REPORT
OF A
PUBLIC FORUM

YOUR VOICE, YOUR CHOICE

30 November 2017
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Introduction

Why the Public Forum?

For the 2013 Barbados general elections, of the 249,024 registered voters, 154,443 (62.2%) voted, resulting in 94,581 (37.8%) non-voters. Some have related this to apathy; however, national turnout since the 1991 General Election has only been slightly above 60%.

Unless, one theoretically considers (in the absence of more research at this point) that the schism between registered voters and higher participation in elections occurred in 1991 and has since not recovered to rates of above 70% and 80% turnout. The lower turnouts since 1991 may point to a ‘cooling’ off in relation to the established political parties and active participation in democracy.

In today’s world, we are inundated with information via social media, 24-hour news, call-in radio, television and the internet, without at times personal interactions to critically discuss the way our country does and should work. Collectively, we have the knowledge and information that can become actionable ideas to improve our lives.

This forum was an attempt to enliven the democratic process outside of the voting period and provide a non-party space for people to contribute ideas to improve Barbados for its citizens. Barbados appears to be experiencing a growing inequality in the concentration of wealth at the very top of society. Economic growth has been mediocre and there has been a rise in government spending, inflation and taxes, and a marked decline in foreign reserves and consumer purchasing power.

The main aim of the forum was to bring people together in one space outside of social media and call-in programs, to discuss ideas to build a balanced society, identify opportunities and reasonable levels of quality state support for the vulnerable.

Overall, the forum was an opportunity to demonstrate that Barbadians can provide some solutions to the country’s problems and own the future of Barbados. It was to show that the change Barbados needs starts with Barbadians.

The forum was divided into five themes:
- Economic Management for an Equitable Society
- Meeting the New Challenges of Governance
- Partnerships for the Future: People, Public and Private
- A Country that Works
- Creating A Meritocratic Society

The Forum Conveners were:
- Dr. Ronnie Yearwood
- Mrs. Shantal Munro-Knight
- Ms. Krystle Howell
- Mrs. Donna Every
- Dr. Joseph Herbert
- Mr. Corey Lane
- Mrs. Teshia Hinds
- Mr. Jason Carmichael
- Dr. Troy Lorde
- Mrs. Lisa Gale
- Ms. Jeanelle Clarke

Barbados: National Registered vs Total Voters 1971-2013

Source: Barbados Electoral Department

Inflation

Source: Central Bank of Barbados
Quarterly Economic Review, Jan – Sept 2017
Economic Management for an Equitable Society

Issues and questions raised in the Forum

The Forum stated that there was no clear vision articulated from the current political leaders for the economic management, and to promote the economic growth, of Barbados. It was stated that economic growth was required that would benefit all Barbadians.

- What sectors of the economy should be targeted for growth?
- There should be the promotion of ‘disruptive innovation’ and the application of technology for economic growth?
- Determination of the role and size of the public sector.
- What are the tools that should be used for debt management?
- What are the new areas of tax revenues for the government?

“... the large government financing requirements were a challenge, as banks reduced their sovereign exposure. As a result, the government had to increasingly resort to funding from the Central Bank of Barbados (CBB).”

“Growth in 2017 is projected to slow to less than 1 percent, reflecting the fiscal consolidation efforts introduced in the FY2017/18 Budget. Inflation is expected to continue to accelerate to 6.7 percent by year end because of the increase in the National Social Responsibility Levy (NSRL) and other taxes and fees, but revert to more historical norm in 2018 and subsequent years. There are important downside risks related to the increase in domestic and global uncertainty, including the impact of the Brexit on the British pound.”

"Continued fiscal discipline, with economic growth, are essential to securing Barbados’ future.”

Source: The International Monetary Fund Report, June 29, 2017 (See also IMF Staff Report for 2016 Article IV Consultation, July 7, 2016)

Much of government debt and the operations of the government are funded through the national pension scheme, the National Insurance Scheme which is unsustainable over the long term.
Economic Management for an Equitable Society

The Forum stated that the leadership of Barbados needs to set out a clear vision for what the economy will look like and work towards that, otherwise policy approaches and remedies will remain scattered, un-implemented or poorly implemented.

