

National Assembly Debates

**PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS BRICKDAM, GEORGETOWN**

Part I

75TH SITTING

2.15 PM

Thursday 15 December 2005

MEMBERS OF THE NATIONAL ASSEMBLY (69)

Speaker (1)

The Hon. Hari N. Ramkarran, S. C., M. P. - *Speaker of the National Assembly*

Members of the Government (38)

(i) People's Progressive Party/Civic (34)

(ii) Non-elected Ministers (3)

(iii) The United Force (1)

The Hon. Samuel A. A. Hinds, M.P.

*-Prime Minister and Minister
of Public Works and Communications*

The Hon. Reepu Daman Persaud, O.R., J.P., M.P.

-Minister of Parliamentary Affairs

The Hon. Clement J. Rohee, M.P.

*-Minister of Foreign Trade and
International Co-operation (AOL)*

The Hon. Harripersaud Nokta, M.P.

*- Minister of Local Government
and Regional Development*

The Hon. Gail Teixeira, M.P.

*- Minister of Culture, Youth and
Sport (Absent)*

The Hon. Dr. Henry B. Jeffrey, M.P.

- Minister of Education

The Hon. Saisnarine Kowlessar, M.P.

- Minister of Finance

The Hon. Shaik K. Z. Baksh, M.P.

- Minister of Housing and Water

The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P.

*- Minister of Labour, Human
Services and Social Security*

The Hon. Clinton C. Collymore, M.P.

*- Minister in the Ministry of Local
Government and Regional Development*

The Hon. Satyadeow Sawh, M.P.

*- Minister of Fisheries, Other
Crops and Livestock
(Region No. 5-Mahaica/Berbice)*

*The Hon.S.Rudolph Insanally, O.R, C.C.H, M.P.	-Minister in the Office of the President with responsibility for Foreign Affairs
*The Hon. Doodnauth Singh, S.C., M.P.	-Attorney General and Minister of Legal Affairs
The Hon.Dr.Jennifer R.A. Westford,M.P.	-Minister of the Public Service
The Hon. C. Anthony Xavier, M.P.	-Minister of Culture, Youth and Sport
The Hon. Bibi S. Shadick, M.P.	-Minister in the Ministry of Labour, Human Services and Social Security (Region No.3 -Essequibo Islands/ West Demerara)
**The Hon. Manzoor Nadir, M.P.	- Minister of Tourism, Industry and Commerce
The Hon. Carolyn Rodrigues, M.P.	- Minister of Amerindian Affairs
* The Hon. Harry Narine Nawbatt, M.P.,	- Minister of Transport and Hydraulics
The Hon. Dr Leslie S. Ramsammy, M.P.	- Minister of Health
Mr S. Feroze Mohamed, M.P.	- Chief Whip
Mr Cyril C. Belgrave, C.C.H., J.P., M.P.	-(Region No.4-Demerara/Mahaica)
Mr. Donald R. Ramotar, M.P.	
Mr Husman Alli, M.P.	-(Region No.7-Cuyuni/Mazaruni)
Mr. Komal Chand, C.C.H., J.P., M.P.	
Mrs Indranie Chandarpal, M.P.	
Mr Bernard C. DeSantos, S.C., M.P.	-(Region No.4-Demerara/Mahaica)
Mrs Shirley V. Edwards, J.P. M.P.	
Mr Odinga N. Lumumba, M.P.	
Mr Heeralall Mohan, J.P., M.P.	-(Region No.2-Pomeroon/Supenaam)
Mr Ramesh C. Rajkumar, M.P.	-(Region No.6-East Berbice/Corentyne)
Mr Khemraj Ramjattan, M.P.	-(Region No. 6 - East Berbice/ Corentyne)
Dr Bheri S. Ramsaran, M.D., M.P.	
Mrs Philomena Sahoye Shury, C.C.H, J.P, M.P.	- Parliamentary Secretary, Ministry of Housing and Water
Mrs Pauline R. Sukhai, M.P.	-(Region No. 1 - Barima/Waini)
Dr Moti Lall, C.C.H., M.P.	
Mr Zulfikar Mustapha, M.P.	
Mr Neendkumar, M.P.	-(Region No. 4 - Demerara/ Mahaica)

* Non-Elected Minister

** Elected Member from The United Force 75/2

Members of the Opposition (30)

(i) People's National Congress/Reform (27)

Mr. Robert H. O. Corbin, M.P.	
Mr. Winston S. Murray, C.C.H., M.P.	
Mrs Clarissa S. Riehl, M.P.	- Deputy Speaker of the N.A.
Mr. E. Lance Carberry, M.P.	- Chief Whip
Mr. Ivor Allen, M.P.	- (Region No.2-Pomeroon/Superuam)
Mrs. Deborah J. Backer, M.P.	
Mr. Deryck M.A. Bernard, M.P.	
Mr. C. Stanley Ming, M.P.	- Absent on Leave
Mr. Raphael G. C. Trotman, M.P.	
Mr. Vincent L. Alexander, M.P.	- (Region No.4-Demerara/Mahaica)
Mr. Basil Williams, M.P.	
Mrs. Volda A. Lawrence, M.P.	- (Absent)
Dr Dalglish Joseph, M.D., M.P.	
Miss Amna Alty, M.P.	- (Region No.5-Mahaica/Berbice)
Miss Sandra M. Adams, M.P.	- (Region No.10-Upper Demerara Berbice)(AOL)
Mr. Jerome Khan, M.P.	
Dr George A. Norton, M.P.	
Miss Myrna E. N. Peterkin, M.P.	- (Region No.4-Demerara/Mahaica) (AOL)
Mr. James K. McAllister, M.P.	- (Region No.3-Essequibo Islands West Demerara)
Dr Carl Max Hanoman, M.P.	
Miss Lurlene A. Nestor, M. P.	- (Region No.4-Demerara/Mahaica) (Absent)
Mr Abdul Kadir, J.P., M.P.	- (Region No.10-Upper Demerara/Berbice)
Mr Ricky Khan, M.P.	- (Region No.1-Barima/Waini) (Absent)
Mrs. R. Bancroft, M.P.	- (Region No.8- Potaro/Siparuni)
Mr Nasir Ally, J.P., M.P.	- (Region No.6-East Berbice/Corentyne)
Miss Judith David, M.P.	- (Region No.7-Cuyuni/Mazaruni)
Miss Genevieve Allen, M.P.	- (Region No.4-Demerara/Mahaica)

(ii) Guyana Action Party/Working People's Alliance Party (2)

Mrs Sheila V.A. Holder, M.P.	
Mrs Shirley J. Melville, M.P.	- (Region No. 9-Upper Takutu/Upper Essequibo)

(iii) Rise, Organise and Rebuild Party (1)

Mr Ravindra Dev, M.P. (Absent on Leave)

OFFICERS

Mr Sherlock E. Isaacs, Clerk of the National Assembly

Mrs Lilawtie Coonjah, Deputy Clerk of the National Assembly

Prayers

The Clerk reads the Preayers

PRESENTATION OF PAPERS AND REPORTS, ETC.

(1) By the *Speaker (Chairman of the Committee of Selection)*:

Minutes of proceedings of the 16th Meeting of the Committee of Selection, held on Thursday, 24th November, 2005.

(2) By the *Minster of Finance*

(i) The Ministers, Members of the National Assembly and Special Offices (Emoluments) Order 2005.

(ii) The Constitutional Offices (Remuneration of Holders) Oder 2005.

(iii) Technical Co-operation Loan Agreement No. 1649/SF-GY between the Government of Guyana and the Inter-American Development Bank signed on September 9, 2005 for US\$80,000 of the support of the design of the programme "Support for Competitiveness Programme (GY-L1006)"

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- (iv) Technical Co-operation Loan Agreement No. **1653/SF-GY** between the Government of Guyana and the Inter-American Development bank signed on September 9, 2005 for US\$100,000 within the Line of Credit of the Project Preparation and Executing Facility PPF/010-GY, "Citizen Security Programme."

- (v) Loan Agreement No. **5/SFR-or-GUY** between the Caribbean Development Bank and the Government of Guyana signed October 13, 2005 for US\$13,580,000 for the Community Services enhancement Project.

- (vi) Bilateral Agreement between the Government of the Republic of Trinidad and Tobago and the Government of the Co-operative Republic of Guyana on the Debt write-off and Rescheduling of Bilateral Debt, the First Supplemental Agreement and the Supplemental Agreement made pursuant to the agreed Minute of the Paris Club dated January 14, 2004.

- (vii) Financial Paper No. 6/2005 - Supplementary Estimates (Current and Capital) totaling \$1,327,625 for the period 2005-10-15 to 2005-12-13.

- (viii) Financial Paper No. 7/2005 - Supplementary Estimates (Capital) totaling \$1,714,452,190 for the period ending 2005-12-31.

The Speaker: The Minister of Foreign Trade and International Co-operation [*Pause*] He is not here. Is someone presenting on his behalf?

Hon Recpu Daman Persaud: Yes

- (3) *By the Minister of Parliamentary Affairs on behalf of the Minister of Foreign Trade and International Cooperation:*
- Annual Report of the Minister of Foreign Trade and International Cooperation for the years 2001-2002.
- (4) *By the Minister of Labour, Human Services and Social Security:*
- Recommendation which was adopted by the International Labour Conference at its 92nd Session held in June, 2004:
- Ø Human Resources Development Recommendation 2004, No. 195.
- (5) *By Mr Bernard De Santos (Chairman of the Parliamentary Sectoral Committee on Foreign Relations):*
- The first period Report of the Parliamentary Sectoral Committee on Foreign Relations.

QUESTIONS TO MINISTERS

The Speaker: Honourable Members, there are two questions on the Supplementary Order Paper by the Honourable Member Mrs Sheila

Holder. These questions are for written replies. These answers have therefore in accordance with our Standing Orders been circulated.

(1) UNIVERSAL AIRLINES

- (i) What date was the seventeen million dollars escrow account put in place by the Universal Airlines?
- (ii) Did the Universal Airlines escrow account earn any interest on the seventeen million dollars principal lodged as security? If so, how much did it earn for the duration of the establishment? And with which agency did Universal Airlines deposit the escrow funds?
- (iii) What was the methodology employed to compute the amount of seventeen million dollars to arrive at the amount to be deposited in escrow by Universal Airlines? Which agency did the calculations?
- (iv) What was the average passenger load per route recorded by Universal Airlines out of Guyana?
- (v) Did the Civil Authority utilize North American Airlines services when rescuing stranded Universal Airlines passengers? If not, why not?

Written replies submitted by the Minister of Transport and Hydraulics

- (i) The escrow account was opened on 4 December 2001.
- (ii) No interest was earned. The account was established with the Bank of Nova Scotia.
- (iii) The amount of \$17,127,616.00 in escrow account was a one-off deposit made on 4 December 2001 by Universal Airlines.
- (iv) The average passenger load per flight in respect of Universal Airlines out of Guyana as recorded by CJIA Corporation is: 125 in 2004; and 121 in 2005 (January -September).

The Ministry is not in receipt of any information from Universal Airlines in relation to the average passenger load per route.

- (v) The information I have is that North American Airlines was approached but could not have assisted at that time.

(2) **BRITISH WEST INDIES AIRWAYS (BWIA)**

Does BWIA owe the Guyana Government through the CBJ International Airport authority any aviation fees such as landing fees, etc. in

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relation to their operation in Guyana? If so, how much is owed?

Written reply submitted by the Minister of Transport and Hydraulics:

BWIA is indebted to the Cheddi Jagan International Corporation in the sum of \$7,191,404 for October 2005 as follows:

Landing Charges - \$6,692,004

Rental - 499,400

\$7,191,404

INTRODUCTION OF BILLS

Presentation and First Reading

BERBICE RIVER BRIDGE BILL 2005-Bill No. 21/2005

By the Prime Minister, on behalf of the Government.

PUBLIC BUSINESS

BILLS - Second Readings

1. **COMPETITION AND FAIR TRADING BILL 2005 -
BILL No. 18/2005 published on 2005-11-09**

A Bill intituled, an Act to promote, maintain and encourage competition and to prohibit the prevention, restriction or distortion of competition and the abuse of dominant positions in trade; to promote the welfare and interests of consumers, to establish a Competition Commission for connected matters.

The Speaker: There is a correction. Before we proceed with this, I wish you to note the following printing correction:

Clause 24(1)

The insertion of the words *of such agreements* immediately after the word *subject* to the end of paragraph (f).

Let me repeat it please,

Clause 24(1)

Insert the words *of such agreements* immediately after the word *subject* at the end of paragraph (f).

The Honourable Minister of Tourism, Industry and Commerce

Hon Manzoor Nadir: Mr Speaker, it is my honour to move the Second reading of the Competition and Free Trading Bill 2005 - Bill No. 18/2005. A Bill intituled, an Act to promote, maintain, and encourage competition and to prohibit the prevention, restriction, or distortion of com-

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petition, and the abuse of dominant position in trade; to promote the welfare and interest of consumers, and to establish a Competition Commission for connected matters.

Mr Speaker, the search for competition legislation goes back in excess of a decade, and I cast my mind back to sometime in the early 1990s when, under the then Finance Minister His Excellency President Bharat Jagdeo, a team from the UK came to speak to Government and the Private Sector about competition legislation.

This current Competition and Free Trading Bill is based on the CARICOM draft model legislation, which has been developed by CARICOM during 2003 to ensure that we have harmonization, as far as is possible, with competition laws among CARICOM Single Market and Economy countries.

Through consultations, Guyana's Draft Bill has undergone several amendments to take account of our local circumstances. Nevertheless it retains essentially the features of the CARICOM model legislation and, as such, it is in line with our commitments on competition policies under the CSME. Mr Speaker, in terms of the process of consultation, after internal revisions through discussions with key stakeholders in Government and in CARICOM, a draft of the Bill was released to stakeholders in June of 2004. The consultation process then involved circulation of the Bill to over sixty different regional and national stakeholders, including companies, trade associations, consumer groups, public sector bodies, trade unions, Parliamentary opposition parties and so forth.

Two public meetings were then held in July of 2004. One at the Georgetown Chamber of Commerce, and the other at the Berbice Chamber of Commerce in New Amsterdam, to explain the Bill and to answer any questions. At these sessions questions were asked on a range of issues, including the practicalities of implementing the Bill, the international environment and how the Bill was likely to be interpreted in certain scenarios. Throughout this process, stakeholders and the general public were invited to provide the Ministry with comments, written and oral.

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We had twenty-eight individual comments and questions, in terms of written comments received, many of which were taken forward and then incorporated into the revised draft of the Bill. Legal queries were pursued with the Attorney General's Chambers.

After the public consultation exercise, the Bill was then submitted to the Trade Sub-Committee of Cabinet and then to Cabinet who approved the final version, which went to the AG's Chambers, and here it is today.

In terms of the main provisions of this Bill, the aims are:

- (a) To promote, maintain, and encourage competition and enhance economic efficiency;
- (b) To prohibit anti-competitive business conduct, which restricts competition or constitutes the abuse of the Governments' position;
and
- (c) To promote the welfare and interest of consumers and there is specific consumer protection legislation that will also come.

Both Bills - the Competition and Fair Trading Bill and the Consumer Protection Legislation, which will shortly come to Parliament need to be read in conjunction with each other.

This Commission will have between three and five members who will carry legal responsibilities, and who can make the necessary judgements under the Bill. A permanent staff, headed by a Director, will support the members' decisions by carrying out research and providing analysis. The Commission will have broad powers to summons witnesses, search premises and require affidavits. Fundamentally the Bill addresses two forms of behaviour;

- **anti-competitive agreements between firms; and**
- the abuse of a dominant position.

In terms of the anti-competitive agreements, these agreements are between firms that are operating in the same market, and which should therefore be competing. It is those firms that intend to reduce or distort competition and therefore restrict outputs and unnecessarily inflate profits, moving them from normal returns to super-normal profits. The operation of cartels or agreements to fix prices, limit productions or divide up markets, are all examples of such agreements, which are prohibited by the Bill.

However, note must be taken that an agreement is not considered anti-competitive if it contributes to the improvement of production or technical or economic progress, while allowing consumers a fair share of the resulting benefits, or does not afford the enterprise involved the possibility of eliminating competition, in respect of any substantial part of the market. For example, small enterprises in Guyana often set up import cartels to buy bulk imports to benefit from economies of scale resourcing. This would not be considered anti-competitive behaviour under the Bill.

The second issue that the Bill addresses is the abuse of dominant position. Rules to prevent the abuse of dominant position are anti-monopoly laws, as markets dominance infers monopoly power. It is important to note that the existence of a dominant position, according to the Bill is defined as the firm exercising control over 40 percent of the market. It is powerful enough that they can operate in the market without effective constraints from its competitors.

Mr Speaker, action by the Commission is only required if the firm is abusing its dominance, hence being a dominant firm is not prohibited, but abuse of dominance may be a firm deemed to have carried out such abuse if it uses its powers to restrict competition by actions such as restricting other firms from accessing the market, from using predatory pricing techniques to put firms out of business, the impositions of its

production limits or the exploitation of consumers, especially when there are no reliable firms of alternative supplies. Furthermore, an enterprise is not deemed to be abusing its position if its behaviour was exclusively directed towards improving production or promoting technical or economical progress, and the consumers were allowed a fair share of the benefits.

Mr Speaker, the Bill is not strong on mergers and acquisitions and in our small marketplace, our small economy, we have to be very careful that we introduce legislation to prevent mergers and acquisitions, which could result in monopoly powers and, at the same time put those firms out of business, so what the Bill focuses on is the abuse of dominant positions.

Other provisions of the Bill contain general language explaining what forms of agreements or abuse that are not permitted as well as specific examples of prohibitive behaviour, such as the operation of cartels.

The Bill provides for fines of up to G\$10 million for firms that break these prohibitions. The Bill also allows for the establishment of the Community Competition Commission within CARICOM. CARICOM Community Competition will have effect, within our local laws, under this Bill. This is a mandate under the revised treaty of Chagauramas 2001. This Body - the CARICOM Community Competition Commission, under the Bill will have the same powers to call witnesses, and so forth, as the domestic competition authority, and will rule on super-national competition issues concerning two or more CARICOM States. Member states that do not have domestic commissions could also appeal to the CARICOM Competition Commission to rule on purely domestic competition issues.

The final Court of Appeal against rulings of the Commission is the Caribbean Court of Justice. The CCC is mandated, in the revised treaty, to work closely with the national authorities to conduct investigations, to take legal actions, and to impose sanctions through the national courts.

Mr Speaker, why do we need competition law? Over 100 countries

worldwide have them, not for the sake of having them, but competition law allows for the marketplace to act as if the economy is in perfect competition and therefore ensures the allocation of scarce economic resources in a most efficient manner. Mr Speaker, Guyana cannot go wrong by implementing the provision.

With respect to competition laws at the global level, guarding against undermining the benefits of the CARICOM Single Market and Economy, it has long been recognized by member States that the benefits that are expected to be derived from the establishment of the CSME could be frustrated by anti competitive business conduct by public and private enterprises, and this relates to both public and private firms, not just the private sector alone. While tariff and non-tariff barriers are removed and the free flow of goods and services in investments is anticipated, businesses can nullify this effect by colluding to divide up the market geographically, thus essentially maintaining national markets and national monopolies. Anti-competitive agreements to fix prices or bids rigging could harm consumers and bar entry to non-members of cartels.

Firms may dominate product markets regionally and abuse their dominant position by engaging in predatory behaviour of limiting competition through exclusionary distribution agreements, among other strategic initiative. Hence the most important objective of competition law, from the CSME point of view, is to prevent collusion to divide up markets geographically, to fix prices, to exclude others by using distribution and to bar entry to non-members of cartels.

Mr Speaker, at the national level, introducing competition law has the ultimate objective of enhancing our overall national competitiveness. As is detailed in the Ministry's Draft Policy Paper Enhancing National Competitiveness, produced in collaboration with the Office of the President, like exposure international competition, local competition is an important factor in providing incentives to our local enterprises to invest in improving the competitive capabilities. The theory goes, *the greater the competition that firms face, the greater the incentives* provide in achieving cost-efficiency and better consumer service. Historical evi-

dence suggests that barriers to domestic competition have been damaging to firms in Guyana. The following should be considered the benefits of competition law within the context of enhancing our national competitiveness. Many studies have found a positive relationship between competition and efficiency and this is also proven in the economic textbooks and between competition and the rate of productivity growth, which in turn is one of the main sources of growth in countries. While the existence of competition in national markets is not all that is required to achieve international competitiveness, a lack of domestic competition greatly reduces the prospects for domestic producers to achieve competitiveness. The experiences of many countries have been that industries lacking domestic competition have greatly reduced incentives to innovate by adopting improved processes and the introduction of improved or new products. Such industries rarely become globally competitive.

Mr Speaker, in terms of implementing this Bill, steps are currently being taken to ensure that the right institutional structure for the Commission is enacted from the outset, and that the institutional framework is tailored to specific realities in the context of Guyana. To ensure that this happens, the Ministry is currently engaging the services of a competition policy expert from the Region, under the project execution and preparedness phase of the Governments' competitiveness programme, which is being supported by the IDB, and which loan agreement has just been tabled in the National Assembly by the Honourable Minister of Finance Saisnarine Kowlessar. The staff of the Ministry, other stakeholders within Government and the private sector, are currently working closely with our competition experts to come up with the final set of recommendations, along with an action plan, timeline, and detailed breakdown for projected costs for moving this initiative forward.

Mr Speaker, it is key to note that there is a number of developments that guide the action plan. We realize that there is no one-size fit to all approach in implementing competition law. We recognize that we need to start small, and to achieve growth in a planned and incremental way, that the possibility of a single institution-the Competition and Consumer Protection Commission be analyzed in terms of making maximum use of

scarce resources at the disposal of the State.

Mr Speaker, the Bill also requires for the education of the business sector and consumers with respect to competition policy in Guyana. One might ask the question: what types of anti competitive conducts are more prevalent or expected in Guyana and in which sector?

I now wish to outline the main types of anti competitive conducts most prevalent or expected to be in our country. A number of recent studies within CARICOM suggest that anti-competitive conducts are prevalent in the Region. Both at the national and regional levels and that concentration is high in several sectors. There are several reasons for such highly-concentrated market structures. These include:

- As firms look to achieve economies of scale in a small local market, they tend to have to be very large, with respect to that market size, and in so being, a few firms will dominate the entire market.
- Economies in the Region, including our own, are highly dependant on imports and the productive sector is dominated by exports - in particular, tourism, agricultural commodities and mining. This means that areas of concentration in most of our CARICOM countries tend to be in the import distribution or retail sector, and the down stream of tourism services.
- Entrenched historical wealth owners still control most resources in many of these states including ours. This entrenched wealth has spread its portfolio to new growth areas in the region. We have to ensure, as they spread their wings that there is no abuse of their dominance in the marketplace.

