

# LOCALIZED ECONOMIC DEVELOPMENT IN AREAS WITH EXTRACTIVE INDUSTRIES.

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# CONTENTS

- ◉ Discussion of main players required
- ◉ Basic description of PF
- ◉ Discussion of LED
- ◉ Discussion of led framework for the SW



Many actors and many skills need to be considered

- Local businesses
- Local organizations
- Local governments
- Central government
- Development practitioners
- Academia

# SYMPTOMS OF THE DUTCH DISEASE IN OIL BASED SUBECONOMIES

Table 1: Percentage employed in petroleum sector in PF, and average income in petroleum sector, 1991 – 2010.

Year	Petroleum employment(all T&T)/Total employment (all T&T)	Petroleum employment (PF)/Total employment (PF)
1991	3.81	23.6
1992	3.83	17.5
1993	3.73	21.2
1994	3.81	20.9
1995	3.72	20.8
1996	3.65	25.5
1997	3.06	26
1998	3.1	18
1999	3.02	15.9
2000	5.03	17.4
2001	5.03	13.3
2002	3.27	11.1
2003	5.03	16.7
2004	3.27	15.3
2005	3.31	17.7
2006	3.26	18
2007	3.1	18.6
2008	3.2	18.3
2009	3.1	18.4
2010	3.1	17.9

# LOCALIZED UNEMPLOYMENT

Table 2: Unemployment for T&T, and Point Fortin, 1991-2010.		
Year	T&T	Point Fortin
1991	18.5	25.9
1992	19.6	30.2
1993	19.8	32.2
1994	18.4	24.4
1995	17.2	29.3
1996	16.2	27.1
1997	15.0	27.5
1998	14.2	24.1
1999	13.1	27.3
2000	12.1	20.7
2001	10.8	22.4
2002	10.4	18.4
2003	10.5	24.4
2004	8.3	19.1
2005	8.0	15.1
2006	6.2	8.9
2007	5.5	16.7
2008	4.6	12.9
2009	5.3	13.0
2010	6.7	13.3

# LOCALIZED INFLATION

**Table 3: Average prices of basic commodities**

Commodity	San Fernando Market	PF Market	PF/San Fernando
Pachoi	\$7.00/bundle	\$8.00/bundle	1.1
Cassava	\$3.00/ lb	\$4.00/ lb	1.3
Corn	\$10.00 for 5	\$10.00 for 5	1
Pawpaw	\$4/ lb	\$6.00/lb	1.5
Pumpkin	\$1.50/ lb	\$2.00/lb	1.3
Bodi	\$7.00/ bundle	\$6.00/bundle	0.9
Melongene	\$4/ lb	\$5.00/ lb	1.3
Eddoes	\$4.00/ lb	\$5.00/lb	1.3
Yam	\$3/ lb	\$3/lb	1
Tomatoes	\$10/lb	\$12.00 / lb	1.2
Water melon	\$2.50 / lb	\$3.00/lb	1.2
Citrus	\$2.00 for 4	\$6.00 for 5	2.4
Celery	\$2/ bundle	\$3.00/ bundle	1.5
Callaloo bush	\$6.00/ bundle	\$6.00/ bundle	1
Plantain	\$5.00/ lb	\$5.00/ Lb	1
Caraille	\$5.00/ lb	\$5.00/ Lb	1
Hot peppers	\$1.00 for 5	\$1.00 for 5	1
Pimento	\$2.00 for 5	\$2.00 for 5	1
Cucumber	\$4/ lb	\$3.00/lb	0.8
Ochro	\$1.00 for 4	\$2.00 for 6	1.4
Unweighted average			1.21
Source: computed.			