- The national economic council should openly report to Parliament and the public not simply to the Minister of Finance to promote transparency in relation to the decision making on the economy.
- Strengthen the office of the Auditor General by providing proper staffing and resources to ensure prosecutions for mismanagement and implementation of recommendations for sound economic and budgetary management of public money.
- Sound economic management of public money through incorporation of the recommendations of the Auditor General report on an ongoing basis to address the various weaknesses identified in government spending and so to properly budget for each financial year which over successive governments has been suspect as the performance of various ministries and statutory corporations is unknown.
- Determine the size of the public sector based on the role/functions of government and the economic goals to be satisfied and implement measures to achieve this.
- No approval of projects or programmes by government unless funding has been allocated (so no borrowing to finance current spending) to ensure balanced budgets.
- Change the national budgetary cycle to be more transparent and inclusionary because at the moment it is sham as the budget is presented as a forgone conclusion, rather than open to real discussion.
- Tackle ease of doing business through for example:
  - Setting targets for service delivery in the public and private sector with appropriate monitoring and rewards systems.
  - “Increasing speed at the Town Planning Department is a quick win that will immediately boost construction” (Report of the Deficit Committee of the Social Partnership (2018, p. 22)).
  - “Accelerating adoption of renewable energy will not only reduce the costs of doing business, but will save foreign exchange through import substitution.” (Report of the Deficit Committee of the Social Partnership (2018, p. 23)).
- Government needs to lead in the research and application of technology and also in providing the environment for private sector to lead, so as to provide new jobs in areas such as sustainable energy, health and transport, because the private sector is often seen as ‘too laid back’ and seeks to simply “protect their market share rather than growing.’
- Government should decide on the nature of funding from international and regional intergovernmental agencies and the private market as relevant to address VAT refunds, especially to small businesses, debt repayments and other restructuring of government debt to decrease the unsustainable reliance on the National Insurance Scheme funding the operation of government. It is suggested funding from agencies such as the IMF or World Bank can lend discipline and transparency to the use of public money.
- Negotiate with creditors on existing debt to balance the government books; and reform and consolidate state own enterprises, and eliminate government waste (See also Report of the Deficit Committee of the Social Partnership (2018)).
Meeting the New Challenges of Governance

The Forum stated that the functioning of government and the overall governance systems of Barbados have declined. Such decline was evidenced by the Auditor General Report among other reports, which showed a brazen assault on the institutional integrity and accountability of the governance and political systems of Barbados over the years by successive, Barbados Labour Party and Democratic Labour Party governments, especially in relation to the mismanagement of public funds. There was perceived corruption in both public and private sectors.

- How can the systems of governance be changed and what needs to be changed?
- How can public officials be made more accountable to citizens?

Transparency International (TI), 2016 Corruptions Perceptions Index (CPI) scored Barbados 61 out of 100 with a 100 being the best score, for the perceived level of corruption, placing Barbados at 31 out of 176 countries.

There is a strong correlation between high levels of corruption and inequality. For example, TI notes “Mexico is in the bottom third of the CPI, indicating rampant corruption, and has a score of less than 3.5 on the Social Inclusion Index that indicates that many people are marginalised and excluded. However, Denmark, which tops the CPI also performs well on the social inclusion index.”

Source: https://www.transparency.org/news/feature/corruption_and_inequality_how_populists_mislead_people

The World Bank Worldwide Governance Indicators, 2016 appears to show a general trend of decline relation to governance indicators of Barbados, even if better than other countries. (Note: Percentile rank indicates rank of Barbados among other countries in the world. The rank is 0 – 100, with zero being the worse and 100 the best. The statistically likely range of an indicator is shown by a thin black line. For instance, a bar the length 75% with a thin black line extending from 60% to 85% has the following interpretation, an estimated 75% of countries rate worse and an estimated 25% of countries rate better.

