



GOVERNMENT OF BARBADOS

ADDRESS

by

Hon. David Thompson

Prime Minister of Barbados

to

**The Collaborative Conference of National Organisations and National
Councils of Barbadian Organisations**

8th August, 2008

Mr. Chairman

Leaders of Barbadian Organisations

Distinguished Guests

Fellow Barbadians

Thank you for your very kind invitation to address this Collaborative Conference of National Associations and National Councils of Barbadian Organisations. It is an honour to do so as Prime Minister of our great nation.

I feel as if I am among friends because I have, over 20 years of public life, addressed nearly all of the national organizations overseas from Birmingham, England to Port of Spain, Trinidad and Tobago.

Often when you couldn't get a speaker from the government for your Independence Celebrations, you would invite me when I was Leader of the Opposition. You may never know how grateful an opposition is to have an opportunity to address respectable national organizations particularly when the political wilderness is long and harsh!

My gratitude is even greater than that. Your invitations opened my eyes to the vastness of the Barbadian diaspora and, more significantly, the awesome contribution many of you are making in the countries in which you reside.

Although I was playing "second fiddle" on those occasions, I felt honoured and special and I thank those of you who entertained me and made me feel welcome in those lands where you call home.

The victory of my party in the last general elections was a victory for all of you as Barbadians living overseas who had an interest in democracy.

I say that not to be partisan, but I know that many of you came home and assisted in supporting the party of your choice.

No one should ignore the active interest of Barbadians living overseas in our democracy and politics. And by that I mean the nitty-gritty of Barbadian politics.

There is a political maxim that tried and tested in our diaspora:

"If you want a rumour to spread quickly throughout Barbados, plant it in New York."

The second call I got on that fateful evening when Right Excellent Errol Barrow passed away was from a friend in New York who had heard it within minutes of its happening! And, mind you, that was before the widespread use of cell phones or blog sites.

On Sunday, I participated in a Call-In programme to respond to questions from the public. It has been six months since the new government was elected.

One of the most passionate calls came from a Barbadian national who had returned home and wanted clarification, guidance and empathy.

I understand the concerns of Barbadians living abroad. I was born in London, England to Barbadian parents who left during "the wind-rush."

Much is now written about that phenomenon in the United Kingdom and in the United States, as the election approaches, issues such as immigration highlight the contribution of our citizens to other civilizations.

The debate is not without controversy and hence the controversial nature of "returning nationals" programmes and the true contribution of Barbadians living overseas.

Can you imagine that in 1961, this is what the Right Excellent Errol Barrow was saying in the House of Assembly on the Appropriations Bill debate?:

"The people whose guts cannot take the system any longer; the best people with the initiative, with the get-up-and-go; leave Barbados and go to England. We spend money educating these people. The parents of these people lavish attention and care on them, and just at the time when they are ready, when Barbadians should be reaping the benefits of the investment which we have put into the children up to the age of 18 or 20 years, they go to England and give the benefit of the money of the taxpayers and that of their parents to inure to the benefit of the people of England who tolerate them because it is a cheap way

of getting labour at no expense to themselves. Are we going to allow Barbados to be perpetuated as a stud farm? To go on, providing labour at our expense for the people in Canada and England to enjoy the benefits of our investment, I do not think that the Ministers are capable of appreciating the necessity for this social disinvestment in Barbados."

Errol Barrow was brutal in his criticism of this policy because he saw it as a diminution of our social investment. But how much social investment existed then? Even now, with free primary, secondary and tertiary education for all, we cannot educate all of our students who want a wider variety of options and to find the best institutions to pursue them.

On the other hand, there were thousands of citizens who left Barbados relatively uneducated and educated themselves.

Whatever the social cost or benefit of immigration, there is much to be said for the fact that having left, Barbadians always kept their eyes firmly fixed on their real home.

I thank you, therefore, for your love of country and for your continued investment in our development.

You are gathered here for a conference that is examining how you can forge links across the seas. I believe that you want practical suggestions about how you can help and I think that the best way I can assist you this morning is by reiterating some important policies of the government which will have an impact on you; those you can impact on and a programme for future engagement.

In my Budget last month, I announced a new policy for trade, investment, earning foreign exchange and the Diaspora.

Much emphasis has been placed on the challenges presented to small developing states by the harsh external economic environment. I said that I believe that we must now focus on the opportunities that the present situation creates.

We cannot have a country-team effort in our foreign missions which are supposed to be the face of the Barbados investment climate if we don't have one at home.