Mr Speaker, I now turn to some commonly-asked questions, with respect to this Bill and one that was asked when we did the consultation was: to what extent is the law applicable to beneficial collaborative agreements between the small and micro-enterprise operators? In Guyana, according to data from the National Insurance Scheme 2003, 61 percent of total business entities registered with the NIS in Guyana are con-

sidered small operators, and recently, when we had the Small Business Bill passed, we define that as firms employing twenty-five or less persons.

In many small economies around the world, collaboration among small businesses in the form of import or export cartels normally facilitates market entries and challenges incumbent. This is also likely to be the case here. So small and micro enterprise operators who collaborate, and who in this collaboration cannot influence market prices, influence quantities, and restrict competition, would be exempted from the provision of this Bill.

Another question that was asked: does the law apply to public utilities, Government entities and State enterprises? The Competition and Fair Trading Bill applies to all companies - private and State-owned and public utilities as well. The provision within the Act speaks that, before the National Competition Commission moves in any area which is currently under the Public Utilities Commission, that that Commission - the National Competition Commission, should have consultations with the PUC.

Another question that was asked: what is there in the Act with respect of to anti-dumping and counter-veiling measure legislation? This, while absent from the Act at this very moment is the subject of another round of consultations within CARICOM and that will shortly be brought to this Parliament and other Parliaments of CARICOM countries, so that we can deal comprehensively with subsidies, anti-dumping and counter-veiling measures.

Mr Speaker, by and large this summarizes what the National Competition and Fair Trading Bill 2005 seeks to achieve, explaining some of the provisions, and I beg that it be read a Second time. Thank you. [*Applause*]

Question is proposed.

The Speaker: The Honorable Member Mr Jerome Khan.

Mr Jerome Khan: Good afternoon, Mr Speaker. Let me begin by first congratulating the Honourable Minister for sending to our Party a copy of the proposed Bill a few months ago. For a moment, I was led to believe that this is a fore-shadowing of how the Government intends to conduct its business for the duration of this Parliament. I thought that augers well, but I am a bit disappointed, because I read in today's papers that there is a draft legislation for the granting of Casino Licenses which I would hope that the Honourable Minister would have sent to us so that we would have had the opportunity to study it.

Having said that, let me say from the onset, that the People's National Congress/Reform is not opposed to the thrust of this proposed Bill, but cautions against rushing through this Bill as it is very complex, and has far-reaching powers, something that the Honourable Minister himself has recognized. Its objectives as laid out are commendable, as it seeks to protect and promote competition and fair-trading in our domestic market and hence enhance the competitiveness of our economy.

We are led to believe, therefore, that the Bill intends to facilitate the creation of a level playing field so that no one company may have undue advantage in the economic marketplace. These also must include companies under the control of the Government. I will return to this aspect of the Bill later, as we have some concerns about the lack of clarity in this area. It is stated that the Bill will eliminate and stamp out practices like collusion between big companies, price-fixing between companies, bid-rigging and the muzzling of small entrepreneurs, practices that tend to operate as disincentives to new entrants in the economic marketplace.

However, we must be careful and be very mindful that we do not destroy the value of big and well-run businesses, but only to prevent them from allowing other companies from also competing successfully alongside them in the same marketplace. It is our belief that companies should be allowed to grow and thrive on some commercial principles unfettered by bureaucratic positions from non-commercial government directions.

One of the objects indicated in Section 3 is to promote interest and

welfare of consumers. This is a noble initiative. It supports the position of our own Party, the PNC/R and it is synchronized with the objectives of the Consumers' Association of Guyana, who have been clamoring for a competition in all economic sectors. Our Party endorses their initiative, and fully supports any advocacy for fair trading and competition, which would lead to lowering of prices, better services, and reduction in the general cost of living of citizens. We have noted that the Consumer Association, in a recent publication on 11 November 2005, written under the signature of Eileen Cox, has expressed a point of view that the Competition and Fair Trading Bill should allow for competition in the telecommunication industry and cited reasons why it feels that the consumers of Guyana are not benefiting with the best possible deal, as it relates to self-services. The Government ought to pay serious attention to the views of the Consumers' Association.

In PART I Subsection 4(2) the Bill states:

This Act applies to public utilities, but before the Commission, exercises its functions in relation to such utilities, it shall consult with the Public Utilities Commission established under the Public Utilities Commission Act 1999.

The Competition Bill that is being debated today is in every essence a generic law and we must remember that. It contains principles which are generic in application and these are principles that should apply to all sectors and be applied evenly and with consistency. That being the case, if we allow for exclusion of sectors which have their own bodies administering and interpreting what is fair, differential interpretations can result and lead to conflict. So the question is whether these penalties for offenses committed by utilities will be consistent with the penalties that can be meted out by the Competition Commission. The Minister may wish to enlighten the House as there is a definite penumbra that exists with overlapping legislation.

In looking at PART II of the legislation, which deals with:

- the details of the Competition Commission;
- the functions of the Commission;
- the general powers of the Commission;
- the appointment of Directors; and
- other employees, et cetera,

one quickly concludes that this Commission would require to have highly skilled personnel to staff its operations, something which I believe the Minister himself recognized in his presentation, but given the fact that we have had constant brain drain out of Guyana - Guyana ranking among the highest of the world for a steady outflow of human resources, the PNC/R is concerned that the Minister may be creating a Commission which may be very, very difficult to staff. It is clear that part of the requirement would be for the senior staff of this Commission to have very high legal training. It is also clear that there may be a requirement for such a person to be trained in the business world and we therefore ask of the Minister if they have established any budget for such highly-specialized staff. It is our firm recommendation that a public recruitment campaign be launched to fill the positions of employment, so that the best possible candidates are hired. We have an exorbitant amount of money being spent, some may claim being wasted, largely to hire special prosecutors working for the State, and we sincerely hope that the agency being created does not become another cash-cow for persons, some may claim friendly to the ruling Party.

In PART III, we wish to look at Section 24 on page 19 *Abuses of Dominant Position* which the Minister spoke of in his presentation. Subsection 24 (1) explains that an enterprise abuses a dominant position if it impedes effective competition in a market and in particular, but without prejudice, if it restricts entry of any enterprise into that or into any market. We can also look at Sections B, C and D, with references.

This Section, which we have noted and highlighted - Section 24, there-

fore would apply to public corporations such as Guyana Sugar Corporation, Guyana Power and Light, Bank of Guyana, Guyana National Shipping Corporation, Guyana Marketing Corporation, Guyana National Printers Limited, Guyana Oil Company, Guyana National Newspapers Limited, Guyana Broadcasting Corporation and NCN. All of these agencies must be made subject to the proposed Act if the Act's intent is to be fully and fairly achieved. This brings me specifically to the issue of the restriction of radio licenses. This matter has been a bone of contention for several years and now we have a legislation being discussed in this Parliament in which we are speaking about uncompetitive conduct and behaviour, so the very first challenge of this legislation would be to immediately address the issue of the restriction to entry of other competitors in the radio electronic media marketplace. This is the litmus test of the Government if it is serious, and if it is sincere for the Competition and Fair Trading Bill.

No one in this country would take this Government serious if it is introducing a Bill that addresses the issue of the abuse of the dominant position by one company when by its actions, it supports uncompetitive and unfair business practices in the radio industry. We urge the Government to show the leadership that it is putting in law by immediately granting licenses to all those applicants who have been seeking to open radio stations.

Mr Speaker, the Honourable Minister spoke about mergers and acquisitions. We would also like to say a few words on that. We must keep in mind the intricacies of the economic and commercial world, as it relates to the dominant position enjoyed by businesses, as mergers and acquisitions can create its own problems in the stifling and growth of industries. The following scenario serves as an example:

Company A takes over Company B and proceeds either by way of short-term or long-term implementation, to extinguish, or severely prejudice the marketing of Company B's product to the advantage of products marketed by company A, or its subsidiaries, affiliates, et cetera.

The above scenario clearly amounts to monopolistic behaviour, and abuse of dominant position by company A, and the Bill seeks to address this by virtue of which is laid out in Subsection 24 (1) (b), which states that abuse occurs if the action:

prevents or deters any enterprise from engaging in competitive conduct in that or any other market.

Subsection 24(1) eliminates or removes any enterprise from engaging in competitive conduct in that, or any other marketplace, but juxtaposed against these positions are Subsections 25 (1) and 26(1) - particularly Subsection 26(1) states:

The Commission shall not order an investigation in respect of an enterprise under Section 25 unless it is satisfied that the enterprise controls more than forty percent of the market

Mr Speaker, is the Bill implicitly stating that an enterprise can use its dominant position to eliminate competition so as to secure 40 percent of the market? How is this in keeping with the aims of fair competition if 40 percent seems as a negligible share of the market? Surely 40 percent has to be a very significant share of any market. This provision should be removed and the PNC/R strongly recommends that the percentage reduction be to a lower level, that we believe, can be determined after a select group of Parliament decides on what is a fair and just percentage of market share.

The Bill should also explicitly provide that all subsidiaries be managed as independent enterprises and this is a very important point. The Bill should provide, for example, that where a takeover is, shall, or is likely to result in the prevention, or deterrence, of a company from engaging in competitive conduct in that, or any other market, or the elimination or removal of that company from the current, or any other market, that a shareholder of that company may be prevented from selling their shares to the company proposing a takeover, by virtue of an order of the court on the grounds that such take over would be:

- (a) Against the right of the company, as a corporate citizen to be freely and fairly engaged in business and competition
- (b) Against the welfare and interest of consumers

An action for a court order may be brought before the court by any interested party, such as shareholders, employees of that company that is being taken over and even the Government. As our party is serious about taking the seat of government, we are prepared to make meaningful suggestions and not here to merely criticize. I would hope that the Minister would reflect on some of the suggestions I have made so far.

In PART VII, Clauses 47 and 48 speak of *application for enforcement and powers of the High Court*. The Bill allows a person to appeal to the High Court or the Court of Appeal, on questions of the law, in respect of a decision of the Commission. The issue of a question of the law will lie in the interpretation and provision of the Bill. This could only include and this may include phrases such as:

- prevention of;
- restriction of;
- distortion of competition; and
- use of a dominant position in any market place.

Indeed with the experience in other countries, much guidance on competition law will have to be garnered from case law. It raises fundamental questions as to whether our courts are the best forums to undertake such determination. I say this because it is a known fact that many of our judges are essentially lawyers, who are not trained in the analysis and application of economic law and commercial law. The vast majority of them are not financial experts, they are not economists and are not persons of commercial grounding and it may be argued that few could easily comprehend the intricacies of the operations of the economic marketplace. It follows therefore that the meaning of a word within the Bill on

Competition and its interpretation would not ordinarily have the same plain meaning, in the legal sense, as opposed to its application in the wider economic and commercial environment. In other words, it may be asking judges to perform functions that they are not ideally qualified for in the context of Guyana. We note that in Section 50 of the Competition Bill deals with *civil liability* of those who contravene the Act, it allows for any enterprise which has suffered a loss as a result of an anti-competitive practice, to later take legal action against the offending party. How will these determinations be made in our courts if there is an absence of suitably qualified judges who are versed in the law, as it relates to economics, commerce and the business world?

It is our recommendation that if an application to the court is made by the Commission, it should be able to provide persons deemed as friends of the court who are trained in economic analysis and competition thesis. We wish to also recommend that alternative dispute resolution, which is currently invoked, may be a useful medium through which disputes can be referred.

I wish to turn to anti-dumping and counter-veiling measures, which were addressed by the Honourable Minister. I think the Minister recognized the deficiency in the legislation, as it relates to this particular aspect of the Bill. Anti-dumping has been defined, in various business dictionaries, as additional duties imposed by an importing country in instances where imports at prices less than the normal price are charged to the exporters' domestic market and are causing material injury to the domestic industry in the importing country. The Bill as recognized by the Minister fails to deal with or adequately address, anti-dumping as a means of promoting fair competition. This may be, because given its complexity. This area requires a specific focus, recognized by the various CARICOM treaties which identify legislature addressing anti-dumping activities, as needed separately and in support of the competition law.

It is proposed that this Bill should not be enacted in a vacuum, but rather with all supporting and complementary legislation such as, addressing anti-dumping and counter-veiling measures so as to fully achieve its in-

tent.

On advocacy, we from the PNC/R believe that there is a need for the Bill to address the development of an approach for the Commission to advocate the Competition and Fair Trading Act in the early stages of implementation. The Jamaican experience has been that, in the first five years of its existence, the Fair Trading Commission took the position of advocacy, taking precedence over enforcement. Advocacy activities in Jamaica are still ongoing, but in concluding, I wish to say that we ought to guard ourselves against the vagaries of the international economic and commercial marketplace. While we operate with open economic borders, all countries are motivated by their own self-interest. Our legislation must therefore be country-specific to Guyana, while keeping in mind our responsibilities in CARICOM. Moreover, we wish to urge the Government to refer this legislation to a special select committee of Parliament, where these points, and perhaps other points made by my colleagues, including members of the Government, could be discussed and fleshed out, and a proper legislation passed in this House. Thank you, Mr Speaker. *[Applause]*

The Speaker: Thank you Honourable Member.

Honorable Minister of Fisheries, Other Crops and Livestock

Hon Satyadeow Sawh: Mr Speaker, I rise this afternoon to lend support to the Competition and Fair Trading Bill 2005, so ably presented by my colleague, the Honorable Minister Manzoor Nadir.

I was pleased to listen to the Honourable Member Mr Khan who preceded me stated that the People's National Congress/Reform is not opposed to this Bill and commends its objectives, because I really think that this Bill is a non-controversial one. Indeed it is timely and relevant as the Government seeks to lay the foundation for greater investments in our country, creating more job opportunities for the people of this land and thus setting the stage for a better economic life for us, our children and for generations to come. Competition sometimes brings the best

out of us. One ought not to be afraid of competition, but at the same time, one has to ensure that the playing field is level that all of us big and small have access to the resources, so that as we compete, we can put our best efforts so as to achieve the best results from our efforts. We have been told and we have read that the main aims of this Bill are to promote, maintain and encourage competition, and enhance economic efficiency. Competition and efficiency is the recipe for success and therefore, as I said, these are important ingredients, as we lay and set the stage for our economic advancement in this country.

One aim of this Bill also is to prohibit anti-competitive business conduct, which restricts competition or constitutes the abuse of a dominant position. It restricts competition. This ought to be unfettered, allowing all to compete, and therefore, it is laudable in the sense that we have to expand the economic base, invest in the opportunities that present themselves, and be assured that in so doing, we are not being deprived or being robbed. Finally, to promote the welfare and interest of the consumer and I think this is a very important point. We cannot leave our consumers unprotected or at the whims and fancies of those who are more powerful or with more influence. Of course, we know that one of the emphasis, the thrust of this Government, is to ensure that all of our people are given the opportunity to excel in a field that we so choose, particularly those who are poor and vulnerable in our midst.

We are also told that fundamentally this Bill addresses two forms of behaviour. Firstly anti-competitive agreements between firms, which are intended to reduce or distort competition such as cartels, which fix prices, limit production or divide up markets. Secondly, Page 19 Clause 24, the *abuse of a dominant position*, where a firm with about 40 percent market share restricts access to the market to competitor firms through predatory pricing, imposing production limits or exploiting consumers. We have to recognise these as the important attributes, if we are really going to put the spark in this Bill to make it efficient and effective.

I also wish to posit that the Bill before us this afternoon has strong linkages to the Agricultural Sector from both a producer and a consumer

point of view. I believe that this Bill will help to address food security concerns, in the context of alleviating poverty in our country. We are all aware that our Government has policies in place and are working diligently to restrict and ultimately to remove the scourge of poverty that still exists in not only our country, but so many other developing countries around the world. The prevention of anti-competitive arrangements and abuses of dominant positions, which could lead to artificially high prices of important food goods, will help to improve the food security situation of those individuals who are net purchasers of food or goods as we say.

This Bill will also provide encouragement to our small producers in poor rural communities. The provisions provide for abuses to dominant positions in the Bill reduce the barriers of entry to any particular market. This makes it easier for a small producer, for example, to enter into a market, as he will be less likely to face unfair competition. This has an important role to play for rural development, another important consideration in the context of poverty alleviation, because we have found that in many societies, the trend to migrate from rural to urban communities or centres in search of employment. For example, if we can create the conditions right in the rural communities, then we will not have this migration and we will, as best we could, allow and provide for equal opportunities and developments right across the country.

It is a fact that small farmers often source their inputs, such as fertilizers, seeds, pesticides, whether you are rice farmers, cash crop farmers from large importers, often in strong positions in their own respective marketplace. This Bill will help to protect those small farmers with weak bargaining positions, for many small farmers are precisely what they are - small farmers - without the time to organize, much less to bargain. Therefore, this will help to protect them from exploitation by input suppliers with strong market positions who, more often than not, overprice their products. We are committed again, to help the small producer, consumer particularly, from these tendencies that occur ever so often when their inputs are so important for their crops and their survival. The same argument can be made for protecting small farmers against questionable middle-men, (as we call them) who may seek to abuse their monopoly

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powers to purchase produce from at uneconomic prices. We have examples across our country, which tell of such a situation where, because of their vulnerability, distances to travel, farms, how is it that they are able to get a good price for their products? They are, more often than not, left to the vagaries of the middle-men.

It ought to be noted that this Bill does not preclude small farmers from uniting in groups to form importing cartels to buy in bulk, for example. And this is important to note, as such behaviour will lead to economic efficiency gains through the exploitation of the economies of scale. This is something that we are actively pursuing. For example, the importation of fertilizer, which has reached astronomical prices today and if our small farmers through their cooperatives can purchase at a good price, we ought to encourage that.

This Bill supports current developments in the Agricultural sector in Guyana. We are faced with the threat of ever-increasing competition on international, agricultural commodity markets. We are all aware of the recent cuts by the European Union on our sugar price.

This Bill seeks to improve the local competitiveness of our own commodities. How we can increase our competition and productivity by keeping the cost of production down. While increasing productivity locally is good, I posit that it is not enough. It is a necessary stepping stone, but we have to go further, we have to add value to that, because the world in which we live today has changed dramatically. We have to ensure that what we produce, how we produce, where we sell, how we transport, how we package it, how we display it, and at what price we sell the produce for are all in conformity to the demands of the modern world in which we live.

So I suggest that this Bill will allow our farmers to apply themselves, through the technology that is available today, to enhance their skills, to allow us to glean that competitive advantage that is so necessary to us, not only to compete, but to compete effectively and to survive in this very competitive world environment in which we find ourselves. Due to

the difficulties facing our traditional crops, you know that we have pursued a policy of diversifying away from rice and sugar, our traditional crops which have served us well over the years. We are also diversifying from within these two crops also, but outside of them, we have to be able, as a small economy to broaden our economic base. This Bill will facilitate the process, as it reduces the barriers to entry into any particular market thus making it easier for farmers to access new potentially remunerative lucrative market opportunities offered by non-traditional agriculture. You will be pleased to know that our non-traditional agriculture exports to other countries have increased consistently year after year. I have no doubt that when we meet at budget debate, it will be any different than the ones we have had before. [*Interruption: 'Leave that for the budget.'*] Certainly, we will leave that in the budget time.

This Bill will also provide benefits not only nationally, but at a regional level with the advent of the Single Market and Economy. The removal of tariff barriers in the region for agricultural products, new market opportunities arise, and our exports to the region have increased. However, there is still the threat that without proper competition regulations in place, and we recognise the point that was made by the previous speaker that these benefits could be nullified if businesses collude to divide markets geographically, agree to fix prices, restrict entry to non-member cartels or those firms in a dominant position regionally, could abuse this power at an international market. Therefore we have to proceed with caution and be cognisant of the dangers ahead of us as we move in this direction.

Thus this Bill fits in with the community competition policy, which deals exclusively with cross-border anti-competitive conduct. This will allow Guyana as a net exporter of agricultural products to continue to enjoy the benefits that have accrued from the abolition of tariffs under the Single Market and Economy.

So Mr Speaker, for these and all the other reasons that have been elucidated here this afternoon, I wish to commend and support this Bill in this Honourable House and ask all of our colleagues to do likewise. I thank you, sir. [*Applause*]

The Speaker: Thank you, Honourable Member.

The Honourable Member Mr Ivor Allen.

Mr Ivor Allen: According to the Paper before this Honourable House, the Competition and Fair Trading Bill 2005 aims to promote, maintain, and encourage competition and to prohibit the prevention, restriction, or distortion of competition, and the abuse of dominant positions in trade.

It also aims to promote the welfare and interest of consumers and to establish a Competition Commission for connected matters.

This Bill, as the Minister rightly said, originates from and closely mirrors the draft prepared by the CARICOM Community Secretariat 2003. It forms part of the CARICOM strategy to deal with trading issues arising out of the implementation of the CARICOM Single Market and Economy.

An essential aspect of the provisions developed to create CSME is the competition regime, which now constitutes Chapter eight of the revised Treaty of Chaguaramas. The purpose of the competition regime is to prevent the reversal by firms or individuals of the benefits to be derived from the removal of governmental barriers to the free-flow of goods and services, through anti-competitive conduct, such as price-fixing and the dividing up of markets geographically to the detriment of consumers and competitors. Indeed, the beneficiaries of this regime are expected to be consumers, as well as producers, given the anticipation that the removal of the barriers to entry will encourage entrepreneurship.

Further, the integration of the production of goods and services, which is considered essential towards realising the developmental strategy being embraced, depends upon the free flow of investment within the region which, in turn, has to be policed by a competition regime to prevent the barriers being re-established by incumbents.

Against the foregoing, I must commend the Honourable Minister for taking the necessary steps to ensure that Guyana is CSME-ready, insofar as the trade laws are concerned. Indeed, I was almost tempted to

describe this Bill as a commendable document, save and except where it speaks to the question of penalties with which I will deal later.

However, I am constrained to raise a few pertinent issues, which would appear were not considered, but which are crucial to the future prospects of our economy once CSME becomes operational.

While there is no doubt that a competition and fair-trading regime would protect the CARICOM integration process, there is need to test the benefits that are anticipated in the national economy. In the larger economies like Trinidad and Tobago and Jamaica, which have vast human and capital resources, the competition process leads to efficiency, both static and dynamic.

However, in our own country, the paucity of resources, coupled with our structural rigidities, do not provide a favourable environment for innovation. It is clear and Minister Sawh confirmed that this Bill is based on the idealistic premise of a level playing field. It assumes that in the face of competitive pressure that firms will:

- (a) be forced to produce at the lowest possible cost in order to offer consumers a competitive price;
- (b) will make the most efficient use of resources; and
- (c) be innovative in order to have a competitive edge over their competitors.

This Bill is also premised on the assumption that the market process will depend upon the individual strategic behaviour by firms and individuals and that this would lead to collective general welfare benefits. In such a scenario, it is obvious that firms which cannot improve their efficiency in the face of competition will be weeded out.

