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WORKSHOP ON -

APPLICATION OF SOCIO-ECONOMIC INDICATORS
TO DEVELOPMENT PLANNING IN THE CARIBBEAN.

PORT OF SPAIN.

TRINIDAD & TOBAGO

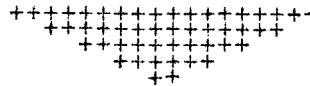
12 - 14 JUNE, 1978.

CURRENT USE OF INDICATORS IN SOCIO-
ECONOMIC PLANNING IN THE ENGLISH-
SPEAKING CARIBBEAN.

A DISCUSSION PAPER

BY

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In attempting to deal with this topic I shall confine myself to the case of Trinidad and Tobago. I have chosen to do this mainly because of my greater familiarity with the problems and needs of socio-economic planning in Trinidad and Tobago, but also because, with only a few exceptions, the issues raised here in relation to Trinidad and Tobago have some application to other members countries.

By way of introduction, one may wish to distinguish between "current use" and "current availability" of indicators. It is unfortunately true that in many developing countries, (and the Caribbean is no exception), especially those with a British Colonial post, some statistical departments continue to collect statistics and provide useful indicators which are not utilized in socio-economic planning. This is the fault not of the statistical departments, but, invariably, of the planning machinery which is either non-existent or institutionally weak, or devoid either of proper political direction or of adequate manpower.

In part, it is also due to the poor conceptualization of the planning and development processes.

This failure to utilize data provided by statistical departments can and has led to frustration and discontinuation of the data; which has further worsened an already defective situation. One can think of a long list of social data which are either not used or are inadequately used. This would include crime data, delinquency data, medical data which are not put to the service of several and health planning.

This suggests that in attempting to deal with the deficiency of adequate indicators for use in socio-economic planning, one cannot ignore the need to deal with the deficiencies on the institutional status of planning in the region.

It is nonetheless important to recognise both the lack of adequate indicators as well as the inappropriateness of some of those that are currently being used.

The indicators in use in what socio-economic planning that takes place in the Caribbean is a product, our inherited and current perception of development and the development process. Our conception of development determines the need for, and the concept of, planning (i.e. whether we need to plan, how much planning, what to plan and what not to plan, etc.), which in turn, determines the need for the type of indicators to be generated. The level and the quality of planning is also influenced or determined by existing indicators. Thus the range and the quality of indicators we use will be a function of:

- (a) our conception of national development;
- (b) the conception, the strength and the level of development planning;
- (c) the existing range of indicators.

The latter, (c), is normally a weak though a real determinant. Its influence is stronger when the concept of (a) and (b) are narrow and weak.

National Development

The concept of national development has been through several phases of development during the last 30 to 40 years. What is sometimes called the economic growth approach can in fact be divided into the classical economic concept and a wider economic concept. Both, nevertheless took the narrow view of development as a function of capital investment. Development problem was a problem of shortage of capital; and development planning was the method and finding the capital and investing it in economic activities so as to generate.

The planning indicators necessary for that exercise did not go far beyond indicators of investment - (capital formation) and indicators of growth (Gross domestic product) - and the derivation of these two - such as capital output ratios, import, export and balance of payment indicators. Gross domestic product could be broken into its components of consumption, expenditure, savings, and so on. Price indices were also important in this exercise both as a measure of inflation and as a determinant of "real growth". There is much of this in use today in a variety of forms.

This approach perceived of the "unseen hand" working through a few macro variables that could be manoevered to determine the behaviour of the "economic man" in the country. There was little emphasis on micro level activities nor did there seem to be the realization that the "economic man" behaved differently in different socio-cultural settings. The human element did not therefore enter the economic reckoning until much later, more so when the unemployment problems in developing countries did not diminish with economic growth, and threatened to become a destabilizing political force.

As "experts" examined the causes of this intractable problem a number of critical factors began to emerge - the problem of literacy, education, health, food, nutrition, shelter. Since investment was taking place in the midst of a pool of labour without affecting employment adequately, the problem had to be on the supply side, it was reasoned. Healthy educated labour force was seen as the solution, until the educated unemployment problem demonstrated itself in India - the laboratory of development experiments.

Out of all of this emerged the concept of socio-economic development planning, giving the socio dimension to development. This tended to lead to a marriage of a number of streams that had been developing in a number of disciplines - sociology, politics, management as well as economics. The maturing of a cohort of researchers, planners born and partly educated in developing countries, or educated in part on materials generated in developing countries began to put a more comprehensive dimension to development, to planning and to the need for development indicators.

At the international level, the concept of Integrated Approach to development and to planning, and more recently, the Basic Needs, Approach have both had their birth out of the influences of Third World thinking on multinational organizations. Although, these have had their effects on thinkers in the Caribbean their influences in planning and on the generation of development indicators is yet to become widespread.

The range of indicators in use in the Caribbean has not moved very far beyond economic concept of development with a number of social indicators thrown in and used less as indicators in their own right than as inputs into the service of "economic development".

