There is a chronic lack of upper and mid-level skilled and managerial personnel, while some of the lower tiers are over-staffed. The result is that Government is sometimes unable to perform critical functions in a satisfactory manner.

27.II ISSUES AND CONSTRAINTS

27.II.1 Issues

27.II.1.1 While substantially higher real wages will be essential to attract and retain qualified personnel in higher-level positions of the Public Service, there is a great need for training in management techniques, in the use of computer software, evaluation procedures, and in modern approaches to public policy formulation. Above all, placement needs to be based on merit. A rational performance-based system for evaluations and salary increments is an essential requirement. A system of performance based evaluation was instituted in 1998, but it is too early to determine its rationality and effectiveness.

27.II.1.2 To overcome the problem of inadequate wages in some agencies, Government has created semi-autonomous agencies and project execution units with increased salaries and benefits. This has led to anomalies in the Government Structure. The remaining core structure of the Government has further been weakened, exacerbating Government's ability to fulfill key functions.

27.II.1.3 In addition, not only is insufficient attention paid by senior managers to the development of their staff, but inadequate arrangements exist for setting and maintaining staff establishments, for filling vacancies with appropriately trained staff, and for eliminating nonperforming or surplus staff. Ineffective systems are also in place for the generation, storage and dissemination of operating and management information. Moreover, there appears to be no plan for the systematic computerisation of the service. All activities in this area seem to be piecemeal and uncoordinated.

27.II.1.4 The informal sector, along with emigration, provided a cushion to workers during the 1980s. The sector not only benefited the workers, but consumers gained from its activities. Measures therefore need to be adopted to encourage further, the growth of the activities of this sector and foster its incorporation into the formal economy.

27.II.1.5 Government policies in the past have not directly addressed the needs of the informal sector. For example, incentives and concessions do not generally apply to small and medium scale enterprises, although attempts have been made to strengthen their role through micro and small enterprise development. In addition, high interest rates at commercial banks result in the cost of loans being out of the reach of small scale enterprises. Moreover, the informal nature of these small establishments almost inevitably means that they often cannot fulfill requirements for collateral.

27.II.1.6 It is evident, therefore, that specific incentives should be aimed at the economically marginalised sections of society and, as important, innovative strategies should be formulated to incorporate the informal sector into the mainstream of the economy.

27.II.2 Constraints

- 27.II.2.1 Lack of a sufficient number of productive and adequately remunerative jobs in the country.
- 27.II.2.2 Wages in the public service that are still too low to attract and retain the most skilled and talented people.
- 27.II.2.3 On the supply side of the labour market, there are not only too few technically skilled people, but there also exists a system of technical and vocational education that is inadequate. It should not therefore be surprising that it does not attract the finances required to sustain it even at its low level of quality.
- 27.II.2.4 A legacy of a weakened educational system, which produces too many entrants into the labour force who are functionally illiterate.
- 27.II.2.5 Poor relations between unions and employers, and weak mechanisms for the resolution of disputes. These lead to unnecessary strikes, especially in the Public Service.
- 27.II.2.6 The absence of a policy framework to encourage workers and enterprises in the informal economy to enter the formal economy.
- 27.II.2.7 Lack of basic workers' rights for employees in the informal economy.
- 27.II.2.8 Fragmented efforts for addressing the concerns of micro-, small- and medium-scale enterprises.
- 27.II.2.9 Lack of an adequate financial and institutional basis for workers' pension programmes.
- 27.II.2.10 Lack of an effective investigative arm in the Ministry of Labour capable of anticipating incipient industrial disputes, and quickly responding to them.
- 27.II.2.11 An insufficiently mobile labour force and a lack of supporting mechanisms to promote labour mobility.
- 27.II.2.12 Lack of trained personnel, capable of coping with the attitudinal problems which currently exist in the workplace, and with those which will arise in the future.

