

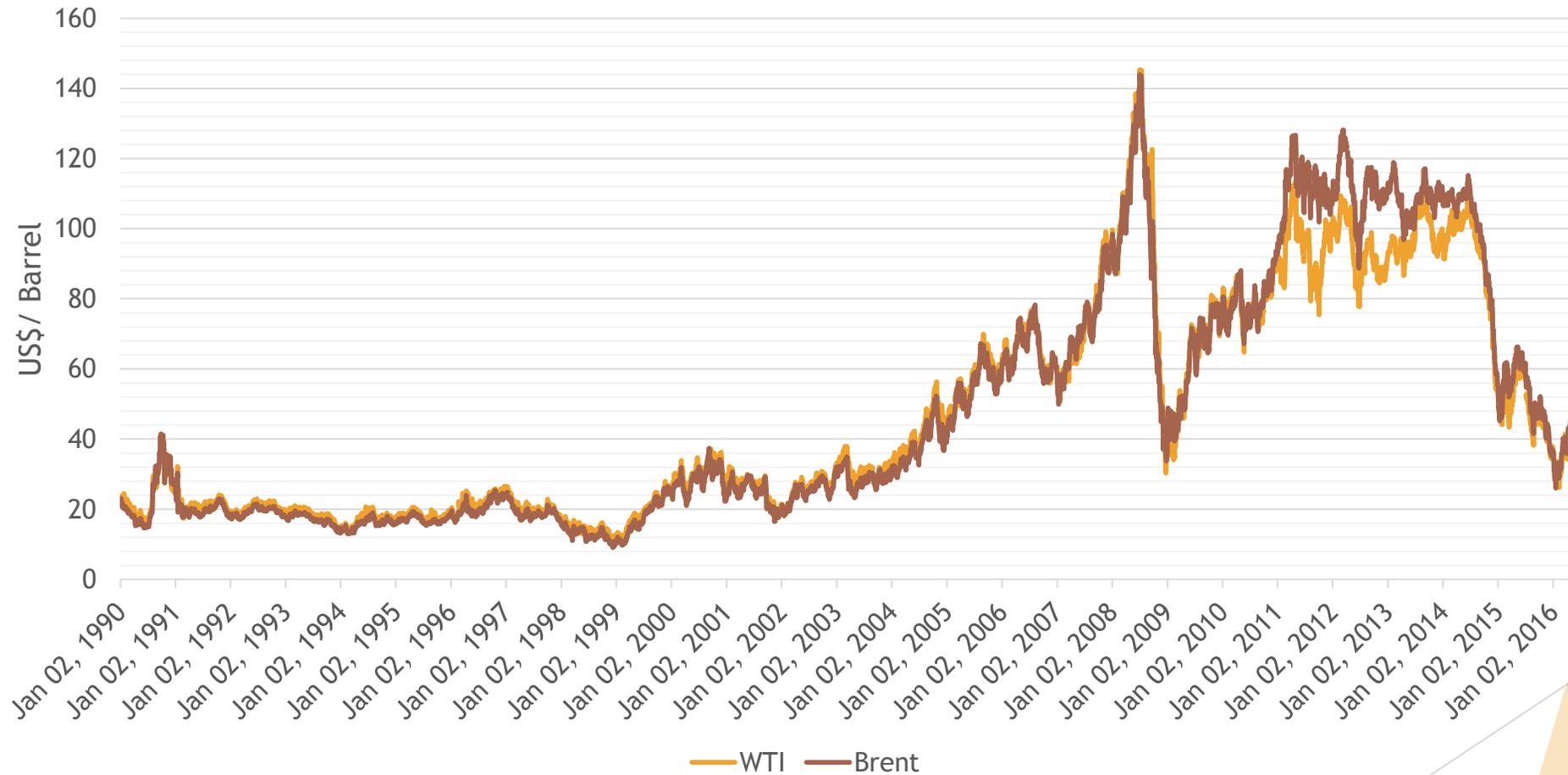
Fractured Labour Markets, Industrial Relations and the Turning Point in the Trinidad and Tobago Economy