# POVERTY IN OIL BASED COMMUNITIES

Table 4: Geographic Distribution of Poverty by Regional Corporation

Regional Corporation	% poor
POS	18.0
Mayaro/Rio Claro	26.6
Point Fortin	24.6
Chaguanas	8.9
Arima	4.5
San Fernando	11.2
T&T	16.7
Source: Kairi Consultancy report (2007)	

# EDUCATION

Table 5: English and Mathematics Pass/Fail Rates for Point Fortin East Secondary (PFES) and Point Fortin West Secondary (PFWS), 2003-2011.

	English A (%)		Mathematics (%)	
	Pass	Fail	Pass	Fail
PFES (2002-2003)	29	71	23.1	76.9
PFES (2003-2004)	33.6	66.4	25.5	74.5
PFES (2004-2005)	26.2	73.8	15.5	84.5
PFES (2005-2006)	35.4	64.6	18.2	81.8
PFES (2006-2007)	40.2	59.8	30	70
PFES (2007-2008)	44.1	56	36	64
PFES (2008-2009)	50.3	49.7	28	72
PFES (2009-2010)	52.3	47.7	29	71
PFES (2010-2011)	55.1	44.9	31	69
Point Fortin East Secondary School				
PFWS (2007-2008)	6	94	3	97
PFWS (2008-2009)	16	84	2	98
PFWS (2009-2010)	21	79	3	97
PFWS (2010-2011)	20	80	6	94

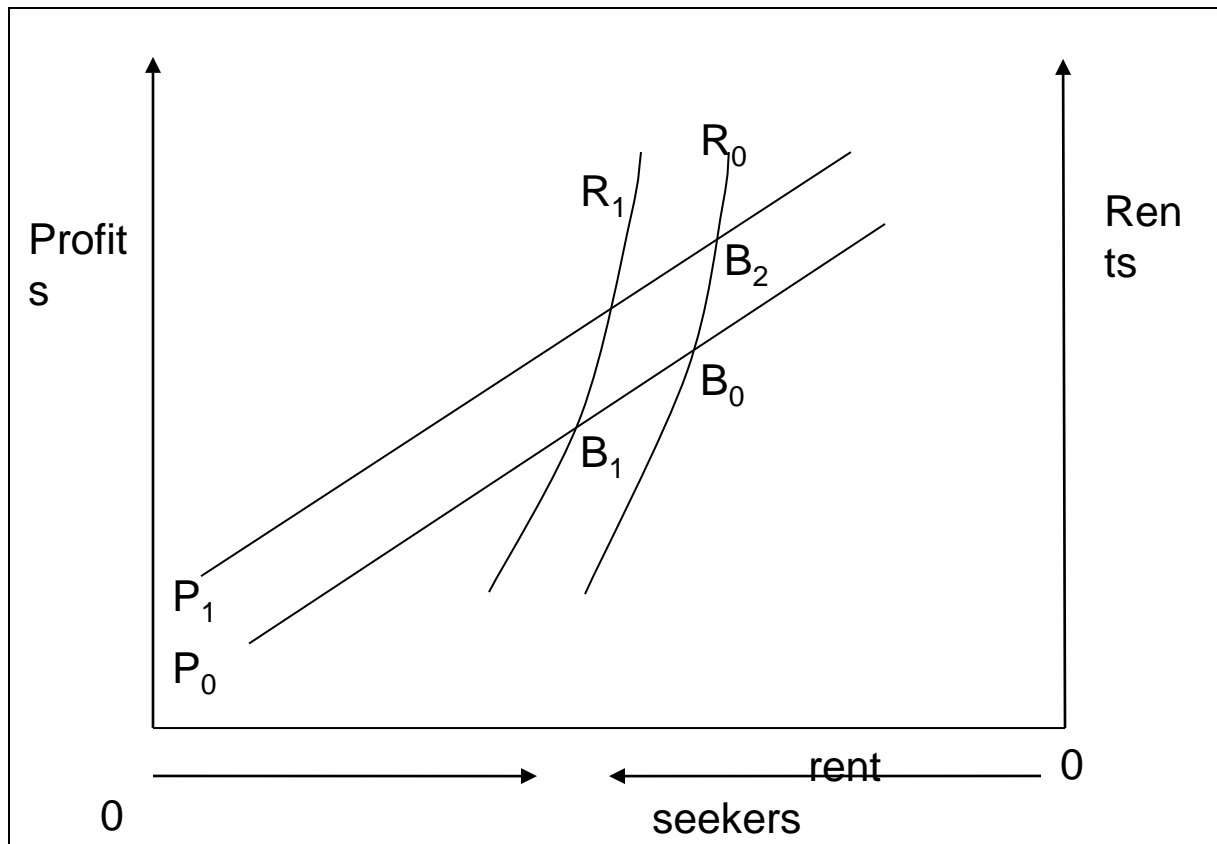
Source: Compiled from information supplied by PFSS