27.III SECTORAL OBJECTIVES

- 27.III.1 The broad objective of the labour sector is to reduce unemployment and underemployment, and the concomitant poverty, by creating greater avenues for employment, greater labour flexibility and mobility, and by generally enhancing the productivity of both labour and capital. The attainment of this objective will require the successful implementation of many policies in various Chapters of this

- (ii) To increase the skills, education and productivity of the labour force through improved technical and vocational education and an ongoing, structured and relevant on-the-job training programme.
- (iii) To improve the functioning of the labour market via better information so that job-seekers and policy-makers may access up-to-date information on employment opportunities and data on the status of the country's workforce.
- (iv) To facilitate the mobility of labour so that workers may more easily move from one industry to another, and from one location to another.
- (v) To promote improved working conditions and working environments.
- (vi) To define clearly the role, rights and responsibilities of trade unions, employers and Government and to legitimize the right of collective bargaining.
- (vii) To ease the transitional problems of workers affected by the restructuring of industries.
- (viii) To improve the actuarial and institutional basis for, and benefits from, national pension schemes.
- (ix) To restructure the Ministry of Labour thus enhancing its role in the Industrial Relations System, and its functions in the labour market.

CHAPTER 28

PRIVATE SECTOR

28.1 BACKGROUND

- 28.1.1 The role of the private sector in the growth and development of Guyana's economy is of the utmost importance. Since 1989 Guyana has experienced an historic process of restructuring its economy, moving away from the overly centralised approach that brought about sustained economic decline towards an open market-oriented system that has already given rise to an economic revival. The private sector has played the pivotal role in this recovery.

- 28.II.1.3 A long-term policy for the development of the private sector should establish formal mechanisms for cooperation between the Government and the private sector with respect to such matters as the location of industrial estates; the provision of support services including investment promotion, technical assistance, managerial and vocational training, long-term financing, research and development, and adequate physical infrastructure (electricity, roads, ports and airports).

Markets, Marketing and Standards

- 28.II.1.4 In many manufacturing industries, specialisation is limited by the extent of the market. The domestic market size, with an estimated population of under 800,000, is too small to accommodate output levels of plant which need to take account of economies of scale. Moreover, with firms producing only for the Guyana market, the market structure is oligopolistic for many products.
- 28.II.1.5 Guyana's exports are mostly earmarked for CARICOM markets. As a result, only limited inroads have been made into the North American and other foreign markets. While the intra-regional market (CARICOM) is crucial for many small and medium-sized manufacturers, finding new extra-regional markets (North American and other foreign markets) is essential if the problems of scale inefficiency are to be overcome.
- 28.II.1.6 Apart from expanding its market range, Guyana's private sector needs to enhance its competitiveness. However, the potential for the production of high-quality products to compete in export markets now exists in only a small group of industries such as those which manufacture furniture and other wood products, garments, industrial diamonds, alcohol and alcoholic beverages, and non-traditional agricultural products. Because a majority of Guyanese manufacturers operate obsolete and depreciated plants, their output is generally of substandard quality.
- 28.II.1.7 In addition to the need for improving the quality and standards of products, the information base is inadequate in regard to external markets and market niche structures. Timely information is needed on price, quality, packaging, frequency of delivery and distribution patterns.
- 28.II.1.8 Less-than-cost dumping and substandard or defective goods are becoming part and parcel of the Guyana market. The National Bureau of Standards and other agencies should further intensify their efforts to control this problem. The Ministry of Trade should also engage in intelligence gathering in order to be able to judge fairly whether products are being dumped at less than fair prices.

Foreign Investment

- 28.II.1.9 The process of approval of foreign investments is still time-consuming and there is too large a discretionary element. Standard agreements for key sectors are not available. The process is biased in favour of the processing of primary products and other manufacturing. As a result, knowledge-based enterprises, for example, do not receive adequate treatment. Moreover, the responsibility for investment promotion has been *combined* with that of investment approval, when ideally the two activities should be separated. In addition, the existing rules do not seem designed to *promote* investment. For example, foreign investors do not have rights to the full repatriation of profits, and to maintain cash for operating purposes in offshore accounts.
- 28.II.1.10 Clear and simplified investment codes need to be published and widely distributed.

Company Registration

- 28.II.1.11 The existing rules for the start-up of companies are too onerous thus effectively discriminating against small firms that are potentially important sources of employment growth.

