APPENDIX I

LEAD PAPERS

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EMPLOYMENT STRATEGIES IN WORLD PERSPECTIVE

by

Keith Griffin

There has been a remarkable shift in emphasis in recent years in the vocabulary used to discuss development problems. During the 1950's and for most of the 1960's economists and national policy makers concentrated on raising aggregate rates of growth of domestic product. This tendency was reinforced by bilateral and multilateral aid agencies which set growth targets and devised "performance indicators" on the basis of which assistance was allocated. As a result, flows of foreign aid tended to be channelled in favour of the richer and faster growing under-developed countries to the disadvantage of large, very poor and relatively stagnant economies such as India or Bangladesh. That is, foreign aid probably helped to accentuate inequality among the under-developed countries.[1]

In many instances, however, growth rates did accelerate and the tempo of expansion was much faster than many once thought possible. Indeed the average 5 per cent growth target of the first United Nations Development Decade was achieved quite readily; and accordingly the target was raised to 6 per cent for the Second Development Decade, in which we are now well embarked.

Nevertheless, it soon became apparent that growth as such provided no guarantee that the standard of living of the poor would improve. In some countries, of course, there has been little growth in per capita income and it is hardly surprising that the material well-being of many millions of people has declined absolutely. India, for example, has experienced almost no rise in average income during the present decade; moreover, there is evidence that the income of the bottom percentiles of the population started to fall at least as early as the beginning

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1 A study of the lending patterns during 1969 - 1972 of the largest multilateral agency, the World Bank, indicated that nominal aid per capita was positively, and statistically significantly, correlated with per capita income. Grant-equivalent aid per capita was uncorrelated with per capita income. See William Cline and Nicholas Sargen, "Performance Criteria and Multilateral Aid Allocation," World Development, June 1975.

of the 1960's.[2] Similarly, in Bangladesh, despite the paucity and poor quality of the data, the evidence is unmistakable that between a third and 40 per cent of rural households have suffered "a sharp decline in their standard of living".[3] Again, it is widely known that real incomes of plantation labourers in Sri Lanka have fallen.

Even in rather rapidly growing economies, however, large numbers of people have failed to share in the benefits of growth and their basic needs have therefore remained unfulfilled. Indeed, in Pakistan, during the period of swift expansion when the economy was hailed as a model of capitalist development, real incomes of both the urban and rural poor almost certainly were falling.[4] Again, in Malaysia income per head increased about 2.5 per cent a year between 1957 and 1970. At the same time the distribution of income became far more unequal, the Gini coefficient rising from 0.40 to 0.51, and the bottom 40 per cent of households, especially those living in rural areas, experienced a substantial absolute decline in their real income.[5] Fragmentary evidence from several other countries including Morocco, Haiti, Ecuador and Guatemala suggests that there too the position of the poorest sections of the rural and urban working class deteriorated.

The gradual realisation that growth was doing little to alleviate the misery of much of mankind led many observers to urge that economic policy be oriented away from a preoccupation with the growth of production and in favour of the creation of employment opportunities for those who either had no job or were in such low productivity and income earning jobs that they could be deemed to be in disguised unemployment. The launching of the World Employment Programme by the International Labour Organisation in 1969 was one response to this call.

There are conceptual and statistical difficulties in determining the extent of the employment problem in the third world. Guess estimates prepared by the ILO indicate that in 1975 there were 33 million people in under-developed countries who were unemployed and roughly 250 million who were underemployed, in the sense that their employment was of "less than

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2 See, for example, V.M. Dandekar and N. Rath, Poverty in India, Bombay 1971. There is some evidence that real wages in Indian agriculture were higher in 1950/51 than in 1964/65. See S.V. Sethuraman, Employment and Labour Productivity in India since 1950, " Economic Development and Cultural Change" July 1974.

3 A.R. Khan, "Bangladesh: Economic Policies since Independence", South Asian Review, October 1974, p.21.

4 See Keith Griffin and A.R. Khan, eds., Growth and Inequality in Pakistan, Macmillan, 1972.

5 The data were kindly supplied by E.L.H. Lee from a draft of his Oxford D. Phil, thesis.

normal duration" or that they held a job "yielding inadequate income". The total of these two categories is 283 million people who are unemployed or under-employed. That is, in round figures, the employment problem affects 300 million workers, or 30 to 40 per cent of the labour force.

Between now and the year 2000 an additional 700 million people will enter the labour markets of the third world. To remove the backlog of under-employment and provide for the young people seeking employment for the first time, a billion jobs will have to be found by the end of the century. This is the magnitude of the employment problem that faces us.

Formidable as are these figures, it is important to maintain a correct perspective. Studies by the ILO and by independent scholars have shown that open unemployment is a small part of the problem of under-development. The heads of most poor households usually have jobs, but the jobs are badly remunerated. In fact in many countries only the relatively well-off can afford to be unemployed: the young, the educated, women, the urban-born and first-time job seekers.

This point can be illustrated with data from Central America and the Caribbean. In 1973 the unemployment rate in Santo Domingo, capital of the Dominican Republic, was 20 per cent. Only 6 per cent of the male heads of households were unemployed, however, whereas 26 per cent of the rest of the labour force was unemployed. The unemployment among 15 - 24 year olds, viz., 36 per cent, was nearly three times higher than the unemployment rate of those 25 years old and above.[6] In Panama, in 1970, the average unemployment rate was 7.1 per cent, but the unemployment rate among women was slightly more than twice as high.[7] In Costa Rica, in 1967, the unemployment rate was 4.0 per cent, but nearly one third of this was concentrated among 15 - 19 year olds, where the rate was more than twice the national average. Disaggregation of the data in terms of educational qualifications revealed that unemployment was highest among those with a secondary education (6.1%) and lowest among those with either no education or a university degree (1.7%).[8]

As a result of findings such as these there has been a switch in emphasis in the ILO and elsewhere from the specific problem of unemployment to the more general issues of poverty and inequality. Statistical evidence seems to indicate that the distribution of income in capitalist economies follows an aysmmetrical U-shaped curve. The share of the bottom deciles, say

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6 ILO, Generacion de Empleo Productivo y Crecimiento Economico: El Caso dela Republica Dominicana, Geneva, 1975.

7 ILO, Situacion y Perspectivas del Empleo on Panama, Geneva, 1974.

8 ILO, Situacion y Perspectivas del Empleo en Costa Rica. Geneva, 1972.

the lower 40 per cent of households, falls as income per head rises from less than $100 (in 1965 prices) to $500; thereafter, the share of the poor appears gradually to increase.[9] This generalisation, however, is based on data of unknown and perhaps doubtful reliability. Moreover, there are several exceptions to the generalisation even among capitalist countries, e.g. Taiwan and South Korea, and the evidence of diminishing inequality at later stages is based on a very few observations of highly advanced economies. Lastly, the generalisation is derived from cross-section observations and thus does not necessarily describe the behaviour of an economy over time. A leap of faith is required to predict the future path of an economy from information about the present condition of other economies.

Some have been prepared to make that leap, however. Perhaps the most daring are Irma Adelman and Cynthis Taft Morris who have conducted an elaborate cross-section analysis based on the classification of 48 social, political and economic indicators from 74 under-developed countries.[10] Working with poor data, subjective evaluations of many social and political indicators and a total absence of time series information, Adelman and Morris nonetheless conclude "that hundreds of millions of desperately poor people throughout the world have been hurt rather than helped by economic development".[11] Specifically, they argue that "the position of the poorest 60 per cent typically worsens, both relatively and absolutely ... (and that) in an average country going through the earliest phases of economic development, it takes at least a generation for the poorest 60 per cent to recover the loss in absolute income associated with the typical spurt in growth".[12]

It would be easy to dismiss these results were it not for the fact that fragmentary time series evidence does indicate that the standard of living of the poor probably has been falling in quite a few countries. Even so, some people may be puzzled about how it is possible for the incomes of a large proportion of the population to decline absolutely when average incomes are rising. Presumably the rise in per capita output is due in large part to a combination of a rise in the capital-labour ratio, i.e. an increase in the quantity and quality of equipment per worker, and an improvement in the skills and knowledge available to the labour force, i.e. an increase in human capital formation. This investment in men and equipment should lead to a rise in the average and marginal products of labour which, in turn, would be

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9 See Felix Paukert, "Income Distribution at Different Levels of Development: A Survey of Evidence, "International Labour Review", August - September, 1973.

10 Economic Growth and Social Equity in Developing Countries, Stanford University Press, 1973.

11 Ibid., p.192

12 Ibid., p.179

reflected in higher wages and incomes all round. Thus in a properly functioning economy growth should not be impoverishing.

This view rests on the assumption, however, that resources - including labour, are swiftly and costlessly reallocated in response to changing opportunities. In practice, alas, there are numerous blockages in the economic system which not only prevent the benefits of growth from being spread widely but actually result in greater misery for large groups in society. Low incomes are perpetuated in urban areas by restricting the types of jobs to which the poor have access and, in effect, confining a large proportion of the urban labour force to low paid, low productivity tasks in the informal sector. Similarly, in those rural areas where property is concentrated in a few hands, the majority of households - the landless and near-landless - are virtually bereft of resources and hence often are forced to obtain a livelihood, at least in part, either by offering their labour at penurious wages or by paying very high rents for access to land. If in such a context the restrictions on access to jobs and resources are severe and population growth is rapid, the consequence may be an absolute decline in the income of the poor.

Of course, it is not growth as such which causes incomes to fall but the social structure in which growth occurs and the policies which accompany it. The social structure can be described in terms of an interacting series of controls over the labour market: social controls, environmental controls and institutional controls.

Racial discrimination (as in the Caribbean) or differentiation based on language (as in Andean America) are examples of social controls. Poor education resulting in illiteracy, inadequate training facilities and physical isolation resulting from low investment in transport and communications are examples of environmental controls. The latifundia system, the concentration of land in large plantations and the monopolisation of the urban credit markets are examples of institutional controls.

One effect of the systems of control is to fragment labour markets in such a way that bargaining strength is systematically altered in favour of a minority of property owners. Low earned incomes and an unequal distribution of income are the inevitable results. A further consequence is that "surplus" labour is created, in the sense that the majority of the working population is limited to tiny holdings in agriculture and to the informal urban sector, where their productivity is very low. This "surplus" labour, however, unlike the unlimited supply of labour in many economic models, is accompanied by, indeed is the product of, under-utilisation of land and capital assets. Thus the social structure produces not only inequality but low output and inefficiency as well.

The economic consequences of a particular social structure frequently are reinforced by the policy measures introduced by government. This is hardly surprising, since governments are part of the society and respond to pressures exerted by those who

possess political and economic power. One manifestation of these pressures, much discussed in recent years, is the alleged "urban bias" of many economic policies, as witnessed for example by the emphasis on import substituting industrialisation, the low proportion of total investment devoted to agriculture and the consequent slow growth in per capita food availabilities.

While there is undoubtedly truth in this claim, it must not be exaggerated. Many policies have a class bias rather than a locational or sectoral bias. Indeed the locational bias, if any, often is merely coincidental. For example, a system of import licensing tends to encourage the concentration of economic activity in the capital, where the permits are issued. More significant, however, is the fact that the system tends to channel scarce foreign exchange resources toward large, well established producers and importers to the disadvantage of small producers and potential competitors. Similarly, the low and often negative real rates of interest on loans from the banking system, and the associated severe credit rationing, encourage the adoption of capital intensive methods of production both in industry and agriculture and thereby alter the distribution of income, reducing the share of wage earners and those small farmers and businessmen who have little access to rationed finance.

Thus the "urban bias" of policy results in allocative inefficiency and distributive inequity even within urban areas. Of course, agriculture also has been harmed, on balance probably more than the urban areas, but not all groups in the countryside have been harmed equally; in fact, some have benefited from the policies pursued. In several countries, for instance, labour-displacing mechanisation has been subsidised, and this has operated to the advantage of large landowners and against the interests of landless labourers. In other cases the production of specific crops, often foodgrains, has been encouraged by high support prices financed by government. These schemes primarily benefit large commercial farmers who produce entirely for the market. Small farmers who have nothing to sell after meeting the subsistence needs of the household gain nothing from the policy. Indeed they may even lose if they are forced to purchase food on the local market to supplement their own production.

Our argument, then, is that policy has had a pronounced class bias which cuts across the sectoral divisions of the economy. Large property owners and their allies have been favoured at the expense of most of those who own little or no property. The majority of people in the latter category live in rural areas and they have experienced a relative decline in their share of the national income. Indeed in some cases their income has fallen absolutely. As a result, earnings differentials have arisen between the rural and urban areas; falling labour productivity and wages in agriculture have pushed the most mobile people out of the countryside in search of relatively well paid jobs in manufacturing. In fact, however, only a minority of the migrants obtain such employment; the majority have no alternative but to enter the so-called informal sector, often becoming self-employed. Rising numbers in the urban shanty towns and slums

tend to depress real incomes in the informal sector. In this way agrarian poverty is transferred to the cities, and the process continues until expected urban incomes are no higher than those in rural areas, at which point migration ceases.

If one accepts this analysis it is possible to understand how national product per head, agricultural rents, industrial profits, and wages and salaries in the manufacturing sector can rise rapidly while inequality increases and incomes of the very poor fall absolutely. Notwithstanding the evidence that something like this probably has been happening in many countries, some people claim that a redistribution of income would improve the material well-being of the lowest income groups only marginally. The reason, they claim, is that there are too many poor and too few rich.

The relevant figure, however, is not the number of rich people in a society but the proportion of total income they absorb. In Latin America, for example, in 1965 the richest 5 per cent of the population accounted for about 33 per cent of total income, while the poorest 20 per cent accounted for about 3 per cent of income.[13] It should be possible in principle, therefore, to double the average income of the bottom two deciles by reducing the income of the top group by only 9 per cent, i.e. to 30 per cent of the national product.

It might be objected that a redistribution of income is likely to reduce the rate of growth and hence in the long run the incomes of the poor would be lower than otherwise. Cross-section evidence from 59 countries, however, indicates there is no association between the degree of inequality as measured by the Gini coefficient and the rate of growth of GNP per capita during the period 1960 - 1970. Moreover, even if slower growth did occur as a result of redistributive policies, the poor might still benefit substantially.

This is demonstrated in an interesting study of several Latin America countries by William Cline.[14] Making pessimistic assumptions about the form of the savings function, he argues that a redistribution of income in, for example, Argentina, Brazil and Mexico to roughly the British level of equality would reduce the annual growth rate by 0.66 per cent in Argentina and by approximately one per cent in the other two countries. The income of the bottom 70 per cent of the population would rise considerably, however. Indeed, to reach the post-redistribution level of income with the undiminished rate of growth would require 34 years in Argentina, 56 years in Brazil and 49 years in Mexico - by which time most of those presently alive in those countries would be dead.

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13 Economic Commission for Latin America, Economic Survey of Latin America, 1969, (New York, 1970) p.111 - 28.

14 William R. Cline, Potential Effects of Income Redistribution on Economic Growth: Latin American Cases, New York, Praeger, 1972.

There are many policy instruments that could be used in an attempt to reduce inequality. A combination of direct taxation of high incomes, transfer payments to the poor and the provision by the state of public consumption goods is perhaps the most obvious. Alternatively, government could intervene in commodity markets, e.g. by subsidizing the prices of goods consumed by the poor, and in factor markets, e.g., by requiring producers to pay higher wages to labour or encouraging them to adopt more labour intensive techniques of production. Another possibility would be to promote the development of new "intermediate" technologies which are more appropriate to the factor endowments of the country or the specific circumstances of the poor. Lastly, the material well-being of the poor could be improved by redistributing the stock of assets which generates the flow of income. In agrarian economies this implies a redistribution of land.

Four distributional strategies recently have been examined in a joint study by the World Bank and the Institute of Development Studies at Sussex.[15] The first strategy consists of a policy of wage restraint in order to redistribute income toward the rich and toward profits. It is explicitly anti- egalitarian. The second consists of an annual transfer of 2 per cent of GNP to the consumption of the poor. The third, on which particular emphasis is placed, involves an annual transfer of 2 per cent of GNP into public investment to build up the stock of capital available to the poor. The fourth entails a redistribution of the existing stock of assets to poverty groups, as in land reform.

The quantitative implications of the first three strategies were explored in a simulation model covering 40 years. Unfortunately, the most radical strategy, i.e. asset redistribution, was ignored. Even so, the results of the IBRD/IDS analysis are highly enlightening.[16] First, after four decades of accelerated growth via a policy of wage restraint, the level of per capita consumption of the bottom 40 per cent of the population would be more than 17 per cent lower than it otherwise would have been. Next, a policy of consumption transfers would have been even worse. After 40 years of this strategy the consumption of the poor would be about 19 per cent lower than otherwise. Finally, the investment transfer would indeed raise the consumption standards of the poor, but only by an extra 23 per cent after 40 years. That is, in the best of the three cases considered, the rate of growth of consumption of the bottom 40 per cent of the population would accelerate by 0.5 per cent a year.

Evidently, progress in reducing inequality is likely to be painfully slow if the redistribution of income is limited to the margin, i.e. to the increments of growth. Moreover, a re-

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15 Hollis Chenery, Montek S. Ahluwalia, C.L.G. Bell, John H. Duloy and Richard Jolly, Redistribution with Growth, Oxford University Press, 1974.

16 Ibid. Table XI. 5, p.228.

distributive strategy of this type is bound to be very difficult to implement. In the first place, a reformist or incrementalist approach will encounter permanent and tenacious opposition from the small minority of the population that accounts for most of the national income. A sustained struggle will occur between, on the one hand, those who own the wealth which generates much of the country's income, and who naturally will want to retain that income for themselves, and, on the other hand, those who wish to divert part of the flow of income toward the poor. It is far from clear that a once-for-all redistribution of wealth is less feasible than a continuous redistribution of the increments of income.

Second, attempts to reduce inequality by redirecting public investment or consumption toward "target groups" of the poor will be partially frustrated by leakages of income to other groups. In other words, it is impossible to confine the benefits of public expenditure to specific pre-selected categories of persons. For example, the construction of a village school will benefit directly (a) the building contractor, (b) his labourers, (c) the newly hired teacher, (d) the children of the poor and (e) all other children in the village who use the school. Only categories (b) and (d) are likely to be included in the bottom 40 per cent of the population. Similarly, the provision of free milk at school will benefit (i) those farmers who have a marketable surplus, (ii) those who process, transport and distribute the milk and (iii) school-children. Only some of those in group (iii) are certain to be poor; all other beneficiaries are likely to be outside the "target group". Yet an attempt, say, to ensure that only poor children get free milk will require some sort of means test and the consequent necessity to employ (un-poor) civil servants to administer it. Thus, if a government through its expenditure policies wishes to transfer a given amount of resources to the poor, it will in fact, because of leakages, have to spend a multiple of that amount.