While it is recognised that there are winners and losers in a competition regime, conventional wisdom holds that the negative social impacts should not be addressed within competition laws, but rather by other govern-

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ment policies, which would provide for welfare, retooling of labour, and incentives for the re-allocation of resources. In the case of Guyana, there are no such provisions. Our situation is worsened by a population that is too small to allow businesses to benefit from the economies of scale. Its tax regime is harsh to the point of being repressive, an unfavourable exchange rate and a production infrastructure, which is largely in tatters. I must also add to that daunting list, the erroneous electricity rates, which are being rapidly increased. The pertinent question then becomes, how can local manufacturers be expected to compete effectively?

There are some other questions which come to mind such as, can one realistically expect to stimulate dynamic efficiency in small, open economies such as ours by introducing competition law?

Given that competition policy promotes liberalisation at the borders, should we anticipate a rapid demise of local industries when faced with unbridled competition from foreign firms? Already we are faced with product invasion from Trinidad and Tobago and Barbados, which has seriously eroded the economic stability of several of our local businesses.

Do CARICOM States have the capacity to address the problems of losers in a regime in the way developed countries do?

Finally, is there a need for us to retain governmental barriers at the borders to entry in vulnerable sectors in small economies to protect public interest?

The famous revised Treaty of Chaguaramas did recognise that the introduction of CSME would likelier than not, in its initial stages have negative trade impacts on some member States. In their wisdom, they established Chapter 7 of the Treaty, which speaks of a regime for disadvantaged countries and regions and sectors within the framework of the Treaty. I have perused the provisions as set out in Chapter 7 and I am persuaded that the intent was for its implementation to either proceed with the enactment of the legislation that is now before the House or at best be done in tandem. I am therefore disappointed that the Honour-

able Minister has not found it necessary to inform Parliament as to the steps taken by his Administration to utilise the facilities provided under this regime. I would not wish to harbour the thought that nothing has been done to date.

Further, according to Article 142, Section one, the object of this regime is to assist the disadvantaged countries, regions, and sectors, toward becoming economically viable and competitive by appropriate interventions of a transitional or temporary nature.

I will cite a few of the provisions of the regime. Section 2 of the said Act advises that the interventions may include:

- (a) technical financial assistance to address economic dislocations arising from the operations of CSME;
- (b) special measures to attract investment in industry;
- (c) transitional or temporary arrangements to ameliorate, or arrest, the adverse economic and social impact arising from the operations of CSME;
- (d) special measures to assist industries to become efficient and competitive,
- (e) assistance intended to achieve structural diversification and infrastructural development; and
- (f) assistance for economic enterprises disadvantaged by the removal of inter-regional barriers.

Another provision under this regime, which would be of particular interest to Guyana, deals with the promotion of investment, as is set out in Article 147, where it is stated that the Council for Finance and Planning shall promote investment in disadvantaged countries by facilitating:

- (a) the establishment of joint ventures among nationals of the disad-

vantaged countries, as well as between members of disadvantaged countries and nationals of other member States;

- (b) the establishment of joint ventures between nationals of disadvantaged countries and nationals of third countries;
- (c) investment for economic development, investment and diversification including diversification in the agriculture sector, research development and the transfer of technology in the development of disadvantaged countries ...

and this is important for us

- (d) also capital flows from other member States to disadvantaged countries through the conclusion of double-taxation agreements and appropriate policy instruments.

The framers of the Treaty went on:

Article 151 speaks of sensitive industries. In our case, I am particularly concerned for the agricultural sector. Provision is made here for the council of Trade and Economic Development to authorise a member State, having a sensitive industry which can be disadvantaged by the operations of CSME, to suspend the community treatment with products from other member States and they go on and on.

Article 156 makes special provisions for the treatment of highly-indebted poor countries. This Administration has exerted significant energies and resources in promoting Guyana as such, so that the Honourable Minister will have no problem in establishing our credentials in this regard. And I am certain that we will derive the maximum benefit from this provision.

I also wish to mention that Articles 157 and 158 make provision for technical and financial assistance, and their developmental fund, respectively for member states deemed to have been disadvantaged.

There are many challenges which will have to be faced with the intro-

duction of competition law in Guyana with which we have no experience. If I may be so bold, I venture to suggest that, as yet, the specifics of such challenges are not fully understood. Indeed Jamaica, Barbados, and St. Vincent and the Grenadines are the only CARICOM States which have introduced legislation on competition so far, and only Jamaica and Barbados have implemented their regimes. In St. Vincent and the Grenadines, the law is yet to be promulgated and the Competition Authority has not yet been established. In Jamaica, to which reference has been made, enforcement has been primarily a consumer protection, rather than anti-trust and the Barbadian regime is still in its infancy, having only been established in 2003. Trinidad and Tobago and the OECS States are now in the process of developing such laws.

I wish to return to the matter of penalties, as set out in this Bill and to draw your attention to what appears to be haphazardly-assigned penalties. I hope that the following examples will suffice and speak for themselves:

- Page 10, Section 7 speaks of a person who does not cooperate with the Commission, thus incurring displeasure and the fine there is one million dollars or three months imprisonment.
- Page 15, Subsection 14(8) talks about persons who, in any way, obstruct an investigation, or the inquiry of the commission, will be fined ten million dollars, or face imprisonment of six months.
- Page 16, Section 16, says that a person who knowingly gives false information will be fined one million dollars or imprisoned or three months.

Failing to terminate an anti-competitive agreement will be met with a fine of fifty million dollars and imprisonment of one year. The man would get the same thing, because he gave wrong information. It is just the fine is different.

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And failing to cease the abuse of dominant positions, which is critical to achieving the objectives of this Treaty, will only attract a substantive fine of fifty million dollars and one year in jail.

In conclusion, I am persuaded that, though this Bill is necessary, in terms of CSME, it is somewhat futuristic. I suspect that as a consequence of the accelerated outward migration from Guyana, which has sadly become the signature legacy of this administration, is that we now lack the human resource capacity, as a nation, to successfully satisfy the requirements of this Bill. I am bold to suggest that this bill serves as a stark reminder that, notwithstanding the incessant doses of pre-election *tactitudes* to which the Guyanese populace is subjected to *ad nauseum*, we are way behind our CARICOM colleagues insofar as they are able to benefit from the opportunities which will accrue from the creation of CSME.

I am further persuaded that if we accept this Bill in its present form, without availing ourselves of the full benefits of the provisions under Chapter 7 of the revised Treaty, we will run the risk of re-colonisation for ourselves as dependencies of our CARICOM sister States.

It is against this background that I propose that this Bill be placed before a Special Select Committee to seek to solicit recommendations from all related agencies and organisations including, but not necessarily limited to the following:

- Ministry of Trade and International Cooperation;
- Faculty of Social Sciences in the University of Guyana;
- Attorney General's Chambers,
- Guyana Manufacturer's Association,
- Chamber of Commerce;
- Guyana Revenue Authority; and

- The Commercial Banking Sector.

This will ensure that the Bill benefits from a wide cross-section of expertise for the good of the nation.

I also wish to encourage the Honourable Minister to urgently address the provisions of Chapter 7 of the Treaty so that the nation will benefit fully from the provisions contained therein. Thank you, Mr Speaker.

The Speaker: Thank you, Honourable Member. Honourable members, we have in our presence today Ms J David, Minister of Community Development, Culture and Gender Affairs from Trinidad and Tobago. Ms David is here in Guyana on a visit to attend a seminar on Women in Leadership and Governance. I believe that some of our female parliamentarians will be involved in that. Ms Davis is accompanied by Mrs Jacqui Sampson-Jacent, the Clerk of the Parliament of Trinidad and Tobago, and most of you will remember her. She participated with great distinction in our recent seminar. I would like to welcome them both to Guyana and to the National Assembly and hope they enjoy their short stay. Thank you. *[Applause]*

The Honourable Member Mr Lumumba

Mr Odinga N Lumumba: Mr. Speaker, I stand to support this Bill.

First of all, I would like to commend the Member of Parliament Mr Allen for some of his thoughts, but I think he has missed a few things. I think that a favourable environment for competition can only come from democracy, access to financing and the opening up of international markets. It is impossible for a government to guarantee the success of any specific company and particularly in a free economy. Government's role is to ensure that there is a level playing field and to ensure that everyone has access to whatever instruments we have to ensure that we can par-

ticipate in the economy.

If we look at Guyana today, as opposed to the period before the PPP/C Government, we will see all the problems that Mr Allen spoke of. Today, whether they like it or not Guyana is, in fact, a democratic society with an economy that has allowed thousands of new business to progress, from construction to farming.

Another misunderstanding is whether Mr Allen is suggesting that we should wait on the rest of the world and the Caribbean before we enact legislation to protect our citizens. I said, there might have been a misunderstanding, but I hope this is not his intention and he will have adequate time to respond to that.

What surprises me is that this is not a very complex Bill, it is very simple. I would like to emphasize a few things. *An Act, to promote, maintain and encourage competition and to prohibit the prevention, restriction or distortion of competition and the abuse of dominant positions in trade; to promote the welfare and interest of consumers, to establish a Competition Commission and for connected matters.*

I would also like to go to Page 9 Sub-clause 6 (1) where it says, the *Commission shall discharge the following functions:*

I want to emphasize these things so we can clearly understand what are the basic objectives of the Bill?

- (a) *keep under review commercial activities with a view to ascertaining practices which may be adversely affecting the economic interest of consumers;*
- (b) *order, on its own initiative, or at the request of the Minister, or any person, such investigations in relation to the conduct of business that will enable it to determine whether an enterprise is engaged in business practices in contravention of this Act.*

I would like to look at another part, because I think that the Member of Parliament did not read the Bill. I am just trying to help him.

On page 30 Clause 42, the issue of *misleading advertising* is also a fundamental part of this Bill. I just want to make two points on this:

- (1) (a) make a presentation to the public -
 - (i) *that is false or misleading or likely to be misleading, in a material respect;*
 - (ii) in the form of a statement, warrant, or guarantee of performance ...

This Bill tells you a lot about the PPP/C and its willingness to enact a legislation that deals with the protection of humanity and that is the main objective of this Bill:

- Our concern for humanity;
- our concern for the public;
- our concern for the people; and
- our concern for our citizens.

This Commission is to protect our people from the merchants who could be abusive and those who will be abusive. This Government is not anti-private sector. This Government is pro-growth and supportive of the private sector. In order to preserve competition, governments must ensure equal access to competitive measures by all, and at the same time, we, the government, must not stifle growth in any, way or in any way hinder the normal practices of competition.

Because of the PPP/C is in government, the days of one major contractor are long gone. Because of the PPP/C, the days of one architect are long gone.

Because of the PPP/C, the days of one major participant in the gold or diamond industry are long gone.

Because of the PPP/C, the days of one major supermarket are long gone.

Because of the PPP/C the days of one or two farmers are long gone. Now we have thousands of farmers.

Because of the PPP/C, the days of a few controlling the wealth of the society are long gone.

This Bill represents the ideological position of a Government which recognises that their main function is to implement activities and programmes that are conducive to human development. The Bill is part and parcel of the PPP/C's strategy to put in place safeguards, through institutions that will not be controlled by Government, but institutions with capable citizens who will address issues that are before us today. Even today, we know that we are in a free market economy. We have open competition, and it is important that we do not participate in any juvenile exercise. My good friend Jerome Khan has called for the granting of licenses to all who apply, so if one thousand people apply for radio licenses, we should give a thousand people. I recognise Jerome's capacity for business, but I am sure that he does not mean that. I am sure that was a slip of his tongue. Even in a developing and progressing society, things must be managed.

A country of over 750,000 citizens cannot manage three dozen radio licenses. However, I agree that the system and the process must be opened, but it must be done in a scientific way. We are not here today to have a dominant position in this debate. We are here to express or to provide our citizens with the best Christmas gift that they could have. One that will protect them from greedy merchants and will ensure that we will continue to have a competitive society - a society where they can have options: where those options are to any contractor, to any store or to any commodity. That is why we are here today. And if we think that

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we want to give our citizens a good and excellent Christmas, the best way to do that is to protect them on a daily basis and I think that is what the PPP/C is about. Thank you, sir. *[Applause]*

The Speaker: Thank you Honourable Member.

This is a convenient time to suspend for half an hour.

16:00H

THE SITTING IS SUSPENDED

16:50H

THE SITTING IS RESUMED

Mr Carberry, who is the next speaker? I left my file on my desk.

The Honourable Member Mrs Sheila Holder

Mrs Sheila VA Holder: Mr Speaker, for those of us who have an interest in consumer protection, this piece of legislation takes us one step further in the direction of a desirable framework in the consumer protection agenda, as well as fulfilling a crucial element for implementation of the CARICOM Single Market and Economy. I welcome it, will give it my full support and consider it appropriate to express appreciation to the Honourable Minister Nadir, for making the Bill available to me several months ago.

Mr Speaker, this Bill is important for several reasons. Indeed, it is one

phase that is required to get Guyana prepared for the CSME indeed. But, more importantly, it offers for the first time, some level of protection for businesses and consumers against unfair competition. However, it does not absolve consumers from being watchful, and consumer-smart, assessing relevant information in order to be properly informed and to ensure satisfactory after-sales services from goods and services.

I am pleased to say that public utilities will be subject to competition and fair-trading practices, for it is only when these basic services become competitive within the constraints of the Guyana market reality, that access to and affordability of public utility services will be achieved. Given that these standards are now used internationally is an indication of how democratic a country is, so achieving these benchmarks will be most desirable for us. But in order to reap the benefits from a piece of legislation such as this, Guyanese consumers would need to have greater amounts of disposable income. This would not be realised unless Guyana emphasizes her competitiveness and her ability to create greater opportunities for income-generation and job-creation. The longer it takes for a business to get going and get established, it is the less developed a country is deemed to be.

Mr Speaker, take for instance the comparison between Guyana and Singapore, it takes one day to get a business set up and running, in Singapore, in the US it takes two days, in Guyana it takes over two hundred days of anguish, trials and tribulations and miles of red tape.

Over the last ten years, the administration's preferred choice for dealing with claims of Guyana's inhospitable business environment was treated with a massive dose of propaganda that sought merely to cover up the problem. Regrettably, many years have passed by while many investors have fled the country, passing on horror stories of their experiences, which did not only serve to deter others, but which has left a very bad impression of our country.

In the global growth competitive index for 2005 to 2006, Guyana finds herself being rated virtually at the bottom of the scale. In fact, we are

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rated at 115th position out of the 117 countries evaluated. Chad beats us for the lowest rating.

On the business competitive index, Guyana is rated number No. 7 from the bottom of the scale with East Timor and Chad rated second-to-last and last respectively.

Mr Speaker, it cannot be ignored that, for the last five years, this country has seen no economic growth while the agency for investment Go-Invest continues to boast about large levels of investment. Clearly, such propaganda spins have fooled no one. Responsible, policy-makers in the Administration should want to enhance Guyana's competitiveness by analysing the key deterrents and weaknesses to economic growth and prosperity. Studies have revealed a correlation between economic development and the length of time it takes to establish a business in a country.

For Guyana to reap the benefits promised in this Bill, the Minister will have to focus urgently on developing a national strategy for enhancing competitiveness in every sector where, after forty years of independence, traditional sectors of the economy, including rice, sugar, forestry and mining, require restructuring to their improve competitiveness and out-mode production practices. While we all know that preferential prices for our sugar have dropped drastically, the Guyana Government has little time to get its act together.

Therefore, Mr Speaker, fundamental to this, must be government's willingness to change failed policies and accept that the quality of governance is a major source of poverty and misery in the world.

Mr Speaker, in closing, I propose to the Honourable Minister that he establishes a monitoring committee, over a period of time, to ascertain the implementation of the Bill before the House today. I thank you.
[Applause]

The Speaker: Thank you, Honourable Member.

The Honourable Minister of Tourism, Industry and Commerce

Hon Manzoor Nadir: Mr Speaker, let me thank the Members who made presentations to the Bill and also those who express support for the Bill, but as usual, I think, quite a few persons looked at making political points for the sake of making political points and in particular some persons deviated from the Bill before us.

Let me first deal with the last speaker the Honourable Member Mrs Sheila Holder and to say that there is a comprehensive strategy being developed to enhance competitiveness in the Guyanese economy and currently, as I mentioned in my initial presentation earlier this afternoon, we are already close to completing four distinctive elements in this strategy. It addresses many of the points raised by the Honourable Member Ivor Allen, to deal with infrastructure development and the time it takes to develop business ... and I understand him skilfully working... he is an old member of this House and a very learned person in terms of politics and business and the political economy. He did a good job. In so doing, trying to establish that while we are moving steadfastly in Guyana to implement the provisions for CSME, we are not making the best use of the provisions in Article 7 that will help to redress some of the imbalances which the CSME will deal with and that is under active consideration. Guyana is at the forefront, in terms of pushing for the Regional Development Fund and redress for the smaller economies, the disadvantaged economies that CSME will certainly bring about. But let me assure both the Honourable Members Mrs Sheila Holder and Mr Ivor Allen that the issue of enhancing competitiveness dealing with the Guyanese business environment is the subject of an intensive round of discussions and consultations, which culminated on 5 December with a joint presentation by the Government to the donor community and the Guyanese business sector, the strategy for enhancing competitiveness and a strategy that sees itself firmly fixed within the national develop-

ment strategy of the country. I guess we will have an opportunity later on this evening and possibly to talk about that.

Mr Speaker, I want to get back now to some specifics that were raised by the Honourable Member, Jerome Khan, and he did a good job in trying to raise some issues, but apparently he looked at the Bill with a torch light that was fixed with the beam in one position, so he missed some of the other parts of the Bill.

Let us talk about the issue of advocacy, and Mr Khan said that we need to look at advocacy, and he recommended that in the first five years we do not look at prosecution, but that we deal with advocacy. Subsection 6(2) says:

The Commission shall -

(a) make available -

- (i) to persons engaged in business, general information with respect to their right and obligations under this Act affecting the interest of consumers;
- (ii) for the guidance of consumers, general information with respect to their rights and obligations of persons under this Act affecting the interest of consumers;

Firmly entrenched Honourable Member, in the Act, is provision for education and advocacy.

Mr Speaker, if we turn to Subsection 25(2) (b) the issue therein that, even when an investigation happens, the Commission have the capacity here to give some directions to the abusive entity to cease the practice immediately, for a particular period of time, before we go into this issue of penalties and draconian measures for very harsh impositions of penalties that can put people out of business. We had the issue of whether Guyana is prepared for competition policy or if the economy of Guyana is too small and the principle of economic policy goes back to the days

of Adam Smith and the theory of perfect economy, perfect competition.

In that scenario, it speaks of ensuring that prices are set at the equilibrium price, where supplies equal demand and anything that deviates from that causes what is known as producers' surplus and loss to consumer welfare and only in that equilibrium state, in a perfect economy, that we will have optimum utilization of the economy based on the market system. But what happens is that none of the economies are in perfect competition. And so the need for consumer protection legislation for consumers and competition policies, in particular, so that we can have the optimum use of resources is necessary. The hundred countries that have it today do not have it because it is nice, it is safe, it is esoteric. They have it because it deals with the optimum utilization of scarce economic resources; that is the bottom line and the economic theories. The Honourable Member Mr Murray knows are all set and it is almost through.

One of the issues raised was whether Guyana would have the capacity to look at hiring people with the technical knowledge and there is some concern raised about that, but that is specifically addressed within the Act itself. In fact, Subsection 12(6) deals specifically with this issue, of the skills required and so the Director of the Commission could hire outside people with the technical skills. We envisage that we may not have that amount of cases brought before us, and so investigators with the technical skills could be hired so that we can effectively look at enforcing the provisions within the Act.

And how important is the issue of staffing, and the capacity of the country to respond to it?

Jamaica established their Commission in 1991, and many of the companies in the Caribbean do follow some semblance of international best practices. For a number of reasons, the companies that they do business with in the international world - those first-world laws require their businesses to operate in developing countries as if they are operating under those conditions. When we look at the Jamaican experience, in

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terms of competition policy and I am reading here, Sir, from United Nations Paper 2005 Voluntary Peer Review, on Competition Policies in Jamaica, we see these are some of the issues that have popped up, abuse of dominant position - there were eleven cases in 2000, six cases in 2002, eleven cases in 2003, one case in 2004. The most prevalent issue brought before the Jamaican Commission over this four-year/five-year period was the issue of misleading advertisement:

145 cases in 2000, 131 cases in 2001, 464 cases in 2002, and 205 cases 2003/2004. So, for the Budget, would we have the capacity to finance a Competition Commission? I think we have. The Jamaican Commission started with a budget of about J\$500,000 in 2001, today is just about J\$2 million. We also have the backup. What is envisaged within the CARICOM Competition Commission is that those countries that are going to be hard-pressed to establish their national authorities could use the Caribbean Competition Commission, which right now - the proposal, the structure, the funding of it is before COTED at this very moment. So we have a number of avenues to address the issue of implementing this Act.

Mr Speaker, at the very moment, we have consultants who are putting together the structure of our commission, what the possible budget is going to be, we will be happy to share that in a few weeks time with the Honourable Member, Mr Jerome Khan.

Mr Speaker, we are in the early stages of implementing competition rules in Guyana, and the issue was raised whether the courts would have the capacity and if they are going to be technically qualified to deal with those issues. I recently had to say to a couple of lawyers that I admire the capacity of the people in the legal profession to deal with issues in every sphere of life. I admire that, and the issue here is the courts' capacity to adjudicate fairness, based on the principles put before it, and I have considerable faith in our courts to do that. Even now, Sir, we still have on the drawing board the issue of a commercial court that will have with it the capacity and the resources to deal with business and commercial issues.

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Mr Speaker, we have looked at a number of issues within this Bill and it is framed in such a way to suit our particular circumstances in the Caribbean, the small competitive island economies and Guyana - and we have changed a bit of it.

Perhaps the final point I should make in rebutting some of the issues, is the issue of the Public Utilities Commission, it gives consumers and businesses another opportunity. If I could remember correctly, the Public Utilities Act really deals with respect to rate setting, to achieve certain rates of return pre-agreed upon in agreements, but under the Competition Commission the Public Utilities have to deal at this area of competition and we might have the issue of television station. Somebody made the issue of Government's monopoly of electronic media. We can cite places like Barbados, with one government-owned television station, in Guyana we boast of about twenty five television stations throughout the length and breadth, even in Port Kaituma. Those who may not have travelled to Port Kaituma, they have two cable channels at this very moment.

Mr Speaker, the issue before us, in terms of the Competition Commission, is that we are putting laws in place, even if our businesses are tending to behave as if they are in good competition, and not oligopoly and monopoly. We are putting laws in place to ensure that if there is abuse, then there is redress here. I have to compliment Minister Sawh for his presentation, because he raised a very subtle issue, which deals with the issue of monopsony power, not monopoly power, but the issue of monopsony power.

Mr Speaker, monopsony power exists where there is concentration in the buyer's hand, not the sellers' hand, where there is confinement. I do not know if Jerome did that research.