Thus, we find that the economic indicators continue to be stronger, more regularly and easily available than the social indicators.

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Consequently, the most complete, comprehensive, and regular data are:

- Import, export
- Retail price indices
- Public Revenue
- Public Expenditure
- Census population
- Vital statistics - birth, death.

In addition,

Financial Statistics -

- Commercial Banks transactions
- Development Bank transactions
- Central Bank transactions

Production

- Sales of a few main agricultural products especially those for export

- Some indication of production of domestic agricultural (This is a weak area)

- A sample of industrial production index - usually plus what may be regarded as "traditional" products.

In the more developed member territories

- Education - number of student registered in schools by type

- number sitting or passing examinations

- Housing - Plans passed (not houses built)

The most elaborate data are usually provided in these three sectors out of 10-year Census of Population. There is some oversimplification here, but the general emphasis is correct.

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Physical Dimension:

In spite of the growing emphasis on the Integrated Approach to development planning, it is still true to say that the physical dimension has not yet found its rightful place in the development matrix. Location of an activity in national space is not yet fully integrated into social and economic planning. Physical Planning is either not done at all, or is done by separate agencies - using different goals and objectives, different time frame, different policy tools. Even where physical planning is attempted, its implementation is not integrated into the socio-economic implementation mechanism.

The constraint which limited space can impose on development has not been adequately researched, nor has it fully found its way into the factor-mix of the decision-making process. The result is that some of the Island economics use their limiting resource - land - as if its availability were limitless. Few, if any, have a land-use policy, land use criteria. Worse, we have not yet developed a set of regularly published indicators of land use, either to set objectives and goals or to monitor the supply and use of this asset. The sub-optimal use of land remains.

Another aspect of this physical dimension is that of rural-urban or regional balance in the development approaches. Concentration on export-led economic growth had led to physical as well as infrastructural and economic development of seaports and urban areas.

Even where agriculture produced the main export product, there was a corresponding neglect of the rural areas. Even where the majority of the population could have been classified as rural, rural life style, rural culture, rural services and facilities received little emphasis or little national status. This imbalance not only contributed to its rural-urban migration, but also to wastage of physical and human asset.

The need to generate data and useful planning indicators here is critical.

There are two additional dimensions that need to be emphasized here: one is cultural, the other is technological.

Here culture is used in its widest sense to embrace the behavioral pattern, the motivational force, attitudes, aspirations and values of the peoples of the Caribbean which makes them different from other peoples, and, indeed, from each other. There are values which led to strong and extended family bonds which in turn influence social and economic behaviour, influence the strength of motivational forces. For example, the fact that an unemployed son or even a father can depend on family and relatives for a degree of his biophysical and even essential needs can affect both his attitude to work, his choice of employment and the reserve price of his labour. Consequently, in a country such as Trinidad and Tobago, solutions to the unemployment problem, determining the shadow price of labour in planning and evaluating projects became a little bit more complex.

There are other examples - maroon, self-help, co-operation - which do not enter our determination of capital formation, although they provide the basis and means for significant productive social and economic investment, (in agriculture, housing especially).

A final dimension is that of this technological. With the recognition of the role of technology in national development, there is urgent need to develop a set of measurements of this positive and adverse effects of technology; of the means of transfer; of indigenous development; of its true costs and benefits; of this most powerful force in the development matrix.

What I have attempted to do so far is to identify for you my perception of development as a total human phenomenon - which embraces social, cultural, economic, physical and technological dimensions of his existence. Development requires the movement of man in all fronts. We shall not discuss here the strategy of development - whether there should be a simultaneous movement on all fronts, or whether one or some should act as leaders, as catalysts, for the other dimensions. What is important is the recognition that meaningful development will not take place if there is significant lag in pace of movements, or if there is disharmony among these aspects of development.

Development Planning

Development planning is a mechanism that seeks to manage the development process. It must therefore:

1. Set national objectives.
2. Establish a national development strategy.
3. Derive a set of sectoral strategies and objectives.
4. Analyse, identify the national and sectoral constraints.
5. Develop the policy instruments, the projects necessary to remove the constraints.
6. Review and modify (2), (3) in the light of (4) and (5).
7. Plan, prepare and implement sectoral projects.
8. Evaluation and modification.

This list, as sketchy as it is, offers to establish the fact that planning is an iterative process that involves setting goals and objectives, identifying the means to action, evaluation and modification.

This is so both at the macro or national level as well as at the micro, project or sectoral levels. There is a iterative link between planning, designing, execution, evaluation and the next round of planning, designing, execution, and so on.

Use of Indicators

The indicators necessary for development planning must satisfy this requirement. These indicators provide a record in statistical or other form that permits:

- (a) socio-economic analysis;
- (b) goal and target setting;
- (c) policy decision making;
- (d) evaluation.

These needs are not mutually exclusive, and some indicators can serve more than one purpose; but more that mere nuances separate these indicator objectives. Indicators must be planned and developed in accordance with the uses to which they will be put, the purposes they will serve. For the generation of adequate indicators can lend strength to the planning process, and the planning methodology.