Third, it is likely to be equally difficult to redistribute income by manipulating the price system. This is true in part because the effects of a price change cannot be limited to a specific group; price policies, like expenditure policies, entail leakages. Furthermore, price interventions set up contervailing pressures which tend to restore the original distribution of income.[17]

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17 This point was stressed by Irma Adelman in a seminar at Queen Elizabeth House, Oxford on 25 November 1974. Perhaps economies obey Le Chatelier's Law, i.e., "any change in one of the variables that determine the state of a system in equilibrium causes a shift in the position of equilibrium in a direction that tends to counteract the change in the variable under consideration". (Cited in Colin Stoneman, "Foreign Capital and Economic Growth," World Development, January 1975, p.3.)

For example, high support prices for domestic food production may benefit agriculture as a whole, including of course the large farmers. They will harm the urban population, including the poor in the informal sector. Hence the direct impact of the policy on the degree of inequality is ambiguous. Moreover, the secondary consequences may counteract part of the direct impact: higher food prices may lead to higher urban money wages, which eventually may be reflected in higher prices of manufactured goods. If this happens, the internal terms of trade will begin to turn against agriculture, thereby re-establishing, at least in part, the initial income distribution. Even if this sequence is avoided, high support prices may result in surplus production which the government is forced to purchase and finance by imposing additional taxation. If the new taxes are regressive, any positive effect of the price policy on equality will be partially cancelled. Alternatively, the government may choose to run an inflationary budget deficit, in which case a balance of payments difficulty is likely to emerge. Ultimately this will require a depreciation of the exchange rate and a consequent deterioration of agriculture's terms of trade.

The enactment and enforcement of a minimum wage in agriculture presents comparable problems. The direct advantages for landless labourers are likely to be partially offset by a combination of reduced employment (arising from the substitution of capital for labour) and higher food prices (consequent upon the increased cost of cultivation and harvesting). In the longer run institutions might change, e.g. landowners might switch from a wage labour system to a tenant system. Moreover, higher rural wages and increased food prices may lead to countervailing rises in urban wages and prices, thereby again turning relative commodity prices against agriculture.

Several conclusions emerge from this discussion. First, in the majority of under-developed countries there is only one way of quickly increasing the standard of living of the poor, namely, by a substantial redistribution of income from the richest 5 - 10 per cent of households to, say, the bottom 40 per cent. Rapid growth by itself is not a sufficient remedy, partly because growth often results in greater inequality and even, at times, in an absolutely lower level of consumption. Next, attempts to alleviate poverty by redistributing the increments of growth are unlikely to be satisfactory in principle. Marginalist or gradualist strategies, compared to more radical alternatives, are too slow. The bottom four deciles of the world's population has a per capita income of roughly $100 or less. The great majority of these people would be dead before an incrementalist approach could make a noticeable difference to their material well-being.[18]

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18 In contrast, radical redistribution in China has made an enormous difference to the welfare of the Chinese people. Medical care, for example, has improved to such an extent that in Shanghai and Peking the infant mortality rates are reported to be lower than in New York City. (See Victor W. Sidel and Ruth Sidel, "The Development of Health Care Services in the People's Republic of China", World Development, July-August 1975).

Moreover, third, in practice an incrementalist strategy is likely to be unsuccessful. Attempts, over several decades, continuously to redistribute income from the rich to the poor are certain to encounter strong political opposition. In addition, the instruments of policy intervention characteristic of incrementalist strategies - government expenditure, tax and price policies - suffer from serious defects arising partly from leakages and partly from the self-stabilizing properties of the price system.

It seems inevitable, then, that the principal component of a successful attack on poverty must be a redistribution of the stock of wealth. Given that most under-developed countries are largely agrarian economies, it follows that a redistribution of landed property is almost certain to be of primordial importance. A land reform, in isolation, may not always be sufficient to remove rural poverty, but even the rather chaotic land reform in Bolivia succeeded in raising markedly the standard of living of the peasantry between 1952 and 1966.[19] Similarly, despite all the difficulties encountered by the Cuban revolution, there is no doubt that land reform was crucial to increasing the welfare of the rural population of the island.

Our point, however, is that without land reform it will not be possible in many countries to meet the basic needs of the population, reduce the most glaring forms of poverty and provide adequate employment to the expanding labour force. In other words, land reform is a *conditio sine qua non* in many countries. Unfortunately, it is a necessary step that is difficult to implement; there are no easy or painless solutions to the problems of poverty and under-development, and it would be disingenuous to pretend otherwise. On the other hand, to refrain from making the effort on grounds of political impossibility would be defeatist as well as historically inaccurate.

Finally, one must recognise that poverty is essentially a social phenomenon related to inequality. This was seen long ago by several of the classical economists and illustrated by Marx with a brief parable.

> *A house may be large or small: as long as the surrounding houses are equally small it satisfies all social demands for a dwelling. But let a palace arise beside the little house, and it shrinks from a little house to a hut.... however high it (the little house) may shoot up in the course of civilization, if the neighbouring palace grows to an equal or even greater extent, the occupant of the relatively small house will feel more and more uncomfortable, dissatisfied and cramped within its four walls.*[20]

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19 See R. J. Clark "Land Reform and Peasant Market Participation in the Northern Highlands of Bolivia, "Land Economics, May 1968.

20 Karl Marx and Frederick Engels, Selected Works, Vol.I, Foreign Languages Publishing House, Moscow, 1958, pp. 93-4. (I am indebted to Paul Streeton for calling this passage to my attention).

When all is said and done, poverty has nothing to do with psychological minima or absolute standards; it is entirely a relative concept that can be defined only within a specific context of time and space. *"Our desires and pleasures spring from society; we measure them, therefore, by society and not by the objects which serve for their satisfaction. Because they are of a social nature, they are of a relative nature".*[21] A household's poverty, for example, does not exist independently of the welfare of other "reference groups", be they neighbouring households, peoples of other regions or linguistic groups, members of other classes or, indeed, other countries. Thus the notion of poverty is intimately connected with the idea of inequality, and our views on welfare are closely associated with our perception of equality. It is for this reason that, ultimately, the only way of reducing poverty is to reduce inequality.

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21 Ibid., p. 94

THE MAGNITUDE AND NATURE OF UNEMPLOYMENT IN THE CARIBBEAN

by

Jack Harewood

1. Introduction

Statistics on unemployment are available for all countries of the Commonwealth Caribbean from the Censuses of Population of 1960 and 1970, and for the larger countries of the Region from periodic or continuous sample surveys of the population. In these studies, classified as unemployed are persons who, during some specified short period (usually a week) were willing and able to work but could find no suitable employment. The employed are those engaged in the production of economic goods and services, i.e. persons working for others for pay, or working in their own business or farm which is run for profit, or working without pay but in a business or farm run for profit. The labour force is the sum of the employed and the unemployed in a given period.

2. Unemployment at the Censuses of 1960 and 1970

Users of census data need to acquaint themselves fully with the terms used in the census reports and the definitions of these terms. In particular, the figure of unemployment at a given period (e.g. the week preceding the census enumeration) may have to be derived by adding together components in different parts of a table or even in different tables. Generally, persons who have never worked before and are seeking their first job are shown separately from the experienced unemployed and the two groups must be added together to arrive at the total unemployed. When these and other necessary adjustments are made in the 1960 and 1970 census data, the numbers in the labour force and unemployed in the Region are shown in Tables A and B.

The fourteen countries covered in the Tables had a total labour force in 1960 of 1,360,200 of whom 163,400 or 12 per cent were unemployed. The number of males unemployed was 85,400 or 10 per cent of the labour force.[1] The unemployment rate was high in the Windward Islands, except Dominica, and comparatively low in the Leewards Islands,[2] except Montserrat. For the larger

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1 With respect only to males.

2 Antigua, for which 1970 figures are not available, is excluded from both tables.

countries the rate was 9 - 10 per cent. Among females, unemployment totalled 78,800 or 17 per cent of the labour force, being highest of all in Jamaica (19 per cent) and lower, 14 - 15 per cent, in the other larger countries. In all countries the unemployment rate was higher among females than among males.

In 1970, the total labour force (both sexes) was 1,324,700, of whom 273,700 were unemployed. As compared with the 1960 census figures, therefore, the labour force was slightly smaller in 1970, but the number unemployed was very much higher. The unemployment rate for the region as a whole was 21 per cent in 1970 as compared with 12 per cent at the 1960 census.

For the males, the unemployment rate was highest in Trinidad and Tobago and in Jamaica but was appreciably lower (under 13 per cent) for most of the other countries. In the larger countries (except Barbados), and in the Windward Islands (except Grenada) the unemployment rate was higher in 1970 than in 1960. The Trinidad and Tobago and Jamaica cases are exceptional in this regard, the unemployment rate according to the 1970 census being 22 per cent and 23 per cent respectively for males, as compared with a rate of 9 - 10 per cent at the 1960 census.

For the females, the unemployment rate was higher in most countries in 1970 than at the earlier census, with Jamaica (29 per cent) and Trinidad & Tobago (26 per cent) again having the highest rates. However, in the case of females the unemployment rates for the other countries were not as significantly below the two largest countries as in the case of males. Except for Belize and the small British Virgin Islands the unemployment rate in 1970 was higher than in 1960 the difference being again particularly large for Jamaica and Trinidad and Tobago.

TABLE A (1)

The Labour Force and the Unemployed
Commonwealth Caribbean: 1960 Census

Male

COUNTRY	Labour Force	Unemployed	
		Nos.	As a % of the labour force
EASTERN REGION			
Trinidad & Tobago	203,732	19,468	10
Guyana	134,130	13,168	10
Barbados	53,404	5,381	10
Grenada	16,392	2,265	14
Dominica	13,328	968	7
St. Lucia	20,001	2,302	12
St. Vincent	15,196	1,779	12
WESTERN REGION			
Montserrat	2,439	290	12
St. Kitts-Nevis	11,763	938	8
Virgin Islands	1,705	124	7
Turks & Caicos Is.	1,195	64	5
Cayman Islands	2,229	143	6
Jamaica	339,307	35,937	9
Belize	22,123	2,174	10
TOTAL	896,944	85,373	10

Sources: Eastern Region: 1960 Census Reports, Volume II, Table 19, for each country.

Western Region: 1960 Census Report. Derived from Tables showing the week's labour force by economic activity during that week. The numbers seeking their first job sometimes had to be taken from a separate table.

TABLE A (2)

The Labour Force and the Unemployed
Commonwealth Caribbean: 1960 Census

Female

COUNTRY	Labour Force	Unemployed	
		Nos.	As a % of the labour force
EASTERN REGION			
Trinidad & Tobago	74,415	10,199	14
Guyana	40,867	5,608	14
Barbados	38,699	5,920	15
Grenada	10,922	2,029	19
Dominica	10,081	1,275	13
St. Lucia	11,371	1,517	13
St. Vincent	9,660	1,586	16
WESTERN REGION			
Montserrat	1,892	236	13
St. Kitts-Nevis	7,836	897	12
Virgin Islands	409	60	15
Turks & Caicos Is.	913	72	9
Cayman Islands	930	70	8
Jamaica	252,046	48,966	19
Belize	4,883	385	8
TOTAL	464,924	78,820	17

Sources: Eastern Region: 1960 Census Reports, Volume II, Table 19 for each country.

Western Region: 1960 Census Report. Derived from Tables showing the week's labour force by economic activity during that week. The numbers seeking their first job sometimes had to be taken from a separate table.

TABLE B (1)

The Labour Force and the Unemployed, 1970
Commonwealth Caribbean

Male

COUNTRY	Labour Force	Unemployed	
		Nos.	As a % of the labour force
Trinidad & Tobago	216,860	49,640	23
Guyana	142,334	17,528	12
Barbados	56,313	5,813	10
Grenada	18,144	2,343	13
Dominica	13,474	1,554	12
St. Lucia	18,572	2,334	13
St. Vincent	15,692	2,758	18
Montserrat	2,539	225	9
St. Kitts-Nevis	8,058	683	8
Virgin Islands	2,827	181	6
Turks & Caicos Is.	1,092	142	13
Cayman Islands	2,199	103	5
Jamaica	*396,484	87,746	22
	367,721	58,983	16
Belize	27,060	2,466	9
TOTAL	*921,649	175,516	19
	892,886	144,753	16

Source: 1970 Census Reports, Volume 4 for each country:

Seeking First Job is from Table 2 - Main Activity during the year - restricted to those persons who did not work during the year.

Other Seekers is obtained from Table showing week's activity. It is the group "looked for work" in each country and in the case of Jamaica the group "wanted work and available" is added in one line but omitted in the other.

The Total Labour Force is the sum of the total unemployed and persons who during the reference week either worked or had a job though did not work.

* These figures include the group "wanted work and available" for Jamaica.

TABLE B (2)

The Labour Force and the Unemployed, 1970

Commonwealth Caribbean

Female

	Labour Force	Unemployed	
		Nos.	As a % of the labour force
Trinidad & Tobago	75,006	19,293	26
Guyana	35,107	5,601	16
Barbados	38,723	6,817	18
Grenada	11,806	2,470	21
Dominica	7,988	1,218	15
St. Lucia	10,286	1,739	17
St. Vincent	8,834	2,016	23
Montserrat	1,430	199	14
St. Kitts-Nevis	4,958	792	16
Virgin Islands	1,033	131	13
Turks & Caicos Is.	528	43	8
Cayman Islands	1,170	38	3
Jamaica	*200,320	57,464	29
	177,277	34,421	19
Belize	5,906	375	6
TOTAL	*403,095	98,196	24
	380,052	75,153	20

Source: 1970 Census Reports, Volume 4 for each country:

Seeking First Job is from Table 2 - Main Activity during the year - restricted to those persons who did not work during the year.

Other Seekers is obtained from Table showing week's activity. It is the group "looked for work" in each country and in the case of Jamacia the group "wanted work and available" is added in one line but omitted in the other.

The Total Labour Force is the sum of the total unemployed and persons who during the reference week either worked or had a job though did not work.

*These figures include the group "wanted work and available" for Jamaica.

There are grave doubts about the extent to which the figures for 1960 and 1970 are indicative of genuine changes in the employment situation in the decade. Both in the case of Trinidad & Tobago and of Jamaica, which have much higher census employment rates in 1970, these doubts appear justified. In the case of Trinidad & Tobago, the 1970 census enumeration was carried out during a period of extreme political and social unrest which culminated in the declaration of a state of emergency two weeks after Census Day. These are not circumstances conducive to complete and accurate census enumeration. In the case of Jamaica, the 1970 Census includes among the unemployed a category of persons who did not seek work but are recorded as "wanted work and available for work". This category was apparently not included in Jamaica in 1960 and is not included in the other countries in either census. If this category were excluded (See Table 8), there is still a large increase for males but not for females.

3. Data from Periodic Sample Surveys

Data from sample surveys of the population or of households provide scope for more precise and consistent data, though this has not generally been the case in the Caribbean. A number of these sample surveys have been carried out in the larger countries of the Region, though here again, there has not been consistency in the definition of unemployment and the labour force between the countries nor, in some instances, in the same country over time. It is not possible, therefore, either to add together figures of different countries, or to directly compare the unemployment situation in different countries on the basis of such data. Even change in the unemployment situation in a given country from one period to another, is often not available from these data because of differences in definitions and approach.

This section gives a brief description of the *periodic* sample surveys for the collection of labour force data in the Region, while in the following section, there is a more detailed discussion of results from *continuous* sample surveys which are now being undertaken in Trinidad & Tobago and Jamaica. The countries for which *periodic* sample surveys for labour force data have been carried out are Trinidad & Tobago, Barbados, Jamaica and Guyana.

Trinidad & Tobago

Labour Force sample surveys were carried out in Trinidad & Tobago in November of each of the years 1955 to 1957 as well as in April 1957. Following this, another series of surveys was carried out in April 1959 and 1960.

The 1955-1957 surveys were carried out by the Central Statistical Office. The field work was spread over four successive weeks, the reference period in each case being the week before the interview. The unemployed in this series of surveys included:

(a) persons who looked for work at any time during the survey week;

(b) persons who would have looked for work during the survey week, but were temporarily ill;

(c) persons who would have looked for work but knew of no suitable vacancies in their community;

(d) persons who wanted work and were awaiting results of previous applications.

Interviewers were instructed to ask all persons if they had looked for work during the survey week (group (a) above). They were not, however, to ask persons if they belonged to groups (b), (c), or (d), but were instructed to classify them as such only if they volunteered this information in reply to the above question.

With the above definitions, the persons without jobs and seeking work comprised 7 per cent of the labour force in November 1955 and 1965, 5 per cent in April 1957, and 8 per cent in November 1957.

The 1959 - 1960 surveys were carried out by the Ministry of Labour. They used a definition of unemployment to include "all persons who are without jobs and who are wanting work and are available for work; whether or not they actively looked for work". With this definition and approach the Ministry of Labour estimated 18 per cent of the labour force as unemployed in 1959 and 20 per cent in 1960.

Barbados

A labour force sample survey was carried out in Barbados with respect to 1954/1955 by George Cumper, then of the University of the West Indies, Mona, Jamaica. Cumper pointed out that the simplest definition of the unemployed includes all those who are not either employed in gainful work, on the one hand, or, on the other hand, covered by a category which puts them outside the labour force. The chief categories which would put them outside of the labour force he considered were: housewives, retired persons, school children, and disabled persons. On this definition, the number of men unemployed in crop 1955 was 9.2 thousand and the number of women unemployed was 18.5 thousand. He considered, however, that a more useful definition of unemployment as a social problem is one which excludes from that total those who are not willing to take work at the current rates in their usual occupation. The remainder, which he called the available unemployed, varied in 1955 in "hard times" between 19 and 23 per cent of the labour force.

The second series of surveys was carried out in 1965 (April and November) and 1966 (April and October) by the Depart-

ment of Statistics. In this survey a person was considered unemployed if he or she was without a job during the reference week and was actively seeking work, or if not seeking work, was willing to work or was registered at the Employment Exchange. The reference week for each respondent was the week before the visit of the interviewer and the survey reports state that the field work was carried out *during* the months indicated above. It is not clear from the reports whether the interviewing was, in fact, spread over the four weeks of the month in each case.

The unemployment rates for the years 1965 and 1966 were in each case 13 per cent in April and 15 per cent in October/November, the rate for males being about 9 per cent in April and 13 per cent in the later survey, and for females about 18 per cent throughout.