If we cannot find a way to coordinate the work of all of our tourism, investment and labour offices overseas as well as focus on the needs of Barbadians, we will continue to waste resources and support the territoriality and internecine fighting between our promotional organizations.

I have noticed in my first six months in office that there is a growing tendency towards further lines of demarcation in roles and responsibilities at our foreign missions.

Even physical space is being marked out as if entities are worlds apart. This cannot be good for Barbados. Our promotion of all of our country's attributes as a place to visit, invest, recreate and live must be a single-minded pursuit.

Our foreign missions, honorary consuls and workers should all understand this and implement it every day.

We have limited resources and they must be put to the optimum use.

To achieve this coordination, we have established a tripartite Council to coordinate the efforts of our principal foreign exchange earning sectors and to ensure that this coordination is given due central priority.

This new entity will be called the Council for Investment, Exports and Foreign Exchange (CIEX) and will build upon the positive achievements of the Foreign Exchange Committee, created by the Democratic Labour Party government in 1991, with the mandate to develop, exploit and monitor opportunities for earning and conserving foreign exchange; to identify and remove operational constraints to the earning of foreign exchange and to coordinate and monitor an overall strategy for promoting Barbados' economic interests abroad.

It will however be broader than the original FXC and will explore several creative new ways to attract investment into Barbados and to promote specific economic and social development initiatives.

There are two important areas, among others, in which these objectives can be achieved.

At a time when the global economy is contracting, and with official development aid on a long-term decline, government is embarking on innovative methods to capture international funds in support of social and economic development.

Investing private capital for a public return is a new approach to development financing, where corporations or wealthy individuals “invest” resources on the expectation of social or environmentally sustainable returns, whether or not they also expect a cash return.

The new source of philanthropy capital has a range of advantages over traditional sources of development financing such as bilateral and multilateral aid or remittances. These include independence from politics, flexibility in development projects invested in and the ability to provide seed capital and long term funding.

Financing economic opportunities for the poor in developing countries, coupled with the rise of social entrepreneurship using private capital to finance development challenges, is highly effective at transforming economies and fueling economic growth.

We are establishing a Foundation for Corporate Social Responsibility and Philanthropy. Barbados has long been the second home, holiday destination, tax domicile and investment location of a significant number of high net worth individuals.

Many of them have told me how eager they are to contribute in some tangible way to the expansion and modernization of our hospital and enhancement of communities but there is no legal regime to assist them in doing this in a mutually beneficial way.

We are not begging. We are offering our standard of living, lifestyle, culture and stability to our visitors and those who want to live here. For them to fully enjoy a comfortable life commensurate with that which they dream of, they should assist us in having state of the art health, educational and community facilities.

Similarly the Barbadian business community acknowledges its responsibility as a corporate citizen by its sponsorship of diverse community events but the scope of its contributions is curtailed by inadequacy of the domestic fiscal and legal regime governing charitable donations.

More importantly, Barbadians living abroad are generous contributors to social development causes but there is no formal vehicle through which to channel their generosity.

The foundation will harness this new tributary of resources for the development of our country.

As individuals and as groups and as organizations, you can contribute to the Foundation which will establish separate funds for specific objectives.

This leads me to the second important role of the Council.

We need, as a matter of urgency, to restore the relationship between us and the tens of thousands of Barbadians living overseas.

My administration views the diaspora as an integral part of the economic, social and cultural development of Barbados and is determined to create a comprehensive strategy for engaging them.

The original Charter for Returning Nationals, building on the policy established by the Democratic Labour Party in 1991, set in place a series of concessions to encourage Barbadians abroad to resettle here on retirement.

These concessions have been chopped and changed on the pretext of abuse. The process has been fraught with bureaucratic complexity and the absence of a clear legal and institutional framework to manage and coordinate the interests of nationals who return to Barbados. Many have become disillusioned and frustrated and have dissuaded others from returning.

The loss of revenue from the duty free importation of one motor car per household or even two is miniscule compared to the enormous contribution which our overseas citizens can make to national development through their remittances; their support of local products in the external market; their promotion of our country to visitors; their volunteerism and philanthropy towards the disadvantaged and their advocacy on behalf of Barbados' vital interests in their adopted communities.

Remittances from overseas Barbadians have grown from \$64 million in 1992, when the policy started, to \$263 million in 2006.

Your investment has created jobs, new housing, as well as business.

Many of these contributions also come from Barbadians who may never return to Barbados permanently and therefore our policy is flawed if it only offers concessions and opportunities for those who have returned.

