



Final Report

Penal/Debe Local Area Economic Profile



Penal/Debe

Local Area Economic Profile Final Report

Submitted to:

Permanent Secretary

Ministry of Rural Development and Local Government
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Acronyms and Abbreviations

BDC	-	Business Development Company
CAPA	-	Crime and Problem Analysis Unit
CARILED	-	Caribbean Local Economic Development Project
CARIRI	-	Caribbean Industrial Research Institute
CBOs	-	Community Based Organisations
CBTT	-	Central Bank of Trinidad and Tobago
CEO	-	Chief Executive Officer
CSO	-	Central Statistical Office
CSEC	-	Caribbean Secondary Education Certificate
ECA	-	Employers' Consultative Association of Trinidad and Tobago
EDD	-	Enterprise Development Division
EIF	-	Enterprise Investment Fund
ETIIC	-	Entrepreneurial Training Institute and Incubation Centre
GCE	-	General Certificate of Education
GORTT	-	Government of the Republic of Trinidad and Tobago
HDI	-	Human Development Index
HSC	-	Higher School Certificate
IBIS	-	National Integrated Business Incubation System
ICT	-	Information and Communications Technology
IFF	-	Innovation Financing Facility
ILO	-	International Labour Organisation
INHDI	-	Inequality-adjusted National Human Development Index
LAEP	-	Local Area Economic Profile
LARPDU	-	Local Area and Regional Planning and Development Unit
LED	-	Local Economic Development
LEDO(s)	-	Local Economic Development Officer(s)
LEDU(s)	-	Local Economic Development Unit(s)
MCD	-	Ministry of Community Development, Culture and the Arts
MDP	-	Municipal Development Plan
MEL	-	Micro Enterprise Loan
MIC	-	Metal Industries Company Limited

MLG	-	Ministry of Rural Development and Local Government
MOLSED	-	Ministry of Labour and Small Enterprise Development
MOOCs	-	Massive Open Online Courses
MSE(s)	-	Micro and Small Enterprise(s)
MSM	-	Micro, Small and Medium
MSME(s)	-	Micro, Small and Medium Enterprise(s)
MTI	-	Ministry of Trade and Industry
NEDCO	-	National Entrepreneurship Development Company Limited
NESC	-	National Energy Skills Centre
NGO(s)	-	Non-Government Organisation(s)
NHDI	-	National Human Development Index
OJT	-	On-the-Training
Petrotrin	-	Petroleum Company of Trinidad and Tobago
SC	-	School Certificate
TCPD	-	Town and Country Planning Division
THA	-	Tobago House of Assembly
Trintoc	-	Trinidad and Tobago Oil Company Limited
Trintopec	-	Trinidad and Tobago Petroleum Company Limited
TT	-	Trinidad and Tobago
TT\$	-	Trinidad and Tobago Dollar
TVET	-	Technical Vocational Education and Training
UNDP	-	United Nations Development Programme
US\$	-	United States Dollar
UTT	-	University of Trinidad and Tobago
UWI	-	The University of the West Indies
WASA	-	Water and Sewerage Authority

1 Introduction

The Local Area Economic Profile (LAEP) for the Penal/Debe Municipality was developed with a view to build on the existing Municipal Development Plan and to introduce the Debe/Penal Regional Corporation¹ to the Local Economic Development (LED) approach. The LED approach was introduced to Trinidad and Tobago by the Federation of Canadian Municipalities through its Caribbean Local Economic Development (CARILED) programme in collaboration with the Caribbean Forum of Local Government Ministers, the Caribbean Association of Local Government Authorities and the Commonwealth Local Government Forum.

The LED approach aims not only to enhance the economic capacity of a local area for the purpose of improving living conditions but also strives to develop a business-friendly environment in which micro-, small- and medium-sized enterprises (MSMEs) could prosper. This approach has been advocated by the Local Area and Regional Planning and Development Unit (LARPDU) since it creates a framework through which local government, civil society, the private sector and the local community could collaborate to improve the local economy.