Guyana

Labour Force surveys were carried out in Guyana in 1956 and 1965, in each case by the Department of Statistics under the direction of an ILO technical adviser. In 1956 a schedule rather than a questionnaire was used and interviewers were required to enter, with respect to persons 14 years old and over, what each such person was doing most of the preceding week. Here among the activities listed were working, not at work, unemployed, keeping house, at school, retired, sick or disabled or any other. The instruction to interviewers stated simply that "unemployed - a person who did not work but who looked for work or wanted work during the week". It is estimated that unemployment amounted to 22 per cent of the labour force, the unemployment rate for males being 14 per cent and for females 25 per cent.

In the 1965 household survey, there were no specific questions set out to be asked of the respondents, but interviewers were instructed that "persons recorded as being in unemployment or unemployed are those who during the survey week did not have a job or were not in business of any kind, but who either wanted work or looked for work and in addition were available for work in case they were offered". In determining whether a person was unemployed, therefore, it was the interviewer who was "required to judge whether a person is employed or not".

From this survey, the unemployment rate was estimated as 21 per cent of the labour force (18 per cent for males and 28 per cent for females).

Jamaica

A labour force survey was carried out in Jamaica in 1957 by the Department of Statistics, but the report has never been officially released.

4. Current Data from Continuous Sample Surveys - Trinidad & Tobago and Jamaica

From their experience with the 1955-1957 series of labour force surveys, the Central Statistical Office of Trinidad & Tobago

felt that periodic surveys were unsatisfactory for measuring change in the level of unemployment. The principal reasons were: (a) that these surveys used large numbers of temporary and inexperienced field and office staff; and (b) that unusual employment circumstances during one of the brief reference periods could result in changes which would be mistakenly interpreted as changes in the general situation. The Continuous Sample Survey of Population (CSSP) introduced in 1963 overcomes these and related problems by utilising a small permanent staff and grouping together the continuous responses over a six-month period. Labour force data have been collected regularly from 1963 onwards, except for a break from mid-1971 to the end of 1972, and the results have been published with respect to January-June and July-December (averages) for each year.

In Jamaica, the collection of labour force data through the Continuous Social and Demographic Survey (CSDS) began in 1968. As in Trinidad & Tobago, this has enabled the building up of an experienced survey staff. However, a significant difference between the approach of the two countries is that Jamaica does not undertake its labour force surveys continuously, but intersperses them with the other surveys in the CSDS programme. Two labour force surveys have been carried out in each of the years 1968, 1969 and from 1972 onwards, one with respect to April (July in the first year - 1968) and one with respect to October. An even more important difference is that the Jamaican surveys are not based on the average of a large number of reference weeks, as in Trinidad & Tobago. For the surveys of 1968 and 1969, each survey related to three separate weeks, while from 1972 onwards each survey relates to one week only. The Jamaican surveys are therefore much more likely to show large changes in the labour force and more particularly in the unemployed from one period to another than the Trinidad & Tobago CSSP.

The definition of the unemployed differs between the two countries, the Jamaica definition and approach being geared to take in large numbers of persons who were not actively seeking work during the survey week while the Trinidad & Tobago definition and approach again places emphasis on getting consistent results. The Trinidad & Tobago unemployed includes all persons who did not have a job during the survey week and either: (a) looked for work during the survey week, or did not look for work because they were temporarily ill, knew of no suitable vacancy, were awaiting the results of previous applications or were on lay-off without pay; or (b) they had looked for work at some time during the past three months and still wanted work. In the publication, persons in group (a) are termed as "without jobs and seeking work" and those in group (b) as "other unemployed" while the sum of these two groups are the "total unemployed".

The Jamaican definition of unemployment includes all persons who: (a) had no job but were actively seeking work; and (b) had no job, did not actively seek work, but wanted a job and were available. A summary breakdown of the unemployed in the publications terms group (a) as seekers, and group (b) as non-seekers, with this latter sub-divided into those keeping house and others.

Since the definitions of unemployment, the approach to obtaining the information and the survey scheme adopted are so different in the Trinidad & Tobago CSSP from the Jamaica CSDS, data on unemployment from these two sources cannot be used to compare the level of unemployment in the two countries. However, since so much more care and attention have gone into the collection of unemployment data in these surveys than is possible in the censuses of population, these data can be used with greater confidence to describe the characteristics of the unemployed in the two countries. Moreover, in so far as the characteristics of the unemployed are the same despite the difference discussed above, these two surveys can also be taken, with a fair degree of confidence, as indicating the characteristics of the unemployed in the Region as a whole.

For Jamaica, the unemployment rates for both males and females declined fairly steadily throughout the two-year period 1968 - 1969. When the surveys were resumed in 1972 the level of unemployment was appreciably higher than at the end of 1969, but again the unemployment rate declined in 1972 and the first half of 1973 but had increased again somewhat in the latter half of 1973. For both sexes taken together, the unemployment rate was 21 per cent in July 1968, declined steadily to 17 per cent by October 1969 and was 22 per cent in October 1973. For Trinidad & Tobago there was much less variation in the unemployment rate which remained at 14 per cent for most of the period from 1963 to 1973, except for the period 1969 - 71 when it fell slightly to 12 - 13 per cent. For the period July - December 1973, however, the rate was 17 per cent. It will be remembered that the unemployment rates from these two surveys cannot be used to compare the level of unemployment in the two countries. The level of unemployment can be compared on the basis of the more restricted group of persons who were "without jobs and seeking for work". This comparison suggests that the differences between the Jamaica and Trinidad & Tobago unemployment rates are, quite probably, largely a reflection of differences in definitions and approach.

4.1 Characteristics of the Unemployed

The characteristics of the unemployed[2] are discussed below:

Age

In large measure the unemployment problem is a problem of youth. In Jamaica, 60 per cent of the unemployed males and 46

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2. Unless otherwise specified, the data in the following discussion on characteristics of the unemployed relate to: July - September 1973, in the case of Trinidad & Tobago, and October 1973 in the case of Jamaica.

The Jamaica figures relate to the population 14 years old and over, and the Trinidad & Tobago figures to the population 15 years old and over.

per cent of unemployed females were under 25 years of age at the October 1973 survey. In Trinidad & Tobago in the second half of 1973, 60 per cent of both the male and female unemployed were under 25 years of age. The somewhat lower proportion for females in Jamaica is no doubt due to the inclusion of the category "wanting work and available for work" 82 per cent of this category being females, all but a few of these being classified as "keeping house but wanting work". This category quite probably consists largely of women over 25 (a breakdown by age is not available to the author).

Since so high a proportion of the unemployed are young persons one corrollary is that a large proportion of the unemployed have never worked before. In the case of Jamaica about one-third of the unemployed are classified as "inexperienced" on this basis, while in Trinidad & Tobago the proportion is about one-fifth. The higher proportion in Jamaica is again probably associated with the large proportion of persons who were not actively seeking work who were included with the unemployed.

If, as is indicated above, the unemployment problem is to a large extent a problem of youth this would be of considerable significance for those concerned with seeking to alleviate the problem. In particular a popular conception of the unemployment problem is that the unemployed and their families are suffering deprivation and hardship because the unemployment means no income for the household. That this is unlikely to be so in a large proportion of the cases is suggested in the case of Trinidad & Tobago by a tabulation which shows that only 25 per cent of the unemployed are heads of households. The situation is made much clearer by data provided for Jamaica. A table showing the means of support of the unemployed showed 43 per cent of the males were dependent on a parent or guardian, and in the case of females, 27 per cent were dependent on a parent or guardian and another 58 per cent on a "spouse or common law partner". It is undoubtedly true that poverty and deprivation is associated with unemployment in some cases. The above figures strongly indicate, however, that this will not be so in all cases, and perhaps much more important, in so far as poverty and deprivation are to be tackled as major social problems, it would be unrealistic and perhaps very misleading and harmful to assume that this can be tackled through tackling the problem of unemployment.

To the extent that efforts are to be made to deal with the youth aspect of the unemployment problem, evidently the solution is not to be sought merely in the provision of temporary, unskilled employment, but rather in efforts through education and training to fit the young persons for productive full-time employment, and to provide opportunities of the type that would be meaningful and acceptable to youth.

Education

Another important aspect of unemployment is that it is much more a problem among persons with a middle level of education than among persons who are well educated on the one hand,

or those with little education on the other. This is best seen from figures available for Trinidad & Tobago. The unemployment rate was about 10 per cent of the labour force for those with less than 5 years education, and about 6 per cent for those with a completed secondary school education or higher. For those with an intermediate level of education, however, the unemployment rate was 15 per cent for those with 5 - 7 years schooling, 19 per cent for those with 8 - 9 years of primary schooling, and 25 per cent for those with an incomplete secondary education. This pattern holds good for both males and females, with the unemployment rate for females being higher than males at each level of education.

This situation strongly supports the need for special programmes to ensure better education for the young persons coming up, and imaginative training programmes for those already in the middle education groups aimed both at making them skilled in areas in which there is demand for manpower in the economy, and to shift their outlook away from clerical and white collar jobs to the many opportunities for productive employment in a developing society.

Occupation

In both Jamaica and Trinidad & Tobago, the unemployed have been classified by the occupation in which they last worked.

As is to be expected, in both Jamaica and Trinidad & Tobago the unemployment rate was very low among males in Professional, Technical, Administrative and related work (about 2 per cent in Jamaica and 4 per cent in Trinidad & Tobago) and among clerical workers (about 6 per cent in Jamaica, not shown separately in Trinidad & Tobago). On the other hand the rate was highest among unskilled workers and craftsmen (16 per cent and 15 per cent respectively in Jamaica, not identified in Trinidad & Tobago).

Other Characteristics

Some other interesting items of information about the unemployed are available from one or other of the two countries. A classification of the unemployed by the interval of time since they last worked, for Trinidad & Tobago, shows that 13 per cent had last worked one year or more earlier and 15 per cent had last worked within the last month. In broader groupings, 43 per cent had worked within the last 3 months, 33 per cent had last worked 4 or more months earlier, and 24 per cent had never worked.

In the case of Jamaica, a classification of the unemployed by the number of months worked during the past year showed that 63 per cent had not worked at all during this period, of whom about one-half had never worked. Of those who had worked during the year, about one half had worked for less than six months and an equal number for 6 months or more.

4.2 Summary

The continuous sample surveys of Jamaica and Trinidad & Tobago indicate a higher level of unemployment and greater fluctuation in the case of the former country. These are, however, clearly the result of differences in definition of the unemployed and differences in the survey procedures. In fact, information restricted to the component "without jobs and seeking work" suggest that the unemployment level in the two countries is not too dissimilar, with the rate being slightly higher in Jamaica. In both countries and no doubt in the other Caribbean countries as well, the unemployed comprise a large proportion of young persons under 25 years of age, persons with a middle level of education, and persons who last worked in unskilled occupations. As regards the means of support of unemployed persons, information from Jamaica indicated that about 80 per cent of them were dependent on either a parent/guardian or a spouse/common-law partner.

5. The Wider Issues Associated with Unemployment

The information from the Jamaica and Trinidad & Tobago surveys suggests that in large measure the singular lack of success in reducing the level of unemployment in the Region may well be that there has been excessive concern with unemployment and too little attention has been paid to the wider human resources issues. Indeed, the excessive concern with unemployment as a total and isolated problem itself suggests that the nature of the unemployment in the Region has been misunderstood. Concern with unemployment seems to be traditionally based on the belief that unemployment means poverty, and hence that unemployment is directly responsible for related problems such as social unrest, crime and so forth. Traditionally, too, the solution of the unemployment problem is seen in the context of the creation of additional jobs: all that is really necessary to create full employment is that additional jobs, equal in number to the unemployed, should be created in a short time. A study of the statistics suggests that we should abandon both this conception of the problem and the implied solution.

As to the conception of the unemployment problem, it has been mentioned already that the evidence does not support the idea that there is a close and direct relationship between unemployment and poverty. The main reason is that poverty relates to a household (i.e. a spending unit) or a family and the fact that an individual is unemployed tells nothing about his household/family income. While some information is available on the income of workers, and in the case of Trinidad & Tobago and Jamaica also on the income of households, information is not at present available to the author on the relationship between household/family income and unemployment in the Commonwealth Caribbean. In Puerto Rico where such studies have been carried out it has been observed that: "One of the principal conclusions ... is that unemployment plays a much less important role in low family income in Puerto Rico than is ordinarily assumed..."[3]

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3 Committee on Human Resources: Unemployment, Family Income and Level of Living in Puerto Rico, Circa 1965.

While it is not true that the unemployed are necessarily among the poor and deprived, extremely important from the point of view of policy is that there is evidence of a great deal of poverty among the employed and among those who are not in the labour force.

The lack of direct relationship between unemployment and poverty implies that the grave problem of poverty and economic deprivation should be tackled directly. Insistence upon treating poverty as if it were almost always a direct result of unemployment may well mean that little headway can be made in dealing with either of the two problems.

The fact that the simple creation of additional jobs is not a solution to the unemployment problem needs to be continually emphasised. When additional well-paid jobs become available, there is competition for these not only from the unemployed, but also from persons in low-income jobs (whose jobs are not likely to be filled by new entrants) and from persons not in the labour force (including women and older, retired men). In so far as the new jobs are for skilled and/or experienced workers the unemployed have little chance. Where the additional jobs, as in the case of government special works programmes, are for unskilled, manual workers, they do not attract the young persons with middle education, but rather attract workers away from other jobs (e.g. in agriculture).

If, instead of associating unemployment with the need to create additional jobs, attention were paid to the characteristics of the unemployed as indicated in the preceding section, then the following approaches suggest themselves: Since to so large an extent what is considered as the unemployment problem involves young persons with intermediate education and no vocational skills, for these young persons it is proper education and training and not merely the provision of jobs (any kind of jobs) that is needed. To the extent, too, that unemployment is high among older persons (a problem not specifically discussed here), then pensions and social security rather than jobs would appear to be the solution. Both for the young and the old, therefore, the solution might well involve the withdrawal of these persons from the labour market rather than the provision of additional jobs.

An important consideration to which not enough attention has been paid in the past is the large variety of ways in which the creation of jobs and other development objectives might conflict with the desires and aspirations of the population. The fact that many jobs remain unfilled in the Caribbean not because persons are not available who can do them but because for some reason people are not willing to accept these jobs (sugar cane harvesting has been an example in some countries, and the shortage of domestic servants is another), as well as the unwillingness of many young persons to accept jobs available to them, strongly suggest that much more attention must be paid to the aspirations and needs of the people. The assumption of society that every able-bodied person, male and female, must be economically active to justify their existence may be both unrealistic in terms of providing sufficient jobs, and undesirable from the point of view

of the population, particularly young persons. If so, an important aspect of the effort to solve the human resources problem of the Caribbean may well involve both a better understanding of cultural values in this regard and an effort to modify these values for the greater good of society where this appears necessary.

6. Unemployment and Output

So far, we have been concerned with employment as a means of distributing income. In this context, the main concern with the unemployed is that they may include persons who, because they are not employed, have no opportunity to obtain an income. The approach to determining unemployment here is to sub-divide persons who are not employed into those who want work (the unemployed), and those who do not want work (persons outside of the labour force) and, presumably, are not a problem as regards their income.

The other major starting point, which we will consider in this section, is to think of employment as one of the factors of production. In this context, the main concern with unemployment is that it consists of a pool of persons who, because they are not employed, are not contributing to the total national product. On the assumption that an increased national product is in the interest of the country as a whole, a meaningful approach would be to sub-divide the persons without jobs into: (a) those who for one reason or another can make no meaningful contribution to the increasing of total output at the present time; and (b) those who can make such a contribution but are not employed (the unutilised manpower). If there are persons among (a) who want work, then it would be more appropriate to consider them as *surplus labour*, while if there are persons among (b) who do not at present want work, then nevertheless they are unemployed in the present context and every effort should be made to absorb them into the working population.

This approach immediately draws attention to the fact that, for the increasing of output, much of the unemployment, as usually measured, is in fact surplus labour. If production is to be increased, this can in general best be done through increasing the productivity of some of the employed work force, and by the addition of relatively small numbers of trained and skilled manpower. The emphasis then will be on skills, and a major problem for the countries of the Region is the scarcity of persons with the necessary training and experience to man industries aimed at increasing the national product. Every effort should be made, in such circumstances, to encourage persons with training and skills which are in short supply to join the work force. If, for example, there were significant numbers of nurses and teachers who are housewives, or retired, or even engaged in occupations which do not utilize these scarce skills, then efforts should be made to make maximum use of such persons in the working force.

The principal need, as regards solving the problems of unemployment and under-employment in this context (i.e. the non-utilization and under-utilization of manpower) is the education and training of the human resources in adequate quantity to meet the demand for labour of different occupations in the light of the plans and prospects for development.

While this aspect of unemployment has received little direct attention, it is quite common for development plans in the Region, as in other developing countries, to treat the objective of increasing output as both indicating a need for upgrading available manpower and an opportunity to overcome the problems of surplus labour. It is necessary that these two quite different aspects of unemployment should be treated as distinct phenomena since the solution of one often conflicts with the attempts to solve the other.

7. In Place of Full Employment

The magnitude and the complexity of the employment and human resources problems of the Caribbean have led a number of students of the situation to the conclusion that full employment is not achievable in the Region in the foreseeable future.[4]

In some measure, though by no means entirely, this is a situation created by statisticians and would-be statisticians. It has been shown above that the level of unemployment can be quite different in a country in the Region depending on the definitions used and the approach to collecting the data. Where emphasis is placed on recording as unemployed all persons who say that they want work, regardless of any indication on their part that they are serious and with no assurance that they would in fact accept a job if one were available, it is hardly imaginable that unemployment will ever be small. This has led to a number of doubts about the reality of the situation.

Indeed, the mere asking of the question "do you want work" will very likely lead a number of persons to reply "yes" because they think that some Government employment is in the offing (in which case they may even suppress the fact that they have a job). There is also a likelihood that persons, particularly men, will feel constrained to reply "yes" because of the general judgement of society that an able-bodied person, particularly a male, who is not working and does not want work is an undesirable character.

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4 See for example:

Dudley Seers: "A Step Towards a Political Economy of Development", SOCIAL & ECONOMIC STUDIES, Vol. 17, No. 3, September 1969.

Jack Harewood: Employment Statistics for Development (The Collection, Analysis and Utilization of Current Employment Statistics in an Economically Less Developed Country with a Relatively Large and Rapidly Growing Population). 1968. To be published.

Government of Trinidad and Tobago: Third Five-Year Plan 1969 - 1973 Government Printery, Trinidad, 1970.

Problems such as these associated with the approach and questions used in the Caribbean in determining whether a person should be classified as unemployed have led to a number of doubts about the reality of the unemployment figures for the area.[5]

Indeed, it has been argued, and with a great deal of merit, that the whole labour force approach to the measurement of economic activity and unemployment, which is an importation from the United States of America and other highly developed economies with a highly standardized wage-earning pattern, must provide unsatisfactory results in the Caribbean.