The following will be done:

Establish a Unit for Overseas Barbadians called "**Barbados NetWork**";

Review the incentives given with a view to enhancing them and removing some unnecessary restrictions including those relating to the condition of returning to Barbados;

Create a Bond to encourage the investment of foreign exchange by **Barbados NetWorkers**;

Develop a comprehensive Barbados NetWorkers Data Base;

Host a **Biennial Barbados NetWork Consultation in Barbados** starting in 2010 following on your Conference.

I would also like to hold a meeting with your leaders every six months to monitor developments and keep your leaders abreast with developments. Modern technology does not require us to be in any one place and we can be linked up technologically for that meeting.

I look forward to these developments taking root and adding to the many achievements of our nation.

Barbadians in the diaspora have taken a great interest in the education of our children. This is not surprising because many of you intimately know the liberating force of education in your lives.

In that regard, government has determined that our educational sector needs many changes. The physical plant continues to crumble and we are doing as much as we can in light of the limits to our resources to repair and upgrade this plant.

Additionally, we need more special teachers for our slower and our faster learners and we need more facilities for our disabled children.

Even for our students just past their CXC examinations hurdle, we need to double the spaces we now provide.

It must be earth-shattering for our youngsters, full of enthusiasm, to find that they are unable to gain entry to our tertiary institutions like the Barbados Community College – or one of the Sixth-Forms - or the Samuel Jackman Prescod Polytechnic.

These youngsters are then forced to try to get into the University of the West Indies before they are academically and emotionally ready and it costs government more to put them through tertiary institutions.

When our students need to borrow funds for special courses - especially when they wish to go abroad - they find the borrowing limits of the Student Revolving Loan Fund too low, the interest rate too high, the range of permitted courses too restricted, the repayment period too short and the administrative arrangements for getting a loan too antiquated.

These problems cannot be solved all at once. We have decided to use the Student Revolving Loan Fund by increasing the loan limits and we will, over the next nine months, do more to bring the scheme in line with our thinking for tertiary education.

It is proposed to amend the Student Revolving Loan Fund legislation to permit annual loans up to \$100,000 over four years; Repayment of the loan over 30 years and provision for prepayment of the loan without a prepayment penalty; Interest at 1.5% over the savings rate, being in current terms 6% per annum; Removal of the need for sureties in the event that a charge on property is taken; A grace period on principal and interest for the full time of the student's studies and for two years thereafter.

On the subject of providing educational opportunities for our young people, we have agreed that UWI, Cave Hill will establish a Medical Faculty here in Barbados from September this year.

This will mean that 25 of our Barbadian youth will be able to pursue their medical studies here in Barbados and this translates into reduced cost to them.

Having myself benefitted from interaction at UWI with other students from the Caribbean and realising that such interaction makes a profound contribution to our regional integration efforts, provision will still be made for 10 of our medical students to attend the Medical Faculties at Mona, Jamaica and Mount Hope, Trinidad and Tobago.

The Ministry of Education will be embarking on the following within this fiscal year:

- Accelerating the training and retraining of teachers so as to meet the needs of a varied student population in our Nursery, Primary and Secondary Schools.

- Increasing the number of children who benefit from Nursery education by the construction of two purpose-built Nursery Schools;
- Build one new Primary School to replace an existing school;
- Increase the use of technological apparatus, educational software and other computer applications in schools;
- Expand the role of the Audio Visual Department;
- The completion of the design of a new Secondary School;
- The Lodge School and Harrison's College will undergo major refurbishment;
- Work on the Parkinson Memorial to improve its overall physical condition will start soon.

You may also know that effective the start of the next school year in September 2008 school children in uniform or with student identification cards will be permitted to travel free on Transport Board buses.

Thus a school trip that may once have cost 2 dollars because it involved taking two different buses to get to school will now be free.

Parents will also have to worry less about the cost of sending their children to school. This facility will provide a \$400.00 per year minimum benefit for a child who has to take only one bus to school and \$750.00 per year minimum for a child who has to take two buses to get to school.

We continue to be concerned about the conditions in which our young children are raised, particularly when their parents have to go off to work and the children are left unsupervised.

Our concern is heightened because the sense of community which existed in days past seems largely to have disappeared and the sense of duty which made us all see each one as the other's keeper has been almost lost.

Our young children are most vulnerable to undesirable attention from others who mean them no good and are more likely to be tempted into trouble during the long periods during school holidays when many of these children are idle.

In order to have our young children supervised in camps during these vacations and to use the occasion of such supervision to rebuild community values we plan to establish a National Summer Camp Programme.

This Programme will bring our young children under the good influence of our outstanding retired citizens and will help our teenagers to develop a sense of duty towards their juniors. We also want to create a cadre of community leaders who believe in sacrifice above self and to bridge the generation gap between our teenagers and authority figures.