The profile for the Municipality of Penal/Debe² was developed with the aid of quantitative and qualitative methodologies pioneered in the LED approach, which captured vital information from a range of stakeholders in the municipality. The methodologies consisted of the following:

- A review of secondary data for the Municipality of Penal/Debe including the Penal/Debe Regional Corporation Spatial Development Plan, the Penal/Debe Municipal Investment Plan and the Medium Term Policy Framework 2011 – 2014;
- Capacity Workshops to train and sensitise the Local Economic Development Officer (LEDO) about the approach to preparing a LAEP;
- The conduct of a survey of MSMEs (120 enterprises)*;
- The conduct of discussions with the Municipal Council to glean useful insights into opportunities for LED within the communities of Penal/Debe;
- The conduct of focus group discussions with micro, small and medium entrepreneurs; and
- The conduct of interviews with the State Agencies, Private Sector Agencies and non-government organisations (NGOs).

This draft LAEP report will profile the MSME sector and its physical and social assets in as great detail as data permit.

¹ Penal/Debe Regional Corporation means the body corporate constituted by the Chairman, Aldermen, Councillors and electors of Regional Municipality of Penal/Debe to which the Municipal Corporation Act (Act No. 21 of 1990) applies.

² Municipality of Penal/Debe (also called the Regional Municipality of Penal Debe) refers to the geographic area (whose boundaries are applied under Section 4 of the Municipal Corporation Act (Act No. 21 of 1990).

which extends from the Oropouche Lagoon. Approximately 60 percent of the municipality is within the Oropouche Watershed and much of this area is subject to frequent flooding. Within the region, there are six major rivers namely the Coora, Gucharon, Lengua, Papourie, Trinidad and Oropouche Rivers.

Trinidad has two easily distinguishable seasons; a dry and wet season. As the climate of Trinidad does not vary much spatially, the municipality of Penal/Debe also has a tropical climate with two distinct seasons due to its proximity to the equator. The dry season, the period from January to May, is characterised by a tropical maritime climate with moderate to strong low level winds, warm days, cool nights and showers due to daytime convection. A modified moist equatorial climate characterised by low wind speeds, hot humid days and nights, a marked increase in rainfall which results mostly from migrating and latitudinal shifting equatorial weather systems, symbolizes the wet season during June to December. Trinidad's geographical location puts it on the southern periphery of the North Atlantic hurricane basin.

Although the wet season is generally warmer than the dry season, Trinidad and Tobago's daily temperature cycle is more pronounced than its seasonal cycle. The long term mean (1971 - 2000) annual maximum and minimum temperatures are 31.3 °C and 22.7 °C respectively with a mean daily temperature of 26.5 °C. Trinidad's rainfall pattern displays a distinct bi-modal behaviour with June and November rainfall season maxima. Trinidad's primary rainfall mode occurs in June.

2.3 Population and Demography

2.3.1 Population and Household Size

According to the 2011 Population and Housing Census, the population of Penal/Debe stood at 89,392 persons, representing some 6.7 percent of the national population of 1,328,019 persons. Between 2000 and 2011, the population of Penal/Debe grew by 6.9 percent, greater than the national growth for the same time period of 5.2 percent. The population of Penal/Debe is almost equally distributed in terms of gender, with a female population of 43,935 (49.1%) and a male population of 45,456 (50.9%).

The 2011 census revealed that an average of 3.4 persons lived in the 26,067 recorded private households in the region. This showed a decline in the size of the average household since the 2000 Census of 0.4 persons, down from 3.8 persons per household (Table 2.1). However, the number of households increased by 19.7 percent, which was more than the growth in the number of households observed in Trinidad (16.1%).