There are other factors, some of which have already been mentioned. One consideration which is particularly affecting developed countries is the rapid development of techniques which make it very likely that in the near future all needed production can be achieved with considerably less than the available supply of labour. This is affecting the developing countries both at the level of the introduction of highly productive capital-intensive industries and techniques from more advanced countries, as well as the adoption of many of the newest "revolutionary" equipment and techniques (the electronic computer is an example).

If developed countries are being urged by futurists to pay increasing attention to education and planning for the time, very soon, when full-employment in the present day sense will no longer be practicable, developing countries appear to be pushed, for somewhat different reasons, into a situation where they should seriously consider this as a current problem. The present social organisation in the Commonwealth Caribbean, as in a large proportion of the developing countries treats employment both as a means of distributing income and as the most (if not the only) worthy contribution of an adult to society.

Neither past experience in the Caribbean or elsewhere in the world, nor the apparent aspirations of the majority of the population would appear to suggest that these are sacrosanct. Instead, it may be worthwhile to give serious consideration to ways of distributing incomes equitably without so total a reliance on employment as a means of doing this. This would mean that given the national income, the incomes of persons who cannot get employment or who cannot take employment (because they

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5 See for example:

G.W. Roberts: "Preliminary Observations on the 1970 Population Census"

Conference Paper for the Sixth Conference of Commonwealth Caribbean Government Statisticians, Nassau, Bahamas, 1974.

Comments of G. Arthur Brown in - Jack Harewood (Ed.): Human Resources in the Commonwealth Caribbean - (Introduction and Summary). ISER, St. Augustine, 1972.

are old, ill etc.) should be assured by other means. On the other hand, clearly there would need to be a new education and a new outlook so that all persons could live both a satisfying and a useful life without having to join the work force. The idea that there are important and worthwhile activities to be carried out apart from those which are classified as "economic" is, of course, not new.

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THE CARICOM FRAMEWORK FOR EMPLOYMENT POLICY IN THE CARIBBEAN

by

Alister McIntyre

1. Introduction

This paper is expected to deal with the role that regional integration can play in the solution of the unemployment problem. In order to set our sights clearly, it is important to understand the nature of the employment problem in the Region. In so doing it must be recognised that a debate is still going on about the quantitative dimensions of the problem. Other papers at this symposium will be dealing with this question of measurement. In this paper one wishes merely to draw attention to some of the broad characteristics of the problem which are not much affected by changes in definitions.

2. Some Characteristics of the Problem

Table I summarises some of these features based upon data from the 1970 Census. For what the figures are worth, they show that the rate of unemployment for the Region as a whole was over 13 per cent of the labour force, and that the absolute number of unemployed amounted to over 160,000 persons. The data also confirm the already familiar characteristic that unemployment is most severe among school-leavers, with over 50 per cent of the labour force in the 15 to 19 age group being out of work. Furthermore, it reveals that over 80 per cent of the unemployed were relatively uneducated having no form of certification whatsoever. Whether the statisticians tell us that we have to add or subtract a few percentage points from one category or the other, the fact is that we cannot go too far wrong if we were to conclude that to solve our present difficulties in the Region we need to create at least 150,000 new jobs; that these jobs must be particularly suited to young school-leavers; and that they must require a minimum of technical skills or at least be of a kind where skills can be acquired on the job.

If we were to project employment needs up to 1980, we might go further and conclude that the real figure for job creation should be in the vicinity not of 150,000 but of 500,000. Available projections of growth in the population and labour force up to 1980 tend to differ, largely depending upon the assumptions made regarding emigration and participation rates. Using different

values for these two variables, estimates range between a regional labour force of 1.5 million persons to 1.9 million in 1980 as compared with 1.3 million in 1970. One could not therefore be too wide of the mark if a target of ½ million new jobs was set for 1980.

In other words, if the Region is to attain anything approximating to a level of full employment by 1980, we would need to create about 100,000 jobs per year. The enormity of this task is readily apparent when it is recalled that since the 1950's we have not managed to sustain an annual rate of job creation of even one-half of that figure. Moreover, caution demands that we make provision for a gestation period of at least three years between preparation of a project in one of the productive sectors and creation of jobs in that particular activity. On this basis the plans that will be discussed later in this paper will not begin to bear fruit until the very end of the 1970's. This means that short-term employment prospects will depend upon the resources available for special employment projects which may be devised to provide temporary relief until the productive sectors can absorb more people.

Leaving aside the very short-term aspects of the problem which have just been mentioned, the crude arithmetic cited above indicates the need for rather ambitious development targets if the Region is going to make a substantial and lasting impact upon the unemployment problem over the next decade. This conclusion becomes even more evident if we look at the problem of unemployment in its wider setting. In a separate paper being presented to this symposium, Mr. Jack Harewood has cogently put the case for treating unemployment as part of the more general problem of poverty. He points out that there is evidence of serious poverty among the employed as well as among those not in the labour force. As far as the employed are concerned, survey data for Jamaica show that in 1973 nearly one-half of income earners earned less than J$10 per week, and more than three-quarters under J$20 per week. In Trinidad and Tobago figures for 1971/72 indicate that more than one-quarter of households had a monthly income of under TT$100 and one-half of all households had a monthly income of under TT$200.[1] At a more general level Table II provides some indicators of the degree and extent of poverty which have become available from an international source. Although views may differ as to the reliability of individual indicators, it can nonetheless be argued that they provide collectively some rough clues as to the extent of poverty in the Region.

If therefore the problem of unemployment is to be tackled not merely in terms of targets for job creation but also in relation to the elimination of poverty, one is really addressing oneself to the central aspects of structural transformation for the economy as a whole. This brings into discussion not merely the achievement of higher rates of economic growth but also the establishment of patterns of production and demand that would

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1. I am grateful to Mr. Harewood for making available an advance copy of his paper.

maximise the employment-creating potential of the economy while at the same time providing fairer distributive shares for all. Accordingly, it is around these basic issues that the rest of this paper is constructed.

As far as employment-generation itself is concerned, available information suggest that a new emphasis is required on the development of the agricultural sector. Data for Jamaica show that the agricultural sector generates directly and indirectly about two to three jobs per J$1,000 of final demand. In the case of food processing, the direct and indirect employment coefficients total 1.068, with 0.633 being the indirect employment coefficient. It turns out that this latter figure is the highest among the individual sectors of the economy. If the Jamaican figures are any guide to the employment-creating potential of agriculture in the rest of the Region, one can use them for getting some perspective on the opportunities that may be open for employment creation in the Region with an annual food import bill which is estimated by the Caribbean Development Bank to have reached EC$1 billion in 1974. Although the Region might not be in a position to completely replace all of these imports with domestic production, the scope for accelerating employment through a comprehensive attack on the food import bill is clearly evident.

With respect to the related problem of income distribution there are four aspects of the question which are of special significance to each CARICOM country and to the Region as a whole. The first has to do with the shares of income accruing to households and individuals. There is virtually no reliable information on this subject since the ISER studies of the late 1950's. The sole exception to this is Trinidad and Tobago where an interesting study by Dr. Ralph Henry came to the conclusion that inequality between households has been showing some tendency to increase.[2]

The second element of the distribution problem relates to the gap between urban and rural incomes. Here there are fragments of information which can be used to illustrate the situation. For example, the information in Table III indicates that throughout the Region comparative labour productivity in agriculture seems to have declined between 1960 and 1970. This corresponds with the widely held view that the gap between urban and rural incomes widened noticeably during the decade of the 1960's. Here is another factor calling for increased attention to agriculture in future development efforts.

The third component of the problem concerns the need to achieve a more balanced distribution of incomes between the more developed and less developed countries of CARICOM. From one standpoint it appears that some progress was registered during the period 1968 to 1972. GDP estimates show that on a per capita basis, GDP in the ECCM countries taken as a group rose as a proprotion of that in the More Developed countries from 52 per cent

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2 R. Henry "Earnings and Education in Trinidad and Tobago: Some Evidence for 1970". C.S.O. Research Papers No.7, February 1974.

in 1968 to 62 per cent in 1972. However, since that latter year, indications are that economic growth in the LDC's has probably begun to lag again as a result of the severe impact of the international economic crisis in those countries. There is still therefore a job to be done in working towards a better distribution of intra-regional income.

The final aspect of the matter concerns the distribution of incomes between non-residents and nationals, in those sectors of the economy where foreign ownership and control are significant. Here the issue cannot be confined simply to the division of the cake generated within the geographical area of the local economy. It must be extended to include the total elaboration of the product through the various stages of processing undertaken within the Region and outside. There is now a considerable body of evidence to show that in respect of most of the Caribbean's major primary commodities the bulk of the value added generated from the primary stage to that of final demand accrues to non-residents.[3] In a not dissimilar fashion, the growth of package tours in the tourist industry is probably depriving the Region of taxable income, and of the benefits that could accrue from a larger gross foreign exchange cash flow. Indirectly, the latter could, under certain circumstances, have an important effect on the employment-creating capacity of the economy as a whole. In general, it should therefore be part of a new employment centred strategy to ensure that a larger proportion of the value added generated by resources in the primary sector accrues to the Region.

To summarise this part of the argument, the contemporary circumstances of the CARICOM countries seem to call for:-

(a) A development strategy which includes among its major thrusts the priority development of Agriculture and other sectors with high employment potential;

(b) the narrowing of income differentials between households with the aim of achieving certain minimum consumption targets in respect of essential items for all groups in the community;

(c) the relative improvement of incomes and conditions of life in the rural areas as compared with those in the urban areas;

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3 For an analysis of individual commodities - bauxite, sugar, bananas, c.f. N. Girvan "The Caribbean Bauxite Industry" ISER 1967; G. Beckford "Persistent Poverty", Oxford University Press 1972; and F. Ellis "An Institutional Approach to Tropical Commodity Trade: Case-study of Banana Exports from the Commonwealth Caribbean", Institute of Development Studies, Sussex 1975.

(d) the achievement of more balanced growth between the More Developed and Less Developed countries of CARICOM;

(e) maximisation of local participation in the processing, elaboration and marketing of regional primary commodities principally destined for extra-regional markets.

3. How Can Regional Integration Contribute

Employment creation has never been a central objective of conventional schemes of economic integration. These schemes have traditionally taken as their starting point the need to overcome constraints of economies of scale and critical minimum size by widening the market through a process of intra-regional trade liberalisation. As such, the principal benefits of integration have usually been conceptualised in terms of achieving more efficient patterns of production and consumption within the regional grouping as a whole. In the short-to-medium-run this is brought about by more intensive utilisation of existing productive capacity or by marginal additions to that capacity. It is only in the very long-run that the establishment of altogether new lines of production are allowed for. The same holds true in relation to technological progress. Here the traditional integration model assumes unchanged techniques of production at least in the near-term. This view of the integration process therefore only provided for strictly secondary benefits in terms of employment since the process was not seen as a crucial part of structural transformation itself.

In the specific case of CARICOM, it was recognised from the outset that in order to design a scheme of integration which could directly influence the pace and character of structural transformation, it was necessary to go beyond the mere creation of a regime for freeing trade. Thus, the Heads of Government resolution of 1967 which gave birth to CARIFTA included clear indications that the freeing of trade was seen only as a first step in the direction of working towards more comprehensive arrangements. The estibalishment of the Caribbean Community and Common Market in 1973 provided an institutional network within which regional planning and sectoral programming could be pursued. Indeed, Articles 45 to 50 of the Common Market Annex to the Treaty of Chaguaramas provide a juridical framework for the coordination of National Development Plans and the establishment of regional sectoral programmes. At the same time, Chapter VII of the Annex (Articles 51 to 62) outlines a special regime for the Less Developed countries. It can therefore be claimed that the basic institutional foundations now exist within CARICOM for developing the kind of economic strategy which was being discussed earlier.

4. The Regional Perspective Plan

The overall coordinating instrument for regional development strategy will be a regional perspective plan. The Georgetown Accord (which provided the basis for agreement on the Treaty of Chaguaramas) mandated the Secretariat to commence the technical

work on the preparation of a regional perspective plan "designed to make the fullest use of the Region's resources, paying special regard to the need to achieve specific development targets in the Less Developed Countries". In fulfilment of this mandate, the Secretariat has set in motion arrangements to get this work underway.

It will obviously be for Governments to decide what will be the character, objectives, and scope of the regional plan. However, on the basis of what has been discussed so far, it is clear that the plan might need to move away from the mere statement of targets in terms of rates of growth in GNP, to specific goals expressed in relation to the satisfaction of essential needs and the creation of employment opportunities. Within that framework it might be necessary for the plan to go beyond the mere provision of broad guidelines for development, which is the traditional preoccupation of perspective plans.

There is a case for saying that the plan should include an operational dimension which would embody regional programmes and projects that are amenable to early implementation. In this connection, a prime candidate for selection would be the Regional Food Plan, the technical work on which is comparatively advanced. In other words, it is possible to conceive of a regional plan which apart from specifying overall objectives and guidelines for development would elaborate programmes and timetables for regional action in certain key sectors of the economy. Let us therefore turn to consider briefly the position in some sectors.

4.1 Agriculture

From the start of CARIFTA, Governments have been showing interest in the possibility of undertaking joint action with a view to rationalising agricultural development in the area. Rationalisation has been conceived as a process of cooperation involving policies and measures to promote the development of regional projects in major areas of import substitution, which could complement the national programmes of individual member countries. The decision taken by Governments of the four More Developed countries in 1973 to work out a Regional Food Plan, represents an important step forward in the rationalisation effort.

At the present time, a Working Party is examining the details of the Plan including an organisational structure for undertaking regional projects. This is neither the time nor the place to discuss the details of projects that might eventually be included in a regional pipeline. At the present time, a UNDP/FAO Mission is in the field undertaking a preliminary reconnaissance of possible multinational food projects which could be developed within the framework of the Plan. It would therefore be premature to anticipate what the results of its work are going to be. However, at this juncture it is worth repeating the observation that the pressures for stepping up agricultural development are growing as the demand for imported food itself expands. Some recent projections show that in real terms the demand for most of the major food categories will probably increase in a range of 3 to 6 per

cent per annum at least up to 1980.[4] If early steps are not taken to accelerate efforts at import substitution and displacement then the Region will have to devote increasing amounts of foreign exchange to food imports and in that process forego the creation of incomes and jobs at home.

4.2 Industry

The work on regional programming for Industry is somewhat less advanced (except in respect of agro-industry) than is the case with Food. Part of the problem derives from the general lack of progress in the developing world with an effective approach and methodology for the regional planning of Industry. This question has been giving difficulty in nearly every regional grouping. For example, serious problems have arisen in attempts to implement a system of industrial licensing in the East African Community and a regime of integrated industries in the Central American Common Market. As a relatively late starter, the CARICOM countries must obviously take this comparative experience into account and try to avoid the pitfalls which have arisen in other places.

At the same time, in order not to lose too much time it is necessary to chart a course which would allow for simultaneous advance with the study of overall approaches and methodology alongside that of project identification. In this way it might be possible to develop a framework which evolves on the basis of specific project opportunities rather than to create a framework to which projects must subsequently be tailored. As far as individual projects are concerned, some preliminary identification has already started. These include the possibility of developing an aluminium smelter in Trinidad and Tobago which will be jointly owned by Guyana, Jamaica and Trinidad & Tobago; and a cement plant between Barbados and Guyana. Some Governments are also giving attention to possibilities for exploiting regional markets in fields such as textiles, pulp and paper, glass and steel. Apart from this, some progress has been made in formulating a programme for the ECCM countries which will ultimately involve a total of 42 industrial activities. It is possible that the first phase of implementation of this programme will start in 1976.

4.3 Other Productive Sectors

Work on other sectors is even less advanced than is the case with Industry. Tourism is a good example. There has been fairly general agreement that in principle Tourism could represent one of the areas where fruitful cooperation might be developed. However, no specific regional projects have yet been identified. It is nonetheless possible that the present difficulties through which the industry is passing could throw up areas where joint efforts at restructuring the industry might be explored. For instance, several Member Governments are now finding it necessary to take over hotels which have run into

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4 Caribbean Community Secretariat "Project Demand for Food in the Caribbean Community - June 1975".

financial difficulties. Might there not be a case here for examining the feasibility for setting up a regional corporation which could provide management and procurement services to these hotels in much the same way as is done by the head offices of some of the hotel chains? Such arrangements might also include the working out of package tours with the airlines in the Region thus increasing the retained income derived from the industry.

4.4 Transport

Underpinning the efforts that are envisaged in fields such as agriculture and industry is a five-year investment programme in intra-regional shipping designed to add four new ships to the WISCO fleet. The first of these ships is expected to come into operation early in 1976. At the same time a programme of upgrading port facilities is being pursued, particularly with respect to the cold storage capacity for perishable products. Less progress has so far been made with regional cooperation in Air Transport; but recent efforts to rescue LIAT and to place it on a new footing, indicate what can be achieved by Governments working together in this field.

5. Legal Framework for Multinational Projects

One of the most important aspects of the programme of work now being undertaken on regional sectoral projects and programmes, has been the drafting of a legal regime for the registration and incorporation of regional enterprises. In providing such a framework for the operation of regional enterprises in priority sectors, the regime will serve as an important instrument for promoting a regulated movement of capital within the area and for facilitating efforts aimed at achieving a larger measure of regional ownership and control of those sectors. The technical work on the regime has been virtually completed and Governments will shortly be in a position to decide when it should be introduced.

6. Special Programme of Measures for the Less Developed Countries

It is appropriate here to consider how the special programme of measures for the Less Developed countries fits into the overall framework for regional development. These measures can be placed into three categories. First, are those designed to facilitate an expansion of exports by the LDC's to the rest of the Common Market. Included here are the lower value added requirements for qualifying for area origin treatment, the concession in respect of export allowances, and the protection provided for under Article 56 of the Common Market Annex in respect of industries to be located in the LDC's. One should also list here the Guaranteed Marketing Scheme under the Agricultural Protocol which guarantees the purchase of specific quantities of certain agricultural products from the LDC's.

The second category consists of measures designed to confer benefits on, or minimise costs for the LDC's with respect to certain policy coordination instruments. This covers preferential treatment under the Scheme for the Harmonisation of Fiscal

Incentives; tax-spearing provisions in the Double Taxation Agreement between the MDC's and the LDC's; and the longer transitional period accorded to the latter under the arrangements for phasing in the Common External Tariff and Protective Policy.

Thirdly, are those measures designed to promote a greater flow of financial and human resources into the LDC's. As far as financial resources are concerned, the following are included:-

(a) preferential access to the soft window of the Caribbean Development Bank;

(b) the Special Fund established by Trinidad and Tobago at the Caribbean Development Bank to provide counterpart funds for loans made to the LDC's;

(c) the provision of equity capital through the Caribbean Investment Corporation;

(d) bilateral borrowing from Governments of the MDC's through the purchase of Government stock issued by the LDC's.