In one of the sections of the Bill, it deals with the particular issue, where buyer power exist, that that could be dealt with in the Act itself and I think he raised that issue when he spoke to the Motion.

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And so, Mr Speaker, we have before us a Bill that is, in principle, necessary for a free-market economy and the Government has no reservations whatsoever to send this Bill to a Special Select Committee. I trust that the Special Select Committee will meet urgently so that we can have its report tabled in the House before the end of 2005.

So, Mr Speaker, I want to thank those who once again made presentations to the Bill, and I commend the Bill for its Second reading. Thank you. *[Applause]*

The Speaker: Thank you, Honourable Member.

Is there a proposal Honourable Member that the Bill goes to a Special Select Committee?

Hon Manzoor Nadir: I now move that the Bill be sent to a Special Select Committee and that we complete our work before the end of 2005.

The Speaker: Honourable Members, please let me complete the formalities.

Question put and agreed to

Bill read a Second time

[Bill committed to a Special Select Committee]

The Speaker: Honourable Members, we can now proceed to the next item on the Order Paper.

ITEM 2 - LOCAL AUTHORITIES (ELECTIONS) (AMEND-

MENT) BILL 2005 - Bill No. 19/2005 published on 2005-11-10.

A BILL intituled, An Act to amend the Local Authorities (Elections) Act to provide for the postponement of elections of councillors of local democratic organs.

Honourable Minister of Local Government and Regional Development

Hon Harripersaud Nokta: Mr Speaker, the Bill before this Honourable House Local Authorities Elections Amendments Bill 2005 is a pretty straightforward Bill, hence I seek the support of both sides of this National Assembly.

Elections of Local Government authorities have always been uppermost in the minds of us on the Government side. We see periodic elections as a medium through which changes can be made in the composition of councils, people's participation in decision making and promote democratic processes, to which the Government is committed.

As a result, the taskforce that was set up has been examining all aspects of Local Government Administration. They are to come forward with recommendations to be enacted for the benefit of taxpayers. That taskforce is to continue meeting and matters related to its mandate are engaging the attention of that body. While the work of that taskforce is not moving expeditiously as one would expect, nevertheless, some grounds have been covered, thus the need for more time.

It is expected that with a proper voters' list, changes in the Local Government laws and other vital aspects, Local Government Elections will be held.

In view of the impending general and regional elections coming up in 2006, it is the Government's desire to have Local Government elections

held as soon as possible thereafter.

Mr Speaker, I now request, on behalf of the Government, the postponement of such local government elections, which are to be held in December 2005 and that such elections may be held within twelve months from, 1 December 2005, as is stipulated in this Bill.

Mr Speaker, I now respectfully seek the support of all Members, on both sides of this House, in passing this Bill. Thank you. *[Applause]*

The Speaker: Honourable Member Mr Vincent Alexander

Mr Vincent L Alexander: Mr Speaker, if Local Government Elections are to be postponed, they are *fait accompli*. I think this is the eighth year, if I am, not mistaken, that we are engaged in this ritual of the postponement of Local Government elections - eight years.

Mr Speaker, we need to reiterate on this side of the House, first and foremost our difference on the question of the postponement of Local Government Elections. We know the court is still to make a determination, but at the same time, we are of the view that while the postponement of the Local Government Elections are *fait accompli*, that the continuous postponement of elections of Mayors and Deputy Mayors, Chairpersons and Vice-Chairpersons, need not occur. In fact, the country and the Local Government bodies in question may have done a little better if some opportunity was given to them to at least have new leadership. And so it is unfortunate that the Government seeks to impose on the people of the various towns and Neighbourhood Democratic Councils, the same old leadership, and then, when it suits their fancy, they seek to replace those councils by IMCs. I have heard recently of another intention to create another IMC somewhere in West Demerara.

Mr Speaker, what bothers me the most, it is a statement made by the Honourable Member about the taskforce and the work of the taskforce.

This taskforce last met about one year ago. We probably have an anniversary today and some people are so distant from honesty that they

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want to suggest that we are boycotting it. That is a tremendous distance from honesty.

Mr Speaker, we last met last year and when we last met I was advised, at that time, that the Honourable Member and Co-Chairperson of that taskforce, who is the speaker after me, wish to consult with his colleagues and his principals so that he may re-engage in the taskforce, in discussions specific to the electoral system for Local Government. As I said, one year has passed with not a single word in response to a promise to get back to me for the work to continue.

I could hardly consider that one could report to anyone, be it to the House, which has happened today, be it to the nation, as has happened on other occasions, that there is still a taskforce. I can hardly believe that.

Because, there is a history to this non-meeting of the taskforce, it is not the first time this has happened. In all fairness, I think Mr Collymore has been honest enough to indicate that he was merely an instrument of what has happened, and that he was not one who was the cause of what happened and he has my fullest sympathy. Unfortunately, given the scope my party gave me to engage in those discussions, I cannot empathize with him, but I can sympathize as I do now, with him.

But, Speaker, I do recall that when the work of the task force had come to a halt, and when there were tremendous difficulties on my part and on the part of my party to have the work recommence and that the expert came from overseas. Even in the presence of the expert attempts were made not to have the taskforce meet, but we worked diligently and the taskforce was able to re-convene.

And so, Mr Speaker, for me, the fact that the taskforce is not meeting seems to be by design to ensure that, like has occurred with other groups, other taskforces that this taskforce should not meet.

And although I wonder whether in fact, we are not seeing some fear that

what happened with the taskforce that had to deal with broadcasting, may happen with this taskforce as well. I remember when that taskforce reported, the Honourable Member on that side who is absent, Minister Gail Teixeira praised the work of the taskforce, the cordiality and all of that of the taskforce, and the fact that they have come to consensus in a report.

But lo and behold, when the draft legislation came out, it was a far cry from what the taskforce had agreed to and I am wondering whether there is a fear that this taskforce had the capacity to similarly come up to the consensus that may be a far cry from the legislation which will subsequently be produced by the Government, and so, to avoid that, they are trying to stymie the work of the taskforce. And no one can deny that the work of the taskforce had in fact been stymied. Though public statements are made that there is a taskforce, and it is even suggested that the taskforce is working, as was stated here today by the Honourable Minister Nokta. Again, this public disclosure does not reflect the reality. In fact, I would say that there is really no taskforce at work, and I have a sneaky suspicion situation that this taskforce will only be activated after the elections of 2006.

The People's National Congress/Reform promised the nation that we will put the taskforce to work and we will include you to bring its works to conclusion, so that we can move to have elections that are kept in a format reflective of the wishes of the people of this country. The people of this country unequivocally, irrespective of their political allegiance, made it clear to the taskforce that they wanted a system mainly of constituencies, and first-past-the-post, insofar as Local Government was concerned. They wanted individuals to be able to face the polls in their local areas. They said it in Black Bush, just as well as they said it in Linden and so we are committed to ensuring that the wishes of the people are realised.

Mr Speaker, it is another day of the ritual of the postponement of Local Government elections. As I said, it is a *fait accompli*, but we need to ensure that the records are clear. On one hand, we do not agree that the

interpretation of the law behind which Members on the other side hide, is that there should be no elections of Mayors and Deputy Mayors, Chairpersons and Vice Chairpersons. One gets the impression that the Government is very comfortable with certain Mayors and Deputy Mayors. You want these Mayors where you could curse and when you curse them they say nothing. For some reasons they have a fear and so you keep them there. When you want to invite them to walk the city and to share out little handouts, then you have them walk around with you, and then you castigate them after, when something has gone wrong, and all is well, because they are still in office.

And so we have a problem with that situation, and they have a problem with the fact that there is no political will or no political desire to get on with the work of the taskforce in order to ensure that much that could be done will be done. Because as they come to discuss the National Development Strategy they will see that there is much that needs to be done with Local Government and that this taskforce is not just about elections but it is about fiscal policies it is about human resources local government. The entire work of the local government is being held back by the way in which the work of the taskforce it is being stymied.

Mr Speaker, I take my seat having gotten up enough explanations, saying that we are repeating the ritual *fait accompli* here with us. The Government has to take full responsibility for the fact that not only do we not have an electoral system, but that Local Government is going down and down, simply because absolutely no effort is being made for the level of the system of local Government to reform the system in order to give new right to open a new Government and by virtue of that to improve governance in the country. The issue at hand here is the issue of governance and democracy. Today is another sad day in the life of local government, and the life of governance in Guyana. I thank you. [*Applause*]

The Speaker: Thank you, Honourable Member.

The Honourable Minister in the Ministry of Local Government and Re-

gional Development.

Hon Clinton C Collymore: Mr Speaker, like the Honourable Member, Mr Vincent Alexander said, elections for the local government system have been overtaken by circumstances. As he said, it is *fait accompli*. What I do not agree with is how he is propagandising this matter every single year, because Mr Alexander knows exactly what is happening. He knows exactly what stage the taskforce is at. Mr Alexander knows that there is a taskforce. He also knows what the taskforce has accomplished and achieved, yet he has not said it nor spoken a word of what we have achieved. He is only harping on what we have not achieved.

Mr Speaker, this is a routine piece of legislation, which should not draw any hot air or any heat from this National Assembly. Even if we were prepared with the electoral system in place to hold elections, we do not have a voters' list. He is the one who was calling for biometrics and holding up the voters' list presentation. He is talking all the about biometrics and we do not have a voters' list. The Peoples National Congress/ Reform and the one over there have caused us to be in such situation today. He is the chief-cook-and-bottle-washer of this whole thing. *[Laughter]* So what is he talking about?

Mr Speaker, I do not want to be very long. We have achieved several pieces of legislation, one of which will certainly be presented to this House and that is the Local Government (Amendment) Act 2005. Mr Alexander was instrumental in helping to draft this Bill. They put forward proposals and Mr Basil Williams is also saying nothing. He is like Pontius Pilate, he is saying nothing *[Laughter]* I must take all the blame - Pontius Pilate.

Mr Speaker, we have the Bill which is going to come. I have already given Mr Alexander, Mr Williams and some other Members copies of the Bill. We are brushing it up to present it. And since this Bill is a very complex piece of legislation, we may have to go to a Special Select Committee. Right now we have another Bill - the Municipal and District Council Bill -which is supposed to be before a Special Select Commit-

tee. I do not want to be as Mr Alexander's intimidating, ramming or rail-road things through this House, so we kept consulting and he knows the reason for the delay. We admitted that there is a delay. Let us proceed to have the general elections out of the way and then proceed to have the local government elections.

I just want to make one final point, Mr Speaker. It is a fact that the Local Democratic Organ has been in place since 1994, and they were not supposed to be there for so long, and because of this certain things are happening. People are dying, people are migrating, seats are being declared vacant. There is a lack of interest and some councils had to be dissolved, because they only have one or two persons. If they have one or two persons then there is no quorum and the system of management needs much to be desired. They have to be dissolved. It is not a matter of corruption or corrupt practices, but because they are unable to manage they have to be dissolved in terms of the Act.

Mr Speaker, I want to say to the Honourable Member Mr Alexander, that I will keep him posted. I will keep him informed. I want to assure him that there is a taskforce and he is a Co-Chairman of the taskforce, as I am the other Co-Chairman. Sir, when we are ready, we will resume discussions. You know for a fact that we do not have anything to discuss right now. You know it.

Mr Speaker, there are only two outstanding items:

- One dealing with fiscal transfers; and
- the other dealing with electoral systems.

Both of these matters are very advanced. The draft Bills are being prepared. When they are finished, Mr Alexander, you will be given copies of the draft Bills. He knows this, but is making propaganda here.

Sir, I wish to commend that this Bill be given the necessary encouragement and support it desire. We pledge that once we are elected at the next elections, we will proceed with local government elections. I thank

you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mrs Sheila Holder

Mrs Sheila VA Holder: Mr Speaker, every year for the last decade, an updated amendment to the Local Authorities Election (Amendment) Bill has been brought by Government before this House for the purpose of postponing local government elections. That this practice has continued for such a long period tells us something about our country that is not at all admirable.

Most disturbingly, it tells us that our fledging democracy is under threat, that governance at the village and community levels is in disarray and that service to the people is a lost cause.

It is therefore not at all surprising that this cry from the people about their discontent with this state of affairs has become so strident in virtually every village and every township, in the country.

The city of Georgetown has become a national disgrace, even as it has become a sad advertisement for the obvious dysfunction of the state of local government in our country. So when President Bharrat Jadgeo boldly proclaimed recently that when the city looks good, he looks good, I hope His Excellency realises that for many years neither he nor his Government has looked good. Mr Speaker, that was the President's analogy. That is all I used.

But year after year, as Members of the National Assembly go through the motions of extending the date for holding local government elections. We are subjected to the same type of exchanges we witnessed here today between the two sides of this House.

Mr Speaker, what the exchanges tell us is that the people's welfare has become smothered in the nature of the dialogue or non-dialogue taking place between the PPP/C and PNC/R on the so-called taskforce that is

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neither on nor off. When all that is required is a decision that could focus on what is best for the people and what is best for the people must of necessity embody the return to the village system that worked well yester year, when the size of the village was manageable.

When in local government, the people managing the villages were directly accountable to the people who elected them periodically and importantly, the adoption of a policy or a formula of equitable local government financing, accommodating local initiatives for raising adequate financing in order to deliver a minimum standard of services to the people.

What will it take to earn the Guyanese people their just deserts in a local government system? I believe, it will take a change in our people's habit from endorsing voting patterns that reward economic retrogression and social decay to one that rewards good policies, and good character traits in our politicians.

Mr Speaker, I believe it will take a change in attitude, as well as at the individual level, where citizens, who now routinely look for individual solutions to national problems, would instead seek to deal with the issues of mismanagement and bad governance wherever and whenever it raises its destructive head. I thank you. *[Applause]*

The Speaker: Thank you, Honourable Member.

The Honourable Member Mrs Melville

Mrs Shirley J Melville: Mr Speaker, I rise once again, as my colleague just said, to make a contribution to the Bill before us with regard to local government.

Mr Speaker, the issue is not one of pointing fingers. The issue here is getting on with the development of the Regions and the country as a whole.

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For too many years, we have been coming here, time and time again, to have the postponement of the local government elections. It is time we stop taking the affairs of our citizens in a joking manner and become serious about getting on with the elections of local government. I thank you. *[Applause]*

The Speaker: Thank you, Honourable Member

The Honourable Minister of Local Government and Regional Development.

Hon Harripersaud Nokta: Mr Speaker, just a few points which I would like to respond to and I will tell Mrs Shirley Melville that I do not know if she is GAP or WPA or what, but I will agree with her that we have been postponing Local Government Elections for a while. I want to say, as I have said before that local government election is always a priority and is uppermost in the minds of this Government.

When I listened to the Honourable Member Mrs Sheila Holder, she made a few points which I need not go into, but I want to recommend to her that she keep quoting President Cheddi Jagan very often. Every time you speak you quote the President, you will have a lot to learn in politics.

Mr Speaker, in responding to the Honourable Member Mr Vincent Alexander, when he said that the taskforce last met a year ago, I want to tell this Honourable House that he is part of this taskforce and is Co-chairman and we have a Chairman and other members.

continued in Pt II

National Assembly Debates

**PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS BRICKDAM, GEORGETOWN**

Part II

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cont'd fr. Pt I

I would want to instruct that the taskforce meet and I hope that they will do so, because while I know there is a lot of consultations to be done, we must get along with the work of local government and the taskforce.

Mr Speaker, I want to say that when the Honourable Member Mr Alexander talks about the PNC/R putting the taskforce in action, I remembered that in this country, two persons attempted to form a political party and somebody said she will draw the dreamers, well that is a dream. I do not know if we have a fourth dreamer now, because what he is saying is just a dream that the PNC/R will put the taskforce in action.

We, the PPP/C, will put the taskforce in action. I am instructing the taskforce to meet and while we await the compilation of a proper voters' list, we will conduct an election. I hope that those on that side will not have the cause to do street-marching and all those wicked things that they have been doing.

Mr Speaker, despite that, I want to thank all for giving support to this Bill and I am looking forward that thereafter the next general elections, the Government will conduct local government elections. Thank you.
[Applause]

The Speaker: Thank you, Honourable Member.

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Question put and agreed to.

Bill is read a second time.

IN COMMITTEE

Bill considered and approved

Assembly resumed

Bill reported without amendment, read the Third time and passed as printed.

The Speaker: Honourable Members, we will now move to the next item on the Order Paper.

MOTIONS

ITEM 3 - RECOMMENDATIONS OF THE GUYANA FIDUCIARY OVERSIGHT PROJECT REPORT (THE BRADFORD REPORT)

WHEREAS on the 27th day of October 2005, the National Assembly adopted a Motion accepting, in general, the recommendations of the Needs Assessment of the Guyana National Assembly Report, and its Addendum by the Commonwealth Senior Parliamentary Staff Advisor to the Guyana National Assembly, Sir Michael Davies;

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AND WHEREAS the recommendations of the said Report have been referred to a Special Select Committee of the National Assembly;

AND WHEREAS under the Public Sector Technical Assistance Credit (PSTAC) a Guyana Fiduciary Oversight Project was commissioned;

AND WHEREAS the strengthening of the Fiduciary oversight was considered under the study of that Project;

AND WHEREAS the recommendations under Study I almost exclusively relate to Parliamentary Fiduciary Oversight;

AND WHEREAS thirty (30) recommendations have been accepted by the Government for implementation, twenty (20) of which relate to Fiduciary Oversight by the National Assembly;

AND WHEREAS there is a high degree of similarity between many of the recommendations in Study I of the Guyana Fiduciary Oversight Project and the Needs Assessment of the Guyana National Assembly Report and its Addendum;

AND WHEREAS under the Fiscal and Financial Management Programme Draft Revised Standing Orders have been prepared;

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AND WHEREAS it would be prudent that the Draft Revised Standing Orders be considered by the Special Select Committee already established by the National Assembly on the 27th October 2005, in order to avoid any inconsistencies in recommendations.

BE IT RESOLVED:

- (i) That this National Assembly refers the recommendations in Study I of the Guyana Fiduciary Oversight Project Report (The Bradford Report) and the Draft Revised Standing Orders to the Special Select Committee already established by the National Assembly on 27th October 2005;*

- (ii) That the twenty (20) recommendations relating to Parliament Fiduciary Oversight and identified in the action plan for implementation be approved by the National Assembly;*

BE IT FURTHER RESOLVED:

That the said Committee in considering the Needs Assessment of the Guyana National Assembly report and its Addendum, the recommendations in Study I of the Guyana Fiduciary Oversight Project Report (The Bradford report) and the Draft Revised Standing Orders ensures that all recommendations relating to the rules, procedures and Standing Orders of the National Assembly be comprehensively considered in the light of the aforesaid report and reported on to the National Assembly by January 31, 2006.

The Honourable Member Mr Winston Murray, you may proceed.

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Mr Winston S Murray: Mr Speaker, my sincerest apology for being absent at the time you called upon me.

Mr Speaker, I am happy that the Government and the Peoples National Congress/Reform have been able to find common ground so that the Resolution we have before us, though modified from its original form, is one that has consensus between these two parties. Sir, I think, that is a continuing development of healthy signs of cooperation between these two entities.

Sir, the aim of this Resolution is simply to put, within the framework of the Special Select Committee that this Assembly has already established, recommendations that have to do with Parliamentary oversight matters, emanating from another source than the one which brought about the creation of the Committee.

The Committee was created to discuss the Fiduciary Oversight functions of the National Assembly, born out of the recommendations made by Sir Michael Davies, in an original Report, and in an Addendum.

Then, under loan funds, a technical assistance credit was granted and the Government hired a consultant, Bradford Associates from New Zealand to undertake three studies:

- Study I - Dealing with the Fiduciary Oversight responsibilities of the National Assembly
- Study II - Dealing with discretionary powers of autonomous agencies; and
- Study III - Dealing with disclosure of public official assets.

Study I - The recommendations thereof clearly fall within the same categories as those recommendations from Mr Michael Davies' Report, which have already been sent to the Special Select Committee that we have established. And it is the view of the Peoples National Congress/Reform, which is now accepted, it would appear by the Government

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that they should sit in one place - all the recommendations pertaining to Parliament's oversight responsibility, so that a comprehensive assessment could be made of these recommendations. They could be looked at side-by-side to ensure consistency where there is common ground and where there is no common ground to bring about commonality so that there are not conflicting recommendations being pursued, because they are being run in different tracks.

I can give many examples, but I do not want to detain the House to show the high degree of overlap between the recommendations in Study I of the Bradford Report, and the recommendations in the Sir Michael Davies' Report. However, in the interest of transparency, let me point to a few of them, so that it could be clearly seen that we are not grasping at straws, but there are real overlaps here.

For example, the Fiduciary Oversight Project recommends that Parliament must be in control of its own budget, while the Davies' Report recommends that the National Assembly should be given much greater independence in respect of its own budget.

Now, we do not want these recommendations, which have so much in common, which are almost identical, to be put into two different frameworks for examination and adoption.

Then it says, *oral question time should be set down, each sitting day and Ministers must answer oral questions in the House on the day submitted.* That is the Fiduciary Oversight Project Recommendation and the Davies' Report recommends that *MPs should be encouraged to use the Standing Orders for oral question time in the National Assembly.*

So it seems to me, Sir, that the proper thing to do is to have these recommendations put in same place for assessment and consideration.

The Fiduciary Oversight Project also says *Ministers should be required to respond in writing to written questions within fourteen days.*

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As you know, Mr Speaker, under the Standing Orders thirty days is the minimum period before questions are required to be answered and the Davies' Report says, *the Government should answer written questions within a reasonable time or explain why it is not possible.*

What we would not want to happen in a recommendation of that kind, Sir, would be, for example, in considering the Davies' Report in the Special Select Committee to say that Government should answer within twenty days, because if we did not bring the Fiduciary Oversight recommendation, which has fourteen days, is the same place where we were considering the Sir Davies' recommendation on that point, we will now take two different decisions that are not in harmony with each other.

Sir, there is a very simple and straight-forward logic that underlines our recommendation - that the Bradford Report, Study I recommendation should go to the same Special Select Committee. But I believe what caused the initial reluctance to put them there, Sir, was that these studies emanated from two different quarters.

In the case of the Sir Davies' study and recommendations, they were under the direction of the Speaker and it was the Speaker who superintended that arrangement, and so it was natural the place to which the Speaker would refer a report dealing with matters of Parliamentary Oversight. I think instinctively Sir, you would have thought that the proper place for such recommendations to come for assessment and determination of acceptance would be that National Assembly and so they were brought here.

In the case of the Bradford Report, that study was commissioned by the Government - the Executive - and when the studies were completed and the recommendations submitted, I believe the Government felt that although these matters dealt with similar areas as the Sir Michael Davies' recommendations, that it was the Executive that should take decisions on what of those recommendations should or should not be accepted. There is where we parted company and had to try to bring our various views into harmony. The Government felt that it could adopt or not

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adopt or decide on which of those recommendations, relating to Parliamentary Oversight, were acceptable to it, or not acceptable to it.

