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PURSUING MACRO-ECONOMIC BALANCE IN THE CARIBBEAN: CONCEPTS AND APPLICATIONS

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PURSUING MACROECONOMIC BALANCE IN THE CARICOM REGION: CONCEPTS AND APPLICATION*

I: INTRODUCTION

The purpose of my presentation is to draw on recent experiences in pursuing macroeconomic balance, growth and development in the Caricom region, in order to raise some conceptual and operational issues of broader significance. One of the major themes of this year's Conference is an **examination of the relation between the financial and real sectors**. This relation is a **sub-set** of the broader linkages between macroeconomic balance, growth and development. The paper focuses on the **Caricom** region, for the simple reason, that while the pursuit of macroeconomic balance and adjustment is a widespread phenomenon in the South, it is uniformly based on a model designed to secure that **one basic size or prototype** (or if we are generous perhaps two or three) would fit the circumstances of all developing countries. But as we are all aware, even in a region as small as ours a "**one or two-sizes model**" could not capture the rich variety of local situations which exist.

Much of the literature on adjustment policies emanates from the IMF and World Bank, and given their mission statements, it has logically been pre-occupied with dynamic macroeconomic balances and financial accounting, i.e., balancing the external, public and private sectors accounts. Broadly speaking, **two** sets of economic policies have emerged: **macroeconomic adjustment/stabilisation measures** aimed at achieving **internal** and **external short-term balance** (i.e., balance of payments equilibrium, exchange rate and price stability); and **longer term structural adjustment policies**. The former set is administered by the IMF through its various stand-by arrangements, extended fund arrangements, structural adjustment, and enhanced structural adjustment facilities, and is implicitly deflationary. The latter are administered by the World Bank through its various structural adjustment, sectoral adjustment

*This paper develops ideas expressed at two previous gatherings: A Symposium on Economic Liberalisation and Caribbean Development IIR, and ISER, UWI, Trinidad and Tobago 1993, and the Institute of Caribbean Chartered Accountants, Annual Conference, Guyana, 1994.

and hybrid loans which focus on allocative efficiency through market enhancement. It should be pointed out that these policy labels although innocuous sounding, mask bitter and contentious struggles which were, and still are being waged within and outside these institutions, to make them more responsive to the changing reality in the developing world.

Despite adaptations and change over time, however, these policies have consistently yielded certain key results, namely:

i) Downsizing the state and restricting its ownership and control of economic resources.
ii) Building up the management and institutional capacity of the downsized state, without which these policies will not work (e.g., restructuring the public service, improving the tax gathering capacity of the fiscal authorities, and improving project management)
iii) Substituting the price mechanism for administrative decision making in the areas of resource allocation, income distribution and public access to social income.
iv) Establishing windows of opportunity for foreign private investment, while promoting the local private sector as both joint-venture partners and independent entities.
v) Because of the social disruption these policies cause, in recent times specific social sector concerns have been "added-on" to the policy agenda. This is particularly true in the areas of health, education, housing, poverty alleviation and governance.

Although disavowing political motives, and expressly stating that political matters will be left to what are euphemistically described as "the authorities", there is of course **an implicit, if not explicit, theory of political economy in this model**. By this I mean nothing more sinister than that it contains a world-view of how societies function, and the interaction of the economy with the wider society. This is not surprising, as it has been a **common feature** of all serious contributions to economic science. In any event, given the concrete circumstances facing this model, the situation could not be otherwise, for these policies are designed to impact upon:

- The size of the state and the re-articulation of its roles in contemporary societies.
- The reconstitution of civil society, and the emergence of new actors and new modes of social organisation.
- The pattern of insertion of the several countries and the region as a whole into the logic of the world economy.
- The treatment of market distortion, and in particular monopoly situations created by state run enterprises and aggressive unionism in the labour market.

II. KEY ESSENTIALS

Because of the limited time at my disposal I shall focus on **four critical issues, all** related to the conceptual treatment and implementation of macroeconomic balance and adjustment in the region.

i) Old Wine in New Skins

My first concern is one which I have stated before: **contrary to widely held views, macroeconomic balance, adjustment and stabilisation issues are not an invention of the 1980s or even the 1970s. From the time a world market came into existence centuries ago, countries have always had to adjust, including the Caribbean territories.** Under the colonial monetary arrangements of the Currency Board-system, the proposition was that a colony could not have a balance of payments problem, because the money supply was 100 per cent backed by a convertible currency, (i.e., foreign reserves). For foreign reserves to run out, in effect the money supply would have to be reduced to zero - a clearly improbable occurrence. Furthermore, in these circumstances governments would be unable to run unsustainable budget deficits, simply because the monetary authorities had **no discretionary control over the money supply**. Economists at the time argued that a colony under the Currency Board system would have no problems of macroeconomic imbalances. Neither external nor internal balance had to be pursued as deliberate goals of the Government.