A recent development is the proposal for a Special Fund financed by the MDC's and by extra-regional sources for providing emergency assistance to the LDC's to combat the adverse effects of the international economic crisis. As far as human resources are concerned, the LDC's have been the principal beneficiaries of the intra-regional scheme of Technical Assistance which is administered by the CARICOM Secretariat.

Although the various elements of the special programme constitute a fairly unique package of measures for attacking the problem of polarisation in the LDC's, reservations are being expressed as to the actual impact which the programme has had so far in the countries concerned. The Secretariat is currently reviewing the results achieved by the programme so that Member Governments could be put in a position to decide whether any further refinements are needed. In considering the question of impact, however, it is worth recalling that CARICOM is only two years old and that time is needed for effective establishment of institutional arrangments of the kind outlined. It must also be borne in mind that the programme is intended to complement national efforts at development, not to substitute for them. In general, it can be expected that the impact of the programme will increase with the implementation of a regional perspective plan. Such a plan will provide an overall framework within which the LDC's can exploit specific opportunities for development within the intra-regional market. Indeed, the plan itself will make it easier for each member country to define its special priorities thus making it possible to achieve a more efficient use of available resources for development.

7. Coordination of External Economic Policies

From earlier observations it is already evident that the coordination of external economic policies must be an important element in regional development strategy. Article 34 of the Common Market Annex enjoins Member States to seek a progressive coordination of their trade relations with Third countries. The Article also obliges Member States to transmit to the Secretariat particulars of any Trade or Aid Agreement which they have entered into on a bilateral basis after the entry into force of the Annex.

The success which attended the group approach to negotiations with the EEC has established the value of joint approaches to Trade and Aid arrangements with Third countries. The next step must be to adopt similar positions in negotiating complementation Agreements with Third countries for the development of particular sectors or activities. The scope for such regional efforts will no doubt emerge as in-depth work is advanced in the field of regional sectoral programming. However, systematic institutional arrangements will also be needed in the field of external representation if the benefits of joint approaches are to be fully exploited.

8. The Management of Demand

So far the discussion has been confined to institutional arrangements and measures for the development of production. However, an important aspect of structural transformation and the achievement of higher levels of employment is the need to increase the share of investment in total domestic demand and to alter demand patterns in favour of goods and services with a high local content. On the first point, recent experience in the CARICOM countries shows a disturbing tendency for consumption expenditure to rise at a faster rate than investment. The most glaring example is the ECCM countries where by 1971 consumption had risen to represent some 105 per cent of GDP. These economies have therefore weakened their capacity for growth by becoming reliant on the rest of the world not merely for financing all their investment but also part of their consumption.

New initiatives are called for to restrain the growth in consumption so that a progressively larger surplus can be generated for domestic investment. Apart from stimulating a greater savings consciousness throughout the population in the area, Member Governments will have to bring into play a suitable array of monetary, fiscal and trade regulatory instruments for controlling levels of consumption expenditure. At the same time, a policy package in this field should address itself to the task of encouraging shifts in consumption expenditure away from imports towards local goods and services. Among other things, the value of regional cooperation in this area is that it might lessen consumer resistance in each territory if it is known that the citizens of other territories are being subjected to similar disincentives and controls.

The Treaty of Chaguaramas does not make detailed provision for cooperation in the field of macro-economic policy. Article 39 includes a general intent to coordinate economic policies through a process of consultation, while Article 40 speaks only of harmonising fiscal incentives and of studying the possibility of approximating income tax systems. In the monetary field, Article 43 records an intention to develop cooperation in monetary matters. If Governments are interested in joint or common actions to alter rates of growth in consumption and patterns of demand for consumer goods, then more detailed work will have to be done on a framework for cooperation. Taking the whole field of macro-economic policy, an area of special interest will be prices and incomes which everywhere is now a central feature of demand-regulating policies.

9. Summary

The foregoing can be summarised in the form of the following propositions:

(a) The Caribbean Community and Common Market already provide a comprehensive institutional framework for the regional planning of production both on a macro-economic and on a sectoral basis;

(b) CARICOM is now entering a phase where increased use will be made of this framework through the development of a regional perspective plan and of sectoral programmes, starting with Agriculture.

(c) The period up to 1980 will be needed largely for finalising appropriate project pipelines in each of the principal sectors. Thus the direct impact of this new phase of integration on employment is unlikely to be felt until the end of this decade. In the meanwhile taking into account present rates of unemployment as well as prospective additions to the labour force, Governments might have to find resources for special employment projects of a shorter gestation period.

(d) Notwithstanding (a) above, certain extensions are needed to the regional institutional framework for development and employment policy. This includes more systematic arrangements for developing sectoral programmes in fields such as Tourism; the coordination of external economic policy; and the formulation and implementation of macro-economic policy packages for the Management of Demand.

This rather cursory overview of the institutional and policy framework which the integration movement now provides for making progress with the eradication of unemployment and poverty in the Region, shows that the policy Agenda for the rest of this decade will be a full one demanding the energies and commitment of all Governments and peoples in the Region to this most important social and economic challenge.

TABLE I

Selected Unemployment Characteristics:

CARICOM Region* - 1970

	Unemployed (000's)			Unemployment Rate (%)		
	M	F	TOTAL	M	F	TOTAL
Total Labour Force	111.3	53.3	164.6	12.75	14.48	13.26
By Age 15–19	54.4	27.6	82.0	48.14	54.76	50.18
20+	56.9	25.7	82.6	7.49	8.09	7.67
MDC	104.6	48.5	153.1	13.79	15.60	14.32
LDC	6.7	4.8	11.5	5.83	8.39	6.68
No Exam passed	101.0	45.8	146.8	13.33	15.92	14.05

* Exclusive of Antigua owing to insufficient data.

SOURCE: Official Statistics.

TABLE II

Poverty Indices: Caricom States - 1970-1973

	Degree of Poverty				Extent of Poverty		
	Mortality		Child Malnutrition	"F.W.D" Index	Proportion in Lowest paid group	Proportion of Self-employed	Lowest Education Attainment
	Infant (a)	Child (b)	(c)	(d)	(e)	(f)	(g)
MDC mean	39.5	29.5	15.0	2.38	34.7	17.9	81.3
LDC mean	51.7	26.2	13.9	4.23	35.8	19.8	85.6
CARICOM mean	47.3	27.9	14.3	3.61	35.5	19.1	84.0

NOTE: Means are unweighted

(a) Number of deaths among infants under one year of age per 1,000 live births during 1972.

(b) Number of deaths among children one to four years of age per 10,000 children in that age group during 1972.

(c) Percentage of children under five years of age weighing less than 75% of the age-specific "standard weight".

(d) Number of days that an unskilled labourer would have to work in June - August 1973 to buy a specified food basket.

(e) Proportion of total working population classified in the occupational groups "farm managers, supervisors and farmers"; "other agricultural workers" and "not elsewhere classified or stated" in 1970.

(f) Proportion of total working population classified as "self-employed" in 1970.

(g) Proportion of total male working population not having passed any public examinations, including those certifying satisfactory completion of primary education in 1970.

SOURCE: Official Statistics.

TABLE III

Index of Percentage Share of Agriculture in Total GDP and Employment

(1960 = 100)

Countries	Output	Employment
ECCM	63.4	69.6
BARBADOS	49.6	61.4
GUYANA	73.7	78.2
JAMAICA	66.9	75.4
TRINIDAD AND TOBAGO	43.7	74.4

SOURCE: Official Statistics.

NATIONAL POLICIES FOR INCREASING THE UTILISATION OF LABOUR IN THE CARIBBEAN

by

William Demas

1. Introduction

Nearly all Third World countries - whether or not they have considerable areas of unutilised or under-utilised suitable land for Agriculture, whether or not they are rich in natural resources, whether or not they are densely populated, whether or not they have high or moderate rates of growth of population - suffer from a considerable amount of both open unemployment and under-employment (defined in the economic sense of part of the labour-force earning very low or relatively low incomes). In many cases, too, a considerable degree of under-utilisation of labour in any country reflects -and indeed is merely part of the wider problem of - a considerable degree of inequality in the distribution of income and wealth. The English-speaking Caribbean countries are no exception to this general pattern.

2. Diagnosis of Problem

2.1 Insufficient Capital in Relation to the Labour-Force

For many years the orthodox explanation - and one deeply rooted in a long tradition of economic theory - of under-utilised labour in under-developed countries was that the stock of capital in the country concerned was not large enough to offer productive and well-paid employment to all who wished to secure such employment.

But to say that the under-utilisation of labour in the Caribbean countries is caused by insufficient capital and insufficient new investment in relation to the size and rate of growth of the labour force is far too simplistic an approach. In the past it encouraged totally inappropriate development strategies such as giving excessive concessions in order to attract foreign capital to set up industries and hotels in the region. While in many cases this so-called policy has resulted in some countries in significant rates of economic growth, it has, if anything, aggravated rather than improved the problems of under-utilisation of labour and economic inequality in these countries.

A somewhat more complicated analysis is required which would stress - in addition to the need to have more investment and to slow down the rate of growth of the labour force and population through programmes of population control and emigration - many other factors of both an economic and non-economic nature. In other words, the problem of under-utilisation of labour in Third World countries such as the Caribbean is essentially one of Political Economy rather than of pure economic theory.

2.2 Technology

The countries of the region depend almost entirely on imported technologies which are becoming, every year, more capital intensive since in the developed countries where the technological innovations take place it is necessary to cut down on the use of labour. (This means that every year a given amount of capital investment is producing less employment and this drastically modifies the orthodox economic theory that more capital accumulation is in itself sufficient to deal with the unemployment problem). In the Caribbean the situation is one of "surplus labour" and so technological improvement and the development of new technologies must stress the use of labour and other local resources.

2.3 The Structure of the National Economies

Caribbean economies are not "integrated" economies but are characterised by widely differing levels of output per man as between different sectors. On the one hand, there are the mining, large hotel and modern manufacturing sectors which are relatively capital-intensive and can afford to pay relatively high wage rates. On the other hand, there is the domestic agricultural sector, retail distribution and many other small services where output per worker is low. But, because of Trade Union activity, wages tend to be pushed up towards the higher levels in the capital-intensive sectors. To the extent, therefore, that there is more investment in the capital-intensive sectors, very little is done directly for employment-creation in those sectors and indirectly the high wages in these sectors have an adverse effect on the expansion of employment in the other lower productivity sectors.

Moreover, as more relatively well-paid jobs are created in the 'modern' capital-intensive sectors, the drift from rural to urban areas accelerates, thus converting low-productivity, low-paid labour in the rural areas into 'open' urban unemployment. We get the paradox that the creation of more well-paid jobs in the modern sector increases unemployment.

2.4 Trade Unions

Given the above, the role of Trade Unions in the Caribbean is tending to become highly disfunctional in that by pressing for higher wages and improved conditions in both the more capital-intensive and less capital-intensive sectors, as well as in the public sector, they tend to promote inequality between different

categories of workers and farmers and reduce the chances of the young unemployed being absorbed into the productive labour force.

2.5 The Educational System

Two things are wrong fundamentally with the educational system in the countries of the Caribbean.

First, at the level of general primary and general secondary education the system generates the wrong values and attitudes towards different types of work. There is a complete divorce between the world of work and the world of school. This means that secondary school leavers go into the labour market with high aspirations and are very choosy about the types of jobs they are prepared to do.[1] Moreover, they show little interest in the possibilities of self-employment or work in Agriculture. Cuba and Mainland China have shown quite clearly how work and study can be combined and, quite irrespective of differences in ideology and economic and social systems, the English-speaking Caribbean countries could well emulate (with the necessary modifications) the Chinese and Cuban patterns of combining work and study. Sending selected teachers, educational administrators and even parents to visit Cuba to observe the work-and-study system would be much more productive than putting West Indian teachers through Diploma and other courses in Education in the West Indies or in Britain and North America.

Secondly, the educational system is defective in that the wrong mixtures and kinds of skills are produced. The skill problem is particularly acute at the middle level. Even where there may be fairly large numbers of University graduates in jobs such as engineering, agriculture and accountancy, the trainign of personnel at the middle level such as Technical Assistants in Engineering and related professions, Farm Extension Officers and Accounting Assistants is very badly provided for. The struggle for economic development can be viewed as a battle. Battles are not won by senior commissioned officers but by privates under the leadership of non-commissioned officers (and in some cases second lieutenants). In the Caribbean countries we are trying to conduct the battle against under-development only with privates (the supply of whom is diminishing with more of the wrong kind of secondary education) and with high ranking officers from Majors to Generals; but we are training very few non-commissioned officers.

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1 This really means that relative wages for different types of employment in the labour market are slow in adjusting to changing supply and demand situations. In other words, one of the main reasons for job-seekers having high aspirations is that the pay for the "more favoured occupations" remains high in relation to earnings in the "less favoured" occupations. What prevents relative wages in different activities from adjusting is the force of convention and tradition, backed up by Trade Union activity in the "favoured" sectors such as the Public Sector and clerical and white-collar employment generally.

2.6 Patterns of Production and of Consumption

In the Caribbean we start off with the wrong consumption patterns which in many cases in the middle and upper class income groups are almost identical to those in the highly developed countries of North America and Western Europe. Such consumption patterns inevitably have a high import content and embody the most advanced technology available in the developed countries. The obverse side of the inappropriate consumption patterns is that, as import substitution takes place, inappropriate production patterns are developed, also embodying the most modern technology with a high degree of capital intensity. Both these consumption and production patterns create unemployment.

2.7 Agricultural and Rural Development

All the above-mentioned forces tend to alienate the younger people from Agriculture and rural life generally - thus increasing open unemployment. Further, the consequent heavy import bill for both processed and unprocessed foods further limits employment opportunities.

2.8 The Presence of the Multinational Corporation

The widespread presence of branches or subsidiaries of the multinational corporation in some English-speaking Caribbean countries contributes to (but is not of course wholly responsible for) the large volume of under-utilised labour and considerable internal inequality of income distribution. This is because the uncontrolled activities of the multinational corporation tend to accentuate certain of the factors mentioned above: inappropriate highly capital-intensive technologies making little use of local unskilled labour and (except in the case of minerals or plantation Agriculture) other local resources; inappropriate consumption and production patterns; high wage-rates in certain sectors; high salaries for local managerial and technical skills related more to levels in their metropolitan countries of origin than to the local economy; and the production of large differences in output per man between different economic sectors. All of these factors tend to retard agricultural and rural development and to reduce the possibilities of the absorption of surplus labour into meaningful employment.

2.9 The Brain Drain

The English-speaking Caribbean countries are probably more subject to the adverse consequences of the brain drain than any other group of Third World countries. The brain drain obviously deprives the countries of highly-trained and even middle-level manpower (such as nurses, teachers, mechanics, electricians, etc.). It also tends to force Government as well as private sector employers to raise salaries of the personnel they employ, thus producing more local unemployment and inequality than would otherwise be the case.

3. Nature of Causes of Labour Under-Utilisation

It is immediately apparent from this very brief diagnosis that unemployment and under-employment are not really economic problems. They derive essentially from the political process which has to do with the competition for access to income and economic opportunity among different groups in the society such as importers, local manufacturers using inappropriate imported technologies, Trade Unions, the unemployed youth, low-paid workers, the teaching profession, consumers and farmers. What is required is a radical shift in access to income and economic opportunity as between these groups in favour of the unemployed and the low-income farmer or farm worker.

4. Policies

4.1 General Observation on Policies - Need to Make unutilised Labour More Productive as Part of National Development Strategy

From the above brief diagnosis of the problem, it follows that policies for increasing labour utilization in the Caribbean must operate simultaneously on many fronts. Moreover, these policies should be consistent one with another and be embodied in a coherent national development strategy. Above all, the strategy and policies must reflect an awareness of the fact that the objective is to make unutilised, under-utilised and low productivity (and therefore low income) workers more productive and hence contributing more to the economy of the country.

4.2 Need for More Local Savings and More Locally-financed Investment

Clearly, there is need to increase the rate of capital investment in the economies of the countries of the region and this requires more savings by individuals, by locally-owned firms, and by the public sector. (This would, *inter alia*, reduce the need for foreign private investment). Even more important than the *total volume* of investment is the *pattern* or sectoral distribution of new investment between different activities in such a way as to increase the fuller utilisation of labour.

4.3 Population Control

Programmes of population control are needed, particularly in the overcrowded islands (as distinct from the mainland countries and sparsely populated islands).

4.4 Right Types of Emigration

The emphasis on emigration must be to those countries within the Region which can absorb more people - Belize, Dominica and Guyana. At the same time reduced internal migration from rural to urban areas through greater emphasis on Agriculture and Rural Development and through changes in the educational system would be of great value. Moreover, to develop a *conscious policy*

of training people for export to the metropolitan countries is bad economically, destructive of any sense of national identity and demoralising to the entire society.

4.5 Education and Training

It is necessary to place emphasis on training and producing 'middle level' personnel in Engineering and allied professions, Agriculture, Accountancy, etc. Training in all aspects of Management must be provided for. Work and study must be combined at all levels of education - primary, secondary and tertiary (including University). Finally, if necessary by legislation or by tax-subsidy schemes, employers must be encouraged to undertake more on-the-job training.

4.6 Technology

It is necessary to encourage the development of indigenous technology which would promote greater utilisation of local labour and local natural resources. This means, *inter alia*, Governments spending more money on building up, at regional level, facilities for Technological Research. In addition, it is necessary to be more selective about importing technologies with a conscious search for "intermediate" technologies. The entire orientation of West Indian Engineers must be changed so that they no longer think that the most modern and sophisticated technology is necessarily the best.

4.7 Changing Patterns of Consumption and of Production in Development Planning

In national development planning the aim must not be merely to increase the rate of growth of Gross Domestic Product; careful attention must be paid to ways and means of changing both patterns of consumption and patterns of production so that more local resources (including labour) are utilised. This is why import policy and the distribution of new investment between different activities are so important in national development planning. The key is to change the pattern of consumption towards satisfying the basic needs of the people for food, clothing, housing, public health services and appropriate education and training. The instrument of banning of goods and services of extra-regional origin must be used to effect such a change, as must the instrument of licensing of new or expanded "inessential" domestic production activities with a view to limiting new investment to essential activities which employ as far as possible appropriate technologies which make great use of local labour and local resources.

4.8 Greater Emphasis on Agricultural and Rural Development

In the distribution of new investment and trained manpower resources (for both planning and execution) greater emphasis must be placed on Agriculture in particular and Rural Development in general. This requires determined action rather than mere lip-service.