**Table 6: Share of employment in Agriculture and Manufacturing, 1991-2010**

Share of employment in Agriculture			Share of employment in manufacturing	
Year	T&T	PF	T&T	PF
1991	11.7	3.6	10.8	7.3
1992	11.5	3.5	10.4	10.6
1993	11.3	1.9	10	7.7
1994	12.4	1.6	10.1	4.2
1995	10.7	1.9	10.2	1.9
1996	9.6	1.9	10.1	3.9
1997	9.5	2.1	10.2	2
1998	8.1	1.6	10.5	3.4
1999	8.1	1.6	10.8	4.8
2000	7.2	1.5	10.9	4.3
2001	7.8	1.4	10.3	8.3
2002	6.9	1.3	10.6	9.5
2003	5.9	1.3	10.3	6.1
2004	4.6	1.3	17.2	5.6
2005	4.3	1.3	9.7	5.1
2006	4.4	2.8	9.8	5
2007	4.3	2.8	9.7	4.9
2008	3.9	1.3	9.8	4.9
2009	4.6	1.4	10.1	4.8
2010	4.8	1.5	10.6	5.1

# LINKAGE BETWEEN RENT SEEKING AND PRODUCTIVE ACTIVITY IN A RESOURCE BASED ECONOMY



# CSR AND HOTELLING RENTS HARTWICK RULE

- ◉ The growing public awareness of the problems associated with mineral and in particular oil dependence has brought to the forefront the roles and responsibilities of Multinational Corporations (MNCs) operating in the energy based extractive industries, to the host economies and in particular to fence-line communities.
- ◉ Many, MNCs including those in the oil / resource based industries have begun to respond to these challenges by integrating CSR actions into their business operations, partnership and outreach strategies as a means of contributing to development and as a deliberately positive overall force in these host communities.

# THE NEED FOR LOCAL ECONOMIC DEVELOPMENT

- Local economic development may be defined as increases in the “local economy’s capacity to create wealth for local residents.”
- Such increases occur if local resources, such as labor and land, are used more productively. Economic development can occur through local job growth, which causes unemployed labor and land to be used. But economic development also occurs by shifting employed labor and land to more productive uses, for example better jobs.

# THE NEED FOR LOCAL ECONOMIC DEVELOPMENT

- ◉ “Local Economic Development is a process where the local actors shape and share the future of their territory. We could define it as a participatory process that encourages and facilitates partnership between the local stakeholders, enabling the joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities.” (Canzanelli 2001: 9)
- ◉ Local economic development “is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area.” (Zaaier and Sara 1993: 129).