Sir, we held the view that in order to respect the separation of powers provided for in the Constitution that the Government should not seek to dictate to the National Assembly which of the recommendations having to do with Parliamentary Oversight which it should accept and which it should reject, that the recommendations, on the whole, should come to the Parliament, since they had to do with Parliamentary Oversight, and for the Parliament through its Special Select Committee to make decisions and recommendations.

I want to also say, Sir, that this issue also involves constitutionality, in terms of the treatment of certain of these matters. When one, for example, talks about ministers answering questions within fourteen days, the Constitution in Article 165(1) says:

Subject to the provisions of this Constitution, the National Assembly may regulate its own procedure, and may make rules for that purpose...

That is how the Standing Orders were born and so we find that the source from which we derive our rules or the source that contains our rules, is the Standing Orders. So you would find that in keeping with the Constitution, that it is the Standing Orders that would need to be amended, and that would be the duty of the National Assembly, for the National Assembly to decide, in accordance with the Constitution, whether it would accept a constriction of the time within a minister may answer a question and if it will so accept, what that constriction should be. Therefore, we also believe that the executive arm of Government should not seek to impose a decision without the Parliament itself considering the matter.

Sir, having said that, let me set the position of the Peoples National Congress/Reform straight on these issues. You will note in the Motion that is before the House that it clearly says that the Government... in one of the Whereas Clauses, it says:

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WHEREAS thirty (30) recommendations have been accepted by the Government for implementation of twenty (20) of which relate to Fiduciary Oversight by the National Assembly.

In other words, the Government accepted thirty of the recommendations. This document, in the three studies contains approximately sixty recommendations, and I think they are fifty or sixty 60, I cannot be sure, but of those, we know that there is a large number that have to do with Parliamentary Fiduciary Oversight. We acknowledge here not merely that the Government has accepted thirty recommendations; twenty of which relate to Fiduciary Oversight, but we, as a political party, have written to the Government at their invitation to comment on the recommendations to say that we also agree with them on those twenty recommendations, which have to do with Parliamentary Oversight, are acceptable to us. So it is not as though we had a problem with this and I wish to say in this National Assembly that we strongly support those twenty recommendations which the Government suggests it is accepting.

It is a difference of how you approach the question of adopting them. I do not think that the PNC/R and the Government together could arrogate to themselves as two political parties cooperating, the role of the National Assembly, to approve of those recommendations. I believe, at the end of the day, the Government saw the wisdom of putting them within the framework of the Parliament. And so we have a Resolve Clause, in fact, which says *that Be It Resolved that the twenty recommendations relating to Parliamentary Fiduciary Oversight*, which are the twenty that the Government have accepted and identified in the action plan for implementation be approved by the National Assembly.

Sir, we are saying that we join with the Government, now that they have brought the recommendation to the Parliament. We are saying here in this National Assembly that we will join with you, but in a Parliamentary context in approving the twenty recommendations that you accept in relation to Fiduciary Oversight. So we are happy to say that and we want to make it clear that it is a question of separation of powers, but

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they having being brought here, we have absolutely no problem supporting them fully.

I think, it would be in order, Sir, for me to also make mention of one other matter. This Resolution has been expanded, since its original submission to the Clerk of the National Assembly, to include one other matter, that is, the question of recommendations having to do with the Draft Revision of the Standing Orders.

Sir, I think that National Assembly will be aware that there was to have been very recently a workshop for Members of Parliament in relation to proposed revisions of the Standing Order and I think, at the end of the day, it was felt that it would have been premature to hold a workshop for the revision of Standing Orders without first getting the imprimatur of the National Assembly itself in relation to those proposed revisions.

And that is why, we have added, to the work of the Special Select Committee the inclusion of the proposed revisions to the Standing Orders. We think it is quite right and proper that this should be done, but there is another reason for including them. Not only because the imprimatur of the National Assembly is a prerequisite before any changes be undertaken to the Standing Orders. It is also the case that again there may be overlap between the recommendations for revision of the Standing Orders and the recommendations in the Bradford Report or in Sir Davies' Report for example with respect to the timeframe within which the minister may answer a question.

And so by bringing together these three areas in one place, in one Special Select Committee all which have to do with Parliamentary Fiduciary Oversight responsibility, would not only be a commonsense thing to do so that it ensures coordination in the decision-making in respect of these recommendations, but I believe it would satisfy Constitutional requirements and the requirements of the way Standing Orders are to be amended.

In those circumstances Sir, I want to conclude by placing on record the

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People's National Congress/Reform's appreciation to the Government, although I must say, we have had not very heated, but strenuous discussions on these matters. In fact the HPS had invited us to a meeting which, unfortunately, we felt we had to withdraw from, because we felt, at that stage that they were trying to impose an executive decision on the Parliament and we could not be party to that, even though, as a political party we supported the recommendations that they were seeking to adopt.

I am very pleased and highly appreciative, on behalf of the People's National Congress/Reform, to once again be able to say that the PPP/C and the PNC/R, although with some tension at times, have worked successfully to bring a resolution that both of us could unanimously adopt. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Minister of Health

Hon Dr Leslie S Ramsammy: Mr Speaker, I rise to second the Motion being moved by the Honourable Member Mr Winston Murray and to say that the Members of the PPP/C, this side of the House, fully support the amended Motion that is before this House.

In this season of goodwill, we have shown again in this House that on both sides, we can work together. In this particular case, this Motion has great ramifications for the democratic, free and transparent society that we are trying to build.

The House has established a Special Select Committee to deal with the Davies' Report - a Report that made a number of recommendations on how to improve the functioning of the National Assembly. That Special Select Committee has already started its work and has been rapidly making progress, in terms of a way forward in respect to the various

recommendations made in the Davies' Report.

The Government's side do recognise that there are other initiatives. There is a number of initiatives and all these initiatives sometimes result in recommendations or require actions that sometimes overlap. There is absolutely no question that the recommendations in Study I of the Bradford study overlap with those recommendations that are contained in the Davies' Report. Many of them are the same recommendations. There are some differing recommendations and some that are not addressed in the Davies' Report, but in an additive way, they contribute to reforming our legislative oversight and the function of the legislature, all for the better of Guyana and I think we all accept that.

Mr Speaker, as the Honourable Member said, it is not only the Bradford's Report that add to the Davies' Report - a matter that is before us, but there is also the revised or the proposed revision of the Standing Orders that result from the Fiscal and Financial Management Programmes. There are other programmes, other studies, other initiatives, that add to our overall better governance in our country. These three coincide:

- the Davies' Report with its proposed Amendments to Standing Orders, as proposed by Mr James Pender;
- the Bradford Report Study I; and
- the proposed Standing Orders

I think that it makes sense for the House, for the Special Select Committee which has already been mandated to look at the Davies' Report to look at the other reports.

Mr Speaker, let me just say that the Government's side was not reluctant in bringing the recommendations from these other initiatives to the Special Select Committee. We were indeed aware that in terms of the Bradford Report to an engagement to the executive and an engagement to the other stakeholders that fifty percent of the recommendations... Mr Murray is indeed correct. There were sixty recommendations in the three

Studies:

- Study I had forty-one recommendations, and these pertain to the National Assembly
- Study II had recommendations that deal with limiting discretionary powers of semi-autonomous agencies. There were eleven recommendations; and
- Study III had eight recommendations dealing the disclosure of public officials assets

So they were sixty in all, and thirty of these twenty from Study I were already agreed to and the Government thought that the best way to deal with those that were agreed to were to bring them directly to the National Assembly for action as groups of things that we need to do.

There was still a question of what do we do with those that did not yet have general agreement. I need to clarify this. The Government never rejected the other recommendations. We felt that the other recommendations were matters that required further engagement and discussion and so we thought that we needed to have those discussions. The fact is that, in this Motion, we are agreeing that the National Assembly will approve that implementation of the thirty that we have agreed to and the twenty that deals with the National Assembly that we should move forward with these. Now the Special Select Committee will have an opportunity to look at that Study I and the other recommendations that have not yet been agreed to. I need to reiterate that there are things that we think with some clarifications and some modifications we can accept most of them. Some of these in the Bradford's Report that have not yet been accepted are indeed part of the Davies' Report which is under discussion at the Special Select Committee.

One of the other concern, is that placing the Bradford Report at the Special Select Committee and also placing the proposed Standing Orders at the Special Select Committee would place an enormous burden on the Special Select Committee which has been given a deadline of

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January 31, when Members on both sides have limited time. Indeed the Special Select Committee has agreed that we will meet only once more for this year, so given the circumstance and now given this Motion, the Special Select Committee will have an enormous and daunting task ahead to consider all these recommendations and complete its report on the 31 January.

Mr Speaker, I want to assure you that I think, considering all of these things, the Standings Orders can only make our life better in this National Assembly. So I want to assure you and all of our Members that this Special Select Committee will work expeditiously. We will work hard to ensure that we complete our task and provide our report by 31 January. We will try our best to do so. Indeed, I will go as far as saying that in keeping with the spirit of the previous Motion that established the Special Select Committee that we intend, before the end of this year, to submit to the National Assembly an interim report of what we have done so far. So we are going to try our best, but we are making rapid steps towards transforming this National Assembly into an effective legislature, one that legislates, one that oversees and one that monitors. The Davies' Report, the Bradford Report and the proposed Standing Orders changes will allow this Assembly to take its place in the world as one that is exercising its function for carrying out its duty with commitment and with dedication. At the end of the day Guyana will have a governance model that embraces openness and transparency. So we must not diminish the importance of what we have been doing for the last several years, especially for the last several months with the Davies' Report, now the Bradford Report and the Fiscal and Management Programme which resulted in the proposed Standing Orders.

So Mr Speaker, it gives me great delight to second the Motion brought by the Honourable Member Mr Murray and for the Government to give its unstinted support to this Motion. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member

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The Honourable Member Dr Max Hanoman

Dr Carl Max Hanoman: Mr Speaker, I rise to support the Motion brought by the Honourable Member Mr Winston Murray and I am happy that in this season of good cheer, the Government's side sees it wise to support such an important Motion.

Indeed, there is an overlap between the Bradford Report and the Davies' Report.

The Bradford Report reflected the findings of three Studies on the Public Oversight process for Fiscal, Financial and Fiduciary Oversight for Guyana's public finances.

The first study focuses on the role of Parliament, in its oversight roles and makes a number of far-reaching recommendations on how Parliament can improve transparency.

Mr Speaker, a number of observations similar to those contained in the Davies' Report have been made in the Bradford Report. These include some fourteen recommendations along with the rationale to make Parliament more effective and relevant. These are reflected on Pages 11 and 12 of the Phase II Report, dated 10 May 2005.

Further recommendations on issues in relation to Parliamentary Sectoral Committees and the Public Accounts Committee were made. These, in my opinion, are very valid and pertinent recommendations, which are closely related to and complement those contained in the Davies' Report.

Mr Speaker, on 18 February 2005, Sir Michael Davies, Commonwealth Senior Parliamentary Staff Adviser submitted his Report on the Needs Assessment of the Guyana National Assembly. It was no surprise that given the way this Assembly is frequently manipulated at the whims and fancies of the ruling party, he concluded:

That the National Assembly of Guyana, though recognised as

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paramount in the Constitution is sadly not playing its proper role in governance.

Page 3 Summary and Conclusion - Sir Michael had come to Guyana on the invitation of you, Mr Speaker, having recognised that you want to improve the way the Assembly functions. You indicated by letter at the end of Sir Michael Davies' mission that his recommendations were according to your expectations and you supported them.

This Report was, however, not unexpectedly, rejected by the Government, which is seriously indicted for its reckless manipulation and abuse of this Assembly.

Sir Michael had considerable difficulty meeting Members on the other side, who paid callous disregard to his mission, the same way they behaved towards looking into Standing Orders and functioning of this Assembly. They wanted Sir Michael Davies to dwell in the past, to look backwards, when in fact his expressed mission was to look forward to see what is still needed to be done in order to make the National Assembly the centre of political dialogue in Guyana.

Sir Michael made some twenty-seven recommendations on how the work of this Assembly can be improved and further supporting these by an additional twenty-five recommendations, which expanded and reinforced what he had said earlier.

Mr Speaker, this was much to the disappointment of the Members of the Government, who were hoping that he could have been bullied into recanting on his earlier recommendations, but this was not to be, as you cannot change the facts, which speak for themselves and stand up to scrutiny.

Mr Speaker, Sir Michael Davies' recommendations are detailed in his Report and they are there for all to see, read and understand. They are patently clear, pointed and revealing, once you approach them with an honest and open mind.

In summary, the Report found the following:

- *Lack of independence of the Parliament and its management from the control of the executive;*
- *Members are not sufficiently au fait with their roles within the Parliament's framework;*
- *An Opposition which is angry and frustrated;*
- *Standing Orders in need of revision*
- *A Committee system which is not properly functioning;*
- *Insufficient qualified staff with ill-defined roles, who lacked procedural knowledge; and*
- *No awareness of the National Assembly's responsibility to relate to Civil Society, the Private Sector and the wider public.*

Mr Speaker, these are very damning findings, which have been repeated and reinforced by yet another study. I refer to the Report on the Guyana Fiduciary Oversight Project by Bradford Associates Limited.

In this regard, Mr Speaker, this makes considerable sense that the Davies' Report and the Bradford's Report, be considered together and I urge this Honourable Assembly to fully support the Motion that the Bradford's Report be referred to a Special Select Committee for due consideration alongside the Davies' Report.

Mr Speaker, I have mentioned this, because I do hope that we will cooperate fully in looking at these two reports. Thank you. *[Applause]*

The Speaker: Thank you, Honourable Member.

Honourable Members, it is now 18:25h and I think this is a good time to take the suspension

18:25H

THE SITTING IS SUSPENDED

20:02H

THE SITTING IS RESUMED

The Honourable Minister of Trade, Industry and Commerce

Hon Manzoor Nadir: Mr Speaker, I thought that after there had been consensus between the two sides of the House, in terms of amending the original Motion by the Honourable Member Mr Winston Murray with respect to the Bradford Report and those parts which relate to Parliament that we would have possibly had a very short debate. Well, I said I had to stand and speak after the Honourable Member Dr Hanoman spoke, because I thought we had gone through that debate when we dealt with the Motion dealing with the Special Select Committee to consider the Davies' Report, because we went through the same thing. Sir, I remember you making mention sometime ago, that we should not be debating the same issue, especially at different times, when we had the debate on the flood. So I am very surprised that the opposite side of the House raised these same issues. The Honourable doctor was very forgetful, so we will have to excuse him.

We have before us a very erudite presentation made by the Honourable Member Mr Winston Murray, setting out why he feels strongly and the Government supports him, that we should consider the recommendations in the Bradford Report that deals specifically with Parliament and we put them side by side with the Davies' Report, the consideration of the Standing Orders and along with the draft Revised Standing Order

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with which we would have attempted to organise a conference recently on.

So, in that spirit of consensus and compromise, I do support the Motion and trust that we will remind ourselves of the caution you gave to us, sometime ago, about carrying the House down the path of unnecessary repetition and dealing with subjects that have been dealt with over and over again. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member.

The Honourable Member Mr Murray

Mr Winston S Murray: Mr Speaker, I pray that the National Assembly would understand the intervention of the Honourable Member Dr Hanoman, when he spoke about Parliament not yet being the paramount institution. We are getting there and we acknowledge that, but I think it was not inappropriate that he should have probably drawn that to our attention. So I hope that he is not regarded in too bad a light for doing so, because that remains an aspiration.

I also want to associate myself with the remarks made by the Honourable Minister Ramsammy about the speed of work and the high degree of cooperation that exists in the Special Select Committee considering the recommendations of the Davies' Report and its Addendum and to say that it is a further manifestation, I believe of the possibility for cooperation between these two major parties.

I do want to add one point, which I believe needs to be put out in the open and that is, in this case as in previous cases, the Government has referred to a time factor as being important, in terms of the limit that we have on available time. I think we have arrived at a point in our development, where certain of the major parties in this National Assembly can together agree on a course and if it means the need for extension of time of a deadline by the IFI, then so be it. Together, we must be bold enough

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to say that is what in the framework of our institution, the National Assembly, is required, and so be it. In this particular instance, I knew for example that a number of individual countries and indeed the IFI, would have been willing to go along with this approach, so I am glad that in the end, we were able to work together and to have the IFI accept that this was a proper procedure and it should be allowed to happen. So, all in all, I am very pleased at the degree of cooperation we had and at the fact that we have been able to bring a Motion that could be unanimously supported in this House. Thank you, Sir. *[Applause]*

Question put and agreed to.

Amended Motion carried

Honourable Members, we now move to the second Motion listed on the Order Paper.

ITEM 4 - NATIONAL DEVELOPMENT STRATEGY

WHEREAS over 150 member of Guyanese civil society of various walks of life and from various fields of endeavour have put forward a National Development Strategy that details a series of bold economic initiatives and exciting programmes geared towards the transformation and diversification of the economy;

AND WHEREAS among the stated objectives of the National

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Development Strategy are attainment of the highest possible rates of economic growth, the alleviation of poverty, the equitable geographic distribution of economic activities and benefits and the diversification of the economy;

AND WHEREAS the Government of Guyana agreed with the Civil Society to table that the National Development Strategy document in the National Assembly for its examination and adoption;

BE IT RESOLVED:

That this National Assembly accepts the National Development Strategy and the measures and policies therein as an overarching strategy for pursuing the economic and social transformation of Guyana;

BE IT FURTHER RESOLVED;

That this National Assembly directs that the National Development Strategy be placed before a Special Select Parliamentary Committee to commence consultations immediately with the private sector, wiser civil society and other stakeholders to establish a Representative Cross Sectional Group, supported by a suitably resourced secretariat with access to research expertise, to update the National Development Strategy at the earliest practicable date;

BE IT FURTHER RESOLVED:

That this National Assembly directs that the Representative Cross Sectional Group reports periodically to the Special Select Parlia-

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mentary Committee and that the finally updated National Development Strategy be submitted to the Special Parliamentary Committee to make recommendations to the National Assembly for the consideration and adoption of the said updated National Development Strategy;

BE IT FURTHER RESOLVED:

That subsequent to the adoption of the updated National Development Strategy this National Assembly authorises its Sectoral Committee on Economic Services to monitor the policies and the implementation of the National Development Strategy by the Executive.

The Honourable Member Mr James McAllister

Mr James K McAllister: Mr Speaker, I promise tonight that I will be as short as possible. It is a distinct honour for me, on behalf of the People's National Congress/Reform to move this Motion for the acceptance of the National Development Strategy as the overarching policy for the development of Guyana.

In 1999, and this is following previous initiatives in 1993, the Carter Centre approached the Government of Guyana, through the then Minister of Finance, Mr Bharrat Jagdeo, to offer its assistance for the formulation of a National Development Strategy. As a result, the National Development Strategy Committee, a broadly representative national civil committee, was established in September of 1999. This triggered a process of intense consultation with political parties and Guyanese throughout the length and breadth of the country. The process also included reviewing and culling from the reports of various studies done by donor countries, NGO's, visiting consultants and the Brettonwoods Institutions. This process resulted in the production of a comprehensive document entitled *National Development Strategy 2001-2010 a Policy Frame-*

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work - Eradicating Poverty and Unifying Guyana.

The NDS, as the document is now called, covers a wide range of social, economic and developmental issues that are pertinent to the economic transformation of Guyana. As a result, in 2000, Guyana had a strategy, at least on paper, for its development between the period 2001 and 2010. All that was needed was implementation. I therefore wish to address the process of implementation as it is outlined in the document.

Paragraph 1 (vii) of the NDS states that the arrangement between the Minister and the NSDC, the report once completed, will be transmitted to him. It will then be discussed in the Cabinet and laid unaltered in the National Assembly, where the Government as well as the opposition parties would be free to express their views on the Strategy.

Paragraph 30 of the NDS presents detailed guidelines for the implementation of the NDS, addressing such areas as:

- the process;
- the finance;
- the human resources; and
- the monitoring.

This is important.

Paragraph 31(1) states:

It is intended, immediately after the approval of the National Development Strategy by the National Assembly, to translate its various recommendations into the named projects.

Paragraph 31 (6) states:

The agreed programmes will be incorporated into the annual budgets.

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With respect to financing, the NDS identified sources such as the IDB, the Brettonwoods Institutions, the Caribbean Development Bank, the United Nations Systems, the aid agencies from a range of bi-lateral donor countries, and of utmost importance, the local and foreign private sectors. It is also stated that the greatest reliance will be placed on private sector investment to develop the massive infrastructural programme which has been prescribed in the National Development Strategy.

With respect to monitoring, it is stated that a National Development Commission will be established and this Commission will comprise a small number of commissioners, wholly drawn from civil society, who will be supported by a number of consultants and a secretariat.

The main task of the Commission will be to continuously update the National Development Strategy and to monitor its implementation. It is also stated that, in order to undertake these duties and to ensure the timely exchange of information between the Commission and the Government, legal links will be established between the Commission and the Government's own oversight committee. This implies that the Government itself will have its own oversight mechanism overseeing the implementation of a National Development Strategy. This Commission, as established, will be required to report to the National Assembly on an annual basis.

These are clear guidelines and any cursory check would establish that nothing was done with respect to the implementation of the NDS. Five years into the programme period the document was not approved by the National Assembly and no effort was made to establish a National Development Commission. As a result, no efforts were made during the last five years to implement the dynamic programmes outlining the National Development Strategy. As a result, a number of initiatives that would have been taken in a timely manner were not acted upon. A case in point is a situation as it relates to the Demerara Estates, where the NDS proposed measures to improve productivity in Demerara so as to make it more competitive. But at the same time, they also accepted that these estates have special problems and proposed the creation of a number

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of safety nets that should have reduced economic shocks associated with what was foreseen as the eventual rationalization of these estates.

However, as we know, the NDS was not implemented and this was not done. We are now confronted with a situation where the European Union has approved a thirty-six percent cut in the guaranteed price for sugar. It is unfortunate that we are now caught in this situation where, as it relates to Demerara, we are not fully prepared. The consequence has now become stark reality.

In examining the National Development Strategy, one must agree on two things.

Firstly, the National Development Strategy is a collection of ideas and policies that once transformed into programmes, would have a tremendous impact on the quality of life of the Guyanese people.

Secondly, because of the passage of time and the failure to implement the document is a bit outdated. An example here is the point I referred to previously about the sugar industry, where a number of the measures there, as outlined, are in fact overtaken by time and if one is to really address those problems now, we would have to revisit the document.

Therefore, it is for these reasons that the People's National Congress/Reform brought to this noble House a Motion calling for the adoption of the National Development Strategy. I am pleased to report that after consultations with the Members from the Government's side and a number of adjustments and compromises, we have been able to arrive at the formulation, which I am quite sure you have in your possession that we can all support.

I think it is very commendable that we are in a position where, at minimum, we accept that this National Assembly will accept the National Development Strategy and the measures and policies we reached as an overarching strategy for pursuing the social and economic transformation of Guyana.