Table 2.1: Changes in Non-institutional Population and Household Characteristics in Trinidad and Tobago and Penal/Debe, 2000-2011

Country/ Municipality	Non-Institutional Population		Number of Occupied Private Households		Average Household Size		Average Annual Rate of Growth in Population	Average Annual Rate of Growth In Households
	2011	2000	2011	2000	2011	2000	2000-2011	2000-2011
Trinidad and Tobago	1,322,546	1,250,652	401,382	343,180	3.3	3.6	0.5%	1.5%
Trinidad	1,261,812	1,197,426	381,257	328,000	3.3	3.7	0.5%	1.4%
Penal/Debe	89,342	83,579	26,067	21,779	3.4	3.8	0.60%	1.70%

Source: Central Statistical Office (CSO) 2011 Population and Housing Census

2.3.2 Population Density

In 2011, the municipality of Penal/Debe was the ninth most densely populated area of Trinidad and Tobago with a density of 363 persons per square kilometre (Table 2.2). The region's population density is higher than the national average of 259 person per square kilometre and is due to 6.7 percent of the national population existing in a land area that occupies 4.8 percent of the total land area of Trinidad and Tobago. As its population rose slightly, the population density of the region increased correspondingly from 340 persons per square kilometre in 2000. From 2000 to 2011, Penal/Debe maintained its population density position relative to the other municipalities.

Table 2.2: Population Density of the Municipality of Penal/Debe, 2000 and 2011

Year	Density (Per Sq. km)	Population
2000	340	83,609
2011	360	89,392

2.3.3 Age Profile and Dependency

Figure 2.2 shows the region's age and sex pyramids for 2000 and 2011, reflecting the changing structure of the population over time. The 2011 pyramids for both the male and female population show growth in the youngest age group (0-4 years). A similar widening of the older age groups is also noted and reflects an aging population.

The population of Penal/Debe is relatively young, with more than half of the population (52.9%) under 35 years of which 20.6 percent is between 0 and 15 years. The age group between 10 and 19 years, the majority of whom make up the secondary school age population, accounts for 13.3 percent of the corporation's population. Persons, 65 years and older, made up 8.1 percent of the total population (Figure 2.2).

The population of dependent groups (all persons aged 0-14 years and 65+ years) decreased from 30.1 percent of the total population in 2000 to 27.3 percent in 2011. Conversely, the working-age population (persons between 15 and 64 years) increased from 69.9 percent in 2000 to 72.7 percent in 2011.