# ORGANIZATIONAL STRUCTURE OF THE FOUNDATION OF LED

**Governance Structure**  
(public, private, civil society)

**Economic  
Diversification**

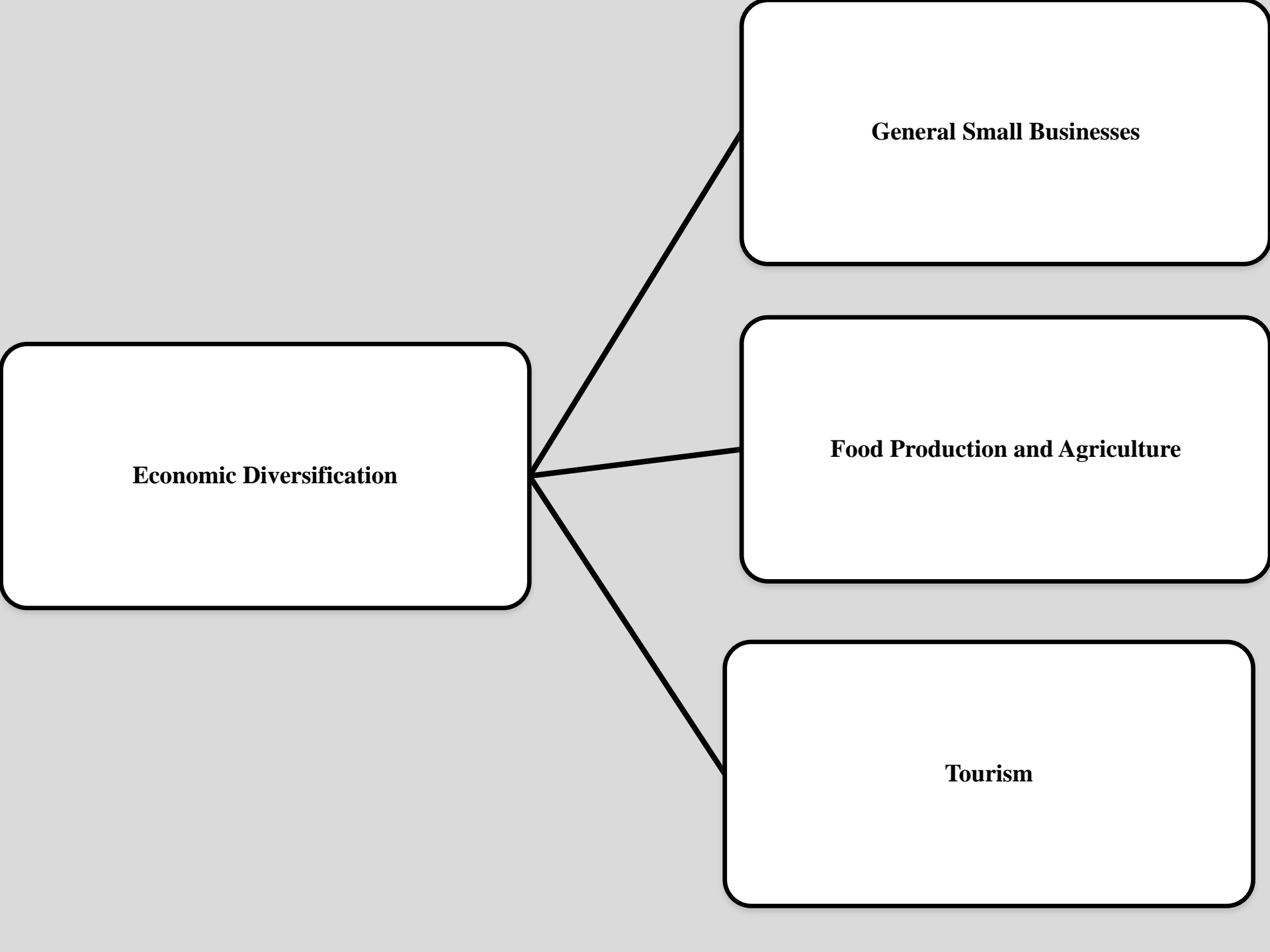
**Sub group on various  
projects**