The Global Competitiveness Index, 2016-2017 appears to show a general trend of decline in relation to the strength of the institutional, political and legal framework of Barbados, especially in relation to the public trust in politicians, efficiency of the legal framework, favoritism in decisions of government officials. (Note that the higher the rank, the worse the score.)
Meeting the New Challenges of Governance

Recommendations form the Forum

The Forum stated that there was an urgent need to address the decline of integrity and accountability in the governance systems of Barbados.

- Constitutional reform which includes separating the executive from the legislature, power to recall a member of parliament by special majority of constituents, and implementing the proposals of the Forde Commission and previous constitutional and public service reform reports, with the convocation of people’s assemblies to refresh the process.

- Implementing the recommendations of the Auditor General found in the annual report and strengthening the office of the Auditor General (through more staff and wider powers) to provide for prosecution and sanctions for mismanagement of public funds. The Auditor General should be able to fast track cases of gross mismanagement to the Director of Public Prosecutions who must be compelled to act.

- Create more open governance systems through the use of technology, recall of members of parliament, and independent (well-funded) watchdogs on government, so ministers and senior public servants are held accountable to the electorate outside of elections.

- Promote more accountability and transparency in governance systems through the introduction of a freedom of the information act, integrity laws, proclaiming the Prevention of Corruption Act (POCA) (2010) to become law and strengthening the Public Accounts Committee (PAC) by making it an independent body for example which does not require the attendance of government ministers to hold meetings, and also give it full powers to summons ministers, public servants and statutory corporations to give evidence when necessary making it compulsory that they have to appear before the PAC.

- Introduce whistle-blowing legalisation to encourage people to come forward when they have identified wrong doings and reduce the culture of fear in both public and private sectors.

- Introduce an independent office of a Contractor General (similarly as done in Jamaica, see for example, http://www.ocg.gov.jm/ocg/) in relation to government contracts and procurement to reduce nepotism and any perceptions of corruption.

- Look to best practices in countries such as Singapore, Jamaica, Cayman and Belize for laws against corruption and management of public funds.

- The state should fund elections at an agreed amount for parties to reduce vote buying and big money in campaigns.

- Introduce civics as a mandatory part of the educational system in primary and secondary school.

- Encourage citizens’ engagement through the formation of, or support any existing, anti-corruption groups.

- In order to drive innovation in government, establish using existing public offices, a strong, compelling, independent and robust Office for Innovation and Implementation with full Ministerial status. Its only function is to ensure that government projects and programmes are actually delivered and within budget. All Government Ministries, Departments and Agencies provided with government funding will have to report to the office based on a ‘comply or explain’ approach.

- A new budgetary process guided by a strong independent Budgetary and Fiscal Management Office, formed using existing public offices, should be implemented. The parliamentary oversight will come from a new strong all party Parliamentary Budgetary and Fiscal Management Committee (to probably replace the ailing Public Accounts Committee) with the power to summon and question the Minister of Finance, all Directors and Senior Officers who deal with finance and budgetary matters in every Government Department, or Agency which receives government funding.
Creating a Meritocratic Society

Issues and questions raised in the Forum

The Forum stated it is widely recognized that Barbados is dominated by a culture of “who you know” rather than having an open and fair society, where equal wealth creating opportunities exist for all citizens. There appears to be no comprehensive studies on the distribution of wealth in Barbados and a few studies on poverty, which appear to indicate inequality. Further, there appears to be a sentiment, especially in the current economic climate, that inequality in Barbados is growing with more and more wealth stubbornly concentrated at the very top of society.

- How can we create more opportunities for people to create wealth for themselves and their families?
- How can we distribute wealth to a larger portion of people?
- How can a fairer society be created?