Financial Support

- 28.II.1.12 In order to compete with efficient foreign firms, most Guyanese firms must retool. This re-tooling of productive lines requires access to industrial financial assistance. However, the procurement of such support is complex, time consuming and costly. Indeed, the time lag involved in processing investment loans is, more often than not, upwards of six months. As a result, entrepreneurs frequently either abandon projects or seek funding from outside the financial intermediaries. All this while, the commercial banking system accumulates excess liquidity.
- 28.II.1.13 Financial intermediaries sometimes seem to prefer to give commercial loans for consumption purposes, and to invest in low risk Treasury bills, than to give credit to the manufacturing sector.
- 28.II.1.14 Industrial micro-enterprises are seldom considered for overdrafts or soft loans.
- 28.II.1.15 Real interest rates appear to be irrationally high.

Research and Development

- 28.II.1.16 R&D is almost non-existent in the manufacturing sector. Indeed, there is no institute in the manufacturing sector that is comparable to that which exists for agriculture. A dynamic R&D programme is mandatory if manufactures are to be induced to develop efficient production techniques,

- 28.IV.17 Export Processing Zones will be established in Berbice and Demerara.
- 28.IV.18 Monetary and Banking Reforms will be initiated in order to reduce Government borrowing in the open market, to make foreign exchange more easily available, and to ease the restrictions on access to loans in US dollars.
- 28.IV.19 The procedural and regulatory framework for the registration of more companies will be drastically simplified and speeded up. This is especially important in the registration of new micro-enterprises.
- 28.IV.20 Personal and business taxes will be merged for smaller firms.
- 28.IV.21 The approval of investments will be streamlined and expedited.
- 28.IV.22 The cost of revenue collection will be reduced.
- 28.IV.23 Greater and more intensive efforts will be expended by both the Ministry of Trade and the Bureau of Standards to ensure that there is no dumping, and no sale of shoddy and substandard goods in

- 28.IV.24.8 Carrying out the functions of taxation, budgeting and programme implementation for the above purposes.
- 28.IV.24.9 Establishing and strengthening the country's judicial and electoral systems.
- 28.IV.24.10 Continuously endeavouring to improve the quality of public administration at all levels.
- 28.IV.24.11 Participating as a partner in selected few production activities, normally as a transition measure.
- 28.IV.24.12 These are examples of areas in which the community or nation may decide to act jointly, as a collectivity, through the agency or Government. The remaining areas of consumer choice production investment trade and finance are normally carried out on the basis of decisions by individuals or small agglomerations of individuals (corporations, co-operatives, association, etc.) and therefore are most appropriately left to the private sector defined in its broadest sense, including non-profit organisations and associations. Lack of clarity in the definition of the Government's roles and policies in these areas can undermine incentives to invest and product and therefore limit the country's economic development. Both clarity and stability over time of the rules of the game are essential ingredients of an economic development strategy, along with an unambiguous commitment that production, finance and commerce are activities in the domain of the private sector.
- 28.IV.24.13 The policy framework for the private sector presented in this Chapter would require a number of modifications to the existing body of legislation in order to facilitate its full implementation. In summary form, those modifications would include the following:
- (i) Revision of the Companies Act to ease the registration requirements for new firms to reflect different compliance standards for small, medium and large companies (as per the BDCBT/TT

- (vi) An overall revision of the legislation for GOINVEST, making it an autonomous body while separating the investment promotion function from that of approval of applications. The

CHAPTER 29

POVERTY ERADICATION

29.I BASIC FEATURES

- 29.I.1 Although the 1999 Household Income and Expenditure Survey indicated a marked reduction in poverty since 1993, the incidence of poverty in Guyana is still unacceptably high. The survey revealed that 36.4 percent of the population in Guyana lives in absolute poverty, and 19.1 percent exists in a state of critical poverty.
- 29.I.2 The highest incidences of poverty are in the hinterland areas of Regions 1, 7, 8, and 9. On the coast, poverty is highest in the rural areas particularly in regions 2, 3, 4, 5 and 6. And although a greater number of the population in the cities is better off than those in other parts of the country, there are also large pockets of poverty in urban locations.
- 29.I.3 Moreover, about half of the population of the workforce are not gainfully employed. However, only 9.1 of the total workforce has sought, but has not obtained, employment and can therefore be classified as being unemployed.