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We also accept, in the second Resolved Clause, a Special Select Parliamentary Committee will be established to consult with the private sector, wider civil society and other stakeholders to establish a representative cross-sectoral group, supported by a suitable resource secretariat with access to research expertise to update the National Development Strategy at the earliest possible date.

There is also an agreement on how the final updated NDS document will be dealt with, in that it will go to a Special Select Committee for review before coming to the National Assembly for adoption and then it is also agreed between the parties that the Parliamentary Sectoral Committee on Economic Services will be authorised to monitor the implementation of the document. That is where we are in relation to the Motion that the People's National Congress/Reform tabled in this Honourable House. Therefore we have before us a Motion that we can all speak to and all agree on that seeks to have the National Assembly agree on two things:

- accepting; and
- updating.

As it relates to updating, I just believe that I should make this point, that the NDS consists of a wide range of policy initiatives that are sequenced to respond to unfolding local, regional and international economic phenomena and these policy interventions can only be relevant if they are introduced at the appropriate time. If we have a situation where there was a lapse in time in that the document should have been implemented to address situations between 2001 and 2010 and now that we are at 2005, it is clear that implementation is therefore necessary.

We need to move swiftly to deal with the matter before us. When I say the matter before us, I do not mean merely the Motion before the House. I mean, the issue of putting a National Development Strategy in place so that all Guyanese, all stakeholders, all political parties can feel that they have ownership of, and relate to. It is very, very important because we,

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as a country, as small as we are, as vulnerable as we are, we cannot afford to be moving and shifting positions from policy to policy, government after government. Clearly, we do not want to have a situation where, after the 2006 elections, the People's National Congress/Reform is forced to shift positions from some policy the Government has.

Let us agree now on a broad overarching strategy that all of us can sign on to, so that after the elections, Hon Ramotar, you would not be here rowing about our programmes, because we will have agreed beforehand.

But more importantly, I am citing these numbers, not to knock the Government, but it is reality, and it is important that as Guyanese, we take note of this. For instance, if we look at the per capita GDP of Guyana, it stands at 9, 11 or somewhere thereabout. I do not have the exact figure. I am sure the Honourable Minister of Finance will give us precise information.

When we look at some of the other countries in the Caribbean:

- Barbados - \$9000 plus;
- Bahamas - \$16000;
- Antigua - \$11000;
- St. Lucia - \$4000; and
- Trinidad and Tobago - \$7830.

When we look at the issue of poverty, we have a situation where twenty-five percent of the people are living below the poverty line in Guyana.

- In Barbados it is fourteen percent;
- In Antigua it is twelve percent
- Jamaica nineteen percent.

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If we look at per capita growth for 2000, 2001, 2002, 2003 and 2004, the numbers are:

- minus 1.8;
- minus 1.6;
- minus 1.2;
- minus 1.3;
- the projection for 2005 is minus 2.9; and
- for 2006 is minus 1.6.

If you go to most of the socio-economic indicators, human development index, life expectancy, government effectiveness, Guyana's rating is low. We as a country, not as any political party or any special group need to do something to re-invent Guyana. We need to transform our economy. We must understand that it has been established that real economic transformation is through trade, not aid. We need to enhance trade, and in order to do that, we need to boost investment. But in this regard, as it relates to investment, we need to do a lot of work, because the information as it stands now does not say good about where we are.

I wish to direct your attention to a World Bank document entitled *A TIME TO CHOOSE - CARIBBEAN DEVELOPMENT IN THE 21ST CENTURY*. This document contains the results of a survey of foreign investors on alternate investment locations. It is sad to note that Guyana is an alternate investment location in only one area for one country and if you go to Page 219 of the document, Hon Ramotar, you will see for all of the various countries. There is Belize here, a number of countries' investors saying, if we cannot go to Belize well, we will go to these other countries. There are Grenada, Jamaica, and Trinidad and Tobago, where investors said that if they cannot go to these countries, they will go to

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some other country. It is only in one area, for Grenada, investors said that they were likely to come to Guyana and that is some obscure thing called education transformation or something of the sort. I must confess that I do not know what it is, but the important thing is that it is only one area.

So what do we do about our investment climate? There is a lot that we can do and we need to understand that all of this is in the context of a National Development Strategy, whereby our strategy must address these things.

Again, if I am to go to the World Bank document, it speaks of a survey carried out in 2004; 159 international companies operating in the Caribbean and they found that the Caribbean attached more importance to the quality of infrastructure than any other aspect of the investment climate, where investors in the Caribbean have infrastructural problems. Now we do have problems with our infrastructure. Work is going on, the Hon Tony Xavier is not here and he is no longer Minister of Works, but he would tell you that a lot of work is being done in this area. The fact of the matter is, this is important and in terms of the overall policy, the legal environment, taxation and custom regime, the Report says, the Caribbean region is underperforming. We know that, if we examine the same issue here in Guyana, we need to do things to also improve in these areas; we need to work collectively on an investment climate. For instance, the Report also makes reference to that bugbear called crime. It is stated here that crime and lack of security are serious concerns of many investors, and importantly, it is stated here that, moreover, investors complain about Government's inefficiencies in delivering services. I must confess here that these points here are not specifically about Guyana. It is a general Caribbean problem that the World Bank was addressing.

However, we should try to take lessons from this Report and we must understand that in relation to investment, there is a lot that we need to do. We need to strategise. We need to ensure that we have a clear and definitive strategy in place at the earliest possible time, if we are to com-

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pete. If not, we will be perpetually going with bowl in hand to Europe and elsewhere, asking for preferences and so on, when in fact the days of preferences are over. We cannot understand what we need to do at this point in time in this country. We need to negotiate the orderly dismantling of preferences for trade related technical assistance to ensure that as a country, we are competitive in the international market. These are some things we need to do to ensure that Guyana is competitive.

I promised my colleagues on both sides to be short. So I will wrap up now, but before I do so, I have something for the Honourable Minister Henry Jeffrey. We have a lot to do about our human resource development, because we are not going anywhere if our people cannot be engaged in higher-end production. If we are confined to commodities, commodities trade and primary products, because our people do not have the skills and the level of training to get involved in what is called a knowledge-based economy, we need that a revolutionization of the education system to deal with this. If you look at some of the reports, (you must have seen them) you will see that, in terms of output and the quality of workers relating directly to their education, Caribbean countries are lagging behind most other regions, inclusive of Latin America, when they go into Europe or North America. If we need to compete, we will have to sit as a country and see what we can do and we have to do it now. We would like your help Sir, so that when we go into government to do those things, we will have the programme in place.

Like I said before, we need to do what is necessary to reinvent ourselves so that our young people can have hope. Young people starting families can have the hope of owning a home in the shortest possible time; where young people starting businesses can look beyond the shores of Guyana and look into the Caribbean, because they will have a strong, dynamic economy behind them. And importantly, where our young people, once again, can proudly walk through the Caribbean with their heads held high, and can proudly say that they are Guyanese. We owe them that, collectively, we have to ensure that we put in place the kind of strategies and the kind of programmes that will ensure that we give our young people this chance. For this reason, I wish to move the Motion

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as amended, for the acceptance of the National Development Strategy that is in the House standing in my name. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member.

The Question is proposed.

The Honourable Prime Minister and Minister of Public Works and Communication

Hon Samuel AA Hinds: Mr Speaker, Honourable Members, this People's Progressive Party/Civic Government welcomes this opportunity to bring before this House and all the people of Guyana, this National Development Strategy document. The document introduces questions about growth and development of our country and its people and in particular, the growth and development of our Guyana and the people of Guyana. Growth and development of our people and our nation has always been foremost in the mind of our late founder and President of Guyana, Dr Cheddi Jagan. It would have been no surprise that soon after returning to government in 1992, by 1993, indeed, Dr Jagan sought the help of the Carter Centre in the development of a National Development Strategy and very much involved then was an eager, enthusiastic, young economist and State Planner in the Ministry of Finance, taking a leading role in preparing that NDS. That NDS, I must say, was in the format and resembled what had been for many decades - the traditional five-year development plan. So, at the end of the next three years, the Ministry of Finance, with the new, young Minister of Finance, Mr Bharrat Jagdeo leading, presented the first National Development Strategy. That was a large document in seven volumes and it was written by the Government

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in the tradition of a five-year development plan. It may be recalled that when this first NDS was completed and became available during the second half of 1996, Mr Hoyte, with the 1997 elections in sight, dubbed it a PPP/C Manifesto and pre-empted any possibility for it to be presented and accepted, as intended, as a document to enable shared development through a participatory economy. We never brought it, because we were pre-empted.

Let me recall, I am talking about 1996, that this approach of a Government led preparation of a five-year plan had been the standard approach and we can think of a number of countries who used to be alongside us, who, over the decades from independence in the 1960s, were able to make significant advances on the basis of five-year development plans prepared by the government and the party in power. But it had its successes:

- in Singapore;
- in Malaysia;
- in China; and
- in India; all of which have done well following that tradition.

This development plan would, of course, have been open to scrutiny and criticism from everyone, so until then, there was not a rejection of a Government or even party prepared five-year plan out of hand, that it should not be so. We were just following tradition.

But times do change and the Government changed in response to many calls. There was, most of all, complaints by our private sector that they felt that the Government had not involved them and other civil society groups in the creation of this first seven-volume NDS. They wanted an opportunity to review and revise the document and to incorporate their inputs. The Government agreed to this and in 1999 established a Civil Sector Group under the leadership of Dr Kenneth King with the technical and financial assistance of the Carter Centre again, to resume and

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revise that first seven-volume NDS. This Government extended this commitment to the Civil Society Group, that the Government would receive this document at Cabinet level, lay it in Parliament and before the nation untouched. But having come to Parliament, it would be the subject for other examination and consideration. As can be seen on its cover, this NDS is correctly described as a civil society document and not a Government of Guyana document.

This is the history that every citizen should know. That from 1993, this PPP/C Government sought and began the preparation of a National Development Strategy, that this PPP/C Government invited and enabled the private sector and civil society to review, rewrite and revise the first government-prepared NDS, and then to have that document put, untouched, before this House and the nation for examination and consideration. This is what is happening. It is being laid in Parliament.

Let me respond to the comment being made, that at the time of 1999 and 2000, when this document became available, it was the time of the dialogue and it was expected that how to handle it would have been addressed by the President and the Leader of the Opposition. It was referred to in one of the releases and it was laid in Parliament on two occasions, when we anticipated that some accord would have been reached between the Government and the Opposition on how to handle it. We did lay it in Parliament in anticipation and when that accord was not reached, we did not proceed. We know that when it came to this Parliament, we had two very close but very different proposals on how to handle this document. Even today, I am pleased that now, five years later, we are able to reach an accord and to have a common position.

I want to take this opportunity on behalf of the Government to once again thank Dr Kenneth King, his Co-chairpersons and to all those knowledgeable and experienced Guyanese (nearly 200 are listed) who contributed their time, their life experiences, I would say, their very selves to the creation of this NDS.

However, this single volume that is before us today is not the total output

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of their efforts and contributions. Indeed, in reading in the opening sections of the document, one sees that there are sectoral chapters published in their entirety as separate documents, being separate appendages to this report.

This Government wants a National Development Strategy declaring broad, overarching objectives that would be known to everyone and to which everyone could subscribe. This strategy would provide the framework within which annual national budgets would be cast and understood. It is the belief of the Government that we here, in this House, as the chosen political leaders of our people, should, and could work towards a broad set of objectives to which we all here in this House and in this nation could subscribe. We expect that there would be differences at the level of policy, strategy and even more so in tactics to achieve the desired overarching objectives. These differences in policy, strategy and tactics should and would be the subject of political debate and contest. There would be policies, strategies and tactics that we of the PPP/C would advocate and follow; there would be other policies that the PNC/R and other parties may advocate and follow. That is the crux of politics. So we do not see a problem in that, once we have some overarching something that we are all committed to and constrain the intensity or to the ends we go, in our natural political rivalry and contest.

There are some fundamental positions that we of the PPP and the PPP/C have consistently stood for and some of the time it has been to our cost. I say this in anticipation of some of the things that my Honourable colleagues said before and one of the things that the PPP and the PPP/C have always stood for, from the time of the 1967, 1953, 1957, 1961 and back since 1992, we insisted that we, as individuals and Guyanese, altogether as a nation must exercise financial discipline. We must balance our budget, as we cannot spend more than we are producing and earning. And this refers to some of what my honourable colleagues who spoke just now about where our GDP is.

Our GDP, at the end of the 1960s was up at a number like \$700 per person, and what happened afterwards? We went into a period when

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the government of the day, maybe naturally, maybe wanting to do good, violated and moved away from the principle of financial discipline, attempted to spend much more than we were earning and we went into decline. By 1989, if you follow the curves that were published recently, in a number of places, you see that our GDP was rising, and did so, maybe to the mid 1970s and then fell all the way down to 1989. Now it has been rising again and we hold that the important issue there is the issue of maintaining financial discipline and a balanced budget. That is one of our positions.

We also hold that the task of our growth and development is primarily ours. That when we say, as my colleague who preceded me referred to, many things lacking in our country, infrastructure here and there, problems in education, problems in health, we should have the attitude to those deficiencies that those are tasks that we have to work at. Those are jobs for us to do. I always think of the PPP and the PPP/C, how we approached these problems way back in the 1960s with our budget, that we sought to bring about a budget for development, a budget prepared with the help of the expert Cambridge economist, Mr Kaldor, but which was so badly received by the people in this country.

At least, it demonstrated our commitment to addressing the tasks of development as our tasks, a task to which we have to provide. It is very easy for us to call for a lot of things here in Guyana, once we are thinking that someone else has to fund it, a donor country has to fund it or some other country has to fund it. We must get to the point where we recognise that whatever we are calling for has to be provided for primarily by us. This has been one of the fundamental principles of our party and that is why we have kept inflation low over these periods in government, and maybe at some cost. We have been holding increases in pay to five percent and seven percent because that is what we, as a nation, have been producing and that is what we can afford. It costs us; it would have been an easy thing to say twenty/forty percent in pay, but then we would be back to the period of the 1970s and the 1980s huge inflation; so that has been one of our commitments.

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So we hold to the view that we must have an attitude in Guyana that to satisfy our needs and desires for a more prosperous living, we must individually and altogether become steadily better at the work we do, which is our yearly contribution to our nation and to each other. It is from this continuous desire and pursuit for a sufficient common national coherent understanding and participation that we readily accepted the idea of a civil society creation of a reworked NDS. Let me say that in giving this commitment to the civil society, the Government did not abandon its responsibility and give up any of its roles in the setting of objectives nor its final call on the setting and implementing of policies and strategies to be pursued by the Government.

Mr Speaker, I need to reaffirm that this Government believes and always act from the belief that good governance requires that the head of any government always has the last call and must exercise that call consciously in matters that fall within Government. The head of Government may well choose to make at the last call, a call by someone else, including even an opposition person. It is the principle of government that the government has, for the time being that it is the government, the responsibility, and the responsibility cannot be abandoned or cannot be shelved or shoved on to anyone else. That is our position and we hold to that position.

There has been the consistent view of some within and without the House, that Government, even and particularly this Government should not have the last call. In our view, that call is compromising the very essence of the principle of the elections. Regular free and fair elections are the way to establish the group to be in government and to govern for a period unto the following election. I want to identify as an example the thrust of today's Editorial in the *Stabroek News*, which seems to say that a blue ribbon group of experts, having produced this NDS, the Party in Government, as well as the parties in opposition, should accept the report uncritically and proceed directly with implementation. This we hold to be, at a minimum, an abandonment of responsibility and even more, we argue, it deviates from the principle of good governance and democracy. There must be someone responsible. There must be someone where

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the buck stops. This is not a matter of contempt or arrogance. This is a matter of the way things are. The way things infer or imply in democracy.

We are aware that we are nearing the end of 2005, exactly halfway along the ten-year perspective of the NDS. But let me say again, maybe that in anticipation of my Honourable friend over there would have said. Not that much has been lost in only now having this debate on the NDS. You should well imagine that the discussions from the very first consideration started in 1993 with that first seven-volume NDS and the revision presently before us would have been diffused. The discussions would have been diffused into and reflected in our annual budgeting exercise, and indeed, the programmes of the Government. The NDS, even as they have said in this document, was not programmatic and it did not address the problem of costing and those things. And again, as we say, maybe we are always conscious about having to balance budgets and not spending more money than we have coming in revenue.

Fortunately, the completion of this NDS in 1999, occurred about the same time that this approach of poverty reduction strategy became the instrument for the release of debt relief from bilateral and multilateral donors. With Guyana qualifying under HIPC, resources became available for the implementation of the development programme. In recognition of the solid content of the NDS, the PRSP was used as a vehicle for implementing the NDS. Thus, though the NDS was not formally debated and approved in Parliament, it informs the Government of priority areas in which HIPC and domestic resources would be allocated.

Over the past five years, the Government has steadily implemented aspects of the NDS, through the PRSP, while taking cognisance of recent external and internal domestic policies, development, resource availability, and the need for a fair strategic approach to implementation, which is used to adjust the policy framework, as necessary, each year.

The NDS formed the basis for the preparation of the Interim Poverty Reduction Strategy in 2000 and the latter incorporated many of the principles and ideas from the NDS within a period of five years. While utilis-

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ing a broad and all-encompassing analytical approach, the NDS presented solutions of discreet policy measures. Government's discussion of those measures stimulated a drive to seek a strategic response to the issues in the various sectors. As a result, strategies were developed for a number of sectors and sub-sectors, including rice, water, health, education, transport, a strategic development plan for Guyana's Police Force, national drug strategy and so on. The housing sector strategy is also being prepared, all of these have been reflecting the NDS and all that went into creating the NDS.

My Honourable colleague spoke about sugar and I think, our position on sugar is well-known. We have spoken about it on many occasions. We are at the stage of working to make sugar in Guyana sustainable and while we are working on that, we will retain sugar in government-ownership for a number of practical and policy reasons. We believe that it is the retention in Government hands that has facilitated the arrangements that would have led to the modernisation of Skeldon, the plans which are already being implemented for the modernisation of Skeldon. With respect to the estates in Demerara, there are a number of initiatives including the issue the growing of organic sugar in the West Demerara Estates. So I do not have time. I do not think that we want to fully debate sugar at this time and I think that that is enough response to the comments on sugar by my Honourable colleague who preceded me.
[Interruption]

The Speaker: Your time is up, Honourable Prime Minister.

Honourable Reepu Daman Persaud: I wish to move that the Honourable Prime Minister be given five minutes to conclude his presentation.

Question put and agreed to.

Hon Samuel AA Hinds: Yes, Mr Speaker, Honourable Members, I think, and I do believe that progress is being made all across our country. Many of those people who may not have supported the PPP/C, and who may never support the PPP/C, many of my friends and relatives have told me though that they are impressed with what they see when they come to Guyana every five years or so. I myself, when travelling around Guyana, am impressed. Most recently, I travelled up the upper Mazaruni and I learnt of the great improvement in education in the Upper Mazaruni areas and the new school built at Waramodong. So, there is progress all around our country.

Over the last hours, we have put a lot of effort into arriving at a resolution that we can all support. Let me express my appreciation to the members of the other side, with whom we worked, so that in this House today and on this occasion we can come together on a Motion to accept the NDS into this House, to agree to send it to a Special Select Committee which will arrange its updating, and for that Special Select Committee to then examine the final updated NDS and bring recommendations to this House for debate and implementation and for the Parliamentary Sectoral Committee on Economic Services to monitor the implementation by the executives. I thank you. *[Applause]*

The Speaker: Thank you.

The Honourable Member Mrs Backer

Mrs Deborah J Backer: Mr Speaker, before the Honourable Prime Minister rose to make his presentation, I was not sure whether he was an economist or not, but having listened to his presentation, I am satisfied that he is not, because there were many *faux pas* made as he tried to give us an economic analysis of the country. While, like him, I am not

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an economist, I am tempted to take him on, as they would say; but conscious of the fact that Mr Murray, who is an eminent economist is batting after me, I will leave him be on the economic scene.

The National Development Strategy has five stated objectives:

- (i) economic growth; and
- (v) diversifying our economy.

I would want to posit the view that for us to have economic growth and for us to be in a position to diversify our economy, one of our most important assets to do so, will be our human resources. In other words, it is the Guyanese people who will have to be responsible for this economic growth we all want and diversifying our economy so that we can have the kind of standard of living that we all crave.

I would want to say that when we look at Guyana, many times we are critical of run-down facilities and things of that nature, but we seem to forget our human resources. I would want to posit, without fear of contradiction from any side of the House, that, to a large extent, our human resources are not ready for the task of economic growth. They are not ready for the part they will have to play if we are going to diversify our economy. Our human resource, which is our people, to a large extent have become lawless, and I want to suggest that this is an indictment on all of us as leaders. Whether as political leaders, religious leaders or leaders in civil society, we have allowed our human resource, that very important aspect of advancement, of economic growth to become run down to become dysfunctional, to become immoral and to, in fact, scoff at certain things like honesty and decency.

In a nutshell, I am saying that we as a people, we need to get back to basics where our human resources are concerned. The National Development Strategy must be complimented, because they accept this, and with your permission.

Sir, I want to look very briefly at Chapter 26 of the National Develop-

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ment Strategy, which is entitled *The Family and its most Vulnerable Members*. On page 305 paragraph 26.11 says:

The family in all its variety of form is the pivotal institution in any society.

And I want to adopt that, because it is something that I agree with completely. It goes on to say at paragraph 26.13:

The family is pivotal for the good or ill of the society, because it shapes the individual, who in turn shapes the society.

To put it another way, just as the family is impacted on by constraints in the macro economic, social and cultural environment, so the family, in turn, impacts on that environment, most visibly in the skills, attitudes and behaviour of the people. So we have to remember that as we go about developing the National Development Strategy and sending it to a Special Select Parliamentary Committee, that it would be very detrimental to us as a society to forget the very basic unit in our society, which is the family.

Mr McAllister spoke about reinventing things. What we need to do with regard to our human resources, is not necessarily to reinvent, but to go back to basics and many people feel that maybe a disconnect - a break in the chain - between solid family. However, the family is configured on a moral and upright society. For example, we all lament the high crime rate, but I would want to posit the view that the high crime rate that we have now is an impediment to economic progress, can be alleviated to some extent if we go back to our core principles and if we reorient our human resource which, to me, is one of the most valuable resources that any nation could have and Guyana is no different. In fact, on Pages 307 and 308, the National Development Strategy accepts the implication of deviant family structure, the implication of poverty within families and their most vulnerable members, to leading to an increase in violence and crime. So there are scientific studies that show when your basic unit breaks down... it is like a house, if your foundation is not solid, those

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who build the house, do so in vain.