“Taking into account the differences in the definition of income, studies of the distribution of household income indicate that there may have been a modest increase in overall inequality between 1951/52 and 1978/79, and some reduction in inequality between 1978/79 and 1996/97. While differences in the definition of income makes this conclusion very tentative, a good general conclusion which can be reached from all the studies is that there has been a redistribution of individual and household income towards the middle 40 per cent of the income units, especially during the 1970s. Recent data (1996/97) suggest some redistribution towards the lowest 40 per cent. The data clearly indicate a fall in the share of individual and household income for the top 20 per cent of the income units. In 1951/52, the top 20 per cent of households had 52.9 per cent of total household income, while in 1978/79 and 1996/97, this group had 51 and 46.8 per cent, respectively.”


“… in terms of inequality in consumption, as measured by the Gini coefficient, Barbados demonstrates the second highest level of inequality [in the Caribbean] after Antigua and Barbuda. The lowest level of inequality in consumption was seen in Grenada with a Gini coefficient of 0.37. These results should however be treated with caution since they cover pre and post-crisis periods [i.e. the 2008 global financial crisis], which restrict the ability to make meaningful comparisons.”

However, as the graph shows, “there is a link between educational achievement and consumption ability… As qualification levels rise, the proportion of those in the lower quintiles with such qualifications decreases. In effect, the poorer cohorts of the population have lower levels of human capital than the richer cohorts.”
Creating a Meritocratic Society

Recommendations form the Forum

The Forum stated that urgent action has to be taken to create a fairer society with more equal income distribution and better use of public money to fund public services and drive innovation.

- Public procurement should be more open with government contracts shared equitably among competitors and also to use procurement as a tool to drive innovation and entrepreneurship. This can reduce nepotism which can be seen as a form of corruption, or the perception of nepotism.
- Diversify the offerings in the educational system so children have more and varied opportunities for qualification and training.
- Create academies of excellence and reform the 11+ system to full zoning, while expanding the offerings in the educational system, beyond only CXC certification, to for example the International Baccalaureate or other models from the Nordic school systems with an emphasis on creativity and less learning by rote.
- Hiring practices in government and the private sector should be more open, with relevant affirmative action to help persons from lower income brackets gain opportunities for sustainable employment and job creation for others.
- Redistribute wealth through revising and simplifying the tax system through, for example, more pre-tax income equality, increase the amount of income for lower income brackets not subject to tax, a basic income or increases to taxes at the very top.
- Government and private sector to build high quality sustainable houses and offer relevant financing opportunities to create a new generation of home owners.
- Create opportunities for self-employment through opening state-owned enterprises to new entrepreneurs in arts, media and technology where the new jobs will exist. For example, the Caribbean Broadcasting Corporation (CBC) could source its content from local artist, media performers and technologist to not only drive jobs but revenue earning capacity. The government itself must be the last resort for proving direct employment opportunities.
- Review the educational system and streamline the providers and those responsible for its management to design an educational system aimed at the jobs of the future in technology.
- Promote research and development at educational institutions through linking as relevant government funding to be matched by private sector funding, to develop technologies in partnership with local business, to not only create jobs, but importantly increase the research and development of the business sector in Barbados. In doing so, perhaps make some of the programmes earn while you learn, not so much as incentives but, to provide income streams for more disadvantaged students.
- Reform the penal system to stop incarcerating and over-criminalising, especially young men for minor charges. Instead focus on rehabilitation and creating employment and educational opportunities.
- Overall government to create an environment, through tax redistribution, affirmative action, empowerment and generally flattening society, whereby people are enabled and have opportunities despite their start in life to succeed. This would break the link between the chances of educational success at the degree and graduate level and thus of better employment opportunities and life success, and starting out from a lower-income bracket.
Partnerships for the future: People, Public and Private

Issues and questions raised in the Forum

The Forum stated that it is essential for strong economic development that Barbados has good systems of governance and a strong, and nimble public sector along with a dynamic private sector focused on innovation and developing new areas for economic growth and exploitation for all Barbadians.

- What are the new growth areas?
- How can business be facilitated?
- How to develop research and innovation?
- How can the educational system be reformed to prepare people for the jobs in the future?