If this colonial paradise really existed, I suspect that we would all want to go back to it. Unfortunately, the reality was very different, although at the time it took an unnecessary large amount of intellectual energy to prove the simple fallacy in this reasoning. While on the surface the external accounts were "balanced", and internally the governments had no discretionary authority to create a deficit, real, if not monetary adjustment and stabilisation was nevertheless taking place. When for example the external accounts tended towards a deficit, our parents and grandparents had to pay the price of reduced incomes, wages, and depressed levels of living in order to secure a return to equilibrium. Indeed, the lack of local discretionary authority to alleviate these harsh and traumatizing defects of the Currency Board system was a very important motive force in the anti-colonial struggles of that period.

Many would ignore this side of our history and have us believe that the Currency Board represented an ideal form, we should return to, in order to bring to an end the marked external and internal imbalances in the region. No doubt the motivation for this attitude is that some Central Banks, if not all, have failed us. But if the Central Banks and Monetary Authorities in the region have disappointed us, this should not lead us to the conclusion, that what existed before them was all good. Instead it should encourage us to reform and develop these institutions so as to enable them to fulfil their objectives!

To pursue this matter further would obviously sidetrack this presentation. At this point, it is more important for me to establish why, if we have always had to adjust, is the issue now being presented to us as a recent phenomenon threatening to last well into the 21st century? The answer, I believe, lies in the fact that **the focus of adjustment and stabilisation has been narrowed around certain strategic objectives and interests of the forces which are currently dominant in the world economy, much as it did also in the colonial period**. What are these objectives and interests? The **first** of these is to ensure that the external financial indebtedness of the South to North, which we know as the "debt crisis", (and which is historically linked to the oil crises of 1973 and 1979), is honoured by the borrower and not simply written off as bad loans to be carried by the lender. Considerable success has already been achieved in this regard. **Second**, there is the intention to ensure that the maladjusted countries of the South are fully integrated and/or re-integrated into the world system. The poor economic performance and high external indebtedness of many of these countries provide the leverage which is used against them to secure this objective. The existence of large and unsustainable budget deficits, artificially over-valued exchange rates, high inflation rates, trade and investment barriers, and corruption, all weaken the capacity of the South to resist its incorporation into the prevailing logic of the world system, assuming it wished otherwise. Indeed there has been so much success, that I believe that all remaining historical vestiges of a **moral challenge** to the present operations of the international economy from the South, have disappeared. If you recall, in the 1960s and 1970s, before the current adjustment difficulties became widespread, such challenges were very popular. Many Governments and leading politicians in the South, including several here in the Caribbean, were loud in their calls for a **New International Economic Order**; **"disengagement" from a world economy which had "historically underdeveloped" countries of the South; and** the **evils of transnational corporations.** The complete "about face" on these issues indicates the extraordinary reversals which have occurred.

A **third** objective is to make certain that the **normative pattern of income distribution which emerged after World War II, and which lasted up to the 1970s was reversed**, for this norm was based on a social contract that gave the workers a right, almost an automatic right, to share in the technical progress and productivity gains of the so-called "Golden Age". This age covers the period of tremendous expansion of the global economy which lasted from the end of World War II right up to the early 1970s, and the norm was concretized in welfare programmes, and the provision of compensation to citizens in need, as of right. The subsequent sustained assault on free education, health for all, food programmes for the poor, public housing and so on, tell of the many reverses in this area.

The final objective mentioned here, is the **twin goal of promoting the ascendancy of** the **private sector as an engine of growth, and the market** as **being universally efficient and "user friendly".** Success here has effectively counteracted widely held views that private markets frequently failed and were the main sources of exploitation and impoverishment around us.

Let us be candid. The achievement of these objectives has marked an almost complete turnaround of our earlier attitudes to, and understanding of, the global economy. It was the presumption of "market failure" which underwrote many of the initiatives of regional governments to nationalize the "commanding heights" of the economy, to intervene in economic processes, and even to establish Caricom as a preferential, segmented trade grouping.