So I would want to say that, as we go about dealing and debating the National Development Strategy, that we must pay very close attention to the development of that very important component, the human resources aspect of our country. We have allowed our human resources to become outdated and to become almost obsolete. In the same way that we have to retool our sugar industry, our bauxite industry and whatever else, we have to retool our human resources. We have to change the way that we go about our daily lives. We have to change the way that we look at work. We have to change our work ethos and our moral ethos if we are to move ahead, because if we do not do that, as I said, we will be labouring in vain.

I am not happy that this National Development Strategy had a gestation period of five years, from the time it was finished to when it got here. I think that the elephant is the animal that has the longest gestation period which is about eighteen months, twice the time of an average human being. So we have had a very long gestation period, but I would want to join with my colleague who has moved the Motion, Mr McAllister and with the Prime Minister who spoke, to say that I am happy to be associated with this Motion. We have taken a long time to get where we are and it is my fervent hope that the actual realisation of an updated National Development Strategy does not take another five years. Thank you very much. *[Applause]*

The Speaker: Thank you, Honourable Member.

The Honourable Minister of Finance

Hon Saisnaraine Kowlessar: Mr Speaker, firstly, I want to respond to the comment made, by the Honourable Member Mrs Backer, on the question of human resource development. I just want to say to her that it

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is the same human resources that we condemn here as being run down and outdated that go to other countries and be successful. So it has to be something in the environment which makes them successful. Perhaps the indiscipline in our country which makes them go to other countries and be successful. I just want to make that point.

With respect to the National Development Strategy, we on this side of the House have no controversy or contention in accepting and updating it. We see it as a useful concept or framework document, which could be adopted as the overarching strategy. As the Motion proposes for pursuing the economic and social transformation of Guyana, as set out in the document itself, the objectives of the NDS are:

- to attain the highest rates of economic growth that are possible;
- to eliminate poverty in Guyana;
- to achieve geographical unity;
- to attain an equitable geographical distribution of economic activity; and
- to diversify the economy.

These objectives are self-explanatory and they remain as important and relevant today as when they were first established. To achieve these objectives, a multi-pronged strategy was identified in the document. The two prongs on which the strategy rests are reported on page 10, have always featured in the Government's approach to development of the country. These are:

- (i) inclusiveness as a basis for removing the scourge of ethnic tensions in the society. The Strategy was crafted to reflect practices that are inclusive, participatory, accountable and transparent, both at the central, regional and local government levels; and

- (ii) The formulation of social and economical policies that result in economic growth which enjoys the widest possible and equitable distribution.

As the document points out, the second prong of the Strategy lies within the realm of economic policy and economic management. It includes: elements such as:

- tax reform and as this National Assembly is well aware that we are engaged in a very comprehensive tax reform process;
- at the moment we are formulating an investment strategy;
- to attract investments to the country;
- establishing a solid physical infrastructure base;
- information technology;
- enhancement of social services;
- reform of public sector institutions;
- the role of the family in economic development;
- conservation of the environment - Amerindians; and
- an active external trade policy that would lead to the attraction of foreign direct investment.

A derivative document of the NDS, a Poverty Reduction Strategy Paper, which was formulated in 2001, as a medium-term programme of action that targets the reduction of poverty in the society, focuses on the following strategic pillars, all of which could be classified as sub-objectives of the NDS. These are:

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- broad based jobs generating economic growth;
- environmental protection;
- stronger institutions and better governance;
- investment in human capital with emphasis on basic education and health;
- investment in physical capital;
- improved safety nets; and
- special intervention programmes to address regional pockets of poverty and private sector development.

Over the last several years, the Government embarked on a comprehensive legislative regulatory institutional and social sector reforms, with the view of creating a business- friendly environment, generating economic growth and improving access to social services. As we reported in the second progress report of the PRSP, while we have achieved much success in a number of areas, the difficulties of external and domestic environments have posed major challenges to sustaining successes and reversing the stagnation or decline. At the external level, the environment has worsened, putting many developing countries' economies, such as Guyana's at severe risk. I speak here, and it was referred to by the Prime Minister, in particular of the removal of preferences, whether price or market access of key commodity exports. The drastic cut in the EU price of sugar, and the unprecedented price rises for fuel over the last two years. At the domestic level, aging infrastructure, especially sea and river defences, and drainage and irrigation structures, political instability, crime and high migration are impediments to attracting greater foreign direct investments. And importing fuel for economic growth in a country with a low savings rate and high debt-burden and recently, of course, the unusual weather patterns which have led to floods.

All these factors have constrained the ability to achieve high and sustain-

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able levels of growth, and also the ability to diversify the economy, which can sustain growth. But as we all know, the picture is not completely negative. The per capita income, Mr Mc Allister, is now about US \$970. More people own homes today than previously. More people have access to potable water than previously. Crucial statistics in health and education have improved and Guyana ranks on a number of international indices such as the HDI and FDI have been improving.

Given the length of time that has elapsed and the fluidity of the domestic and external environments, the NDS certainly needs to be revised. In the interim, the Government has articulated a medium-term strategy programme in the second progress report of the PRSP. That programme seeks to reverse the low or negative growth rates of the past five years, complete reconstruction of infrastructural damage by the floods and restore production capacity, expand and diversify the production base, create a business-friendly environment, and establish the conditions for attaining the MDGs and reducing poverty.

We therefore, on this side, support the objectives of the Motion, and urge that the document be placed before a Special Select Parliamentary Committee to examine and revise its content, making appropriate recommendations for adoption by Parliament and subsequently, authorising the Parliamentary Sectoral Committee on Economic Services to monitor its implementation. I thank you. *[Applause]*

The Speaker: Thank you Honourable Member.

The Honourable Member Mr Winston Murray

Mr Winston S Murray: Mr Speaker, I would like to begin by expressing, on behalf of the People's National Congress/Reform, our deepest appreciation to those 150 or more persons, who gave voluntarily of their time and effort to construct what was a home-grown strategy for the people of this country. I wish to express on behalf of the People's

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National Congress/Reform our appreciation to the Carter Centre for the coordinating role they played in assisting to put this policy together and we hope that it is not the end of their participation in matters having to do with Guyana. On behalf of the PNC/R, again I record our deep appreciation.

When I saw Government's proposed amendment earlier today, I thought that we would have a very contentious debate, for what I saw there appeared poles apart from the Motion that the PNC/R had submitted. I am pleased to say that after meeting, and after constructive but tough discussions between the Government and the People's National Congress/Reform, we have reached a happy point at which, I believe, we have a resolution that will be supported by both sides of the House this evening.

To me, that is yet another bit of evidence that if we are prepared to make the necessary effort, even when we appear poles apart, that it is possible for us to meet a common point. I wish that we could do this more often on more things, so that we can arrive at a common point to take our country forward.

I would like to use this opportunity, not so much to talk about the content of the National Development Strategy, because I believe that has been dealt with adequately on prior occasions, but I would really like to use this opportunity to put this document in context, because I heard mention of the PRSP. I know what is taking place in the international community, on questions of poverty reduction strategies as against national development strategies. There is a big international debate on this matter and we really ought to sit down and assess what is at stake here for Guyana and for Guyanese.

That is one reason why I am sad, that it has taken so long- five years - for this Motion to reach this House. I cannot let what the Prime Minister has said pass without comment. That is, somehow it was a failure on the part of the PNC/R to co-operate with the Government, as it was, to get this Strategy adopted by this National Assembly in the past.

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Let me say that there has never been an occasion, except for what I have heard here tonight, when the Government has so wanted or deemed so important, the participation of the PNC/R that it has withheld bringing anything to this National Assembly. In fact, very often they have brought things, in spite of the reservations by the People's National Congress/Reform, about the things that were being brought. So that is a pretext, and not a real reason, as to why it was not brought here. In fact, we have to look a little further. As recent as 2003, in the follow-up agreement between President Bharrat Jagdeo and Honourable Member Mr Robert Corbin, this was what was said in paragraph 3:

The President and the Leader of the Opposition agreed that the National Development Strategy Paper should be re-laid in the National Assembly and subjected, Mr. Prime Minister, to debate therein. Why did the Government then, not even after this was done in 2003, seek to bring this document and have a debate? Not re-laid. Re-laid and debated in the National Assembly, suggesting that you needed to have brought it for there to be a debate so that the National Assembly could take a position on it, but that was not done. While that was not done, as recently as 2004... Let me show you how the Government is using this thing for propaganda purposes.

In 2004, we have a GINA production which said in its first paragraph at its last sitting of Parliament ... this I presume would have been sometime in 2004. This is dated August 2004. Government put forward as an amendment, a call for the PNC/R to support the implementation of the National Development Strategy. When was that ever done? Where did they ever bring forward an amendment call for the PNC/R to support the implementation? This is propaganda. They want to give the public the impression that they were proceeding with the National Development Strategy whereas, in fact, they were not.

Let me go on to say what has actually happened. The Prime Minister is right when he said that this Strategy was first formulated back in 1996, and it was revised and updated in 1998 and 1999 by an independent group of members of civil society. For me, this was a truly home-grown

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effort and participatory manifestation. This was a vision crafted by the people of Guyana for Guyana. I recalled in those years, the young Minister of Finance holding forth in this National Assembly, about planning from the bottom up and rejecting the notion of IMF imposition of planning from the top down. So we expected to see a revolution in the approach to planning, and the PNC/R was being accused, by the newly-born Government, of accepting IMF dictates and imposing things from the top down.

Here was an opportunity of a genuinely home-grown and produced document, participatory at the really grass-roots levels of the society, across professions and the Government did nothing to bring that document and to give it a parliamentary stamp and approval, as endorsement of the efforts of the people of Guyana, and in particular, civil society.

Do you know who was the Minister of Finance in 1998 and 1999? Well, I think we know, but we may not want to say, because I may be prevented from making reference in the present circumstances of where the person sits.

But the fact is that that person occupies the highest office of the land today. It was he who signed this thing in 2003, to bring it here, and he has not brought it. He is the one who professed in this National Assembly to believe in planning from the bottom up and not IMF impositions from the top down. So what has happened!? It is a very interesting question.

I would like to turn for a moment to the introduction of the PRSP, again to show what they have promised, as against what they have delivered in this document. In its first paragraph, it recognises the importance of the process that has been undertaken to arrive at a National Development Strategy and then went on to say, the revised National Development Strategy will be presented to the National Assembly and adopted as Guyana's national development strategy in July 2000. Five years ago, writing in the poverty Reduction Strategy Paper, making a commitment and a pact that this great effort, which they talked about and praised in

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these previous paragraphs, was going to culminate in a presentation of this Strategy to the National Assembly for adoption as Guyana's National Development Strategy in July 2000. To this day, as I stand on my feet, this has not been done. I say that the Government has not kept faith with the Guyanese people on this matter of the National Development Strategy, and I think I have placed enough on the floor of the National Assembly today to demonstrate this. But let me tell you what they did that was even worse than that.

This document, having been done, not having brought this to the National Assembly as promised, we went down another path. What happened was that around 1999, a thing named HIPC was coming into being. This thing promised to make resources available through debt-forgiveness and what would happen to the debt forgiveness is that, while you would not have to find the US dollars to repay the debt, the Guyana dollar equivalent had to be committed to certain specific sectors. We all know that emphasis was to be placed on health and education and that was the context in which the PRSP was derived and was driven. That was a conditionality of access to HIPC. It had absolutely nothing to do with the National Development Strategy, and anybody who attempts to say that it was a derivation from the NDS is pulling a hoax on the people of Guyana and we should let that be known. *[Applause]* The PRSP was an externally-driven document by the IFIs in order to give Guyana resources for placing in education and health. It had nothing to do with the NDS. It was crafted in ways that had to satisfy those institutions for us to get access to the money, and the NDS was an irrelevant. In fact, Mr Prime Minister, the fact of the matter is that the IFIs had little regard for home-grown strategies, because they never would concede to Government that they would adopt strategies that the Government on its own or in consultation with the people devised. And I am going to tell you more about that in a minute.

In fact, there is a group called Social Justice Committee of Canada. This group did an independent study, which is available online titled *Guyana - Experience of Economic Reform under World Bank and IMF Direction* (I want you to note the word *direction*) and this is what they

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wrote, this is not what we are saying, this is what the Social Justice Committee of Canada wrote:

The Poverty Reduction Strategy Paper process in Guyana was being motivated by the desire for debt relief in the context of fakey political representation and weak civil society capacity, but noted that the isolation of civil society weakens these programmes and deprives the programmes of legitimacy.

Guyana's dependence of financial inflows coupled with IMF and World Bank holding the keys to outside resource flows lead to the latter making demands on the government and the directing policy to the point of directing economic policy reform and changes in national legislation which are resented and weakly executed. The reluctance on the part of the government to involve and empower civil society organizations has been contributed to by this process.

Mr Speaker, an independent policy analysis group from Canada bears me out on the context in which the PRSP was born.

I would now like to talk a little if this House will bear with me about the current international debate taking place. *[Interruption]*

The Speaker: According to our Standing Orders, we are adjourning at 22:00h, Mr Murray

Mr Winston S Murray: There is a great debate taking place between the acceptance of country development policies by International Financial Institutions as a base for making assistance available to countries as against the standard fear of externally driven programmes and policies which are tied to pre-agreed benchmarks of progress namely:

- reduced inflation;
- reduction in budget deficits, et cetera.

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Now, on this question of reduced inflation, let me say this, the current thinking among respected economists include Joe Stiglitz, who as you know has been a relatively recent Nobel Prize laureate, is that inflation as much as twenty percent is not harmful to an economy and there is a lot of literature that establishes that.

So the point is, that when we accept the things that the Prime Minister spoke about balance budgets, rate of inflation and so on, we have to get out of this box and we have to become more innovative. We have to be aware of what possibilities exist and we have to form alliances with people and organizations out there who can give us independent assessments of alternative strategies, which in fact provide good for Guyana and which do not necessarily have us tied to the aprons of the IMF and the World Bank for our lifetime.

Mr Speaker, I would like with your permission to quote from a document that has been prepared by three competent and respected economists; let me tell you who they are if not by name, by the positions they occupied:

- (i) The President for the Centre for Global Development in Washington;
- (ii) A Professor of International Political Economy in Harvard (Harvard - John F Kenny School of Government); and
- (iii) A Division Chief in the Research Department of the IMF.

On page 12 of this document, they say as follows:

Developed countries should not abandon the poor to their plight. If, however, rich countries truly aim to help developing countries achieve lasting growth, they must think creatively about the development agenda. If aid is increased and delivered more efficiently and trade inequities are addressed, then the two traditional pillars of development will yield rewards, but these rewards should not be over-estimated. In-

deed, other courses of action such as;

- *giving poor countries more control over economic policies;*
- *financing new development-friendly technologies; and*
- *opening up labour markets;*

could have more significant benefits.

I then want to go on to read what they say on Page 7 of the said document:

Just as crucial for empowering poor countries is providing them with enough space to craft their own economic policies...

They are writing here speaking to these IFIs.

... During the last decades economists have come to understand that economic development is at once easier and harder than previously thought. Many countries have reduced poverty and generated significant economic growth without the deep comprehensive structural reform that has been the centre piece for development institutions over the last quarter century. There are few general economic policy standards that seem to apply to every country except for such basic principles as:

- *macro economic stability;*
- *outward orientation;*
- *accountable government; and*
- *market based incentives.*

And then they go on to tell you about the experience of China, who defied IFI thinking and on the basis on their own home grown policy

today are enjoying exciting rates of growth in their economy.

They go on to tell you about South Korea, who have defied the traditional medicine of the IMF and the World Bank and have been able to achieve significant rates of growth.

The point that I am really seeking to make, is that there is place and room for documents and strategies such as those that we have before us in our National Assembly today.

In fact, with your permission, I want to quote again from a Carter Centre document recently issued, in which they talked about their approach to effective development cooperation and that is what they said... [*Interruption: 'What you picked up last week?'*] Yes, that is what I did.

The GDI was established in 1993, out of a concern that development cooperation was too externally driven making newly democratic governments more accountable to donors than to their own people and distorting national priorities as a result. Since then, GDI has built on the Carter Centre's reputation for impartiality and integrity to promote country ownership of development policies and programmes, broad-based participation in governance and more effective development cooperation.

What I am really seeking to say is that there are friends in many places who are seeking to assert that greater scope and space must be given for home-grown policies, greater autonomy in the policies that are to be adopted and form the basis for assistance by the IFIs.

Why do I seek to set all of these by way of background? I have set all of these by way of background, to say that we have a unique opportunity here and we have had this unique opportunity since 2000. You know, when we went to Carter Centre (which is what Honourable Minister Kowlessar is referring to) we met the academics on the one side and the IFIs on the other. We were participating in this great debate and

Guyana was very frontal in speaking positively about policy autonomy and the need to create and allow this space for home grown policies. But I did not seek to reveal that we must have been speaking tongue and cheek, because while we were advocating that, the document that was born out of such a process was lying down somewhere in the system. We did not have the courage to bring it to the National Assembly and adopt it, so that we can be empowered and emboldened to go to the IFIs and say, hey, you guys, these friends are supporting us and this is what we have, this is our home-grown piece and we are asking you to use this as the basis for making assistance available to Guyana. We now have an opportunity to correct this situation. So I am glad, however, late in the day and notwithstanding trying to make political mileage out of this document that we have reached the point where we can agree that this National Development Strategy would in fact be adopted by this National Assembly. But yet we are speaking a little tongue and cheek even here in this National Assembly, because we are not really talking about an outright adoption, oh we had a lot of manoeuvring in our discussions with the government as to whether we simply receive it, we simply note it, we simply accept it, but no, not to say we adopt it. They were having great difficulty and so in the end, because we wanted to go ahead and have a Motion that both sides could support, we went for a less committed word in this resolution that we would have liked to see. We would have liked to hear us say boldly that we adopt it, but that notwithstanding sir, we are grateful that we could have brought the government to the point where they say, they are agreeable with us, we accept it as an overarching strategy. That must not be under-estimated, but this is what I want to say even as we do not under-estimate that. We would like to call a spade a spade and it seems to me and the People's National Congress/Reform that the government has some concern about leaving things to civil society that is at the bottom line here, that this document was born out of a process that was not government driven. It is true that the government had this seven-volume document, but the conditions as you will recall for civil society as for these other stakeholders to look at it, was that the government would relinquish that control and allow them independence to do consultations with the real people in Guyana who

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matters, with the real beneficiaries of any strategy that we are going to adopt. That is what happened. So this process had a great deal of commitment by the people, they bought into it, they did not have to whip up support by coercing people to consultations. The people came willingly, because this was a group that they wanted to hear from and in which they wanted a contribution. It is not that the government is sitting there. I am little sad that the government does not have the confidence, having looked at that document and not seeing anything at the moment so wrong with it that they could not agree with us that we should adopt it. But what is worst now is that if we were not very pressing, the government wanted to insert and put this update that we talked about in another government-driven process. With great respect, Mr Speaker, I can quote what they had here. [*Interruption: 'The Special Select Committee'*] No Sir, the Special Select Committee, but what you said was that the Special Select Committee would examine and revised the content of the document. So that you were changing the basis of which this document was going to be updated. You were not going to leave it to civil society, you were going to insert a governmental process and that the Special Select Committee, you originally said was to examine and revise the content of the document. However, I am happy to say, you shifted from that position and agreed that all the Special Select Committee would do, is to bring together the relevant parties of civil society and would again give civil society a free hand in getting a document together and then bring that document back to the Special Select Committee for that Committee to make recommendations to the National Assembly. That is a big move from where you started and for that we are grateful. But I want to say this, if we are truly to take Guyana forward and I believe that each one of us here has a serious intent and wish, so to do so I am not questioning our motivation. I think we are all sincerely motivated to achieve that fact. I think we have to be a little bolder, though committed as we are at our core that we are afraid to let go a power and authority that we somehow distrust people that we somehow distrust the rank and file that somehow we distrust our professionals to put together a document that we can accept. I want to encourage the government to not be so timid, to let us give scope to the people of Guyana through

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their institutions and through their representatives including political representatives, because nothing stops us in our individual capacities whether we are economists or lawyers or doctors or farmers from participating in that process except that we participate not as representatives of the government, but we participate as citizens of Guyana making our contributions to the formulation of a strategy.

I believe, if we show a little boldness and trust the people a bit more to come up with their policies, we will be able to get a document here that we can take in an international context, feeling confident that it has the support of the people of Guyana in a very fundamental way and stand up to the IFIs with friends who believe that that is the basis on which development assistance must come and to say to them that the people of Guyana have prepared this document and deserve to have this strategy financed by you and not have us dictated to by currently in the box policies.

Sir, I want to end by saying that the People's National Congress/Reform very much appreciates the efforts that have been made by the government for us to come together so that we could reach at a common point once again and have a Motion that can be supported by both sides of the House. We are deeply appreciative of that fact and look forward to and welcome the support of all Members of the National Assembly. I thank you very much Sir. *[Applause]*

The Speaker: Thank you Honourable Member.

Hon Reepu Daman Persaud: Mr Speaker, I want to crave your indulgence ... *[Interruption]*

The Speaker: I have four more speakers, Honourable Member. So we will resume tomorrow. The four speakers will take at least one and a half hours.

Hon Reepu Daman Persaud: Sir, I want to move, pertinent to Standing Order 9(3) that you allow the sitting to continue so that the debate

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can be completed. I have informed that there are four speakers and they are very short speakers, so we do not have to come back tomorrow. I am really craving your indulgence and ask that Motion be favourably considered.

The Speaker: I will suspend for five minutes to consider the Motion.

22:00H

THE SITTING IS SUSPENDED

2210H

THE SITTING IS RESUMED

Are you moving a motion?

Hon Reepu Daman Persaud: Mr Speaker, I invoke Standing Order 9 (3) with the overriding phrase that I crave your indulgence to allow the Sitting to continue so that the debate can be finished. I do not foresee that it will take a hour, I think, in forty-five minutes we ought to be able to bring it to a conclusion.

The Speaker: I have heard those promises many, many, many times before.

Put and agreed to.

Motion carried

The Honourable Member Mr Ramjattan, I am sorry Mr Carberry, do you want to say something?

Mr E Lance Carberry: I want to support the Motion, Mr Speaker,

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and I think that we have exhausted our speakers on our side.

The Speaker: Very well Mr Carberry.

Mr Khemraj Ramjattan: Mr Speaker, well I suppose that we are going to take shorter than forty-five minutes, because I do not propose to speak for more than five minutes.

Mr Speaker, I rise on this occasion to support what we have as the amended Motion by Mr McAllister, but I wish to make a couple of points that I think ought to be recorded in this National Assembly for the simple reason that there must be some criticism on the part of the authority and administration for bringing so late the blue print of our Strategic Economic Development Plan and its contents whatever they be and that were very much applicable five years ago.

A lot has happened since that requires the revision and the updating of this document and a lot that has passed over the last five years included a number of negative things. I would not want to go into each one of them, but suffice to say that those developments over the past five years have had an effect as to the applicability and the operationalisation of this National Development Strategy. Indeed, the realization must be true then that we must revise it.