In the 2018 Doing Business Report by the World Bank for Barbados, Barbados dropped from 117 (in 2016/2017) to 132. As shown below, Barbados is below the regional average with Jamaica, Trinidad & Tobago and St. Lucia ahead.

The Global Competitiveness Index 2016-2017 (out of 138 with 138 being the worse) ranked Barbados 72 (with a score of 4.19) and in the same index for 2014-2015 (as no data was available for 2015-2016 and 2017-2018), ranked Barbados 55 (out of 144 countries with a score of 4.36). Barbados though decreasing in some ways appears to be also “standing still.”

Note: The distance to frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Partnerships for the future: People, Public and Private

Recommendations form the Forum

The Forum stated that innovation in the public, private sectors and unions, along with a reformed educational system was essential to drive development.

- Direct sector development towards those with a competitive advantage, including: solar energy, health and wellness (example, centres of excellence in surgery), Information Communication Technology, Value-Added agri-business (example, innovation of tropical products to be marketable internationally; medicinal use agricultural products), niche manufacturing and manufacturing overseas using spare capacity in company plants, production of environmental goods and services (EGS).
- Use existing government agencies and rationalise existing agencies to facilitate and foster a culture of exporting services and goods to the region and globally.
- Exploit funding opportunities and partnerships with regional and international organisations to advance the development of key sectors.
- Align education to long term development of economic sectors. This will require constant realignment, whereby tech is a key component. The point is to facilitate a learning curriculum which attends to the needs of different types of learners.
- Review and reform the educational system (for example reforming the 11+ system to full zoning) to suit the future economic needs.
- Foster culture of entrepreneurship and practical skills development such as financial management and project management in students at secondary level, using private sector led programmes that have worked in the past, invitation of tech schools from overseas to help in some programmes, internships for young people for example working in conjunction with Invest Barbados and our embassies to give young people exposure to other markets and societies.
- Address corruption and institutional inefficiencies which impede the growth of businesses with the implementation of appropriate regulations and best practices.
- Implement effective public procurement legislation to reduce nepotism and perceptions of, and alleged corruption.
- Develop sustainable incentives to cultivate businesses along each stage of development.
- Reduce barriers and cost of doing business.
- Facilitate provision of business services online.
- Ensure transparency of fees, charges and other regulations related to doing business and banking.
- Promote investment in Research & Development and intellectual property development to help address operational and product deficiencies.
- Foster a culture of innovation to ensure long-term competitiveness for Barbadian products regionally and internationally. A percentage of GDP to be set aside for investment in innovation.
- Revitalise and strengthen CARICOM/Caribbean Single Market and Economy (CSME) to facilitate the export of goods and services to a regional market.
A Country that Works

Issues and questions raised in the Forum

The Forum stated that it appeared that Barbados was not ‘working’, that is both the public and private sectors. Essentially, there has been a decline in the provision and quality of services. This has raised the following concerns:

- What is the national vision for Barbados? Barbados needs to establish a vision and clear objectives for achieving this vision. A review of the risks that would prevent the achievement of these objectives should be documented and actionable plans set in place to mitigate these risks.
- When we speak of Barbadian culture, what image is projected outside of ‘sun, sea, sand and partying’?
- How did we lose our place as a model of Caribbean development?
- Why is Barbados not working to its full capacity?

According to The Global Competitiveness Index, 2016-2017 (page 21), “Barbados tops the regional rankings in infrastructure, labor market efficiency, and technological readiness, despite having the smallest domestic market.” However, the same index as below, shows a general trend of decline, in relation to the state of the infrastructure of Barbados.

Additionally, the very factors and concerns that affect the ease of doing business are the same concerns that affect the working of the country for people, whether, for example, in their interaction with government or private sector to pay bills or taxes, open accounts, start a business, get accredited, renew licenses, and engage in other general or administrative activities.

