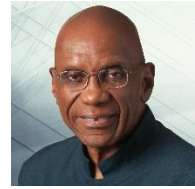




## Economic Letter September 2018



### **A Public Sector That is Capably Led and Able to Get Things Done Will Spur Economic Growth**

Everyone agrees on the need to restore economic growth in Barbados to about 3 percent annually. That is the country's potential growth rate, based on the competitiveness of our country's tourism. Barbados remains the most competitive tourist destination in the Caribbean, as reported in the *Global Competitiveness Report*. However, the country has slipped from Number 47 to Number 72 in the international rankings over the past five years. A major reason for the loss of competitiveness is the worsening performance of the public sector. The key to unlocking the country's growth potential lies with specific actions that are required to improve the performance of the public sector.

The process begins with new leadership in the public service. Permanent Secretaries, Heads of Departments and CEOs of publicly owned institutions must be selected to ensure that they possess the character, expertise and experience required to master their assignments. They are responsible for developing and implementing strategies for the entities under their control, for managing staff and budgets to deliver services to the satisfaction of the public, and for providing timely reports on performance. Serious public sector reform should begin with professional assessment of the leadership of the public service, and prompt action to bring that leadership to the required standard. The reform should include action plans with a target date for the publication of the 2018 annual report of every public sector agency, department and institution.

An immediate task facing the new public sector leadership, once it is in place, is to modernise processes in the public sector, and to bring Barbados public sector operations into the digital world. By and large, the Barbados public sector's approach to information technology has been to computerise existing procedures. Ironically, that approach makes things work less well than they did before we had computers. The new leadership must have the skill to devise and implement procedures and processes which have been developed for a digital world, and to dispense entirely with the inherited ways of doing things.

The general public of Barbados needs to see evidence of improvement in the delivery of public services, across the board. The public sector has a large credibility gap, born of decades of poor and indifferent service. We no longer expect to receive good service in the public sector. The aim must be to change that perception, by making prompt, courteous and satisfactory service a commonplace experience. That creates a virtuous cycle, fostering pride among public servants and boosting morale in the public services.

More efficient delivery of public services is the key to unlocking the potential of Barbados' tourism; it also helps to accelerate the growth of renewable energy, to exploit profitable international business opportunities and to foster the entrepreneurial spirit of the country's youth. In time, these benefits could raise the current 3 percent potential growth, to rates exceeding five percent per year.

The stated aim of public sector reform should be to fully restore public confidence in the delivery of public services by the end of a five year period. From the outset, our aim should be the gold standard. Government should target a quality of public service comparable to what obtains in Canada, a country with which most Barbadians are familiar.

The benefits of an efficient public sector are evident: taxpayers who are content because they are getting true value for their tax dollar, investors and entrepreneurs who receive enthusiastic Government support for progressive and profitable ventures, and an economy with expanding potential for growth. It all begins with capable public sector leadership.