We feel this programme can help to build respect among our youth for our senior citizens and to provide an opportunity for training teenagers in counseling, activities management and execution while paying them a stipend.

Camps will also be provided for all school children between ages of 5 and 15 years during the Christmas, Easter and summer holidays of next school year and each year thereafter.

These camps will be staffed by Volunteers from the Barbados Association of Retired Persons, other retired persons, church helpers, the various Service Clubs around the island, the Cadets, Scouts, Guides and by the Sixth Formers, students of Barbados Community College, the Samuel Jackman Prescod Polytechnic and the University of the West Indies.

These camps will be provided free of cost to our children.

Much of the necessary repair and maintenance work at the Queen Elizabeth Hospital has been deferred from year to year for a long time.

It can no longer be postponed if the QEH is to begin to deliver an acceptable level of service. We have no choice but to ask Parliament very soon to approve the guarantee of a bond to be raised by the QEH in tranches totaling \$60 million over the next 18 months to execute this vital repair and maintenance work.

Cabinet has agreed to the expansion of the QEH on its present site estimated to cost over \$400 million and we have also begun to identify funding for this upgrade and expansion.

The Barbados Government owns a substantial number of shares in both the Barbados National Bank and the Insurance Corporation of Barbados, but in both companies, the Government is a minority shareholder, and so is in no real position to direct the strategy of either company.

At the same time, Government has been advised that the value of its shareholding in those two companies is approximately \$200 million and that the rate of the cash dividend that Government receives on an annual basis on these shares is less than the rate of interest that Government pays on its borrowing.

Since these shares are no longer useful in determining the strategic direction of either of these companies, Government has taken the decision to offer these shares firstly to Barbadian individuals, the National Insurance Board and local companies and then, if necessary, to the current majority shareholders of the two companies, if Barbadians do not take up all of the shares.

The proceeds of these sales will be used to fund part of the upgrading and expansion of the QEH.

Additionally, a number of *bona fide* local investors have approached the Government on their own behalf and on behalf of a number of foreign investors with substantial property investments in Barbados and have offered to raise philanthropic capital contributions for this upgrade and expansion of the QEH.

In the area of tourism marketing, I have specifically asked that we focus more on the Diaspora market in order to attract more friends of Barbadians living overseas as visitors to Barbados. A programme must be developed with appropriate incentives given to encourage Barbadians living overseas to market our country.

Our first national strategic long-term priority is to protect our country for our own people and to save the important things that mean so much to those who visit us.

In that regard, we have already announced a policy of protecting our East Coast from Pico Teneriffe to Skeetes Bay as a national park area and from the purchase of land by foreigners.

This is not a xenophobic policy. All small islands have to protect their patrimony. We will protect ours. But we will also continue to develop those areas where tourism development is not in conflict with the aspirations of Barbadians.

Every tourism development involving the Government will from this year provide for Barbadian ownership and every private tourism development making provision from this income year for mass participation by the average Barbadian, will qualify for additional income tax concession of up to 5 years over and above the original and normal concession, if 25% of the investment is owned by Barbadians in blocks of not more than \$100,000 per shareholder.

The availability of additional land on our west coast for further tourism and high valued real estate development is severely limited and constraining at a time when demand for such land continues to be very strong.

We have also decided to very prudently and carefully allow only environmentally friendly projects consistent with the national park designation on the East Coast.

To help solve this dilemma, Government has been invited by a number of private sector joint-ventures involving significant local and foreign investors of good repute and business success, to facilitate the creation of additional real estate acreage off the coasts of Barbados through reclaiming lands including constructing offshore islands and constructing marinas for yachts.

Further, these developments would alleviate the demand for real estate on "mainland" Barbados and partly relieve the pressure on prices for land.

These are but some of the new initiatives that provide an opportunity for you to become more actively involved in the future of your country.

Beyond all of this, we are concerned to create new avenues for participation of Barbadians in their communities again. Since the abolition of local government, services and decisions about the allocation of them have become more and more centralized and detached from communities.

We are embarking on a new programme of local governance through constituency councils. Before the end of the year, we wish to see operating in every constituency groups of representative leaders who can identify local problems and draw on government funds and other resources to solve them. These councils will also work with your organizations should you wish to adopt community projects.

There is much work to be done. And I thank you for journeying here to forge links with us.

I look forward to visiting you in your cities and towns in the diaspora and I very much welcome this opportunity to be with you this morning.

May God bless you all. But, more importantly, may God bless Barbados.