We may therefore conclude **that countries have always had to adjust, and that this is not a new phenomenon. What is new are the different configurations deemed "appropriate" for governments to use in pursuing adjustment programmes.** As suggested here, these configurations boil down to the effective imposition of a particular pattern of development on the world economy - one which among other things, negates the threat posed by the independence movements of the 1960s and 1970s, along with the then existing "socialist community" and their joint calls for a New International Economic Order.

ii) Macroeconomic balances, the development path and socioeconomic reform

Several countries of the region are in an **adjustment mode, which is widely accepted as unavoidable at this stage.** Adjustment to macroeconomic imbalance is an inevitable contingency in a world comprised of nation states. The critical issue for us therefore, is not whether the pursuit of *macroeconomic balance is necessary, but centres on* **two** related considerations, namely:

- The relationship between the pursuit of macroeconomic balance to the development path and the process of socio-economic reform.
- The timing, sequencing, choice of strategy and the manner of implementing this balance, in so far as these factors affect the distribution of the costs and benefits of adjustment.

I hasten to point out that as regards the latter consideration, it is presumed that the countries of the region will be on a **learning curve** which should be fostered and encouraged by research, publication, review and dialogue about the appropriate adjustment mechanisms. Such activity ought to embrace all the major stakeholders in the process: government, public service, private sector, NGOs, labour, professionals, academics and the research community.

Unfortunately, however, experiences to date show that macroeconomic and compensation measures have followed a **two-stage implementation process, to the disadvantage of both efforts. To avoid its repetition, a clear priority is an empirical determination of the postulates of economic behaviour, *variations of social structure*, political and power relations in the region,** which have to be imported into the analysis of the adjustment process.

I believe this to be is a **necessary condition for the operational integration of macroeconomic balance and social alleviation.** The **learning curve** therefore should apply to the generality of stakeholders involved in this process, for without this, there can be no **truly auto-centred, independent, and autonomous evolution of adjustment theory and practice in the region**[1]. Such an achievement would improve the region's standing in dealing with external agencies and governments, for as matters stand now, the latter overwhelmingly dominate the research, conceptualization and design of its macroeconomic measures. While some may argue that this is **a simple reflection of their "financial stake" in the process**, it is also true that this dependence has been facilitated by the limited capacity of the region in these vital areas. I might add: **what better audience to raise this concern, than among you!**

The region's experiences show that limitations of the present growth path and the need to give the poor access to productive resources, require that **both poverty reduction and income distribution are given more central roles if macroeconomic adjustment is not to be jeopardized in the region**. This point is surely recognized by the World Bank, which sees **"well targetted programmes for the poor"** as an **indispensable complement** to the pursuit of macroeconomic balance. The true significance of this point, however, goes beyond this consideration. It is this: **even with the most explosive growth rates, (e.g., those obtaining in Guyana) the prevailing levels of inequality in the distribution of income and wealth in the region, significantly reduce the sensitivity and responsiveness of the poverty threshold to growth**.

In concluding this sub-section two further observations are pertinent. **First**, the **pursuit of macroeconomic balances should not be made an end unto itself, for as indicated earlier, the practice of adjustment has to incorporate the seeds of innovation, technical progress, and diversification, into what is still an exceptionally narrow regional productive base.**

Second, because of the heavy concentration of new and old investments in natural resources production in the region, a justifiable emphasis is only now being placed on environmental and resource sustainability in the context of a **competition between an exploitable and diminishing resource base and its replenishable and sustainable use**. Over the long run the poor has a vital stake in this outcome.

These considerations indicate that an **emphasis on socioeconomic reform inevitably invites the re-conceptualization of resources, even in the pursuit of short-term balances.** In the region, resources committed to social partnership, consensus, solidarity, democracy and other such elements of social energy grow, and do not diminish, with use. **These resources are most generally derived from the self-mobilization of people**. They are to be encouraged and facilitated, since they represent, **literally, an inexhaustible resource**, which has barely been utilized, hitherto, in society's endeavours.[2] Linking macroeconomic balances, economic performance and socioeconomic reform could therefore open new and exciting vistas. Certainly, at the very least, it could help to reverse the confrontational, hierarchic tendencies which have characterised historical processes in the region.