Indicator Weaknesses in Trinidad and Tobago

I wish now to briefly highlight some of the indicator deficiency in Trinidad and Tobago. Some of these deficiencies probably also exist in other member territories. The list is not, however, exhaustive.

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Employment Labour force

Trinidad and Tobago possess a good series in employment, labour force which generate data on numbers employed by age, sex, some sectors, some geographic areas.

However, for the purpose of employment planning, it is still necessary to generate information on underemployment, and multiple employment; both as means of determining the real level of incomes, as well as to permit a clear distinction between jobs created and persons employed. We know from observation and personal contacts that many persons, though employed full-time, are underemployed by income. The extent of this is not really known; though some "reasonable" guesses are possible and are used. We know also that many underemployed persons (in terms of time) have multiple employment; so too have some full time employees. The extent and cause of multiple employment seems to be necessary indicators to improve our planning.

The structure of employment, too, though given good coverage by age, structure and so on, could be improved. It is well known that a person may have multiple status being sometimes self-employed, sometimes an employee and sometimes an employer. Agriculture, construction transportation (taxi, truck) are good examples of where this occurs. A small farmer may not only employ labourers, but may himself seek employment on another farm or estate - sometime even while retaining the labourer on his farm.

In addition, there are inter-sectoral movements. While for planning and statistical conveniences, one makes distinctions between say agriculture, construction, manufacturing, etc, the worker makes no such distinction. He may be an agricultural or construction worker or a truck driver depending on the weather, the season or the economic fortunes of the sector.

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When put together, inter-sectoral movement, multiple status, and multiple employment add a degree of difficulty to employment planning which throws a heavy shadow of ignorance over what is really happening "out there in the economy."

Still in the area employment planning is the need to generate information on existing and potential job availability, by location, type, skill, etc. Some type of employment exchange mechanism - other than the daily newspapers - is required to generate data for the planners. This would, however, require that both the public and the private sectors plan their employment requirements ahead of time.

Physical Planning

Introducing the locational dimension into employment planning would require that not only should we engage in investment planning, and project planning, but also in regional planning. The need for adequate balance among sectors must be combined with planned rural/regional development. Where an industrial or agricultural or educational project is created is probably as equally important as the undertaking of the project itself.

This means that there is need to generate data on a regional/county basis. In addition to macro national data, data on the socio-economic and physical status at the local level becomes critical to decision-making with respect to location. Population, labour force, migration, economic activities, health, education, nutrition, institution by area

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must be collected and systematized, if the rural-urban balance is to be restored. Such indicators will also permit better planning and evaluation of projects, deal with target groups, target areas, determine the flow and level of benefits of planned activities to certain geographic areas.

Such local-level data collection can allow planning to predict and thereby avoid certain adverse effects of any proposed activity especially where the activity may affect the physical environment. The consciousness of the need for environmental management is an additional justification for more local-level planning, more local level research and indicators.

With the exception of population census data and some labour force data, there is hardly any continuous preparation of local-level indicators.

This is an area that cries out for research:

local level activities land; finance; prices;
production; labour; education; health;
nutrition; knowledge and motivation ...

Health

Although health has high priority in most countries, consistent and continuous data on the subject are still weak. For example, while data on death by causes are probably widespread in the region, the type of causes given is of little help to the planner. How much of death is due to nutritional factors, or to bad health habits or to environmental sanitation is not provided. Planning remedial projects is therefore haphazard or non existent, and is not always seen as an integral part of development planning.

Consumption levels and patterns have hardly been systematically studied to provide a basis for nutrition planning which would then constitute the major input into planning food supplies.

Although the information exists, hospital bed-occupancy ratios are not provided as systematically as hotel occupancy rates. Neither do we have such health indicators as attendance to clinics, to private doctors; drugs consumed by types; frequency distribution of illnesses; so that trends can be spotted and if possible arrested.

Again, although the members of health personnel available (such as doctors, dentists, nurses) - are generated, their frequency is spasmodic; and data by geographic distribution is not available. The simple average doctor per head while useful is insufficient for proper planning.

Quality of Life Indication

Although all activities affect the quality of life, for the purpose of convenience and brevity one could conceive of some main indicators which would help in planning for improvement in the quality of life.

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| Water | - | Its distribution; in house; stand pipe; how postable, etc. |
| Housing | - | Quality; quantity; occupation per room; toilet - number using toilet, age of house. |
| Transport | - | Cost; type; frequency and reliability; number using different types. |
| Food | - | Volume; type; prices; distribution; local production. |

The extent, distribution, causes of destitution, delinquency, divorces, orphans; children in probationary care; persons in prisons by causes, age and duration.

This list is not exhaustive. Neither have I examined the deficiency and inappropriateness in most indicators which we currently use in economic planning in the region - investment and capital formation, Gross domestic product; some of the financial data; the weaknesses in price indices; lack of wholesale price indices.

