

Foreword

The Commonwealth Secretariat has long had a significant programme of activities for the benefit of small states. These countries are increasingly concerned about the possibility of further marginalisation of their economies as a result of the rapid changes that are taking place in the world economy. Recognising these developments, Commonwealth Heads of Government, at their 1989 Kuala Lumpur meeting, asked the Secretariat to give priority to small states in its economic work. This directive was reiterated at their 1991 meeting in Harare.

As a result, the Secretariat has been undertaking more projects to help Commonwealth small states. For instance, a programme of work on financing development in the Caribbean culminated in a conference in Barbados in December 1989, held jointly with CARICOM and the twenty-first meeting of the Regional Programme of Monetary Studies of the University of the West Indies. In March 1991, a symposium entitled "Small States: Problems and Opportunities in a World of Rapid Change" was held in St Kitts and Nevis, with support from the Eastern Caribbean Central Bank. It focussed on the special problems confronting the management and development of small states' economies.

The present study deals with some of the major issues discussed at that symposium. The Secretariat felt that it should be given wider circulation because of its relevance to policy makers in small states, as well as to stimulate further discussion of the complex and special problems of these countries. In a world of rapid technological change, greater economic integration, and the strengthening of regional blocs, the future of small states remains a topical issue, both in an economic sense and as regards security. Their economic prospects need frequent reconsideration, especially at times of recession, since their structural characteristics have important implications for their adjustment.

The study, prepared by Delisle Worrell, Deputy-Governor of the Central Bank of Barbados, argues that the economic adjustment strategies adopted by many Caribbean economies in the 1980s were inappropriate in trying to restore external balance and raise economic output. The analysis pays particular attention to the economic adjustment strategies of Barbados, the Dominican Republic, Guyana, Jamaica and Trinidad and Tobago. To improve the performance of Caribbean economies, the author calls for a better mix of stabilisation policies with a deliberate export promotion strategy.

The views expressed in the study are those of the author and do not necessarily reflect those of the Commonwealth Secretariat.

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