One further observation is that **internal social safety nets** which have come into existence in the region are characterized by **two** limiting features. **One** is that much of **their drive and energy is reactive to the further social distress occasioned by the pursuit of macroeconomic balance.** They were not originally integral to this pursuit. It is this **intervention after-the-event,** which led me to the description of a two-stage process, used earlier. The force of this point however, goes further. Because of their "**add-on**" characteristics, **social funds have been underfunded** in relation to the needs of the society and the demands which are now being placed on them. They also inadequately express what I have observed elsewhere as:

> "the complementary and dynamic linkages between social assistance, poverty relief and other short term measures, with the longer term dynamic consideration of sustainable development"[3]

iii) There is no alternative!

The **third critical issue which I shall address relates to the way in which the current pattern of adjustment is being presented as if there is no conceivable alternative to it, theoretical, or otherwise.** The intellectual basis of this proposition is that if a country finds itself in a macroeconomic disequilibrium requiring adjustment, it is entirely that country's fault for seeking "**to live beyond its means.**" In other words it is seeking to purchase from abroad more than it is succeeding in selling or receiving from abroad in unrequited gifts and investment flows, thereby causing an external imbalance. Coupled with this, and reinforcing each other in a dynamic way, is the argument that the government is also living beyond its means; i.e; seeking to absorb more in goods and services than it is raising in revenue for this purpose, thereby creating budgetary deficits and ipso facto, internal imbalance.

It is sometimes further argued that the question as to whether adjustment policies are to be pursued on the basis of an expansion of output, or the contraction of consumption in the short run, or some combination of both, is of secondary importance. The primary and compelling factor is that **adjustment must take place**. This logic is indeed very persuasive, so persuasive in fact that the view there is no alternative, has today become a dominant paradigm - the hegemonic set of ideas which rule economic science.

The difficulty I have found with this, is that after having establishing the absolute necessity for adjustment, with which I agree, the proposition re-appears in a new form which blandly stated becomes an argument to the effect, that **the manner in which adjustment takes place is entirely secondary, and nowhere as important as the fact that it ultimately has to take place**. When presented this way, we can see why adjustment appears to be something new, unique and peculiar to this particular historic period. **Such an argument, however, fails to realise that once countries have to deal with each other, or communities of people involved in exchange do not live in a single, homogeneous social space, there will always be the compelling need for adjustment from time to time. This has existed before, and indeed will always be with us - like sin and taxes.**

How the adjustment takes place is therefore the **vital operational issue. Economic science cannot cause a disappearance of the fact that choices and preferences have to be made about the distribution of adjustment costs and benefits among different economic, social and political groups, both from the standpoint of sharing the burdens of adjustment between countries in deficit and those in surplus, and intra-country distribution of these costs and benefits.**

iv) Changing Practice

Despite the rigidly phrased intellectual foundations of this model, in **practice its positions have come under tremendous pressure, forcing both the IMF and the World Bank to respond to changing circumstances**. There are several examples of this. For example, at the time of their inception in 1944, both these institutions were focussed on the developed countries and post-World War II reconstruction. Today, their pre-occupation is entirely different. Again, structural adjustment lending by the World Bank was introduced in 1979, thirty five years after its establishment. Variations of short-term and long-term lending by the IMF and the World Bank respectively were introduced even after then. Initially too, the IMF supported a regime of fixed exchange rates. Later it reluctantly accepted floating rates in the 1970s. It then continued to resist these as inappropriate for developing countries right up to the end of the 1980s. Indeed at one stage there even appeared an incipient divergence of approach between the IMF and World Bank, which was quickly brought under control in the 1980s.

If further evidence is needed of this changing practice over time, one can add the emergence of concerns about the environment and adjustment; trade-union rights and adjustment; indigenous peoples and adjustment; and youth and adjustment. This catalogue can go on and on, but the main point of these examples is that the **very set of dominant ideas which consistently claims that there is no alternative to the adjustment policies which they propose have at several points in time, introduced changes to accommodate new developments.** They have been forced to appreciate, by dint of practice and experience, that tremendous social costs are associated with their model of adjustment and that these could not be safely ignored. Today, the "**accommodation**" which this has led to is reflected in the slogan "**adjustment with a human face**". This is widely repeated by Third World Governments to encourage social adjustment and impact amelioration programmes being appended to macro-economic adjustment and stabilisation programmes. To be accurate however, recognition of the changing practice is only one side of the story. It has to be placed alongside the continuation of certain vital orthodoxies which are still enshrined in the conditionalities attached to the lending of these institutions.

