

ABSTRACT

TOWARDS AN ECONOMIC MODEL OF PUBLIC SECTOR EMPLOYMENT IN

A CARIBBEAN CONTEXT

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There are essentially two major gaps in the Caribbean public employment literature. The first gap relates to the poor quality of data available. Only in a few cases we have data that span more than a decade and even in those cases there are serious definitional problems. The second gap relates to the theoretical basis for informing judgement about public employment. This is especially true in discussions concerning the size of public employment. The thesis reduces these gaps.

Chapter one deals with the issue, "who constitutes the unemployed?" Essentially the concept of unemployment has to be related to some notion of the 'value' of work and this 'value' would depend on the person from whose point of view the work is evaluated. In Chapter two, the three aspects of public sector employment - pure economic, politico-economic and pure political are discussed.

The question of the size of the public sector has gained the attention of many. However, few have made attempts to develop methods of measuring the public sector. Chapter three suggests that government expenditure as a ratio of Gross Domestic Product at factor cost could be used as a proxy.

Chapter four attempts to examine the impact of government size on economic performance and growth in Trinidad and Tobago using the framework developed by Rati Ram. One school of thought suggests that a larger government size is likely to be detrimental to efficiency and economic growth while another argues that government plays a critical role in the process of economic development. The general result is that there is no strong support for the conventional wisdom that 'big' government is harmful to economic performance. In the final chapter a long-term strategy for dealing with the unemployment problem is presented.

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