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Ministers of Finance

- ▶ Budget Woes of the last two years
- ▶ Projections unfulfilled within weeks of Budget presentation

Oil Prices, 1990 - 2016



Segmented Labour Markets

- ▶ Public Sector
- ▶ Private Sector
- ▶ Organised workers, Minimum Wage Workers
- ▶ Contract workers
- ▶ Gender segmentation
- ▶ Labour Mobility - In and out-migration

Export Propelled Economies in the Region

- ▶ Remarkably similar
- ▶ Just a few sectors are the base for earning of foreign exchange
- ▶ T&T returning to the fold

Caribbean Reality

- ▶ All in the same boat in the Caribbean Sea

Sources and Uses of Foreign Exchange

- ▶ Recent Experience - the revelations of users
- ▶ The task of diversification

IMF Article IV

- ▶ Economy confronting a major shock in oil price decline
- ▶ GDP decline by 1.0 percent
- ▶ “Beyond 2016, new energy projects will modestly boost energy production, while non-energy growth could start to recover, provided there is confidence in the country’s ability to navigate the harsher global environment.”

The Turning Point in the Caribbean Economies

- ▶ Caribbean SIDS and vulnerability
- ▶ Reasonable progress in the last half of the 20th century
- ▶ Reduction of protection in the decade of the 1990s, forces of globalisation with coming into being of WTO

The Recession of 2008

- ▶ The lead up to the recession - spike in commodity prices
- ▶ Recognition of China and India and the BRICs in general
- ▶ G 20

Share of World GDP at PPP

Country	25 years ago	10 years ago	2014
United States	22.3	19.64	16.14
China	4.07	9.68	16.32
Japan	8.79	5.79	4.4
Germany	6.1	4.2	3.45
France	4.14	3.07	2.39
United Kingdom	3.65	2.96	2.36
India	3.72	4.91	6.83
Canada	2.08	1.73	1.48

Implications for Diversification

- ▶ Diversification of products and services
- ▶ Diversification of markets
- ▶ How well equipped are we?