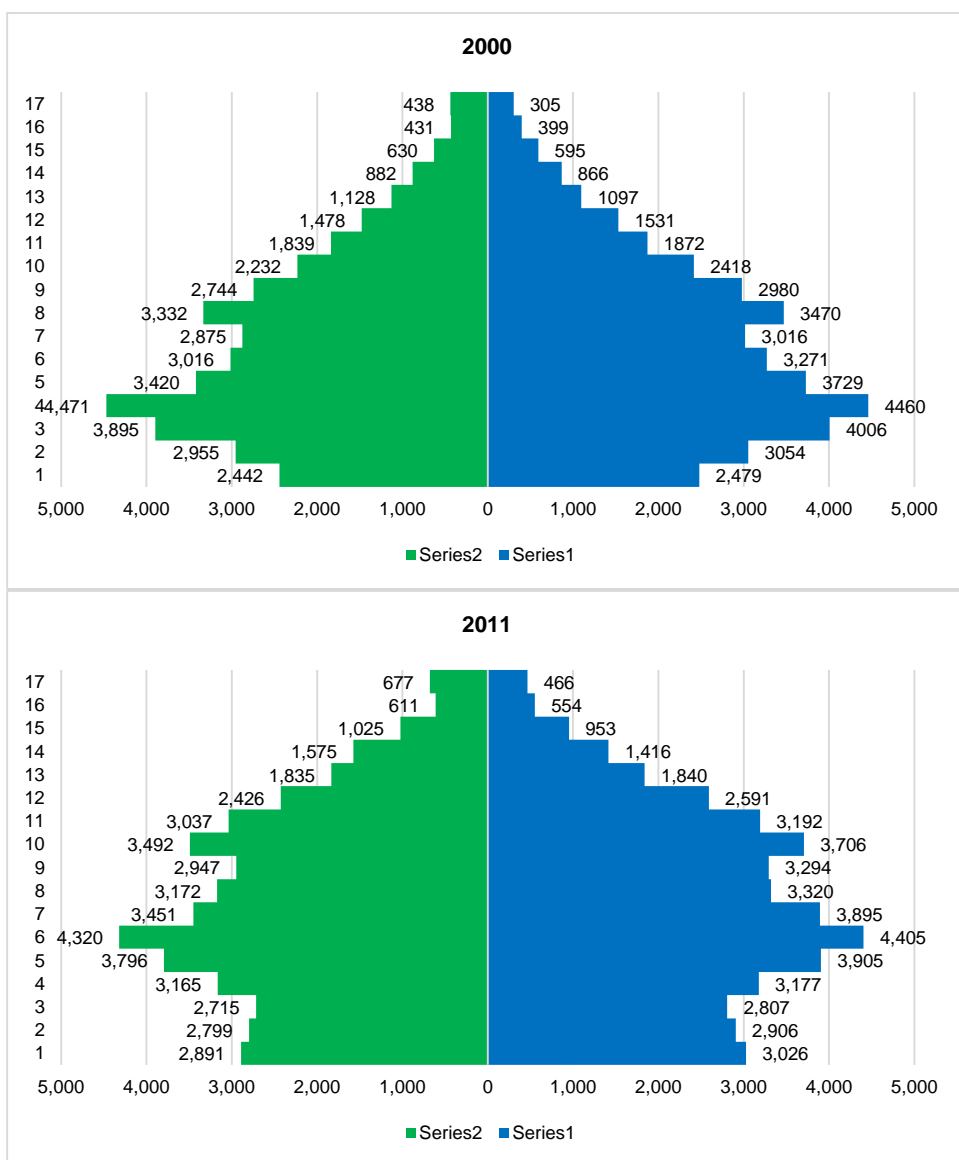


Figure 2.2: Age/Sex Composition of the Population of Penal/Debe, 2000, 2011

The age dependency ratio (the ratio of the population between 0 and 14 years and 65+ years to the working- age population, between 15 and 65 years) for Penal/Debe in 2011 stood at 37.6 percent; below the national ratio of 41.9 percent and this was due primarily to growth in the working age population. This ratio for Debe represents an improvement compared to the 2000 figure of 43 percent. The child dependency ratio in 2011 was estimated at 26.4 percent, and elderly dependency at 11.2 percent.

2.3.4 Ethnicity

Although Trinidad and Tobago as a country, is a plural society, Penal/Debe's population remains homogenous in terms of ethnic composition (Table 2.3). East Indians, with 71.2 percent of the total population, are the predominant ethnic group, followed by Africans which made up 12.2 percent and the 'Mixed- Other' group, which account for 2.54 percent (Figure 2.3).

Table 2.3: Percentage Distribution of Total Population of Penal/Debe by Ethnic Group, 2011	
Ethnic Group	Percentage
African	12.2
Caucasian	0.2
Chinese	0.2
East Indian	71.2
Indigenous	0.1
Mixed - African/East Indian	5.1
Mixed - Other	5.7
Portuguese	0.0
Syrian/Lebanese	0.0
Other Ethnic Groups	0.1
Not stated	5.1
Source: CSO 2011 Population and Housing Census	