4.9 Mobilisation of Educated Youth to Support Development Effort

In Rural Development (as well as in action to improve the condition of the urban poor) the idealism of all secondary school and University students should be harnessed. This is more likely to be the case, should the educational system be re-oriented towards combining work and study. To succeed in mobilising West Indian young people to make their necessary contribution, it will be necessary for West Indian Governments to dispense immediately with all forms of external aid involving community work by young people from outside the Region.

4.10 New Emphasis in Community Development and Co-operatives

Community Development and Co-operative Programmes must move from a paternalistic and welfare approach to an approach which seeks to mobilise groups to help themselves. Training of persons engaged in Co-operatives must give less emphasis to the "philosophical" aspects of Co-operatives and more to training in simple book-keeping, marketing and the use of credit.

4.11 How not to deal with the Brain-Drain

While the most feasible solutions to the brain-drain would require co-operation with the developed countries who receive our highly trained manpower, one approach that can never solve the brain-drain is for Governments to attempt to increase salaries of key personnel up to North American levels. This would be folly (indeed madness) since it would increase even more existing economic inequalities and unemployment in the countries of the Region. In the end such a policy would destroy the economy and rip apart the social fabric.

4.12 New Approaches in Technical Economic Policies (including Incomes Policy)

In the realm of technical economic policies a coherent package of policies for employment creation needs to be developed, making use of fiscal incentives to encourage greater use of labour; depreciation of the exchange rate; incomes policies; tariffs and import restrictions; and measures for export promotion.

With regard to Incomes Policy, it is almost unnecessary to stress that this cannot be limited to controlling the increase in wage-rates but must extend to the control of other incomes such as high-level salaries; rents; distributed dividends; and remitted profits of foreign-owned companies. Price control (which does not reduce incentives for farmers to increase production) also have a part to play.

4.13 Re-orientation of Trade Unionism

Trade Unionism in the Caribbean, essentially an amalgam of British and American Trade Unionism, must be re-oriented so that Trade Union activity promotes on all fronts the interests of the unemployed, and the urban and rural poor. Serious review needs

to be given to such aspects of Trade Unionism as lengthening the term of office of the Trade Union Executive from 2 to 5 years; to Savings-Schemes related to wage-increases; to legal requirement for full financial disclosure by companies to Trade Unions; to worker participation; and, above all, to the training and foreign links of West Indian Trade Unionists. Finally, it must be emphasised that in the Caribbean there is not only "vertical" inequality between capitalists, managers, top bureaucrats and professionals on the one hand and workers and farmers on the other hand. There is also "horizontal" inequality between different groups of workers and farmers.[1]

4.14 New Policies Towards the Multinational Corporation

It is now more or less the consensus of the international community that there must be greater national control over the operations of branches and subsidiaries of the multinational corporation operating in Third World countries such as the Caribbean. The elements of such greater control include - greater national ownership; greater control of the use of technology and terms on which technology is "transferred"; control of wages and salaries and profits remitted abroad; and control of the types of production activity such corporations are allowed to undertake in the countries where they operate. To the extent that such controls are effective, to that extent will they reduce the adverse impact on the extent of labour utilisation.

5. Concluding Observation

Caribbean countries cannot solve the problem of under-utilisation of labour by continuing along past and present lines. Drastic changes in the entire pattern of development are required to avoid social breakdown. But to say that drastic changes in development patterns are needed is simply to say that the solutions, like the roots, of the problem are deeply embedded in the political process of the Caribbean countries, as in all Third World countries.

As has already been indicated, all the possible approaches to solving the problem of under-utilisation labour in the English speaking Caribbean involve changes in income-distribution and access to economic resources and economic opportunities as between

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1. These analytical propositions and policy proposals do not reflect any personal bias on the part of the writer against West Indian Trade Unions and their leaders. They are made in the same spirit as the writer's critique of the West Indian educational system. The writer is very conscious of the achievements of the West Indian Trade Union Movement in getting rid of the terrible exploitation of labour by foreign and local capitalists which lasted up to the 1930's, 1940's, and even 1950's and in pressing for self-government at the country level and for West Indian Federation. All that is being suggested here is that it is time for West Indian Trade Unions ot develop a new role. The writer further recognises that West Indian Trade Unions cannot reasonably be expected to discover and play a new role unless new overall patterns of development are formulated at the overall national level.

different economic and social groups. For example, the required changes in the educational system are bound to generate strong political opposition from parents, teachers and the Church (in so far as it is involved in education in many countries of the region). Even many of the technical economic policies outlined above (such as devaluation, import controls, incomes policies, price controls and price incentives to local farmers) are fraught with the most far-reaching political implications.

The writer certainly does not envy the task faced by West Indian political leaders in dealing with the related trinity of problems of unemployment, under-employment and inequality of distribution of income!

THE ROLE OF TRADE UNIONS IN PLANNING AND DEVELOPMENT IN DEVELOPING COUNTRIES

by

E. Greaves, MP

Before I begin to discuss the subject of this paper I consider it necessary to establish a working definition of the Trade Union Movement. The definition which we use in the Trade Union Movement is one which was made by Sydney and Beatrice Webb in the early part of this century. They described a trade union as 'a continuous association of wage earners for the improvement of their lives'. I should point out that what I say in relation to this definition and in relation to the topic of this discussion, will be in the context of Barbados and my main reference point for the Trade Union Movement will obviously be the Barbados Workers' Union.

Now let us for a moment examine the meaning of this definition. First, I will deal with the term 'continuous association' as it has a fundamental importance for the Trade Union Movement. If a trade union is going to be effective, it must be so organised and it must function in such a manner as to enable it to look after the problems of workers on a continuous basis. When a trade union closes its office doors at the official closing time, that is not the end of its operations until the next morning. I daresay that a considerable amount of trade union activity takes place in the evenings, at nights, on weekends and on bank holidays because in many instances it is the most convenient time for workers to discuss with their leaders the problems which they are encountering at the workplace. In addition to that, these times provide an opportunity for workers and their leaders to discuss in an atmosphere free from fear and free from hurry, proposals relating to the workers' welfare - whether this is the revision of an agreement to provide for new wages or an improvement in safety measures at the workplace or, indeed, to discuss a piece of legislation proposed by the Government.

Furthermore, disciplinary action, both justified and unjustified, is taken against workers every day and since there is no telling when such will take place the trade union must function in such a manner as to deal with these problems effectively as soon as they arise. A delay often leads to a number of unnecessary and sometimes disruptive results.

The other part of the definition which I will look at is 'wage earners'. At the time the definition was formed the Trade

Union Movement was concerned mainly with attracting the low paid workers principally from factories. However, within the last fifty years or so the membership structure of trade unions has changed, and now includes workers from almost every area of economic activity at all kinds of wages and salaries levels. The trade union in a modern society therefore represents a wide range of people and indeed wide interests in a community.

The other aspect of the definition which must be dealt with is that which has to do with 'the improvement of their lives'. This is a broad area of concern for the workers. Any union which is worth its salt will ensure that the workers whom it represents are provided with opportunities to improve their standard of living. This particular aspect must be looked at more closely because of the fundamental nature of its implications - implications which will show the broad interests of trade unions. I should like to return to this point in more detail at a later stage in this discussion when I look at the modern approach of the Trade Union Movement to this particular area - that is the improvement of the lives of workers. Suffice it to say at this stage that concern in this area demands that the movement must be aware of and must take a positive position on matters such as unemployment, health, housing, population, finance, to mention a few basic areas. Traditionally trade unions have been in the habit of concerning themselves *only* with wages and conditions of employment for their members. The time has long past when this must be the only concern of trade unions. Today this traditional approach has been replaced by a more far-reaching one - one which sees the trade unions taking a more intensive programme of involvement in issues of national importance. This is not to say however that trade unions are no longer concerned with wages and conditions of employment. The point I am making is that for trade unions to pursue this in isolation of other factors would be shortsighted and would not really get to the root of the problem.

This brings me to what I consider to be the most important concern of this conference - planning and development in developing countries. I am assuming that we all know or indeed have some acquaintance with the nature and general characteristics of developing countries and for that reason there is no need for me to go into this. What do we mean by 'development'? Are we talking about a set of statistics which economists have traditionally used as a measurement to determine whether or not a country meets the qualifications for development or are we talking about a more fundamental issue? It is conceivable that these figures can present what appears to be a glowing picture while in practical terms no meaningful development is taking place. When we in the Trade Union Movement talk about development we speak of it as it relates to people because the trade union is made up of people. Hence, we are concerned here not with figures which meet the criteria laid down by some international agency or by some super-expert tucked away in an office and who is sadly out of touch with reality and the world but who yet expects everybody to jump at his command. This is not the trade union's concept of development. Rather, we regard meaningful development as bringing about an improvement in the standard of living of all of the people who live in a country. This therefore must be related to the quality

of life and all the various factors which go to make this up.

A lot has been said about unemployment and about the role of trade unions in this. The trade union has been described by some as a constraint on employment and by others as an obstacle to capital accumulation. It is also accused of being an imported institution. I am taking these three points together because I consider them to be referring basically to the same thing. Let us look at the charge of being an imported institution. The trade union in the Caribbean does not deny that it was an imported institution when it was in the forefront for political emancipation and social equality in the Caribbean. At the same time no one can deny that all our institutions and all our ideas, indeed all of the current ideologies, are importations. The point being made is not so much whether or not the institution and what it stands for is an importation but rather it is the adaptation or the application of the importation to the needs of the region which is important. Take the question of capital accumulation. Economists, the traditional ones, say that for development to take place there must be enough capital for reinvestment. However, the pattern of development which has been pursued in the Caribbean for the last 10 to 15 years has reached a position of almost total disaster for the Region. It was based on the Puerto Rican model of economic development which allowed foreign investment to come to the Region and to take advantage of what the Region offered including the repatriation of their profits. It took some time before it was realised that the Region was being raped and that the main beneficiaries were the foreign investors. I must make bold to say that were it not for the exertion from the trade unions for higher incomes from foreign enterprises, outflows from the Caribbean would have been much more massive.

For over five years the Barbados Workers' Union, the organisation to which I belong, was urging the Government of Barbados to change its strategy towards development in the country. We realised that many of the investors came and offered massive opportunities for employment but in most instances these were not fulfilled. It must be pointed out that the trade union is not the organisation to solve the unemployment problem or a whole range of other problems in the Caribbean. When policy makers and leaders of governments failed in tackling a basic issue (in this instance unemployment) confronting their society, the tendency is for them to look around for scapegoats and it would seem as if the easiest one to find is the trade unions. So the trade union must carry the blame for the unemployment situation in the Caribbean. I wonder what other problems will soon be laid at the doors of trade unions to solve! What is strange is that the task of solving unemployment is not given to the employers - the saints in this new era of the Caribbean - but to the trade unions, the villains in the new era. Of course the employers of 150 years or so ago had an answer to the unemployment problem - slavery - but I am certain that this would be unacceptable today. Trade unions have a vested interest in the creation of employment in any country; and in our country the Barbados Workers' Union has offered constructive suggestions on this. Trade unions do, I feel, and the Barbados Workers' Union, I know, stands ready either on its

own or in concert with other institutions to assist in alleviating the unemployment problem and any other problems in the community. It should be pointed out that for years the Barbados Workers' Union advocated the establishment of a National Economic Council which would include trade unions, the business sector and government and would provide a forum to discuss the whole process of development in Barbados. This would provide the policy makers with as representative a set of views on any particular matter as possible. The suggestion was never taken to kindly because some poeple seemed to get the idea that somebody was after their jobs. Here we see that even where the trade union attempted to be creative and positive, it was met with resistence. What must be recognised today in the Caribbean is the enormous potential of the trade unions for making a creative and positive contribution to the developmental effort. It is my view that the move to destroy trade unions rests on wider grounds than trade unions being seen as obstacles to employment generation. Rather it is because the trade union is seen as a threat, or rather as an obstacle in the quest for economic and political power by the short routes which are desired by the new and emerging elites with which the Caribbean is being rapidly saddled. As in the past, the ruling economic, social and political class sees its position being undermined by a large mass of propertyless and minimum income workers.

The trade union in a developing country must continue its struggle for those fundamental issues in which it believes and must be prepared to assist in whatever way it can to bring about social justice, economic justice and political justice. Because the trade union has the pulse of the masses of the people it must continue to press for the achievement of those objectives which will lead to a more meaningful life for the majority of people. It must continue to exert efforts in the area of income redistribution, the availability of quality education for all, decent housing and proper welfare facilities to name a few. It must ensure that the development effort is not concentrated in one area of the country but rather is so spread out as to reduce unemployment which exists in the rural areas; it must continue to call for the creation of more employment opportunities but at the same time it has to watch very carefully the trend and the kind of employment which is being created and at the same time the price at which it is being created. If the policy is to continue with the model which calls for the creation of jobs by the massive importation of foreign capital, the trade union must point out that this cannot be successful. The trade union must also have a policy on population, since after all it is one of the big problems in the Caribbean Region. It must assist in educating people to the wisdom of limiting one's family size.

In the final analysis the trade union must be in a position to command respect and to ensure that its views on any problems of the area are based on sound arguments and on properly researched information.

TECHNOLOGICAL IMPLICATIONS FOR EMPLOYMENT GENERATION IN THE RURAL SECTOR OF THE CARIBBEAN

by

Lewis G. Campbell

1. Introduction

A generally accepted characteristic of rural people in the Caribbean, as elsewhere, is their simple way of life - one which some of the over-harrassed of the urban population would like to enjoy but while also being able to retain the better provisions or trappings of the faster urban life. Simple and desirable as this life may appear to some, it is one which most of the rural population have accepted by default. In recent years, they have shown their distaste for it by their continuous migration to the urban areas which appear to have greater promise for improved living.

People in the rural areas are generally less educated - in many areas large sections are illiterate. This makes them very much less capable of participation in occupations which would generate the levels of productivity to afford good enough incomes to be able to move away from the accepted realms of poverty.

As a result of lower incomes they are less endowed with the facilities or material requirements for a healthy and comfortable life. While being able to grow in their gardens much of the food they may consume, they are not always adequately fed because of deficiencies or imbalances in their diets. This could lead, particularly among the children, to serious health problems which affect not only their physical well-being but also the development of their intellectual capacity.

Housing is of poorer quality, often with inadequate water and toilet facilities and little privacy. These features contribute to greater exposure to health hazards.

The services in the rural community are either non existent or very poor. Motorable road systems do not reach farms or residences of a large portion of the people, particularly in the more mountainous regions. The steep nature of these lands has been a disincentive to their use for larger-scale or plantation-type agriculture and they have become occupied largely by unskilled farmers in small parcels from which productivity is generally very low. The high cost of roads and the relatively low contribution made to the economy by the production from the

areas they could serve have discouraged governments from paying greater attention to their establishment and maintenance. The road communication problem is made the more difficult by the intensive network which would be necessary to serve these large numbers of small farms adequately. Likewise, the provision of pipe water services, electricity and telephone has been sadly neglected.

The schools in the rural areas are generally inadequate in amenities and staffing. Until recently, most rural schooling was available only at the primary level. Pupils wishing a secondary education had to travel to the main towns. The cost of this was often such as to exclude the vast majority of the rural youth from secondary education. Even the primary level schooling was not always fully achieved because of either the difficulty of getting to these schools or the need of the family for help from the child during school hours on the small farms or in the home.

There is a general attitude among the urban population and unfortunately too among the regions' leaders including trade union leaders that expects a greater share of the returns from the efforts of the rural worker to go to the benefit of the urban population. Thus farm workers are paid lower wages; farmers receive unreasonably low prices for their produce; price controls are placed on locally produced foods while imports of similar commodities are allowed free rein etc. The political reasons for these are well understood and the practice is likely to continue until the disadvantaged rural groups become sufficiently vocal and also develop their economic strength to the level where they will be a force to be reckoned with by governments.

2. Youth in the Rural Setting

All the ingredients for discouraging rural living or careers in such areas are thus vividly present. The ambitions of the young drive them to seek incomes larger than those earned by their parents, in order to be able to afford the comforts and amenities or other attractions of urban life in their countries, or in the more developed countries. They are also seeking occupations which are more "respectable" in the society and less demanding in physical effort. Young persons who reach the secondary schools and perhaps go to university are therefore hardly likely to return to the rural areas under existing conditions.

It is unfortunate also that the type of education at both the primary and secondary schools discourage occupations in farming, fishing or forestry. As a result the young, already influenced by poverty or deprivations at home, have their minds further set against these possible occupations by the curriculum orientation and the attitude of the teachers who themselves have misconceived ideas about what is possible from the proper use of the resources of the land and sea for an acceptable livelihood. Many of these teachers are themselves in the rural schools because they are unable to compete successfully for places in the urban ones. The same might be said of many of the rural workers

in other professional and technical fields. They are there because they can do no better. They are, however, in continuous search for a more attractive life, and see this as moving to "the cities". The farmers who cannot get to the cities take up non-agricultural occupations such as road maintenance, transport services, etc. Their education or training does not assist them to derive a better life from the economic exploitation of the natural resources about them.

The lack of education, particularly technical training, among the rural communities is the greatest single handicap to the development of the resources at their disposal. Until this deficiency is fully recognised and corrected, it is highly unlikely that the wishes and efforts of governments to secure greater production from the capabilities of the land and the waters of their countries will materialise at the desired rate.

The educational policies and practices throughout the region call for major reviews and changes which will make them "relevant" - a much over-used phrase among the disenchanted youth at the present time but nevertheless highly appropriate. Consideration must be given in the curriculum to the ultimate development of the individual to survive and participate fully in the life of his environment. Rather than start with the misguided assumption that a good life is not possible from the resources of rural areas and set up horizons based on urban life, the education programmes at both the primary and secondary levels should set about training the minds of students to be aware of their environment and what it produces or can produce or is naturally present and how best to use them to achieve their full potential in life - physical or material, cultural and spiritual.

3. Natural Resources

There are good prospects for production in the rural areas to provide a better life for its people. The lands and waters available for agriculture, forestry, fisheries and the climatic physical and social conditions present some disadvantages. Happily, many of these can be resolved satisfactorily so that they may be more efficiently utilised for producing food and other raw materials needed both locally as well as on the export markets. Such levels of efficiency will not be realised, however, until the people who use or work with these resources are given the intellectual and technical capabilities to do so.

3.1 Main Factors Affecting Production

The main physical or natural factors affecting production in agriculture, fisheries and forestry can be considered under the headings: climate, topography, soil fertility, and communication.