29.II THE CAUSES OF POVERTY

- 29.II.1 No individual factor, or list of factors, can be singled out as the cause of poverty. Poverty in Guyana is occasioned by an interlocking complex of policies and actions. To adjust or even fundamentally change one or two of them will not necessarily overcome the problem or reduce its incidence. Poverty in Guyana must therefore be attacked simultaneously from several directions.
- 29.II.2 It is perhaps interesting to note, at the outset, that the high level of poverty in the interior is due in most part to its remoteness: high transportation costs, and the absence of most modern amenities make living in these areas extremely expensive. It is almost impossible to obtain the most basic of goods and services.

serious impact on the rate of poverty in our

- Provide effective relief from the immediate deprivation suffered by the poor in respect of basic necessities such as nutrition, health care, schooling, housing, and potable water so that they may be freed from intensive concern in these areas and be able to devote their energies more fully to activities that improve their lives economically, socially, politically and culturally.

- the reform of the health and education sectors in order to increase the quality of health services and education that are provided to the poor, and to improve their access to them, paying particular attention to the development, in the education sector, of skills for artisans and technicians; and
 - the improvement of the effectiveness and competitiveness of the private sector;
- (iii) to diversify the economy in order to reduce our dependency on only a few commodities;
- (iv) to diversify the economy in order to reduce our dependency on only a few commodities;

29.VI.4 An important factor in the overall strategy would be a larger participatory role for civil society, including the NGOs, and a more articulated working relationship between the State and the various components of civil society for the implementation of major programmes. Civil society should be empowered by transferring some of the State's responsibilities to it whenever appropriate.

29.VI.5 Given that the resources that are available for any kind of programme are always limited by budgetary realities, the ability truly to assist the poor depends in large measure on effectively targeting the measures for poverty eradication on the groups that are the most needy. There are two dimensions to this question: more precise selection of the families and individuals that should receive designated social benefits, and, changing generalised subsidies into targeted subsidies.

29.VI.6 In the first case, improvements are required in the implementation of eligibility criteria for SIMAP projects, food assistance and other forms of public assistance. This prescription applies to communities as much as individuals. SIMAP projects should be located where they are most needed, not where they are easiest to implement.

29.VI.7 In the second case, policy making and implementation should be informed by an appreciation of the fact that many of the current interventions constitute generalised subsidies, conveying benefits to upper income strata as well as lower. In keeping with priorities for public expenditure, the cost savings realised by eliminating generalised subsidies can be applied to subsidies that are targeted on the groups requiring support. The generalised subsidies, although often implicit, are frequently pervasive. They include a component of transport tariffs, hospital charges, educational fees (or lack thereof), water charges, and other fees for public services. For administrative reasons, it is not possible to convert all of these implicit subsidies into outlays or savings that apply only to the lower income groups, but some progress in this direction can be made once an awareness of the issue and its pervasiveness has developed. The strategies that are directly relevant to this policy are described in the chapters on Health, Education, Housing, and Amerindians.

29.VI.8 Females represent more than 50 percent of the population, but from the available evidence, poverty is a major condition of this social group and, particularly, the large group of female-headed households. A set of socio-cultural and economic disabilities, together with inadequacies in the legal framework governing their integration and participation in society has, in addition, exacerbated the historical

- 29.VI.13.6 The situation of squatters, who are mainly poor, will be regularised, so that they may improve the conditions of their shelter and receive the basic infrastructure to which all citizens are entitled. If they occupy Stateland, they will be provided with freehold titles.
- 29.VI.13.7 A National Housing Trust, based on a payroll tax, will be established. The funds so mobilised will be channelled through a private sector that will be challenged to provide affordable low-income housing through technological innovation.
- 29.VI.13.8 There will be a resuscitation of the self-help schemes which have contributed so much to housing development in the 1960s and early 1970s. Some of the lots for such self-help schemes will be allocated free to those below the poverty line. Self-help communities that are organised for the construction of houses for those below the poverty line will be provided with duty-free materials, when it is necessary to import them.