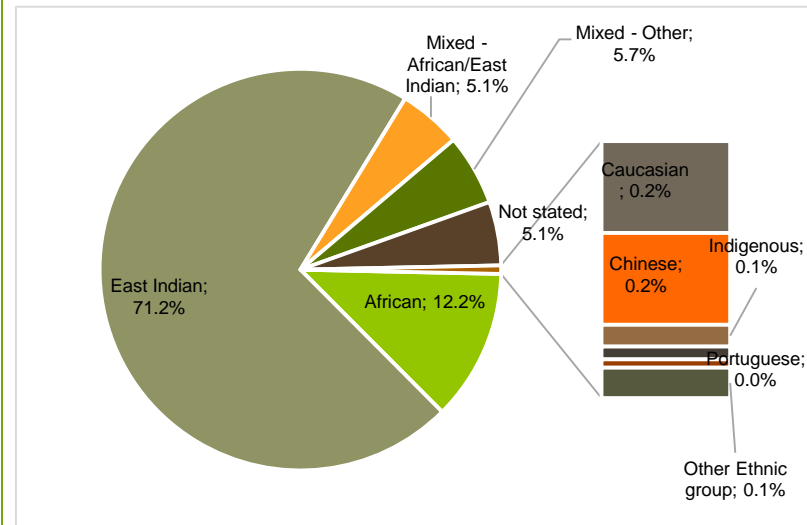


Figure 2.3: Ethnic Composition of Penal/Debe Population

2.3.5 Religious Affiliation

In 2011, Hinduism was the largest single religious grouping in Penal/Debe (43% of the population), followed by Pentecostal/Evangelical/Full Gospel (13.2%) and Roman Catholic (8.5%). Interestingly, the groupings 'Other' and 'Not Stated' constituted a significant proportion of the population. Table 2.4 gives a distribution of the population by religious affiliations based on the 2011 Population and Housing Census, while Figure 2.4 shows the distribution of the population for the religious groupings.

Table 2.4: Percentage Distribution of Penal/Debe's Total Population by Religious Affiliation, 2011

Religious Group	Percent
Anglican	2.2
Baptist-Spiritual Shouter	2.6
Baptist-Other	0.8
Hinduism	43.0
Islam	6.6
Jehovah's Witness	0.8
Methodist	0.1
Moravian	0.0
Orisha	0.3
Pentecostal/Evangelical/Full Gospel	13.2
Presbyterian/Congregational	5.3
Rastafarian	0.1
Roman Catholic	8.5
Seventh Day Adventist	1.0
Other	6.1
None	0.9
Not Stated	8.3