**SME Development**

**Sub group on various  
projects**

**Social Conditions**

**Sub group on  
various projects**

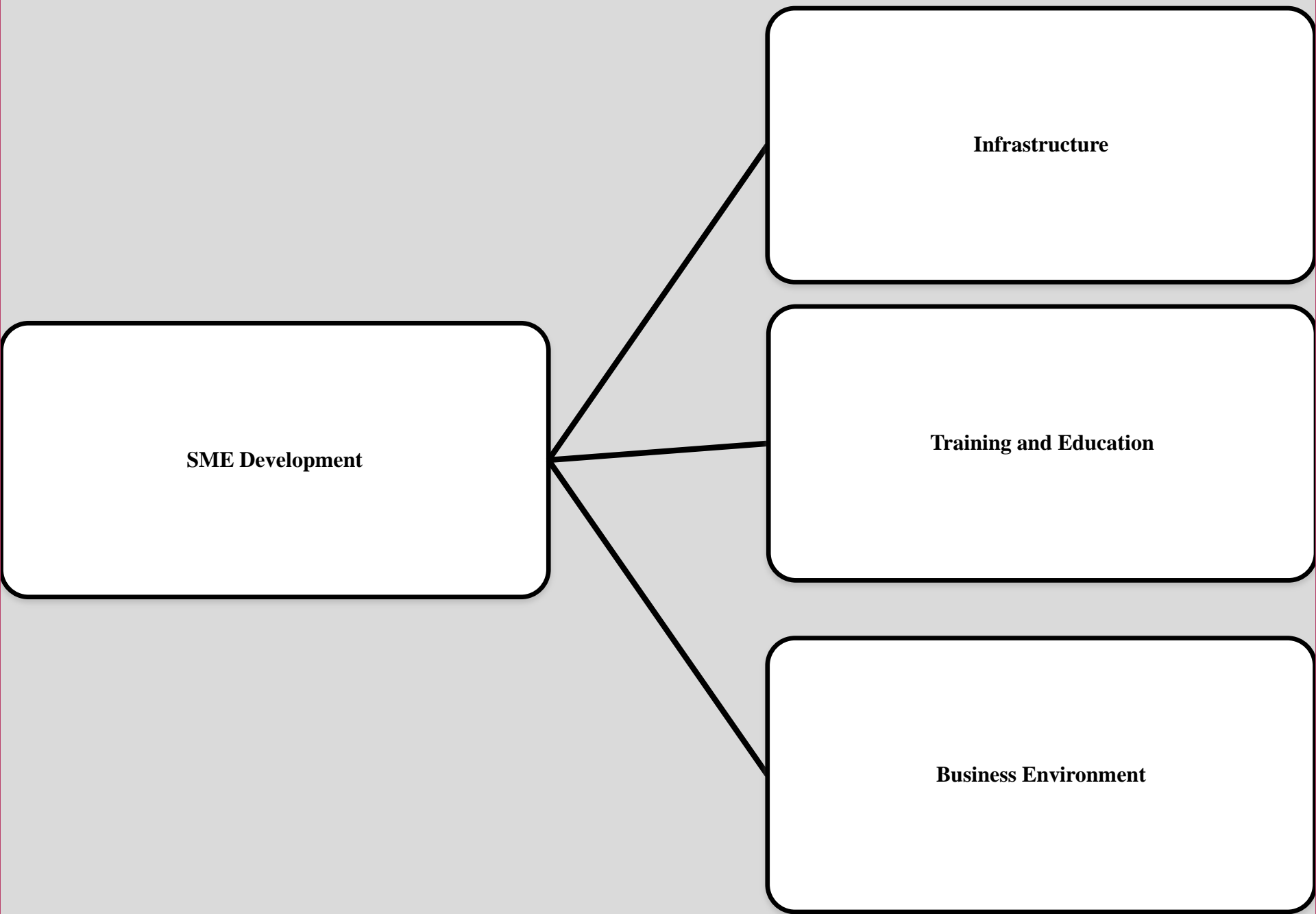


**Economic Diversification**

**General Small Businesses**