III: ALTERNATIVE

The **fourth** and last issue I wish to deal with, is to explore the requirements of **an alternative approach to macroeconomic balance and adjustment.**

A. While the concrete experiences of living in adjusting countries lead many of us to be sceptical about present-day adjustment theory and practice, they are so much a part of the **status quo** that there is almost a sense of resignation among us when contemplating whether this theory and practice are worth challenging. Surprisingly, to me at least, many of those who share both the scepticism and sense of resignation are themselves practitioners in the process, working either in their own countries or at the IMF and World Bank!

No one can seriously argue, and least of all the Fund and the Bank, that these are independent and autonomous institutions operating without mandates in a political and economic vacuum. Their principal shareholders are the developed country Governments. And surely, since they pay the piper, it is they who have the final responsibility for their programmes and activities. In this situation, the development of alternatives (note the plural) cannot be simply a question of the vision and intelligence required to devise programmes which meet the specific needs of particular countries. It has also to be **supported by social forces which would give the alternatives a real chance, as distinct from a theoretical, abstract chance, of challenging both the ruling ideas and ruling interests.**

Is there any prospect of this? My answer is a conditional yes. It is often not appreciated the extent to which the ruling orthodoxy is being challenged in some international and regional agencies. The thrust of UNICEF, WHO, FAO and UNCTAD to name a few, differs noticeably in emphasis from that of the Fund and the Bank. Currently the IADB, a major player in the region, is attempting to put social reform at the centre of its activities, based on an approach which emphasizes human development, rather than simply economic growth. Further, constituencies, particularly NGOs of the North, are making important challenges and through networking, similar developments are taking place in the South. While the pace of all this may not be as fast as some of us would like, yet if we took a retrospective look backwards we may be surprised at the range of issues which such developments have placed on national and international agendas. These include: gender, poverty, indigenous peoples, environment, human rights and now the family. The cumulative impact of this activity should therefore not be underestimated, when evaluating the long run prospects of another approach to the pursuit of macroeconomic balances in the global system.

In sum, therefore, the **capacity to develop and implement alternative approaches does not rest alone, (or even primarily) on intellectual power and clarity of thought. This may help, but the bottom line is that the real chances for change revolve around the**

social, economic and political forces which can be mobilized in support of it.

B. Having made this observation clear at the outset, I hasten to add that experience nevertheless suggests that workable alternatives ought to entrench certain key principles, six of which I present here. These are:

1. **Social Partnership**

In order to be both economically sound and supported by a broad array of social forces **alternative approaches should be designed and formulated on the basis of a genuine social partnership.** Such a partnership would include the major stakeholders in the process: business community, farming organizations, trade unions, consumer groups, professional associations, NGOs, the parliamentary opposition and the Government. In this partnership, agreement on all issues will not be reached, but at the minimum a broad multi-partisan approach may be achieved on such fundamental questions as: the debt, divestment and privatisation, the environment, poverty, the distribution of income, and the social contract. In a representative democracy, the Government has the duty to lead in promoting this consensus. Some Governments may fear a loss of their power and authority in engaging in such a process. But it seems to me, that **whatever power and authority may be yielded to its social partners in the process, will be amply compensated for through the enhancement of national sovereignty and the promotion of an autocentered process of human development.**

Let me again be candid. This **approach contrasts with the standard Third World practice.** What we have today is a situation where every Government claims that it has successfully negotiated special concessions for the country from the IFIs, and that its own adjustment package is novel! This is of course, absurd. The basis of interaction between the IMF/World Bank and the host country is steeped in **unequal capacities**, both at the technical level and at the level of which side of the arrangement needs the other more. Third World Governments need the IMF/World Bank's blessing and finance more than these institutions need another programme. Furthermore, the adjusting country is not only frequently short of the human resources which are required, but more often than not it is only the human resources available to the Government which are used, because the other social partners are systematically excluded from the process.