29.VI.14 Education

- 29.VI.14.1 The inefficiencies in the educational system directly affect the quality of the graduates from the schools, and often drive them below the poverty line. Accordingly,
- the share of the national budget allocated to education will be raised continuously from the present level of 14 percent to 20 percent by 2005, and will be sustained at or above that level for the rest of the decade;
 - the percentage of primary teachers who are professionally trained will be increased annually so that the proportion of trained teachers by the year 2010 will be at least 75 percent;
 - eighty percent of *all* teachers will be trained by 2010; and
 - the number of *trained graduate teachers* will be increased by 50 percent over the same period;
- 29.VI.14.2 Financing strategies will be evolved that will require those who can afford to pay for certain aspects of education at all levels to do so. Such strategies will enable the better targeting of educational expenditure on needy students.
- 29.VI.14.3 There will be an attack on illiteracy from multiple points, including the testing for illiteracy levels and the building in of remedial programmes well in advance of CXC examinations. The elimination of illiteracy will be the premier priority for the first decade of the 21st century.
- 29.VI.14.4 Assistance from external donors and local NGOs will be utilised to strengthen school-feeding programmes so that virtually all primary schools will be covered.
- 29.VI.14.5 The location of new schools and the rationalisation of existing schools will be informed by data gathered in a recently completed School Mapping Exercise and by norms established in the new Education Act and regulations. In this way those vulnerable geographical areas that have been identified in the HIES, in which the poor reside, and which do not have adequate school buildings and effective school facilities, will be serviced. This applies to the urban, rural and hinterland regions.
- 29.VI.14.6 Scholarships will be provided to needy students (i.e. students below the poverty line), at the tertiary level. The student loan scheme will be maintained for all others.
- 29.VI.14.7 In consultation with GUYSUCO, the facilities offered at their technical institutions will be remodelled in order to provide training to a wider cross-section of students than is now being catered for. Special

- 29.VI.18.2 Government will implement schemes for the development of innovative housing arrangements for low-income single-parent households, and for senior citizens and people with disabilities.
- 29.VI.18.3 More children's homes will be provided for abandoned children.
- 29.VI.18.4 Career guidance will become an important aspect of the country's educational system. Particular attention will be paid to linking the training of the poor to employment opportunities which have arisen as a result of the implementation of this NDS.
- 29.VI.18.5 There will be organised apprenticeship programmes at the central and local levels to prepare youths for employment.
- 29.VI.18.6 A Welfare System, centering specifically for the elderly, will be established.
- 29.VI.18.7 Housing for seniors and people with disabilities within new and existing communities will be established at subsidised rentals for those with low incomes.
- 29.VI.18.8 The NIS's medical care benefits will be continued after retirement, since this is when illness most often occurs and assistance needed.
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- 29.VI.19.2 Remunerative employment opportunities for women will be created through a combination of policies to improve economic growth.
- 29.VI.19.3 Women will be facilitated to enter the market through the institution of flexible work conditions, the provision of credit for a variety of self-employment opportunities, and the establishment of day care centres, etc.
- 29.VI.19.4 Women's access to credit will be enhanced by establishing grass-roots credit schemes.
- 29.VI.19.5 A national women's credit institution which will meet the credit needs of low income women who often find themselves excluded from formal credit because of collateral requirements, will be established.
- 29.VI.19.6 There will be an expansion of SIMAP's money supplements to women; an expansion of nutrition programmes; and increased access to safer drinking water.
- 29.VI.19.7 Women will be trained in non-traditional and more highly paid trades. Apart from direct provision, financial inducements, such as career development loans, will be offered for women to attend non-traditional vocational training institutions.
- 29.VI.19.8 The compliance of corporations, local and foreign, with national laws and codes governing the rights and benefits of women workers will be ensured.
- 29.VI.19.9 Women, (including teenage mothers) returnin

29.VI.20 Participation

29.VI.20.1 The central logic of sustainable human development rests on inclusive participation as the primary means of ensuring that all members of society ar