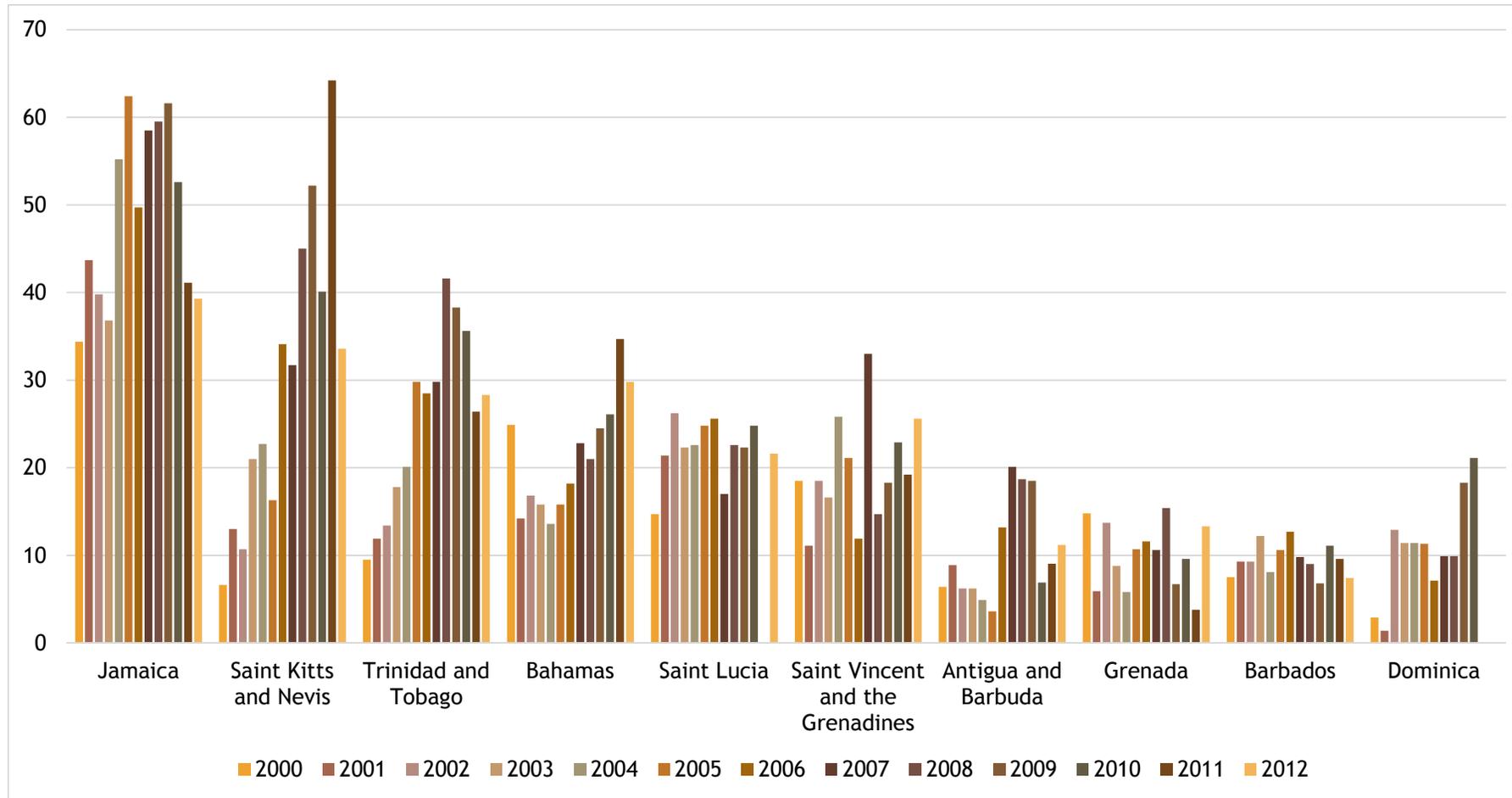
The Underground Challenge

- ▶ Human Resource Impact
- ▶ Loss of life
- ▶ Loss of potentially productive being

- ▶ Warping of reward system



Homicides per 100,000, 2000-2012



The Arcelor-Mittal Lesson

- ▶ The State and Industrial Development
- ▶ The Result of Industrial Policy yesteryear

Industrial Policy Lesson

- ▶ Eyes off the ball

Industrial Policy and Industrial Relations

- ▶ Interesting and encouraging development -
National Tripartite

Inequality and Factor Shares - Going Forward

- ▶ The experience elsewhere
- ▶ Gini Coefficients increasing

Training and Life Long Education

- ▶ Enormity of the task in the Labour Force

Labour Force by Educational Attainment and Sex - 3rd Quarter 2015

Educational attainment	Male	Female	Total
Total	376,000	266,100	642,100
No Education	0.7	0.1	0.4
Primary	22	14.6	18.9
Secondary No subjects	10.9	9.5	10.3
Secondary no subjects with training	19.4	10.7	15.2
University	17	28.4	21.7

SS Trinidad and Tobago

- ▶ Captain, Cook and Ratings - better equipped

Sustainable Development to 2030

- ▶ Diversification of products and services
- ▶ Facing all comers in the rest of the world -
- ▶ Becoming T 20 champions in goods and services on a sustained basis

Trade Unionism - the Emerging Environment

- ▶ Diversification - SMEs evolving from start-ups
- ▶ Areas of Concentration of Ownership - Conglomerates
- ▶ Union Membership in face of smaller bargaining units and service oriented firms

Tripartite to Multipartite Frameworks

- ▶ Ministry of Labour and the Industrial Court in one part of the circle
- ▶ Participatory Planning
- ▶ Towards new paradigms in industrial relations and reorganisation of institutional structures
- ▶ Squaring the circle - Ministry of Labour and others in another part of the circle - National Multipartite Structure

Thank you!

Questions and Comments