

**ADDRESS BY HIS EXCELLENCY DR CHEDDI JAGAN
PRESIDENT OF THE REPUBLIC OF GUYANA
AT THE
CONFERENCE ON GLOBAL DEVELOPMENT
THE CARTER CENTER, ATLANTA
*December 4-5, 1992***

Mr. Chairman,

Permit me to begin by thanking all those, especially President Carter and UN Secretary-General, Boutros Boutros-Ghali, for organising this conference.

Considering the present stage of world disorder, the continuing recession and stagnation in the industrialised states, the insecurity caused by a billion people living below the poverty line, the urban poor increasing by 81 percent in Africa, 55 percent in Asia and more than 100 percent in Latin America during the last 15 years, the ever-widening gap between the rich and poor everywhere, and more particularly between the North and South, and over 40 million people displaced by civil violence or repression, the convening of this conference is extremely propitious.

And the focus is most appropriate; it is necessary to think globally. In our inter-dependent world, the North and the South are interlinked and interacting. Recovery in the recession-ridden industrialised nations, cannot be attained in the face of under-development, hunger and misery in the South and vice-versa.

I fully agree that a better world is within our grasp. With the resources at our disposal and the application of science and technology, poverty, hunger and misery can be eradicated. And for the attainment of human development, it is correct that rhetoric should be transcended by realism and action and the agenda of actions should focus on "what to do" and "how to proceed".

This precisely our approach. In a document "What is to be done", the PPP Congress last year August set out its programme and policies to face the challenge of three-quarters of our people living below the poverty line.

During the recent elections in Guyana, our slogan was: Time for Change; Time to Rebuild.

Thanks to the principled and consistent contribution of President Carter, the United Nations and others, democracy was restored through free and fair elections. This was essential as democracy in all its aspects -- political, social, economic/industrial, representative and participatory -- is an indispensable ingredient for development.

But democracy-a tender shoot. Haiti and Venezuela amply demonstrated this. For its preservation, international assistance, economic growth and social progress are prerequisites. These are intricately inter-twined.

Democracy is a primary requirement for real human development to be meaningful. At the same time, human development -- fulfillment of basic needs and enjoyment of freedoms -- is needed to safeguard a democratic society.

In my view the issues for a new partnership in development are:

(1) **Increase in development assistance to rehabilitate the physical and social infrastructure and to alleviate poverty.** Because Guyana has the unenviable position of being among the poorest countries in the Western Hemisphere, the Caribbean Council of Churches has called for a Marshall Plan

The industrialised nations, through their co-ordinated response, restored the credit-worthiness of Guyana. But much of the lending is to repay debts, which in essence put the country in greater indebtedness and into a debt trap;

(2) **Relief from the huge foreign debt burden** -- \$1.2 trillion for developing countries; \$368 billion in 1985 increasing to \$672 in 1995 in Latin America, even with an assumed 7 percent growth rate, according to ECLAC; \$11 billion for the Commonwealth Caribbean; \$2 billion for Guyana. How can there be economic growth when debt payments absorb nearly 92 percent of central government revenues, and the foreign debt payments absorb 68 percent of merchandise exports?

According to the Commonwealth Study Group (1989) even with the most optimistic economic growth and exports, the debt service ratio will be an unsustainable 60 percent. How can there be human development when only about 8 percent of budgeted expenditures is devoted to social services -- recurrent health expenditure as a proportion of total recurrent expenditure declining from 11.3 percent in 1984 to 7.3 percent in 1991; and recurrent education expenditure declining from 17.6 percent to 9.1 percent over the same period.

One moral and sane way out of the debt crisis is a reduction in arms expenditure and diversion of savings for a debt relief package, including debt forgiveness, long term rescheduling, soft loans and grants;

(3) **Structural adjustment with a human face.** The development strategies exported since the end of the World War II to the developing countries, especially Latin American and the Caribbean, coupled with internal undemocratic, corrupt and extravagant structures, led to deformed, distorted economies, a net outflow of capital and under-development, which constituted the genesis of the present debt crisis. Structural adjustment based on devaluation, deregulation, credit squeeze/high interest rate and wage freeze/wage restraint policies, has been accompanied by much pain and little gain.

Consequently, a development programme, premised on a basic-needs strategy and on the eradication of poverty, the protection of the environment and an enhanced social amelioration programme, is required.

(4) **Foreign investment but with a code of conduct and a social conscience.**

An unrestrained free market leads to “growth with development”, and a widening of the gap between the “haves and have nots”, what the Pope deems “unethical capitalism”, which marginalises large segments of the population. Investment and the market system must ensure social and eco-justice.

(5) **The removal or scaling down of tariff and non-tariff barriers in the industrialised countries and the ending of non-equivalent international trade.**

The Permanent Council of the Canadian Conference of Churches, last September stated that the loss of \$100 billion from deteriorating trade conditions and the capital drain of \$160 billion from Latin America to the Western Hemisphere during the last decade, have kept “North Americans living comfortably.” This should not and cannot continue in the future.

(6) **Safeguarding our traditional markets in the Caribbean Community and beyond, and ensuring fair, non-monopolistic prices for our exports and imports.**

Several years ago, one ton of sugar bought 7 tons of petroleum; now the same amount of sugar buys only 1.7 to 1.8 tons of petroleum. The same applies to many other commodities;

(7) **The developing countries ensuring good governance (clean and lean government), efficient management and respect for the UN international Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights;** International assistance is necessary but not sufficient;

(8) The building of human capital and public administrative capacity. A massive technical assistance programme and an intensive and extensive educational programme are needed to provide the technical and professional capacity for the efficient administration of the Development Programme.

With the poorest examination results in the Caribbean in English, Math and Science, with an inadequate wage and salary structure, and a massive brain drain, Guyana suffers from a weak public administration capacity which is unable to take advantage of essential support from UN and related agencies and to draw down overseas aid already approved. For instance, about US\$177 million in IDB funds for Guyana are awaiting disbursement because of poor execution of the loans by the agencies involved.

(9) An end to racism and all forms of racial/ethnic discrimination in our multi-ethnic, multi-cultural societies;

(10) Accelerated development of the indigenous Amerindian people who have been pauperised and marginalised.

The PPP/Civic has constituted a government of national unity with racial/ethnic, class and ideological balance, and committed to a partnership between foreign investors, local entrepreneurs and the Guyanese people for human development in a democratic framework and environment. We welcome the goodwill shown to Guyana and look forward to further international co-operation and assistance.

Thank You.

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