**Food Production and Agriculture**

**Tourism**



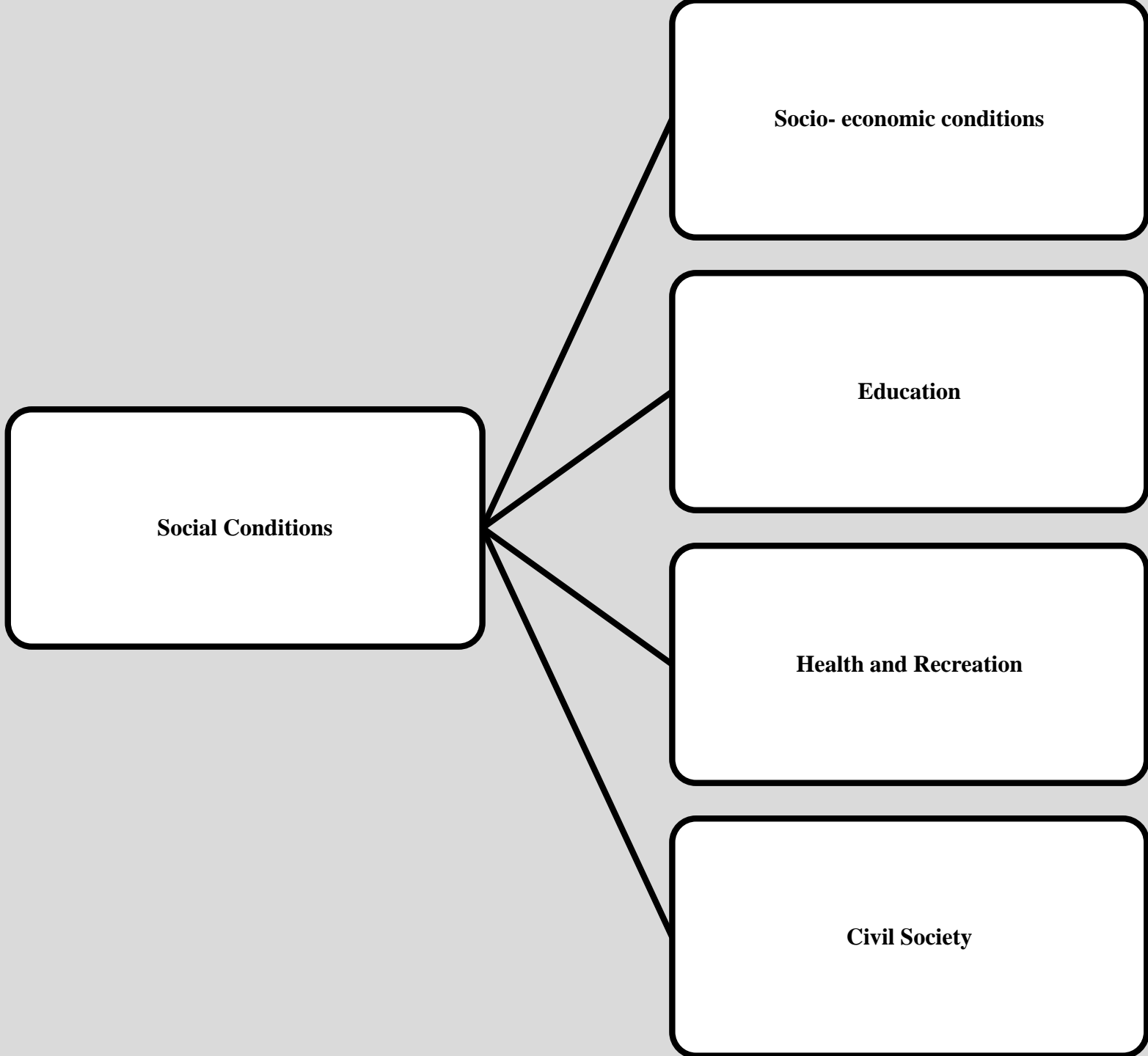
**SME Development**

**Infrastructure**

**Training and Education**

**Business Environment**





# THE END

◉ Thank you