(i) Climate

The region enjoys a mild type of climate in which wet and dry seasons are the only factors of prominence, but these impose some serious limitations to optimum production from the land and water resources. In the wet season the rainfall may be too high, while in the dry season it is too low. The wet season rains cause higher humidities which increase the incidence of disease and pests in crops and livestock. The soils become too wet for healthy root performance by crops, and cause reduced yields if excess water is not adequately corrected and controlled. The rapid run-off from high intensity rains on steep exposed lands causes soil erosion, serious floods, and water loss. The condition of roads and working areas deteriorate more rapidly. In the dry months, on the other hand, there is inadequate moisture to provide the daily needs of crops and livestock for optimum growth or reproduction. These conditions or their effects can be corrected by moisture conservation or supplementation methods for high level commercial production of crops, livestock, fish and other raw materials. Modern, efficient agriculture, forestry and fisheries thus require due consideration and understanding of the climatic conditions in management operations.

(ii) Topography

The land area of a large part of the region is hilly and rugged, and this imposes some constraints to management. Field operations on steep slopes are more difficult than on flat lands, and there is also the risk of excessive water run-off and soil erosion under bad management conditions. The types of crops produced must be carefully considered and the management technologies, including those for the conservation of the soil and water resources, adequately provided for optimum results.

(iii) Soil Fertility

Much of the region's soils are highly productive only under good management. Some of them, particularly those of volcanic or calcarious origins were once naturally fertile but under conditions of long and continuous misuse they have been subjected to

erosion of the top layer and the depletion of the soluble nutrients used by crops. Although some of the valuable top soil of much of the sloping lands has been lost, the remainder still has satisfactory physical properties to facilitate a high standard of fertility management.

The lower lying lands present management problems characterised by either excesses or deficiencies in soil moisture, and also some deficiencies in crop nutrients. The technologies for correcting such conditions are adequately developed to enable better use of these lands than is made at the present time.

(iv) Communication

The roads serving the rural areas are inadequate for efficient management and handling of the full production potential. The absence or poor condition of these roads leads to considerable wastage in time, materials and produce. Much of the produce is of a perishable and bulky nature and their unsatisfactory handling and transport cause undue wastage of both the commodities as well as the labour.

3.2 Marine Resources

The sea, particularly in the Eastern Caribbean does not have rich in-shore fish life. Additionally the traditional in-shore fishing methods are inefficient and incapable of supporting a high standard of living for most of those involved with the industry. There is better scope for richer harvests in the off-shore areas, but this requires better skills and facilities than are currently in use by the indigenous in-shore fishermen.

3.3 Timber Resources

The great potential in this lies in the mainland countries. However at the present time, only a few timber species are being exploited, the major part of the resource being still largely untouched. Its exploitation will call for substantial capital and manpower inputs, both for infrastructure as well as for normal extraction and processing facilities.

There is some scope in the islands, though limited, for better use of the timber resources, particularly in the development of high value furniture and handicraft. It however requires considerably greater attention at national levels, not only in the reforestation with more desirable and higher quality species but also in the provision of the services needed for proper management, conservation and extraction. This includes the provision

of appropriate access and the control and selection in extraction practices. Present timber extraction operations in the smaller states are highly inefficient and offer little or no incentive to take the industry seriously. The improvement of access to the forests and the use of simpler methods of timber felling and milling operations are needed before the forest resources could offer any hope of providing better incomes to those directly involved in their exploitation.

4. Modernisation and Diversification in Rural Occupations

The distaste shown by the young and old alike to occupations in agriculture, forestry and fisheries is derived not only from the unattractive income levels but also from the character of the work involved in the management and production operations. A large part of the operations is undertaken in the field under warm and often humid conditions. In the wet season there is the added problem of frequent wettings from rain if adequate provision is not made for protection. The antiquated nature of the operations, particularly among the small farmers, involves highly laborious manual effort resulting in considerable fatigue especially among those with poor health. By comparison with occupations in other sectors - tourism, industry and the services all of which offer disproportionately higher remuneration, it is hardly surprising that the young will seek the alternatives. There is even preference for remaining unemployed, without any serious risk of greater deprivation under the socialist philosophies being widely advocated and implemented by many of the governments of the region.

Any programme devised to retain some of the youth in the rural areas must therefore consider not only the desire for higher incomes than those currently obtained from rural occupations but also improvements in the nature or character of the work, as well as the availability of amenities and facilities, including recreational and cultural ones at least comparable to those of the urban communities. All these can be successfully provided in carefully planned and executed integrated programmes of restructuring and modernisation of agriculture, forestry and fisheries.

Modernisation of these sectors is unlikely to be achieved at the desired rate unless there is thorough restructuring to remove the present weaknesses, while at the same time providing the essential production and community support services. These must be taken together in a complete package of rural development involving the integration of all the interrelated components of production and the services.

Much of the science and technology for modernisation of production is already well developed. While there may be room for improvements or refinements in the technologies the present level of sophistication is more than adequate to make significant advances with the industries if correctly and judiciously applied. The question of restructuring of the industries will depend on political decisions on long term national and regional plans.

In the consideration of modernisation there are two major areas of concern. These are firstly in the production operations up to the stage of harvesting and which are undertaken mainly in the field, and secondly in the post harvesting operations leading to marketing and distribution, including processing and storage, undertaken in the farm yards, processing plants or factories.

4.1 Field Operations

An important consideration in this must be the reduction in the high cost of labour, or put in another way, the more efficient use of the human physical and intellectual efforts. For example more than 50% of the effort in production of crops involve the handling and transport of materials for application into the fields or the removal of produce to the farmyard. The produce, with few exceptions, are bulky, delicate in nature, and prone to damage and high losses under bad handling, transport and storage conditions, particularly while in the fresh state. At this stage too, these fresh products are of relatively low value per unit of weight or volume and cannot pay for expensive handling.

Techniques for inexpensive and safe handling and transport of materials and products to and from the fields on flat and on sloping lands are well developed and involve no major difficulty in their application. They require the proper development of the fields, including the provision of access roads, so that appropriate handling and transport equipment and facilities may be used. These include various containers, loading devices, wheeled vehicles - pushed, pulled or self-propelled, cableways and other conveyors, etc. There are substantial savings possible from the sound adoption of these methods where applicable and they are certain to be more attractive to workers than the considerably more burdensome and expensive forms of human and animal transport and other antiquated handling methods.

The preparation and maintenance of the land for optimum performance of crops and animals call for a number of standard operations such as bush clearing, drainage, irrigation, soil tillage, the control of weeds, pests and diseases, the harvesting of crops, feeding and milking of animals and their general husbandry, including sanitation and health measures. Every one of these can, under the right conditions, be so simplified as to require considerably less manual effort than the traditional practices in the region. They will, however, incur the use of mechanical equipment and chemicals and the cost of these must be weighed against the value of the greater amount of labour involved in the alternatives. There is also the time factor to be considered in the choice. In dealing with weather conditions and the growth and reproduction characteristics or requirements of plants and animals and other organisms, there is frequently limited time in which to undertake the different management operations. Speed is therefore a prime consideration in choosing or devising methods involving mechanical equipment and or chemicals for undertaking the necessary operations.

In forestry operations, the tasks of extraction, transport and milling, particularly under conditions of difficult terrain and stands of mixed species of timber, call for application of improved technology if they are to be undertaken efficiently and without undue physical toil. Some of these may incur higher capital costs than the value of the product can justify, but in such cases if self-sufficiency for commodities is being made a matter of major national policy, consideration should be given to integrating secondary processing such as the manufacture of high value wooden furniture and handicraft products with the timber extraction operations, and so make it feasibly economically.

In the case of fisheries, greater attention is needed for more accurate identification of the location of the resource and the adoption of more efficient methods for harvest from both the in-shore and off-shore areas. Modern techniques of fishing, including the use of proper equipment and boats, not necessarily of the highly sophisticated types currently in use by developed countries, can make substantial improvements on the standard of the industry and the quality of occupations it can provide. There is also the need for greater exploitation of the potential for culture of fish and other sea foods in the shallow waters of the region. The possibilities with fresh water fisheries must also be taken into account.

4.2 Post Harvest Operations

The range of post harvest operations undertaken in the farmyards and marketing operations are a long way from being adequately provided. These include primary processing such as drying, cleaning, grading, treating, packaging, storage, and transport, distribution etc. As a result of the inadequacies in these, there is substantial wastage.

There is vast scope for injection of substantial amounts of various skills in these operations to get a larger proportion of the farmers' and fishermen's production to the consumer. Efforts in this alone could cause sharp increases in marketable yields, and improve overall production efficiencies.

5. Restructuring Rural Industries

It should be well recognised that the present small farming sector comprising mainly peasant farmers, presents many unattractive features and will not interest youth for possible employment or career opportunities. The plantation units are also facing severe threats of abandonment because of the high cost of operations and the relatively low returns from what, on the whole, is due largely to inefficient management. These should be viewed in the context of limited land resources, high population densities and high cost of labour and other production inputs, whereby the system of extensive land use for rural enterprises is hardly appropriate.

There appears however to be considerable scope for the development of a farming system which could take in the desirable

features of the present two extreme systems and dispensing with their weaknesses. This new system could be based on a farming unit of such size as to afford the owner or operator an income no less than that enjoyed by middle income groups in urban or industrial occupations. The essential consideration here is the net income generation capacity to the owner or operator and not the size in terms of land area. The size of the farming unit in terms of area will depend on what the land is capable of producing at high management levels, the crop and livestock enterprise mixtures taking the market into consideration, and the ability of the operator to manage the unit with the minimum of expensive labour, relying instead on new low cost technology for the input or management efforts. Thus, lands with high fertility levels in close proximity to the more densely populated areas can be used for the higher value commodities such as fresh vegetables, fruits, dairy and poultry products. The value from these commodities per acre can be sufficiently high to enable relatively well managed small land areas to yield levels of income which will provide the operators with a standard of living and personal satisfaction equivalent to that of the middle income urban workers.

As one moves into less productive lands or into areas where the possible products are of lower value, the returns per acre become such that larger land areas will be needed for the farming unit to yield the equivalent income to the operator. With the increase in area of the farming unit, the operator will correspondingly rely on more extensive methods of management to enable the desirable level of net profits per unit of land. There could be therefore a wide range in the area of land required for this type of farming unit depending on soil type, climatic conditions particularly the rainfall regime, topography, market prospects and prices for the products, cost of inputs etc.

It has been stressed that the basic consideration in the formulation of these new and attractive farming units will be income levels possible from what is essentially a one man or family operation, aiming at the highest yields per unit area of land. Bearing in mind the difficulties in harnessing the natural production elements, including being able to overcome the vagaries of unpredictable weather, the management, in the person of the owner/operator must be well armed with all the tools and technology of modern efficient farming. This implies from the outset a sound level of training to understand the scientific principles involved in the application of the technology at the desired level of efficiency, and also the aptitudes for successful business management including decision-making on technical and financial matters with regard to the profitability of the respective enterprises.

The operation of such farming units thus cannot be left to the otherwise unemployable or the present peasantry. It must be undertaken by the young generation provided with the type and level of education and training which will take into account, apart from the basic general education subjects, the required combination of science and technology and business management, including the economics of agriculture and other related rural

subjects. This will involve the formulation of such curricula that on successful completion at say age 18 to 20 the individual will be able to enter directly into farming, either hired or self employed, or into the service sectors of agriculture, sufficiently well equipped to produce at the level which will bring an income comparable to that from similar level training for urban occupations. This calls for a complete review and reorganisation of present education policies in which high priorities are placed on the liberal subjects while the applied sciences and technology are conspicuously avoided.

Similar scales of enterprises or production units based on fish and forestry resources could also be formulated and will complement the efforts in agriculture. These industries have not generally received the support they deserve to make them provide safe, respectable and remunerative occupations for many more people, although there are indications that they could provide much higher incomes with less drudgery and toil to those employed in them. They require the proper injection of technology, finance and management to achieve this. There are also secondary enterprises which can be built on raw materials from agriculture, forestry and fisheries, and which should more appropriately be located near the source of the raw materials. These could offer very important employment opportunities for substantial numbers of skilled persons in the rural areas.

A well developed system of production in the rural areas will require a range of services which also open opportunities for careers in many directions. Tradesmen and artisans, storekeepers, accountants and personnel in other skills will be required for contruction operations for repair and servicing of buildings and mechanical equipment, for operation of transport services, to manage the supply sectors such as hardware, chemicals, domestic supplies etc, to maintain the public utilities, schools, hospitals, etc. Thus for every person finding a high income occupation directly in agriculture, forestry, fisheries and associated enterprises, there will be opportunities for at least two others indirectly in the various support services for these industries. The quality of such services will have to match the standards of efficiency of the productive sectors in order to be able to serve them adequately, and so the training and competence of their workers must also be set at a high level.

6. Land Reform

While preparing the youth of the region to play a more meaningful role in the economic and social life of the rural sector, governments have an obligation to bring about the type of reform in agricultural land holdings which would halt the current serious decline in production from these lands. If there is to be a place for the middle income farming units, measures will be necessary to effect some degree of consolidation among the present uneconomic and unattractive small size "peasant" farms and subdivision of the very large plantations which are becoming increasingly difficult to manage efficiently with available resources. A carefully planned programme of integrated

rural development cannot emerge without providing for the appropriate land reforms to generate the badly needed new and vibrant activities in the productive rural enterprises, and in particular to encourage young and competent people to seek occupation in rural activities.

There is considerable lip service given to land reform during canvassing for election to positions in government, but the subject however is carefully avoided by most governments, irrespective of promises made before election to power. There are several reasons for this but two important ones are firstly the vested interests of politicians in unrestricted land speculation, and secondly the fear of taking measures which could be unpopular to the landed gentry. While not trying to minimise the possible reaction of such people to measures calculated to achieve better distribution and use of the land resources, there is reason to believe that a well thought out plan of land use can be successfully implemented, including measures for easy land transfer in economic size units. The measures which could be considered in effectively achieving this are several and varied and cannot be discussed appropriately here.

7. Support Services

There are a number of support services which are important for the efficient performance of the various operations in the rural sector. Some of these can be provided at some stage by commodity interests or private cooperative action, while others must depend on government intervention. The more important of these services are discussed as follows:-

7.1 Marketing

The proper organisation of marketing operations for the various local commodities is a prerequisite for successful development of rural areas. The better established commodity sectors such as sugar, cocoa, bananas, have to varying degrees achieved some success in this. While some of these may be suffering to a certain extent from mismanagement, they at least have the basic facilities and organisation to handle, process and market the commodities. Improvements to these should be relatively easy to achieve as long as the will exists.

There are however, a large number of commodities particularly those intended for the local markets, for which there is little or no organisation and facilities to undertake their orderly and efficient handling, packaging and distribution. Ideally, the producers should organise themselves to provide such services, but often because of the scale of production, communication problems, and to a certain extent, distrust among themselves, they continue to take individual approaches to the disposal of their products. This leads to considerable wastage and inefficiency, and reduced incomes to the primary producers. It is here that governments have an obligation to organise or assist in the organisation of appropriate marketing and distribution facilities.

Associated with the facilities for marketing operations are those for processing, which will reduce on wastage of short life fresh commodities, and enable their storage for use in the off season periods, and facilitate wider distribution. As the production units become fully organised to produce the various raw materials required by the society, they will lead to the development of processing facilities to handle those raw materials. The choice of location of agro-industries will depend on several considerations, but two over-whelming ones will certainly be the advantages of closeness to raw material source, and the availability of trained personnel. Other factors such as public utilities, housing, energy supplies, etc, should not weigh heavily against rural areas since in an integrated programme of development they should also be adequately provided. Agro-industries and other rural industries are expected to play a major role in the development of rural communities of the region and they will require high calibre persons for their management and servicing.

The organisation and operation of proper marketing facilities assume fair pricing of the products for the local market, such that the consumer is not unduly protected at the expense of the producer. This has been a serious omission in the operations of public marketing services and has led to the general discouragement of land owners from the production of foods for local consumption.

7.2 Transport and Communication

The isolation of rural communities from each other and from the more populated urban areas has been regarded as a major disincentive to rural occupations. More important, however, are the serious ill-effects that the lack of communication and transport facilities have on the productive effort of the rural areas. Since the major part of the production and marketing efforts involves handling and transport, the continuing poor and highly inadequate transport services will present major obstacles in the modernisation of the production. Other communications facilities which are required in the rural areas both for production and social amenities are telecommunications - including telephone, radio and television, and appropriate newspaper and printing services.

7.3 Finance

The availability of credit for short, medium and long term financing of the productive sectors and the infrastructure for serving them must always be assured. However, it should be stressed that the availability of finance is not at present a limitation to the desired levels of improvement in the various activities. Well conceived, bankable projects have no difficulty in securing the finance needed for their implementation particularly if provision has been made for secure marketing and sound management. There is no doubt however that if the basic provisions are made at national and regional levels for restructuring and modernising the rural sector, there will be need for massive

injection of capital not only into productive enterprises but also for providing all the necessary infrastructure and services for efficient production, processing, marketing and distribution. There is optimism that much of this could be available from both local and foreign sources as long as there is confidence that the provisions for restructuring and integration of the rural sector are adequate to meet the desired level of improvements.

7.4 Research and Development

While the present knowledge of science and technology in rural enterprises is far from being fully applied, it is essential that provision be made for the continuing development and evolution of techniques and methods for better production, processing, storage and distribution of commodities. Again, the long established export-oriented commodity sectors have this well organised. It is the other commodity sectors mainly for the domestic markets which need most of the support of adequately equipped local and regional organisations to attend to their research and development needs. Efforts in strengthening research organisations at the local and regional levels require acceleration.

7.5 Other Social Services

Attention has been drawn to the need for radical re-organisation in education policies to meet the development, production and social needs of the rural areas. There are other social services which are required at higher standards. An important one is the health service but others include housing, water, electricity, cultural and recreation facilities. These are introduced at this stage in this paper not as an indication of relative importance but because their importance is normally easily recognised at Government and at community levels and they will be forthcoming as soon as the economic activities of the Region can support them. It is first necessary however to get the productive sector moving through the various provisions indicated before these will follow as a matter of course.

8. Conclusion

An attempt has been made to present the conditions in the rural areas which lead to the failure to provide sufficiently attractive and satisfying employment and career opportunities for young people. The historical past has had a major part to play in this. However, it is shown that there are reasonably good prospects for halting and even reversing the trend of flight of people from the rural to the urban sectors. Much of this will depend on modernising of operations in productive rural enterprises and the complete restructure and integration of the various economic and social sectors for the overall development of the natural resources of these areas for the benefit of their populations.

An outline is given of a possible type of farming unit which could provide high income levels and attract young people to operate or manage them. Such farming units will however

require the practice of high level management technology. Similar approaches will be necessary for forestry and fishing industries, and associated industries including handicraft development.

The several prerequisites for efficient productive rural enterprises are indicated. In particular, attention was drawn to the need for new education policies which will be relevant to the development of the Region, and also the provision of several infrastructure and service facilities including properly functioning marketing organisations with fair pricing policies.

