Economist calls for placing conditions on eligibility for CEPEP

Make-work programmes unproductive

By VERNE BURNETT

Senior economist at the University of the West Indies (UWI) Dr Roger Hosein says government-run "make-work" programmes in small economies like those in the Caribbean compromise the efficiency of the economies of those territories by siphoning labour away from the private sector into unproductive work.

Hosein, a lecturer in economics and co-ordinator of the UWI Trade and Economic Development Unit said, "When you take workers away from sectors which can generate scarce foreign exchange, and this economy really needs foreign exchange, we compromise the amount of workers available to generate foreign exchange, especially when we in Trinidad and Tobago are facing a serious shortage of foreign exchange."

Hosein was delivering a presentation during a segment entitled, Future of Work and Innovation, part of a one-day consultation, The Future of Work in the Caribbean - What do we know? What do we need to know? The event was held on December 4 and organised by the International Labour Organisation (ILO) and the Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) and held at the Institute of Critical Thinking on the St. Augustine campus of the UWI.

Focusing on the Community-based Environment Protection and Enhancement Programme (CEPEP), Hosein said all the make-work programmes in the region were set up in the same way: workers start work very early in the morning and finish a few hours later, while the standard work week is 40 hours, those in such programmes work "significantly less" than 40 hours.

He said the last report of the International Monetary Fund (IMF) on Trinidad and Tobago was the worst he had read in the last 20 years. "It really paints a dramatic picture of the Trinidad and Tobago economy for the next five years. Every single indicator is moving downwards." He said the only exception was the projection for growth in the country's Gross Domestic Product (GDP), the total value of all goods and services produced in the country in one year. "GDP growth for next year is projected to be 1.9 (per cent) and then 2.1 and then 1.4; 1.4; 1.4. But the error we are making is that we are thinking if we take money from below the ground (natural gas), monetise it and bring it above the ground that it makes you better off in terms of a deepening of the economic process." He said that was a wrong notion because all the country is doing is redistributing its resources. "We redistribute resources from below the ground (to) above the ground and in the process, we compromise the amount of workers that are available to generate foreign exchange."

He said because of this, the country now has fewer workers in agriculture and manufacturing than at any time in the recent past. "For the first time since the 1980s we now employ less than 20,000 workers in the agricultural sector and our manufacturing employment has fallen to 49,800 from about 63,000 and we have compromised the output of both these sectors by taking workers out of these sectors and putting them into the non-tradeable sector, a substantive part of which is the make-work programmes."

Hosein said if make-work programmes such as CEPEP were going to be justified on the grounds of providing employment and support for single mothers, then some conditions should be imposed on them. He suggested that before they get a job in CEPEP or any of the other make-work programmes, single mothers should be required to attend meetings at the Family Planning Association (FPA) once every three months with their attendance certified by a letter from the district health nurse; that they be made to sign their children's homework books and provide a letter from the child's teacher as proof that they did so; and they should be required to prove their children attended school 75 per cent of the required time.

Speaking to Business Day by telephone after his presentation, Hosein said if the single mothers in CEPEP and the other make work programmes attend FPA headed households are more likely to produce children with criminal tendencies. Hosein said these were not local studies but generalised ones done in the US and elsewhere.

He said these conditions he was proposing for single mothers would help to convert this "handout" to an investment good that could be seen as an investment in saving the children of parents on make-work programmes from following in their parent's footsteps.

"Let us form human capital out of the next generation so that the kids of make-work parents do not need make-work programmes ever again." He said the men should be moved out of CEPEP and the opportunities available to the next generation.

Chairman of the panel, SALISES director, Dr Hamid Ghany, said the most recent edition of The McKinsey Global Report looking at what the future of work will mean for jobs, skills and wages, said in the future some occupations will grow while others will decline and new jobs will be created, some of which cannot be imagined at present. He said the report predicted in developing economies there will be considerable growth in jobs requiring customer interaction; a moderate increase of office support and "professionals" jobs, while there will be a great increase of "care providers";
work programmes attend FPA sessions, they would get condoms and other things to use that would reduce the chances of them having more children than they could afford to in addition to those they already had, and deepening the cycle of poverty in which they found themselves. He said that although the country's population and fertility rates are falling, there are pockets of the population in which fertility and birth rates are rising. “...What we want to do is in those distinct pockets, we want to manage in an intelligent way the growth of the family so that poverty does not come along as a consequence of expanded family size.” One of the slides in his presentation indicated that studies had shown that female-

should be moved out of CEPEP into a more useful and productive agricultural programme he dubbed “Farmpep, where they receive work but on the farm which would have multiple benefits. We are already facing a serious foreign exchange crunch in the Caribbean, this would generate foreign exchange in terms of reducing food imports; it would create long term sustainable jobs and various benefits like that.”

Hosein believes there is hope for the country, “if we have the political will to implement changes along the lines that could convert these handouts and these transfers from a drain on the fiscal position into one that could now be seen as an investment that could transform the possibilities

increase of “care providers”; a “tremendous” increase of “builders” and a moderate increase in managers and executive-type jobs.

According to Ghany, there will also be a great increase of educators in developing economies and a moderate increase of “tech professionals” and “creatives” in both developed and developing countries. The report is published by The McKinsey Global Institute, which for the second consecutive year has been named the number one private-sector think tank in the world in the 2016 Global Go to Think Tank Index Report, published on January 26 by the Think Tank and Civil Society Programme at the Lauder Institute, University of Pennsylvania.