Source: The Global Competitiveness Index 2016-2017, selected scores on infrastructure appears to show the trend is that of decline. (The scores are ranked out of 138 countries with 138 being the worse.)
## Recommendations from the Forum

The Forum stated that Barbados needed to improve the quality and delivery of services and increase productivity. The key areas identified for reform included:

- **Education**: I.T. driven careers and entrepreneurial training should be incorporated into the curriculum, with an open access education system focused on learning rather than testing. Education management should be decentralized for school boards to have more responsibility and increase the offerings in the system.

- **Public Services**: Given the lack of transparency and accountability in the delivery of public services with consumers still expected to pay high costs, technology could be introduced to improve transparency and accountability. Public servants should be given more ownership in the public services to make them stakeholders in the business and delivery of the service, rather than just employees.

- **Tax transparency**: Every citizen should receive an account of the taxes they have paid and what percentage is spent on various government services. This also entails the government sending accounts of how much it is spending to citizens on education and health.

- **Funding of public services such as education and health**: Besides taxes, government must find new models whether through a combination of owner-operated models, opening up state entities to entrepreneurs, increased efficiency by incentive programs that reward good service and punish poor service, or part pay to fund the operation and delivery of high-quality public services.

- **Accountability**: This should apply to all citizens. A system should be established to directly involve people in the decision-making processes so they also own their ‘governance’ and create accountability for the standards and delivery of services.

- **Cultural shifts**: This will be important as it relates to work, governance and creating a new Barbados. For example, a Ministerial Code of Conduct and Ethics for Government Ministers, Freedom of Information Act, Integrity laws, Campaign Finance laws, and strengthening the Public Accounts Committee of Parliament could be implemented; however, an approach that simply relies on a basket of new rules, codes and institutions as a cure for poor governance and corruption will not work effectively as the approach does not account for the required shift in our culture. This shift should be driven by a public education drive, utilizing frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.

- **National Vision**: Barbados should establish a national vision that states where the country wants to be in the next 50 years. The design of the vision should consultative, citizen-led and inclusive and revised periodically as required to keep up with the changing global environment.
Conclusion

What can you do with the recommendations of the Forum?

This Report was written on the basis of the free Public Forum, Your Voice, Your Choice that was held at Harrison College, 1 July 2017.

The public forum was a non-partisan platform for all Barbadians to actively participate in the management and development of Barbados beyond simply voting at elections. Barbados has reached a stage in its maturity that requires its citizens to insist on and ensure proper management and involvement in relation to our governance on a consistent basis.

The time has passed for the expression of democracy to be simply left to voting every five years with no checks and balances in the system for those elected. The future of Barbados is solely dependent on all the people of Barbados.

The people have the power, creativity and skills to build a good society.

It is widely understood that there is a connection between good governance and the inequality that can pervade a society. Therefore, comprehensively reforming the political institutions including the public service, Parliament, and political parties of Barbados will be critical to reducing the perception of corruption and any alleged corruption, and generally improving Barbados’ development.

In order to implement many of the recommendations of the Forum, there must be a way to overcome what is widely viewed in Barbados for stalled decision-making or non-action, the ‘implementation deficit disorder.’ However, any action must go beyond this and recognise that there needs to be a cultural shift about work, productivity and getting things done. It is also not simply about implementing reforms, but also innovating.

There has been innovation globally in our lives in relation to finance, entertainment, media, energy and transport yet our political and governance systems remain static. If Barbados is to develop so its people have better lives, there must also be innovation in the systems on which the country functions.

The Forum Report can be used to:

- Ask your current member of parliament or those seeking to become members of parliament the questions the Forum posed and what they would do, what the political party they represent would do to make Barbados and your communities better.

- As a way to try hold those in power to account by being able to engage in informed debates with those in power. Ask your member of parliament or those seeking to become a member of parliament: (1) if they would sign on to the recommendations of the Forum, (2) when would they implement them and (3) with what finances and support from whom? Challenge them to sign and date the Report or a particular recommendation in the Report.

- Support your existing local/community or other groups, or form a group, to advocate for change in government policy in an area covered by the Forum.

- To start further discussions in communities, clubs or organisations across Barbados as we all advocate for a more equal and better functioning country.