

## **Former senator urges govt to rethink proposed actions on BEC**

*By Darron Cash ~ For the Guardian:*

And while they are at it, they should rethink their entire strategy for managing public corporations and state assets such as ports (including Freeport).

The Prime Minister and Minister of Finance has been reported in The Nassau Guardian as saying "We are doing an analysis of BEC now by a Canadian Company, Emera. At the end of the exercise some decisions will be made including whether or not we are prepared to offer them equity in BEC, a management contract, and whether we are prepared to make some shares available to the public. We expect to be able to make those decisions after August this year." The prime minister is further quoted as saying "That's another opportunity to broaden ownership in The Bahamas..."

It seems clear to me that the prime minister is publicly sending up a trial balloon to gauge public reaction to a proposed government action. I feel obligated to offer a similarly public response to his public request for reaction and feedback.

In the main, the government is acting responsibly in what it is seeking to do with the national budget. However, the government should be concerned about a few issues that go beyond the numbers. Given that The College of The Bahamas is in the news in the context of the budget, this is an opportune time to point out that the concerns about the proposed BEC action go to the heart of the issues discussed and the lessons Professor Felix Bethel taught us in our class on government and Politics. The issue is Bahamian ownership and control of the economy, and more specifically, what government could, would or should do to promote it.

As a former senator, I am greatly concerned about successive governments' apparent default position of looking to and relying upon perceived foreign expertise at the expense of Bahamian talent. Put another way, I am concerned - and to an increasing degree troubled by the extent to which successive governments appear to look to foreign nationals to solve every major national problem we face.

Bahamians can't run the airport - bring in the foreign reserves  
Bahamians can't run the city dump - bring in the foreign reserves  
Bahamians can't run BEC - bring in the foreign reserves  
Bahamians can't run BTC - bring in the foreign reserves  
Bahamians can't run COB - bring in the foreign reserves  
Bahamians can't build roads - bring in the foreign reserves

I am concerned that by its actions the government is not only failing to encourage or inspire Bahamians to take greater ownership and control of their economy, but the government may be unknowingly DISCOURAGING and demotivating them from doing so.

The BEC "trial balloon" is a good example of this. After successive governments have used (and some argue, abused) this once profitable monopoly in the pursuit of government policy (the Family Island Electrification Program to name one series of initiatives), and after the Corporation's resources have been depleted because of an ill-conceived and ill-timed rate reduction, the quick and easy fix is to blame it all on bad management and bring in the foreign experts to save us. I cannot join that Hallelujah chorus!

It is not clear whether the newspaper's quote with respect to equity in BEC was taken out of context. It must have been, because it is somewhat curious...and perhaps even amusing...to suggest that we must use a foreign entity to facilitate redistribution of equity in a corporation we already own 100% of. In the unlikely event that the quote was not taken out of context, and indeed it was the public rumination of a prime minister exploring public policy alternatives, then I would humbly suggest that it is time for a broader review of our overall national privatization objectives. Times have changed since we started down the privatization road, and it might be time to reengage with the electorate and hit the reset button.

With respect to BEC, I strongly urge the government to reconsider this idea. It is a bad idea. It is bad for the people. This country must get to the point where Bahamians recognize that they must be the ones to take ownership of and solve the country's problems.

Political organizations and the governments they spawn tend to be in a great big hurry. They want it done NOW! Fix it NOW. Results NOW, but at what cost?

The cost is continued DEPENDENCY! Reliance on others! Impotence! The absence of a can do spirit, primarily because those in authority never afford their own people the opportunity they truly deserve. This is not easily achieved in the private sector. But when it comes to public assets, the government is in the driver's seat.

At the core of BEC's ability to become and remain a viable entity is the issue of government intrusion. Take away that ability to intrude, hire the right managers, empower management and the board to act without clearing everything "Down Town" and hold them all accountable from top to bottom. Yes, "accountable" is code for "the ability to hire the right people and fire the wrong ones when circumstances warrant it."

What should the government do with BEC and all others?

1. Invite Bahamians to the table. Give them an opportunity to assemble the right teams and plans to turn the corporations around
  - a. Yes, there is a high probability that there will be some reliance on foreign expertise. The fundamental issue is who is in charge and calling the shots?
2. Pay Bahamians like you usually pay the foreign experts. If the Bahamian consultants do what you already know needs to be done, they will need some savings to fall back on anyway
3. Set broad government policies and then back off. Do not micromanage. Resist the urge to scratch that itch
4. Pay government bills. Do so on a timely basis
5. Appoint the right board with the fortitude to "JUST SAY NO!" to the government!
6. Be prepared to get kicked out of office for doing the right thing.
  - a. As soon as the unions start fighting back, services will be disrupted and people will be upset. You're doing that in this budget already, so why worry?

**Thursday, June 3, 2010**

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