2. **External Debt**

In several countries in the region, the **external debt looms as the critical bottleneck.** Because of this, an agreement among the social partners on the debt issue is most vital. To achieve this, each country should devise alternative scenarios for debt management and have them tested. Let us take the example Guyana, which is, on a per capita basis the mostly heavily indebted country in the region. The elements for these scenarios are clear. One must be an assessment of the **cost and benefits of scope, based on a once for all time, non-repeatable rectification of historically burdensome contractual arrangements, especially where as in Guyana they were concluded in a period of unrepresentative Government.** Such a rectification should be aimed at satisfying **all parties to the contracts.** It should also be based on the best possible consensus among the social partners. If this is done, it would **guarantee to investors a fair return on their investments, based on comparable situations. It would also secure for them the removal of uncertainties caused by running controversies over their past actions.** Another scenario element would be **alternative estimates of the value of foreign exchange flows to be derived from the new arrangements versus any initial slow-down in new investments that is outside of the present trend.**

This portrayal of alternative scenarios would need to be combined with international efforts aimed at debt write-offs and the institutionalization of the "bankruptcy options" for severely indebted countries[4].

3. **Social Resources**

The major negative consequence of on-going adjustment is invariably the dislocations it brings to the poor and the ancillary way in which this is treated. It is unlikely that the model of development which emerges from a social consensus would see the poor as a liability (as accountants would put it!). To the contrary, they are likely to be viewed **as an asset and a key resource to be mobilized in the first phases of development and adjustment.** If this occurs it would promote **social issues and social planning as integral to the solution of the development** dilemma, and not as it presently obtains, the by-product of economic growth. The problem which is being confronted here is that **the "natural" link between growth and welfare is weakened by the inequitable distribution of income and assets, and the biases of consumption in the market towards "luxury" items and against "basic needs."**

4. **Short Term and Long Term**

While short run economic adjustment and long term development are linked, there is invariably **conflict in their implementation, raising important questions about their simultaneous pursuit.** For example, should we liberalize the foreign exchange market, imports and foreign investment at the same time? How can we, in a world riddled with protectionism, implement as some Caricom countries are doing, measures to end infant industry protection? In existing practice, stabilisation has been uniformly given precedence. An alternative approach would strive to make these two concerns operationally, complementary, but if a choice had to be made, development would not be sacrificed.

5. **External Prospects**

Many existing adjustment programmes are very **limited in their assessment of the external prospects for the adjusting countries.** For one, they approach adjustment as if it was a problem for the "deficit" country alone, ignoring altogether the timeliness, efficiency and effectiveness of international support. Despite the GATT, and the coming into existence of large regional trading blocs, the specific prospects for our region's old and new exports need indepth consideration. Yet, it is frequently the case that existing policy framework papers pay the scantiest of concern to these issues, possibly because this might indicate the extent to which failure to dismantle barriers in the North and to have countries there honour their commitments contribute to the costs of adjustment in the South.

6. **Private Sector Capacity**

Finally, all adjustment programmes centre on the market to promote allocative efficiency. While significant mis-allocation has occurred in statist/commandist regimes, it should be remembered that these regimes were encouraged, and indeed supported by the protracted failure of markets to allocate and distribute efficiently. **The private sector, in the present circumstances, may be intended as the engine of growth, but let us be frank and fair. In order to do so in an effective way, the region's private sector will have to undergo major engine overhaul, repairs and fine tuning.** Such self-criticism is required if we are to deal in a socially just way with matters such as tax evasion, the exercise of monopoly power in the market, the evils of nepotism, cronyism and corruption, and the dis-orientation of this sector away from a scientific and technologically focussed production of goods and services, in a socially responsible manner.

N O T E S

1. For an earlier exploration of these issues see, "Adjustment, Stabilization and Exchange Rates", Paper presented to the **Symposium on Economic Liberalization and Caribbean Development,** IIR and ISER, University of the West Indies, Trinidad and Tobago, 1993 and "Adjustment in the Caribbean: An Alternative Approach", **Plenary Presentation to the 12th Annual Conference of the Institute of** Chartered Accountants, Guyana, June 1994.

2. See C.Y. Thomas, **Socio Economic Reform in Guyana: Poverty**, a Report submitted to the **Pilot Mission on Socio Economic Reform in the Cooperative Republic of Guyana**, July 1994.

3. ibid, P.33.

4. These include **inter alia**:

   - The establishment of International Debt Tribunals
   - The bringing into existence of an International Bankruptcy Law
   - The introduction of relief provisions for debt owed to IMF/World Bank and inter-Governmental institutions.
   - Servicing commercial debt at its market value
   - Programmes of debt collaboration in regional groupings.

   See D. Budhoo, **Alternative Structural Adjustment Programme For Guyana: Brief Summary of Conclusion on Foreign Debt**, BWRO, mimeo, 1994.