Source: CSO 2011 Population and Housing Census

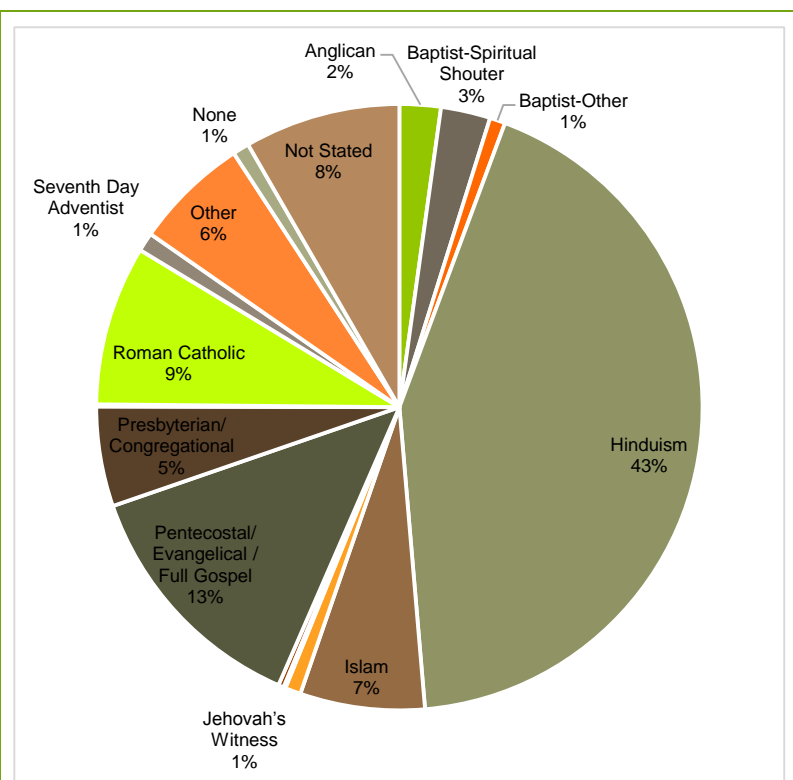


Figure 2.4: Religious Affiliations in Penal/Debe, 2011

2.3.6 Educational Attainment

According to the 2011 Census, 30.9 percent of Penal/Debe's population had attained primary-level education which is higher than the national figure (Figure 2.5). Forty-four percent of population of Penal/Debe had attained secondary and post-secondary, making 0.6 percent higher than observed with the national population. Tertiary non-university level educational attainment stood at 6.1 percent and 7.9 percent for those who attained tertiary university-level education. Males outnumbered females up to the primary and secondary levels. However, the number of females who attained tertiary level education was greater than the number of males. Table 2.5 shows the educational attainment of the Penal/Debe population by age group.

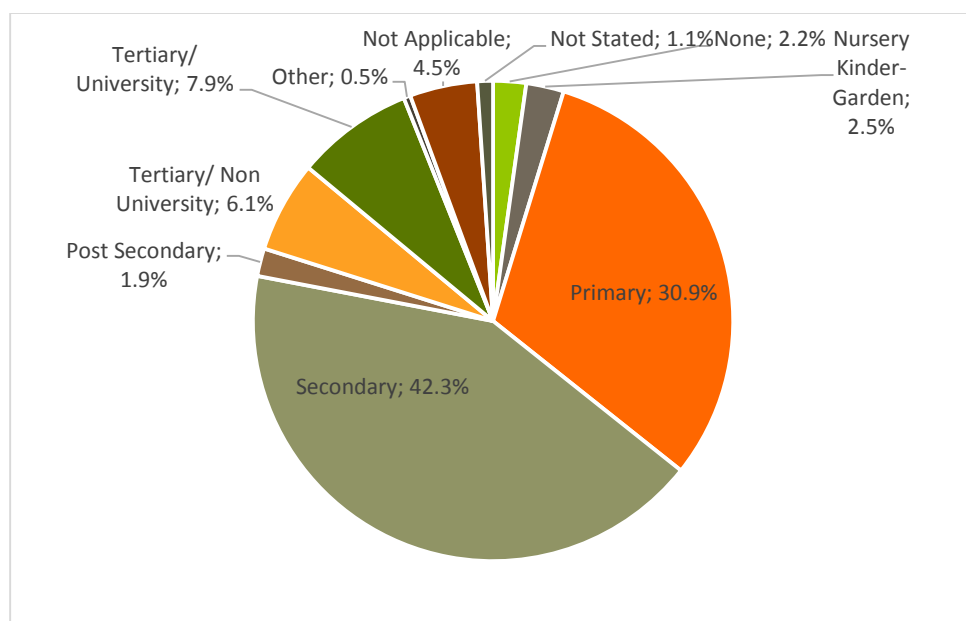


Figure 2.5: Non-Institutional Population of Penal/Debe by Educational Attainment

Source: CSO Population and Housing Census, 2011

Table 2.5: Non-Institutional Population of Penal/Debe by Age Group and Educational Attainment

Age	Total	None	Nursery/ Kindergarten	Primary	Secondary	Post- Secondary	Tertiary/ Non University	Tertiary/ University	Other	Not Applicable	Not Stated
Penal/Debe	89,342	1,983	2,264	27,644	37,803	1,671	5,493	7,069	406	4,062	947
0 – 4	5,916	-	1,816	39	-	-	-	-	-	4,062	-
5 - 9	5,703	147	327	5,176	-	-	-	-	-	-	54
10 - 14	5,520	72	64	2,665	2,683	-	-	-	-	-	36
15 - 19	6,342	52	7	390	4,914	206	364	339	30	-	39
20 - 24	7,697	47	2	439	4,216	234	1,070	1,581	51	-	56
25 – 29	8,720	68	-	918	5,027	212	978	1,374	64	-	80
30 – 34	7,347	56	6	767	4,644	158	717	888	43	-	67
35 - 39	6,490	72	1	858	4,148	108	565	626	25	-	87
40 - 44	6,239	108	2	1,425	3,475	105	471	549	25	-	79
45 - 49	7,198	121	5	2,560	3,327	164	386	508	40	-	88
50 - 54	6,229	129	10	2,956	2,085	159	337	430	35	-	87
55 - 59	5,013	134	5	2,590	1,470	116	278	316	34	-	71
60 - 64	3,673	146	8	2,142	855	102	145	201	22	-	52
65 - 69	2,988	175	3	1,982	495	49	99	131	17	-	36
70 - 74	1,975	204	6	1,340	244	23	49	64	8	-	39
75 -79	1,162	170	2	738	125	27	24	38	5	-	34
80+	1,129	283	1	658	93	7	10	24	8	-	44