CHAPTER 30

- 30.I.1 It is intended, immediately after the approval of this National Development Strategy by the National Assembly, to translate its various recommendations into detailed projects. For example, the strategies that have been put forward for the future development of the educational sector in Guyana will be broken down into specific projects encompassing such activities as primary education, teacher training, training in science and technology, distance learning, computer education and so on. Similar approaches will be followed for other sectors.
- 30.I.2 In addition, projects will be formulated both on a regional basis, and for such cross-cutting matters as institutional reform, family affairs, and information technology.
- 30.I.3 In all these exercises, specific implementation schedules and costings will be developed.
- 30.I.4 These projects, with the National Development Strategy as a back-drop and as a strategic-ramework, will then be submitted to the Government, the bi-lateral and multi-lateral communities, and the national and international private sector for possible financing.
- 30.I.5 The government in office will require ministries to demonstrate how they intend to contribute to the attainment of the objectives of the NDS and, if necessary, request them to revise existing programmes so that they might fall in line with those of the National Development Strategy. If there are compelling circumstances, the government will, of course, amend the NDS's proposals.
- 30.I.6 The agreed programmes will be incorporated into the annual budgets.

30.II FINANCES

- 30.II.1 The sources that are normally tapped by governments of Guyana for the financing of their developmental activities will be resorted to for the implementation of this National Development Strategy. These are, of course, the government's own revenues; the resources of the Bretton Woods institutions, the Inter-American Development Bank, and the Caribbean Development Bank; the resources of the Bretton Woods Development Bank, the Inter-American Development Bank, and the Caribbean Development Bank.

toll rights for a specific amount for a specific period, or divest a part of the land or some of the resources which lie on either side of the road which is being constructed.

30.II.5 Several advantages accrue to the host government through BOT type arrangements. BOT allows a country to obtain much-needed infrastructure project with little or no cost to taxpayers; the government incurs little or no risk as there are generally sufficient bonds in place, and sufficient letters of credit in hand to ensure completion of the project in the event that the sponsors default prior to project completion; the project will probably progress from concept to completion faster than if a government agency was involved; and, because the sponsors are usually required to operate and maintain the facility for periods longer than twenty years, the chances are good that its initial quality will be good.

30.II.6 It should be noted that when projects receive incomes from tolls, only the users of the BOT facilities are required to pay for them. The general public is therefore in no way taxed for the construction of the facility.

30.II.7 Human Resources

30.II.7.1 Although it is customary in Guyana to attribute our failure to develop rapidly almost exclusively to a shortage of financial resources, it is the strongly held view of the team which formulated this National Development Strategy that the major obstacle to its implementation might well be both the quality and quantity of the human resources that are now available in our country.

30.II.7.2 Guyana does not possess a critical mass of professionals, specialists, craftsmen, and entrepreneurs in virtually any sector of its economy. The problem is particularly grave in respect of trained teachers for both primary and secondary schools; university lecturers and professors; scientists; technologists; information technology experts; technicians of all sorts; foresters; agriculturalists and engineers of all disciplines. We are especially short, also, of policy analysts and personnel with the capability to negotiate agreements with the multinationals and other financiers. And yet, we will desperately require such people in order, for example, to conclude satisfactory BOT deals, to obtain the best returns for investment in our mining sector, and to make certain that our renewable natural resources are developed in such a way that both current and future generations would profit from their utilisation.

30.II.7.3 Training courses will therefore be immediately started in order to ensure that at least a minimum amount of such personnel are available in the medium term. The problem is where to acquire the necessary expertise and experience in the early critical and crucial years of the National Development Strategy. We propose to obtain them in several ways.

30.II.7.4 First, as part of the general process of gaining

30.II.7.6 Third, a comprehensive but voluntary survey of Guyanese living overseas will be carried out, and a register subsequently prepared. Expatriate Guyanese will be asked to supply particulars of their qualifications and relevant experience either to our Embassies and High Commissioners abroad, or to a focal point in Guyana itself. It cannot be too strongly emphasised that they will be asked to volunteer this information. Once the data have been received and analysed, a number of