We must now realize that we simply cannot be static, we simply cannot be creeping, but we rather have to gallop in this modern world. Otherwise we are going to have other developments overtaking which will be the revised document. Mr Speaker, you have to understand too that the attitude that we have today is what is going to take us places. As a matter of fact, it is because of that attitude that for five years this NDS did not come to this House although so many civil society personnel, experts, people from Carter Centre made it happen. We have to also change our attitude towards business and our attitudes towards the private sector.

In what was said by the Honourable Minister Manzoor Nadir and I had

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a peep of some draft document that they are doing on enhancing competitiveness and business, we did see, because you do not behave transparently ... *[Interruption: 'You are peeping']* so we have to peep Donald ... the whole point of it, is that we have to stop doing a couple of things like we have done over the past five years. This NDS document indicated about five things which effectively are now being dealt with at the enhancement of competitiveness in business. The red tape, the bureaucratization and dual and multi-laid, the crime situation that is causing a lot of investment not being there and a whole host of others, including if I may say, taxation and human resources problems ... By the way, we are producing in our school system in our University the then go-away and as the whole economic forum report indicated eighty-nine percent of the our best brains left this place. By the way the NDS talked about all those things five years ago. I think they are in Page 346. We had to wait all that time to now come and start a strategy document and how we can enhance business. Why was that? I want us now to start thinking of changing attitudes and mindsets, because that is very much necessary.

The other aspect of the matter and I finally ... *[Interruption: Don't you have any moral or decency?]* ... I have lots of moral Donald, you do not have any quite frankly ... deadlines for this National Development Strategy revision and updating. We need a deadline for it and we must not go on and on in the Special Select Committee, have a cross-sectional set of people who are going to take another five years to come up with the revision and update. That is my little suggestion at this point that we do put at least a certain time period so that we can get our update and the revision, so that when it comes out, we are going to have it within a period of time for monitoring as to implementation and not what happened five years simply to bring it here, after all the hard work of the people that I mentioned did. Thank you very much. *[Applause]*

continued in Pt III

National Assembly Debates

**PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF
THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT
OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE
REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER
PUBLIC BUILDINGS BRICKDAM, GEORGETOWN** Part III

75TH SITTING

2.15 PM

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cont'd fr. Pt II

The Speaker: Thank you Honourable Member.

The Honourable Member Mr Donald Ramotar.

Mr Donald R Ramotar: Mr Speaker, I will also like to join with those who have expressed thanks to the Carter Centre, Mr King, former Mayor of Georgetown and several others who worked on this document. I think, today we are having discussion on a very important document and it shows that there is growing understanding among us on the way forward.

The National Development Strategy has a very interesting history. In fact it began in 1993, when the new government in Guyana, the first democratically elected government since independence together with the Carter Centre started to work on this strategy. What the Prime Minister said is true that after a lot of consultation was done and the production of seven volumes ... today, we are very happy to hear the PNC/R and other sections of the opposition are supporting this document, at that point in time they had dubbed it as a PPP manifesto and was not giving it any kind of support.

It was on the basis on trying to reach consensus on this very important document that the government of Guyana once again agreed to revise

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the whole document, to put it all back into the picture and to have once again widespread consultation throughout the country to come up with the document that we are discussing.

Moreover, Mr Speaker, this document was laid in the National Assembly in 2000. That document was raised at that point in time. It is untrue to make speeches in this National Assembly as if the government was not implementing the strategies that are in the document. The PRSP document, if I may read the whole problems of the origin of the report, they spoke that this document had its origin in the NDS itself. That is not a hoax. That is a fact. Actually if you look at the objectives in the NDS and the objectives in this document, they are actually identical and this is the document that actually gives a lot of meat to the skeleton of the NDS in that regard.

Mr Speaker, let us take what the government has been doing to try to promote investment in our society. We have passed several legislations, because we were guided by the NDS itself. We have passed several legislation in this National Assembly on small business, on investment, on the Procurement Act, on the new Audit Act, on the Fiscal Management, the amended the Bank of Guyana Act, all of those in order to try to implement the National Development Strategy that we had since then.

If you look at all the guidelines that the NDS said that we should follow, you will notice that practically all of these the government has been following very closely. There was one missing factor, because they spoke about the need for political stability. That is what dogged us for several years, because I do not believe ... if everyone wants to be honest, can the say that we had political stability in this country? We had boycotts in Parliament, even recently Mr Murray mentioned that we laid this document in the National Assembly and we did not come back to it. What he did not say is that they were out of this Parliament for almost three of the five years that we have been in office. Then to come here and speak that we did not come back to these documents. It is very clear that this is not the correct thing to say.

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I also want to give some information to my friend Mr McAllister who spoke about sugar and the Demerara Estates. Strategies have been put in place in the Demerara Estates to prevent them from succumbing. In fact, in this year, Enmore Estate has performed the best out of all the estates throughout Guyana and comparable with any of the Berbice Estates. So it is very clear that these strategies have been in place and they are actually working.

Sometimes there is an old Guyanese saying of some people who have a lot of mouth but cannot do anything and that categorise some of my colleagues on the other side. Plans in this country have not been new. You will remember, if we go back to our history that the first serious developmental plans was what the PPP had in 1953 and we were removed from government in a very short period of time. From the period of 1957 to 1964, it was the PPP's plan that moved our country from being a backward country. Up to when we left government in 1964, we were the most developed country in the Caribbean. *[Applause]*

I heard one speaker mentioned Barbados and the great leap that it has made in per capita income. But in 1964, when the PPP left government our per capita income was higher than that of Barbados. We therefore have to look at the plans that actually brought us to the kind of destruction that.

We remember the 1965 Developmental Plan of the Puerto Rican model which my friends on the other side threw out long before the five years had finished and adopted the House Feed and Clothe the Nation (HCF) Plan. Well the nation was not housed, it was certainly not fed and it was almost naked. So therefore it is very clear, we remember more recently when our colleagues on the other side dragged us into the IMF ... I am very happy to hear that the Honourable Member Mr Murray said that we should come out. I would support a lot of what you said about that

However, I want to recall the plan that you had, the famous ERP that was a knock-out blow that we had with that plan. It was the re-nego-

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tiated plan of the People's Progressive/Civic that has caused our country to begin once again to move forward.

The Honourable Member Mr Murray mentioned that the debt relief forced us to spend money on education and health, but that was part of the re-negotiating strategy of the PPP/C; part of the policy of the PPP from its inception. You will recall that in 1964 when we left government, thirty percent of the budget was going towards social services. When we got back into government in 1992, eight percent was actually going to social services. Actually, our position really coincided with those positions.

There was one other point that was made which seems to be trivial, but I think it is an important one. *[Interruption: 'Trivial']* Mr Murray, thank you for the correction. The Honourable Member Mr Murray mentioned that their motion had that they wanted us to adopt this Motion and we sought to modify it by saying we want to accept this motion. But there is an important reason for that. We believe that the document itself has a lot of areas that needs to be modified. You cannot in the one hand, just be speaking about poverty in our country and know for a fact that this document has in it that people must pay for education; that they must pay for health services; that they must pay for all kinds of other services and we cannot therefore adopt the document like that. While we accept it as an overarching policy, we think that it definitely needs some kind of modification, because it is actually going against some of the very foundation of the principles of the People's Progressive Party/Civic.

Mr Speaker, I just want to conclude by once again saying how happy I am that our colleagues on the other side are supporting this document and have actually put the motion forward. I therefore hope that after we would have won the next election that they would not go and beat up and break up on the streets of Guyana. I thank you very much for your attention. *[Applause]*

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The Speaker: Thank you Honourable Member.

The Honourable Member Mr Trotman, I have you listed. Would you proceed?

Mr Raphael GC Trotman: Mr Speaker, as my last act of Member of Parliament, I rise to lend my support to this Motion and to say that it has been long in coming, it is a pleasure to be associated with it and I congratulate my colleague and former party member Mr McAllister.

Mr Speaker, in light of the spirit of consensus, I sensed tonight, notwithstanding the faulty conclusion of the Honourable Member Mr Ramotar, I wish to add that I would withdraw my proposed amendment in light of the excellent presentation made by Mr Murray, which I believed captured the sentiments of all of us in expressing our gratitude to those who worked on the document and to the Carter Centre and its officials.

I take this opportunity as well to thank you for your guidance throughout the period that I have been here and even for the last little note which you sent to me earlier this evening and I thank you for your expression of goodwill.

To my colleagues, I say, farewell. I shall be back. We shall meet in the streets and at the polling stations. I thank you, Mr Speaker. I leave, as per agreement to my colleagues who will continue the work of the Freedom of Information Bill and other pressing matters. I thank you and goodnight. *[Applause]*

The Speaker: Thank you very much Honourable Member.

The Honourable Minister of Trade, Industry and Commerce

Hon Manzoor Nadir: Mr Speaker, the Motion before us, reluctantly I

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am giving it my support, but I think in hearing some of the presenters here this evening especially those from the opposition, they go on as if the document before us - the National Development Strategy 2001/2010 - a policy framework paper is the blue print. It is not. It is the civil society document. I heard the Honourable Member Mr Ramjattan made mention of *we have the blue print before us*. The Honourable Member Mr Winston Murray talking about the *out of the box thinking* that is included in some of the new writings on economic development and reflected here. [Interruption: *What are you talking about Highways to Happiness?*] Yes and some of Highways to Happiness is in here, but we cannot adopt this document totally. It has to go back to the Special Select Committee. I will tell you why, Mr Speaker. Let me just cite some examples.

In page xiii - the Overview, it speaks about the 2010; it speaks of a forecast of annual growth rate of GDP between 2001 to 2010 of nine percent. It is a stated laudable goal and all of us know that strategies are strategies and within strategies there are individuals (a sorter term) tactics that are used to achieve the stated overarching strategy. When people talk about over the last five years and the Honourable Member Mr Mc Allister said that he was paid for all this work done in the previous period of the PPP/C government with respect to the six or seven volumes, this is totally inaccurate. I will tell you, I stood over there and said that the first National Development Strategy was a very good attempt for the PPP/C for writing its Manifesto for the 1997 elections. I have no apologies for that and if this document is so good for the opposition, I would suspect that the PNC/R or the AFC or whichever group that supports it totally and wholly would not have a manifesto for the next election, they would just walk around with this document.

Mr Speaker, I come back to the issue of the overarching strategy and bring to you some of the good things within this strategy that have been already achieved. In terms of the dreams of the drafters and we congratulate them and we thank them, Page xiv says:

Also at the end of 2010, economic activity would be more

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geographically widespread in Guyana a significant proportion of our country's citizens would have left the coastland and would be occupying the hinterland areas of the forest, the mining belt, the intermediate and Rupumuni Savannas, the exodus to the interior would have facilitated by economic incentives, et cetera.

So, we have to take this as it is and the Motion that sends it to a Special Select Committee is very commendable and let us come back with a document. None of us is going to take wholesale aspects of this and put it in our manifesto and say this is it. We will refashion it as mid-term and certain terms strategies to be implemented in a particular space of time. Already the policies that are good are being adopted. On Page xv, it speaks about good environmental practices. This year 2005 which is five years after, Yale University and Columbia University published what is now being acceptable as the standard on environmental sustainability. Out of 140 odd countries, Guyana ranks ninth in the world among the best environmental practices and you know where that was published? It was published in *Time Magazine* the issue of 21 July 2005 and the Honourable Prime Minister was the one who brought it to my attention when we were traveling to China. It was saying the Strategy speaks of good environmental practices, but already the government is being complimented for that.

Mr Speaker, you can turn any page in this document and you can see that the government is taking the good examples. Let us turn to Page 186 - *Chicken and eggs* - a favourite topic of the Honourable Member Mrs Deborah Backer, it says:

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 in North America.

Today, five years later, Guyana is ready to export chicken to the Caribbean. [Applause] What is happening in the marketplace is not a short-

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age of supply. It is the abuse which we are trying to correct by consumer protection and the competition issue that is happening at the level of the middle people.

It speaks of beverages and the agricultural sector and doing juices. Look at today, five years later we have Topco. International standards done by DDL so that today Gatorade . . . I am showing you that this strategy is being implemented by the annual tactics of the government.

On Page 189, it speaks of the competitiveness programme. Mr Speaker, in this programme that we have, we cite our particular tactic for competitiveness and I am displaying the power point on December 5 presentation we made to the donor community, a joint presentation by the private sector and the government and in it cites the competitiveness programme within (and this on the website too) the National Development Goals, the Millennium Development Goals, the National Development Strategy and the PRSP. Further it is cited in there, the good things in the document, we intend to follow them and we have been following them.

Mr Speaker, let us touch on Consumer Affairs. I think there is an issue there on Consumer Affairs. It says on Page 190:

Consumer entities

At the second level they are:

- *The Guyana Consumer Association; and*
- *The Guyana Advisory Bureau.*

They are institutionally weak and lack adequate financial resources. They attempt at best as they can to represent public interest

You know what we did in 2001, we provided even for the Consumer Movement in Guyana. Each one of them gets \$400,000,000 annually from the government to help them. That is what the Strategy said, they

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lacked so we have provided finance. We expanded the consumer body instead of two, we have three and instead of only giving them \$1 million total, they have \$1.2 million today.

Mr Speaker, I can turn to Page 195 and the NDS lists a number of strategies here in terms of manufacture of high quality wooden furniture in known form. It speaks of fitted kitchen five years ago. Today, we have three quality firms in the marketplace doing this North American style fitted kitchen. One is a returning Guyanese from North America and when you pass on the East Bank of Demerara at Land of Canan and you see F and T Designs that is the fitted kitchen, the No. 1 leader right now. He did not pay me to say that.

We talked about the manufacture of sized doors, windows, panels, all those are happening today five years later. Again, the manufacture of wooden garden furniture and if we go through that entire list, we can show you.

The Strategy is centered within an environment in which we have some uncontrollable variables and among those will include the high fuel bill. When today, if we pay according to the high fuel bill US\$300 million, it is more than half of our export earnings. The Strategy has no control over flooding, Parliamentary boycott and protests on the road and beating up of people. We have no control over those things, none whatsoever, but I am happy because I was very moved to put a further amendment to say perhaps we should get the PNC/R to commit to using the established democratic institutions including the courts so if the results are not favourable to them, then they would go that route instead of going on the road, burning, looting and beating. I would move to put that in the document.

We have a document here that is fit at this time to go to a committee of further eminent persons to look at it and in the end a government, whichever government gets a mandate for a particular period and they have that mandate to follow on this and the manifesto they put to the people which they have a social contract with when they are elected. They have

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that and to delegate that power, that privilege and that right given by the electorate to a group of civil society in one document, I think, it is abrogating to power from the people that elected you.

Mr Speaker, as I said, I grudgingly support the Motion and will work as hard as anyone to ensure that we have a strategy that we could sign on to unanimously. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr McAllister

Mr James K McAllister: Mr Speaker, I firstly wish to express my sincere thanks to the Members from both sides of the House who expressed support for the Motion. In wrapping up, I just wish to ensure that we have a clear understanding of the NDS and what it really is.

The Honourable Prime Minister spoke of financial discipline, a balanced budget, PRSP as a vehicle for implementing the NDS and one would get the impression that that was the ended-all of the Honourable Prime Minister's understanding of what a development strategy is all about. You balanced the budget, you have financial discipline and you have a poverty reduction programme.

I want to say it here and now that the understanding of the People's National Congress/Reform is that reducing poverty and fighting poverty is not what we supposed to be all about. We should be about creating wealth to improve the quality of life of the people comparable with the other people across the Caribbean. When we are talking about reducing poverty and everyone referring to the PRSP ...

Let me tell you what the PRSP is telling us. I will start from 2005 -

- Minus 2.9 in 2005;

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- Minus 1.5 in 2006;
- 2.9 in 2007;
- 3.3 in 2008; and
- 3.5 in 2009.

The point we are making here, does this document - the PRSP - is not talking about wealth and transforming, it is talking about addressing poverty and we cannot have a situation - we as the people sitting in this Parliament and talking in a mode dealing with poverty and all we can tell the people, we can make you less poor. That is not what we must do, it is about eradicating poverty and this one is reducing poverty. Mr Speaker, all that has been said by the Honourable Prime Minister is a situation where all he is talking about are strategies based on aid. You go to the IFIs, you enter into HIPC, you have some monies available and bring it to spend it to reduce poverty. Well, I wish to say it to you now that we are not going to create wealth in this country based on aid and based on HIPC. We have to be innovative, we have to re-invent ourselves, we have to do the things to attract the investment, because development will come with trade, it will not come with aid.

So instead of having the Honourable Minister Rohee in Hong Kong pleading about preferences, we should have him there negotiating for technical assistance to enhance our capacity, to improve our competitiveness in niche markets.

The Honourable Minister Nadir gave us a list of things that the government is doing, producing doors, fixing kitchens and things like that. I wish to say, this thing needs innovation, it needs clear thinking, it needs understanding. You do not just run out and build two doors and build two kitchens and say, we are doing things. We are saying, we have to understand where we are going to be most competitive and we have to ensure that we are doing it on the scale to have the kind of transformation to improve the quality of life of our people. We cannot build ten doors and fifteen kitchens and come here in this National Assembly in

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the face of the National Development Strategy and said that is what we are doing. Come on.

Mr Speaker, the Honourable Prime Minister spoke about sugar. In the first place, he spoke about organic sugar. I would like to refer the Honourable Prime Minister to the Honourable Member Mr Ramotar, because he knows, he sits at the Parliamentary Sectoral Committee on Economic Services and he was there when GUYSUCO was there, when they admitted that organic sugar at Uitvlugt is not viable. So, how could you come now and say GUYSUCO told us when they appeared before the Parliamentary Sectoral Committee on Economic Services that organic sugar is not viable and the Honourable Prime Minister comes here to tell us that organic sugar is one of the strategies they have to develop this country.

I do not understand, it is a clear situation here. Earlier I struck this particular thing from my presentation, but I think I need to put it on the records as it relates to sugar in Demerara and what is here in the NDS. I will take you to Page 106:

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

9.V.3 This will probably include the establishment of special micro-credit facilities, the provision of training in various disciplines, trade, craft 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 distribution plan will be implemented.

9.V.4 At least two housing schemes, one in West Demerara

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and the other in Eastern Demerara will be established. The measures and incentives described elsewhere in the NDS, particularly is 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 the relevant technical assistance and extension services.

This is here:

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.

Mr Speaker, this is what is in the NDS. What I said earlier about sugar, we fail to implement it and now the workers in Demerara are confronted with stark reality.

Mr Speaker, the Honourable Prime Minister spoke about education and education improvement in the interior as an example. The fact of the matter is and I mentioned this before and the Honourable Minister Jeffrey would agree that we have a task before us to promote human development and we are not there as yet. For instance, if we look at Barbados, where they have forty-one percent of their people registered in tertiary education and we are at eleven percent. It is true, they are at forty-one percent, we are at eleven percent, but now we are hearing, the Prime Minister is telling us of improvement as if we are there already. We are not there as yet, we are far from there and we have a lot of things to do.

I have one comment for the Honourable Minister of Finance. He told us about a lot of strategies, I want to say to him that all the strategies he outlined are based on a poverty reduction programme and we are here talking about a NDS that is all about creating wealth and improving the quality of the life of the people. We will be talking about creating wealth and improving the quality of the life of the people, so that our young

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people can walk through the airports of the Caribbean and be proud and people would not turn us back, because they believe that we are bad off. That is what the programme is all about. We must understand that we have to think big.

The Honourable Minister Nadir came with a small-minded approach and therefore I understand why he is the leader of a one-seat party. This thing here is about having a broad vision and understanding so that we could grab it for Guyana and Guyanese can grab the world. We must understand that. It is not about poverty and just telling people we will ensure that we will not be so poor. We must promise them that we will make you rich and we will make you proud and that is what we have to do here, all of us, not only on this side of the House but all of us, we have to do it. I call upon you to join us, because after 2006 elections the People's National Congress/Reform government will be leading the way in that regard.

The Honourable Member Mr Ramjattan is not here, but he did mention that government brought the Motion. For the record, we must understand that the government did bring it, but my friend the Honourable Member Mr Ramotar mentioned about the ERP and I just wish to say that he must understand ... and if you look at the numbers, you will see that all the growth that occurred after 1992 ... it started in 1991, 1992, 1993, 1994 resulted from the momentum created by the ERP. So that was something created there. I want to tell you, it is the same empty rice pot that gave you the growth, but the HIPC that you have does not represent success, but the reflection of failure and we should be seeking to graduate from HIPC, not to waller in it and say, we have achieved HIPC conditions. We should try to graduate from HIPC.

I wish to make a commitment to the Honourable Member Mr Ramotar and to the other members from the other side. He spoke about elections, I say to you, cleanse the list, let us have house-to-house verification, let us have biometrics and we would not have any talk about who will go in the streets, because in that situation, we will ask you to give us a commitment that when you lose the elections, you will not burn cane

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again and disrupt the economy. That is the commitment we will like to ask of you here today in this House and I want you to make that commitment that when you lose the elections, you will not burn cane again and sabotage the economy.

Mr Speaker, in concluding, I wish to say that we need to think big. We cannot come here and talk about chicken and eggs when we are talking about a National Development Strategy. We cannot talk about that, we have to talk about big, big things. That is how we have to operate. We have to look at big things; we need to have big plans, because we have the responsibility for the people of this country. Therefore, I think, we all need to commit to the big idea, to the big picture. Let us do that, let us understand that we can do it, because if we check the records, we will see that there are countries, the size of Guyana, some of them with no resources but with the right policies. Having created the right environment were able to transform themselves over fifteen/twenty/twenty-five years moving from GDP below \$5,000 to GDP as much as \$20,000 and \$25,000. They were able to do that and I am saying to you Mr Minister of Finance, for the couple of months that you have to remain in office, do what you can to prepare the ground so that when we take over the People's National Congress/Reform can set the pace to transform this country to make the people of Guyana rich, to make the people of Guyana proud and to ensure that once again, our young people can have hope and they can walk through the airports of the Caribbean as proud people. I thank you very much. *[Applause]*

The Speaker: Thank you Honourable Members for a very lively debate. Please allow me some silence so that I can go through the motion.

Question -

That the amended Motion as set out on the Order Paper on the National Development Strategy be accepted.

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Put and agreed to.

Amended Motion carried

The Speaker: Honourable Minister, do you still want the Committee of Selection to meet. Are you still pursuing that proposal?

Hon Reepu Daman Persaud: Yes, we will meet.

The Speaker: Have you spoken to your colleagues on the other side.

Hon Reepu Daman Persaud: Yes.

The Speaker: Honourable Members, immediately after we adjourn, Members of the Selection Committee will meet just for thirty seconds to elect the Members of the Special Select Committee.

Hon Reepu Daman Persaud: Mr Speaker, I move that the National Assembly stands adjourn to Thursday, 22 December at 14:00h.

The Speaker: The National Assembly is so adjourned.

Adjourned accordingly at 21:01h