Source: CSO Population and Housing Census, 2011

A look at the highest qualification attained by Penal/Debe's population showed that some 49 percent of those 15 years or older had no qualifications. This group would also include some persons who may not have written examinations to receive certification. Table 2.6 shows that 3 percent indicated

that their highest qualification attained was school leaving certificate, with another 2 percent reporting that they attained Caribbean Secondary Education Certificate (CSEC) Basic as their highest qualification.

Almost one fifth of the population (20.1%) attained General Certificate of Education (GCE) Ordinary ('O') level/CSEC General or Caribbean Advanced Proficiency Examinations (CAPE)/GCE 'A' Levels as their highest educational qualification, while 7.5 percent were granted Diplomas, Associate Degrees or Equivalent Certification. Another 3.9 percent would have achieved, either a Bachelor's degree, Postgraduate Diploma/ Professional Qualification or a Master's degree. Some 0.1 percent of the population 15 years and older earned doctorate degrees. More women attained Bachelors and Masters than their male counterparts. This can be seen in Table 2.6.

Table 2.6: Non-Institutional Population of Penal/Debe by Age Group and Highest Qualification

	Penal/Debe		Female Population		Male Population	
	No of Persons	% of Population	No of Persons	% of Population	No of Persons	% of Population
Total	89,342	100.0%	43,906	100.0%	45,436	100.0%
None	43,753	49.0%	20,555	46.8%	23,198	51.1%
School Leaving Certification	2,718	3.0%	1,307	3.0%	1,412	3.1%
CSEC Basic	1,754	2.0%	882	2.0%	872	1.9%
GCE 'O'/CSEC Gen/SC ³	15,749	17.6%	8,458	19.3%	7,291	16.0%
GCE "A"/CAPE/HSC ⁴	2,251	2.5%	1,298	3.0%	953	2.1%
Diploma or Equivalent Certificate of Achievement	5,258	5.9%	2,442	5.6%	2,816	6.2%
Associate Degree Higher Diploma	1,463	1.6%	788	1.8%	675	1.5%
Bachelor Degree	2,633	2.9%	1,445	3.3%	1,188	2.6%
Master Degree	574	0.6%	286	0.7%	288	0.6%
Postgraduate Diploma/ Professional Qualification	324	0.4%	151	0.3%	173	0.4%
Doctorate	102	0.1%	34	0.1%	68	0.1%
Other	282	0.3%	98	0.2%	184	0.4%
Not Stated	12,480	14.0%	6,163	14.0%	6,317	13.9%

Source: CSO Population and Housing Census, 2011

About 52 percent of persons in the age groups 20-24 years to 40-44 years had qualifications of CSEC/GCE 'O' levels and above. About 62 percent of the population in the 20-24 age grouping had obtained CSEC/GCE "O" level passes and above, demonstrating higher levels of educational qualification compared to the older age groups. Further, as much as 39 percent of the population within the age group of 15-19 years to the 54-59 years reported that they did not have any certification, thereby placing them in a "low skill trap" where they are not likely to participate in certification programmes on their own unless motivated to do so.

