

INTRODUCTION

The purpose of this study is to examine the role of the Ministry of Finance of Trinidad and Tobago and the institutional changes that occurred in the administrative process, for the period from 1970 to 1980. The study is concerned with how socio-political and economic change in a newly independent country affected changes in the administration of its finances and how those changes affected, in turn, national objectives and policies.

The choice of period is significant and must be explained. Before gaining independence in 1962, the Government of Trinidad and Tobago, whilst fully representative, was not fully responsible. With independence the Government assumed responsibility for all its national and international affairs. The sweeping nature of these changes was bound to affect its administrative institutions. By the 1970's it became increasingly clear that political decision-making was proceeding at a rate which had outstripped the available administrative capacities and means which were to give effect to those decisions. New institutions had therefore to be built and the very building of these institutions was, in turn, affecting political decision-making.

The choice of theme is made for the following reasons:

The first is that there has been no systematic account of changes in the administrative institutions in Trinidad and Tobago during its early years of independence. Secondly, by examining the role of an institution such as the Ministry of Finance, it is possible to determine what direction the reorganization of the public service has taken and, is further likely to take. Third, the period chosen coincides with the failure of Development Planning in the 1970's just when there had been a large increase in the revenues of the country which revenues, *prima facie*, should have enabled it to undertake development. In fact the total financial assets of the Trinidad and Tobago economy increased from \$3,233 million in 1969 to \$27,080 million by 1978. From 1974 financial assets increased at an average annual rate of 33.1 per cent. For the same period the G.D.P. increased at an average rate of 21.7 per cent per annum and the money supply at the rate of 37.2 per cent.¹

The abandoning of Development Planning seems to suggest that there was no administrative machinery by which planning for development could have been successfully achieved. Here, the role of the Ministry of Finance in the administrative system could be seen both as an independent causative factor as well as

¹Central Statistical Office Press, Radio and Television Release: Flow of Funds for Trinidad and Tobago, 1969 - 78, December 9, 1981.

part of a dynamic interdependence of factors. The creation of increased revenues, in the nature of things, must be the responsibility of the Ministry of Finance. Money may well have been an essential pre-requisite for economic growth; but for this growth to occur there must be a coterminous building of ancillary administrative institutions leading to and from this Ministry.

As is well-known, administrative institutions are those institutions that are connected in any way with directing and controlling on behalf of the executive. They lie at various points in the chain of command between the political executive and the civil service bureaucracy, of which the Ministry of Finance is the very centre. According to Loomis², administrative institutions perform a multiplicity of roles and functions but their common distinctive feature is that they all possess a structured complementarity of roles having significance for the social system - and hence for its development.

In this study administrative institutional change will be taken to mean:

- (a) the way an administrative institution increases its scope, functions and powers due to forces within it

²Loomis, Charles P. and Zola K. eds. - Modern Social Theories, D. Van Nostrand Company Inc., Princeton New Jersey, 1961, Chapter 6, Page 422.

as well as to forces acting upon it, and

- (b) the way the development of an institution leads to the development of other institutions with which it collectively forms an interlocking organization.

Throughout this study the concepts of administrative institutional change and of the roles played by our particular institution, namely the Ministry of Finance, will focus on three main points which have been represented in the views of a selected group of sociologists whose writings seem most germane.

First, Sumner and Parsons direct our attention to an administrative institution either as an important social phenomenon or interest which has a structure and which "furnishes instrumentalities for bringing it into the world of facts and action,"³ or as "a complex of status relationships which is of strategic structural significance in the social system."⁴

Second, Mac Iver and Page understood the term 'institutions' to mean "the established forms or conditions of procedures

³ Timasheff, Nicholas S. - "Sociological Theory: Its Nature and Growth," Random House, New York, 1967, Page 70.

⁴ Op. cit. No 2 Loomis, Page 422.

characteristic of group activity."⁵ This seems to distinguish an institution as a group from its interests (Sumner) and from its value patterns (Parsons).

Third, the term or concept 'structure' common to these three representative views seems to suggest that an institution is a means of social interaction, that is to say, it is a means of getting things done well; and that this doing of things well is conditioned by the pattern of values and the interest of the actors in it.

This study, in the light of these theoretical positions, will consider the way the interests of the Ministry of Finance evolved; the way the status relations affected that evolution and were affected by it; the way the Ministry of Finance, in playing a role of co-ordinator of a set of administrative institutions, established particular as well as different kinds of interaction -

- (i) within the Ministry itself;
- (ii) between the Ministry as an executive bureaucracy and the political bureaucracy;
- (iii) between the Ministry and other administrative offspring; and
- (iv) between the Ministry and the public at large -

⁵Op. Cit. No 3 Timasheff, Page 298.

and doing all this in an 'Age of Development' in Trinidad and Tobago.

The study falls into the following chapters:

Chapter I - The Development of the Ministry of Finance up to 1970.

Chapter II - Government's Economic Policy of the 1970's and Developments within the Ministry of Finance.

Chapter III - The external factors influencing Government Economic Policy and their effects on the institutional practices of the Ministry of Finance.

Chapter IV - The significance of the economic policy of the 1970's for finance Administration in Trinidad and Tobago.

Chapter V - Some conclusions.