If the Region is serious in becoming less dependent on outside sources for the food and other raw materials it needs, it has little alternative but to develop its natural resources to the optimum level. At the moment a substantial amount of this is derived from the land and sea. However these can be fully productive only if managed efficiently. This requires well trained and disciplined people with the appropriate support services. Failure in this is certain to lead to the continuation or acceleration of the drift of human resources to the cities and the eventual demise of the economic sectors in the rural areas - an occurence the Region can surely not afford now or in the forseeable future.

THE ROLE OF SCIENCE AND TECHNOLOGY IN THE STRATEGIES AND PROGRAMMES FOR INCREASING EMPLOYMENT OPPORTUNITIES IN THE CARIBBEAN

by

K.S. Julien

It has become fashionable to the point of easy acceptance that the answer to social and economic development in developing countries lies in the magic of modern technology and science. The very nature of this Symposium suggests that this belief may not meet much opposition in this gathering. I will therefore not query it but proceed on the basis of that belief. However, the spectrum of activities covered by the term 'modern science and technology' is so broad that there is need to define and clarify what is meant before the question of its possible role is raised.

The accepted approach attempts to identify and classify four different levels of scientific and technological activity in modern society.

Firstly and at the top of the list in the developed countries is 'Research and Experimental Development' - so-called R & D. In this category the emphasis is on original and experimental work - although, occasionally, adaption of known technology will fit into this category.

Secondly there is the category that can be broadly termed 'Scientific and Technological Services' (STS) which includes the following:

- scientific library and information services
- scientific testing and standards services
- museums, zoological and botanical gardens
- geological, geophysical, meteorological and natural resources survey work, including mapping
- general purpose, social and economic data collection
- technical and scientific advisory, consultancy and extension services, including patent offices and related activities.

Thirdly the important area of scientific and technical education and training and popularization of science and technology through the mass media and other means provides another category.

Finally, the application of science and technology in industrial and agricultural production and services of all kinds - design, production, marketing, medical services, etc.

It would be wrong to insist on clear-cut categories as these definitions may encourage. After all, generation of new knowledge through R & D, (i), the dissemination and application of existing and new knowledge, (ii, iii and iv), throughout the economy are closely integrated.

On the other hand, this categorising can assist, particularly in a developing country, in recognising where the deficiencies are, where the priorities should be, and where there is dynamism or stagnation.

A critical look at any of the developed or metropolitan countries - the exporters of technology - reveals a common picture. Strength in all four categories but with excellence in R & D, determining the leadership.

A similar look at developing countries, and the Caribbean in particular, tells a completely different story. An un-coordinated and confused picture emerges. Valid and various criticisms about the status of science and technology are made with a large degree of justification. The more striking of these are:

- absence of a policy for technology related to national objectives (if these exist);
- a complete lack of co-ordination of the effort in technology at the national level, much less at the regional level;
- a growing tendency towards individual effort of both persons and organisations and territories;
- the proliferation of new institutions, new advisory groups, councils, committees;
- lack of relationships between the education plan (if any) and national needs;
- lack of a coherent plan for education oriented towards technology;
- absence of an environment that places science and technology in its proper perspective.

The worst features of this situation are:

- a continuing and increasing dependence on imported technology with all the worst features of the traffic in technology;

- limited initiatives in research and development;

- complete neglect by local businesses of research and development. It never even appears as a legitimate cost in any local operations;

- the brain drain;

- an almost static picture in the level of technology;

and worst of all

- a growing deterioration in the level of existing technology.

A confused picture exists. On the one hand, there are examples of imported technology of the highest level - plastic processing, refining of petrochemicals, and on the other the basic elements for any serious technological growth do not exist. Prevailing attitudes, the education systems, the social environment, all dictate against a steady, well-planned and stable growth in technology. Stops and starts, with gaps in between, is the pattern. If modern science and technology is the answer to the problems of unemployment and under-employment in the Caribbean, then a tremendous task is ahead. This is where the strategy begins - the development of a *technical infrastructure.*

What does this term mean? 'Infrastructure' by definition of the Oxford dictionary, is 'a system of airfields, telecommunications, public services forming a basis for defence'. It would appear therefore that the origin of the word was based on a concern for defence and today it could be argued that it conveys something somewhat different. It can be rightly argued that, in the greater part of the world, including the Caribbean, the original emphasis on defence still holds - only now the enemy is hunger, poverty, disease and structural unemployment.

Technical infrastructure implies the provision of resources, the organisation and co-ordination of the effort in technology to strengthen this defence. This defence takes the shape of the creation of an environment, an atmosphere in which science and technology becomes the servant not the master; in which the mystery surrounding the application of technology has been removed and in which not only are there scientists and technologists working but where there is an atmosphere of constant challenge.

The creation of this environment - the development of the technical infrastructure - is a first step in any strategy. If any one queries whether such a step has not been taken, it should be pointed out that not a single territory within the Commonwealth Caribbean has a national policy for science and technology; there has been no serious effort to increase manpower resouces in this area since 13 years ago with the establishment of the Faculty of Engineering. Numbers may have been increased but depth and breadth have been stagnant. Systems engineering, agricultural engineering, mining and petroleum engineering, construction, management, food technology, geophysics, marine sciences, etc. The list of proposals that have never got past the academic debate and decisions in principle is long and makes frustrating reading.

• Another step in the development of any strategy so far as science and technology is concerned is the critical examination of existing resources. Most countries in the Caribbean have taken a policy that the major impact on the problem of unemployment will come from a policy of rapid industrialisation. As one of the better known and more flamboyant political leaders put it - 'I want to see smoke flowing from the chimney - that is the answer.' One cannot be against a policy of industrialisation and growth in the manufacturing sector but one must also be realistic.

It is interesting to look at some figures in this regard. Trinidad and Tobago with a large local market and some exports to CARICOM countries, boasts of reasonable activity in consumer electronics - television, radios, hi-fi sets, etc. It is true that most of the activity is based on kit assembly but the industry is well established. What is significant is the fact that the total industry in Trinidad and Tobago employs less than 500 persons. It is not too difficult to understand the reasons.

Let us examine some actual examples of manufactured items in this field. An electric fan (12", desk-type) sells for about $140,00 T.T. The breakdown of this figure reveals (approximately) the following:

C.I.F. kit price and handling charges	$44.00
Factory cost, including gross profit	$11.00
Wholesaler's mark-up and purchase tax	$40.00
Retailer's mark-up	$45.00

The significance of this breakdown is that the value-added is at the front and back end with the factory generating the lowest amount of cash.

In the higher range of products the situation is not much different. A tuner-amplifier retailing for $800.00 provides an approximate breakdown as follows:

C.I.F. kit plus handling charges	$170.00
Factory cost	$ 98.00
Wholesaler's mark-up and purchase tax	$262.00
Retailer's mark-up	$270.00

The story here is very simple. Small markets with their consequent low volume of sales do not provide that impact in the manufacturing part of the operations. Electronics, in the form that we have grown to accept it, as the highly-touted champion to solve the unemployment situation, has definite weaknesses. An examination of the resources of the Caribbean reveal the obvious. There are no inherent and permanent advantages that would make electronics a sound and thriving industry in the Caribbean with the resultant impact on the economy and employment.

One may argue that this form of kit assembly work should be abandoned and that more resources should be put into R & D before any manufacturing takes place to remove this unbalance. Agreed! but where will the investment for this R & D come from and who will undertake the task of changing the attitudes of the buying public. There is an interesting case-study in Trinidad and Tobago. The R & D for a single product in electronics has already cost over $1 million. Success is almost within reach except for public attitude towards the product. This attitude says 'It is locally conceived, designed and produced and therefore it is third-rate. I am prepared to smuggle, buy on the black-market or in the stolen market the foreign brand name instead of that thing'.

Maybe Trinidad and Tobago can afford this risk of substantial R & D investments only to receive rejection by the consumer. How many of the Caribbean territories can afford it in the light of their limited resources and many other competing demands?

This has just been taken as an example to highlight the problem that these small countries in the Caribbean face in any attempt at industrialisation without close examination of resources.

What are these resources? The sea, small areas of fertile land, good weather and people. How can science and technology assist in putting these resources to optimum use and with the overriding objective of reducing unemployment?

In my view, the answers lie in three areas:

- *Food production*
- Co-ordinated regional planning in *industrial development*
- Carefully planned public expenditure in *infrastructure* facilities.

These can be examined individually.

Food production, covering the entire range of agricultural effort, packaging, processing and marketing, would appear to be an obvious area for the application of modern science and technology. The basic technology is already there. The Caribbean has had a long history in food production. What has taken a longer time is the application of modern technology to the entire process of food production. Whether it is fish, onions or root-crops, one is still awaiting the revolution that is needed to increase production and accelerate the processing, packaging and distribution of food products. The science and technology is known and available. What is missing? Perhaps this Symposium can find the answer. And with it can be a major step in reduction of unemployment.

The term *regional planning* is not well liked in the Caribbean. And yet, any successful attempt at industrialisation must be based on a reasonable market and co-ordinated effort to minimise the effect of the weaknesses peculiar to the Caribbean.

It may be useful to be more specific. Let us re-examine the example of the electronic industry. A population of 3½ to 5 million can support a thriving consumer electronic industry in all its facets. But such an industry must be developed and planned on a co-ordinated basis with perhaps either the acceptance of a single manufacturing facility in the Region or with different facilities, each concentrating on a particular product. What role does technology play in this?

A very significant one, for with co-ordinated concentration, specialist products and skills can emerge. New products, improved products or more relevant products can be developed if available resources are focussed on specific areas.

The development of the textile industry has also been one of the glamour areas which has been pursued as a source of rapid employment. It has had its measure of success. The pattern is very similar to electronics and here again a co-ordinated plan of action can provide accelerated development with resulting effects on employment. Cotton from Guyana and Antigua for example, combined with polyester fibre or other synthetics from Trinidad and a thriving industry based on modern technology can emerge. A good basic market, a sense of style and colour, control over material sources and labour that is adaptable and easily trainable are the features that make this an attractive line to pursue.

There is another area of activity which can generate employment if modern technology replaces the traditional inefficent methods. It is the public services, with particular reference to maintenance of facilities. Maintenance programmes and implementation of these programmes have always remained at the bottom of any list of activities in developing countries. Yet, modern technology places great emphasis on maintenance. Proper programming, preventative maintenance and the application of correct techniques are areas of activity that are needed in the transportation, health and other public services.

In summary, therefore, a strategy can be formulated but its success will depend on conditions and situations somewhat outside of the sphere of science and technology. These are conditions arising from attitudes based on historical patterns. Without any changes in these attitudes, the role of technology becomes minor and ineffectual.

Any strategy should make its thrust in four areas:

i. The *technical infrastructure* must be *developed.* Any attempt, preferably at the Regional level, to co-ordinate and to give drive to the efforts in science and technology at the various levels described would be a welcome one. The three Regional bodies - Caribbean Development Bank, CARICOM Secretariat, and the U.W.I. should jointly address themselves to this problem. Without some improvement in the technical infrastructure, technology will continue to have its unstable and unco-ordinated existence in the Caribbean. We shall continue to suffer all the miseries of the traffic in technology.

ii. On the basic of a realistic and critical examination of the resources within the area, further attempts must be made at *regional co-operation in industrial development.* A co-ordinated plan of development in electronics, textiles and garments, plastics, wood and metal work, etc., will be the only answer to any significant development (in so far as employment is concerned) in manufacturing.

iii. *Food production* with its wide spectrum of activities - fishing, crop growing, processing, packaging, transport and distribution - appears to offer the best hope and it is in this area that science and technology can have its greatest effect.

iv. A proper approach to *construction and maintenance of facilities* using modern techniques in technology, can also assist in any short-term solutions. Placing the maintenance of public and health facilities at a higher priority than it now enjoys and the development of good service industries can provide continued and steady growth. Careful planning of public expenditure is a pre-requisite to the attaining of this goal.

Let me end by taking some poetic licence with a quotation from Eric Williams:

> 'Can a set of tiny countries, each with a clouded and unpropitious history rise above their past and assure to each and every citizen his or her full measure of human dignity by building a humane and equal society, with a political, economic and cultural identity of its own?'

I have no doubt about the answer, provided attitudes are changed and thus allow science and technology to accept its proper place.

APPENDIX II

STATEMENT BY MR. THOMAS SANDIFORD

CARIBBEAN ASSEMBLY OF YOUTH

Mr. Chairman, distinguished delegates:

I wish to take this opportunity to express on behalf of the Caribbean Assembly of Youth my sincere thanks and appreciation for the invitation that has been extended to me to participate in this Symposium on Employment Strategies and Programmes, with special reference to youth. It has been an honour and a pleasure to be given the opportunity to speak on behalf of the Caribbean Assembly of Youth which is a voluntary agency with the responsibility of co-ordinating the work of voluntary youth organisations among the countries in the Region.

Quite recently the Caribbean Heads of Government have given recognition to the Caribbean Assembly of Youth as a Regional Organisation, and, as a result, CAY has been granted consultative status with the CARICOM Secretariat. The Caribbean Assembly of Youth is most appreciative of the initiatives taken by the Youth Division of the Commonwealth Secretariat in organising this Symposium which has been a very serious attempt to examine the issues of unemployment, especially as it affects young people and to recommend strategies in combating this crisis in the Caribbean Region.

I, therefore, wish to place on record the following:

(i) That the spirit of understanding established between the Commonwealth Youth Programme and the Caribbean Assembly of Youth be maintained and strengthened, and greater co-operation be established in promoting programmes and other forms of assistance for and on behalf of the the youths of the Caribbean and the Commonwealth generally.

(ii) The Caribbean Assembly of Youth calls on the Governments in the Caribbean to study the conclusions and recommendations made by this Symposium and that steps be taken to implement the recommendations as far as possible and practicable by member states.

(iii) That in the interest of Regional integration and co-operation, facilities for Regional Youth Work, i.e. youth camps, training centres, etc., be made available in member states wherever such facilities exist.

(iv) That financial assistance be given to the Caribbean Assembly of Youth by Caribbean Governments for the establishment of a Secretariat and the promotion of regional and national programmes in keeping with the aspirations as set out in this Symposium.

(v) The Caribbean Assembly of Youth expresses its congratulations to the Youth Division of the Commonwealth Secretariat for its foresight in promoting this Symposium and to the Assistant Director and his staff for the high degree of efficiency they displayed in organising and executing the mechanics of this Symposium.

Signed: Thomas Sandiford
for the Caribbean Assembly of Youth

APPENDIX III

STATEMENT BY DELEGATES

The participants of the Symposium wish to have placed in record of the proceedings of the Symposium their:

1. ENDORSEMENT of the statement by Mr. Sandiford on behalf of the Caribbean Assembly of Youth, particularly in respect of those parts which refer specifically to CAY.

2. THANKS AND APPRECIATION to the lead speakers for their stimulating presentations.

3. PLEASURE experienced in participating in the Symposium.

4. CONGRATULATIONS to the Youth Division of the Commonwealth Secretariat for its insightful initiative in planning and convening this Symposium and to the Assistant Director and his colleagues for the manner of its conduct.

5. HOPE that every effort be made by Commonwealth Caribbean Governments, CARICOM Secretariat and the Commonwealth Secretariat to promote and expedite the implementation of the recommendations made by the Symposium.

APPENDIX IV

LIST OF PARTICIPANTS

Delegates

ANGUILLA	Mr. C.D. Carty Secretary Social Services & Natural Resources
BAHAMAS	Mr. R. Butler Economist Economic Planning Unit
	Mrs. J.A. Cumberbatch Manager Labour Exchange
BARBADOS	Mr. C.L.O. Alleyne Senior Welfare Officer (Community Development)
	Mr. C. Miller Economist Ministry of Finance & Planning
	Mr. E. Thompson Senior Assistant Secretary Ministry of Housing, Lands, Labour & National Insurance
	Mr. L. Weekes Adminsitrative Assistant Ministry of Housing, Lands, Labour & National Insurance
DOMINICA	The Hon. L.T. Corriette Junior Minister Ministry of Home Affairs

GRENADA	Mr. G.B. Brathwaite Assistant Secretary Planning, Development & Training Prime Minister's Office
	Mr. F. Philbert Assistant Senior Labour Inspector Ministry of Labour, Youth, Development & Sport
GUYANA	Comrade R.H.O. Corbin Parliamentary Secretary Youth & National Service Prime Minsiter's Office
	Captain Faye Wilson Education Co-ordinator Guyana National Service
MONTSERRAT	Mr. H. Cameron Chief Community Development & Welfare Officer Ministry of Education, Health & Welfare
TRINIDAD & TOBAGO	Mr. A. Salandy Manpower & Employment Supervisor Ministry of Labour, Social Security & Co-operatives
	Mrs. G. Bason Adviser on Community Development Community Development of Ministry of Education
CARIBBEAN ASSEMBLY OF YOUTH	Mr. T. Sandiford Youth Division Office of the Prime Minister, Guyana

Observers

CARICOM	Mr. A. Boissiere Chief, Economic Research & Policy Section
CARIBBEAN DEVELOPMENT BANK	Mr. E. Armstrong Senior Economic Statistician
E.C.L.A.	Mr. J. Casimir Social Affairs Officer UN-ECLA, Trinidad & Tobago
I.L.O.	Mr. L.C. Coore Co-ordinator, ILO/PREALC

Lead Speakers

Dr. Lewis Campbell
Head, Agriculture Division
Caribbean Development Bank

Mr. William Demas
President
Caribbean Development Bank

Mr. E. Greaves, MP
Principal
Barbados Workers' Union Labour College

Dr. Keith Griffin
Chief
Rural & Urban Employment Policies Branch, ILO

Mr. Jack Harewood
Deputy Director, ISER
University of West Indies, St. Augustine

Prof. K.S. Julien
Head, Department of Electrical Engineering
University of West Indies, St. Augustine

Mr. Alister McIntyre
Secretary-General
CARICOM

Secretariat

CONVENOR AND CHAIRMAN	Dr. R.O.W. Fletcher Assistant Director Youth Division Commonwealth Secretariat, London
ASSISTANTS:	Mr. A. Brathwaite Senior Assistant Secretary Ministry of Education, Youth Affairs Community Development and Sport St. Michael, Barbados
	Miss Hazel Francis Senior Youth Affairs Officer Ministry of Education, Youth Affairs, Community Development and Sport St. Michael, Barbados
	Miss Ina May Loi Tutor Commonwealth Caribbean Regional Centre (CYP) Georgetown, Guyana
	Mr. M.L. Puri Project Officer Youth Division Commonwealth Secretariat, London
PERSONAL SECRETARY TO CHAIRMAN	Miss Helen Cockett Youth Division Commonwealth Secretariat, London