

# SUSTAINABLE DEVELOPMENT - TRINIDAD AND TOBAGO AT THE CROSSROADS

## PAST DEVELOPMENT STRATEGIES AND PROPOSALS FOR THE FUTURE



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Sustainable development is about being fair to the future; about leaving future generations as least as well off as the current generation. Any economy implementing policies to realise Sustainable Development, particularly those that build their economic base on the basis of rents accrued from non-renewable resources such as oil and gas, should reflect positive trends in their economic, social and environmental indicators of sustainable development. The ultimate goal of such economies should be arriving at an equilibrium a sort of 'steady state' of resource and environmental use and impacts which are within the carrying capacity of the country initially, but ultimately within the carrying capacity of the globe given the interdependence of national, regional and global ecosystems.

### **Sustainably developing Trinidad and Tobago from 1962-2010**

In the context of Trinidad and Tobago the focus over the past 50 years has been on *sustaining development*, where indicators of that approach were determined by the prevailing political climate. This is not necessarily consistent with what the literature suggests should be the fundamental tenets of *sustainable development* that is, as noted in the first section above, and as cited by Munasinghe (1993), economic efficiency, social equity and careful management of the environmental pollution that is a key distinguishing feature of a developing country that is heavily dependent on oil and gas.

Trinidad and Tobago's development has traditionally been guided by industrial policy plans fuelled by the energy sector. That focus has included policies to propel investment, production, employment, marketing and management from foreign-based, to locally-controlled institutions. In the 1960s, Trinidad and Tobago's dependence on the energy sector was significant with that sector accounting for 80

per cent of exports and 28 per cent of government revenue. The government was following the ideology that obtaining economic growth would inevitably lead to improvements socially and correct inequalities within the society. The country's "golden" age of development 1973-82, the period of the oil boom, was fuelled by high oil prices that resulted in increased rents to the government coffers and there was a concerted 'state-led' approach to development<sup>2</sup>. The economic bust (1983-1994) posed multiple macroeconomic challenges for the government of Trinidad and Tobago: high unemployment, high inflation, and severe economic contraction – all partial indicators of development. During the period of 2005-2010, the economic climate in the country was described as "ideal for international business and foreign direct investment." The renewed dynamism in Trinidad and Tobago's economy was the energy sector. The sector saw some of the highest prices per barrel in recent years, peaking at US\$137.11 in 2008. The development plan during this period was driven by the "Vision 2020" which was intended to guide the economy of Trinidad and Tobago to developed status<sup>4</sup> by the year 2020.

### **The current context for development in Trinidad and Tobago: 2012 and beyond**

One can surmise that the current national development policy is captured in the Government of Trinidad and Tobago's (GOTT) Medium Term Policy Framework (MTPF) for 2011-2014. That document is entitled *Innovation for Lasting Prosperity* and articulates seven interconnected pillars for sustainable development<sup>5</sup>. Further, the MTPF outlines five priorities for action over the next three years which it suggests, as stated in the MTPF (p. 2), sets the "...foundations for achieving sustainable economic and social advancement of all citizens in the future...". In the context of the inevitable decline in the availability of non-

renewable energy resources, the MTPF also notes the GOTT's intent to "... *shift from the over-dependence on hydrocarbon resources ... it is prudent to take decisions now to engineer a policy shift that will result in sustainable growth, in a context in which oil and gas are no longer the mainstay of the Trinidad and Tobago economy* (p5). To give effect to the GOTT's change in development course to the aforementioned "shift" the MTPF articulates, at different points in the Framework, plans to build the platform on which the country's dependence on non-renewable energy sources will be diversified to more renewable energy sources. These plans include, inter alia, fiscal incentives to encourage the expansion of renewable technologies, a renewable energy policy and specific plans among the various Ministries to adopt renewable energy policies and practices. All of these plans are buttressed in the context of the realisation that non-renewable energy rent resources are de facto not sustainable unless the complementary policy and implementation strategies have consistently been in place.

### **Is Sustainable Development achievable in the next 50 years?**

It is commendable that, in moving forward, the GOTT recognises the imperative to look to more non-renewable sources of energy to form the basis of development strategies for the country. However, it is suggested that the abovementioned plans of the GOTT are only likely to lead to truly sustainable development if there is a related commitment along the lines as elaborated below<sup>7</sup>:

1. An appropriate balance has to be maintained between immediate goals (which are usually based on political expediency) and sustainable long-term plans;
2. Transparent and articulate financial and funding arrangements – including budgetary allocations – should be explicitly identified for the achievement of the abovementioned policy objectives;

3. There should be a minimisation of ad hoc policy which is driven by external directives;

4. The need to ensure the availability of reliable data and research to inform policy directives and the required implementation strategies. Relatedly, there ought to be recognition of the necessity to reduce communication barriers and simultaneously competition for resources between ministries.

Some of the strategies recommended for bridging the gap between research and public policy include:

5. Policies on information sharing;

6. An effective communication strategy for research output to facilitate clearer understanding (and implementation) by policy makers;

7. The creation of more opportunities for dialogue and communication between policy makers and researchers; and

8. An interactive model of stakeholder consultation, and building of local capacity to conduct research.

The plans identified in the MTPF can only help us forge a truly sustainable future for Trinidad and Tobago if ideally all of the eight strategies and measures signalled above, are mainstreamed into the psyche of policy makers and civil society at large. Then might we be able to say, unequivocally, that the country is on a path to truly sustainable development. ■

1. One of the main actions taken by the government was the construction of an iron and steel complex (ISCOTT) which was completely government-owned and turned out to be one of the major failures of the government during this period.

2. Developed status included, according to Vision 2020, developing innovative people, "to ensure that citizens are well known for excellence; providing a seamless and high quality education system; providing a highly skilled and knowledgeable workforce and allowing the richness of the culture to serve as an engine of innovation. The focus here is on improving the quality of the human resource in an effort to make Trinidad and Tobago more competitive internationally." Mention was also made of increasing the contributions to research and development, as this was recognised as one of the drivers of economic growth and development.

3. Pillar 1 **People-Centred Development**; Pillar 2 **Poverty Eradication and Social Justice**; Pillar 3 **National and Personal Security**; Pillar 4 **Information and Communication Technologies**; Pillar 5 **A More Diversified, Knowledge Intensive Economy**; Pillar 6 **Good Governance**; Pillar 7 **Foreign Policy**.

4. Crime and Law and Order; Agriculture and Food Security; Health Care Services and Hospitals; Economic Growth, Job Creation, Competitiveness and Innovation; and Poverty Reduction and Human Capital Development.

5. These recommendations draw on a 2009 Conference hosted by the UWI St. Augustine Sustainable Economic Development Unit (SEDU) and UNESCO's Cluster office in Jamaica, for which the theme was "Bridging the gap between policy and research for sustainable development"

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