

Dutch Disease and Deja Vu: Policy Advice for the Trinidad and Tobago Economy in the Wake of a Second Oil Boom

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Abstract

During the 1970s, the Trinidad and Tobago (T&T) economy was blessed by an oil boom occasioned by increases in both its production of crude oil and the prices each barrel of crude oil fetched on the international market. In the context of the Dutch Disease and the Resource Curse thesis, a number of policies enacted by the government, at the time, were erroneous. The T&T economy is once again faced with the prospects of another boom in its hydrocarbon sector. This paper reviews the elements of the Dutch Disease and Resource Curse thesis which emerged in T&T during the first oil boom and focusses on providing some policy advice to the government of T&T the second time around.