³ SC – School Certificate

⁴ HSC - Higher School Certificate

2.3.7 Living Conditions in Penal/Debe

The United Nations Development Programme (UNDP)/CSO Trinidad and Tobago Human Development Atlas notes, “Giving people the choice to enjoy a long and healthy life; being educated; having access to resources that enable one to live in dignity; and being able to participate in decisions that affect one’s community are core capacities for human development.” The National Human Development Index (NHDI), developed by CSO is based on Human Development Index (HDI) developed by UNDP and measures the level of human development of Trinidad and Tobago and its sub-regions, using three basic dimensions of human development – a long and healthy life, knowledge, and a decent standard of living. Figure 2.6 shows the NHDI for the various regions within the country. Penal/Debe was ranked above national average with an NHDI at 0.678. Measurement of the Inequality-adjusted NHDI (INHDI)⁵ ranked Penal/Debe above national average with respect to human development with a value of 0.605 (Figure 2.7). With regard to the dimensions of health and income for the INHDI, Penal/Debe was ranked among the highest. However, with respect to the education dimension, Penal/Debe ranked lower than national average.

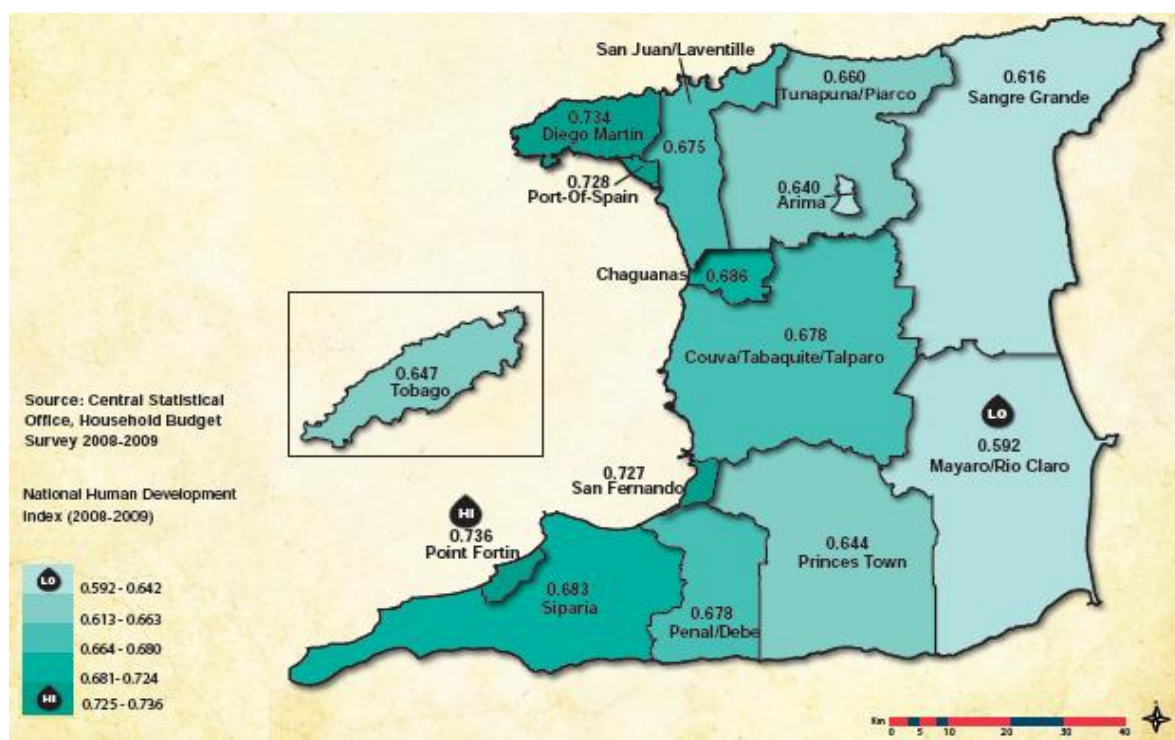


Figure 2.6: National Human Development Index 2008/2009 by Administrative Regions

Source: Trinidad and Tobago Human Development Profile, 2012

⁵ Trinidad and Tobago Human Development Profile, 2012. Website source: http://www.planning.gov.tt/sites/default/files/content/mediacentre/documents/Human_Development_Atlas.pdf.

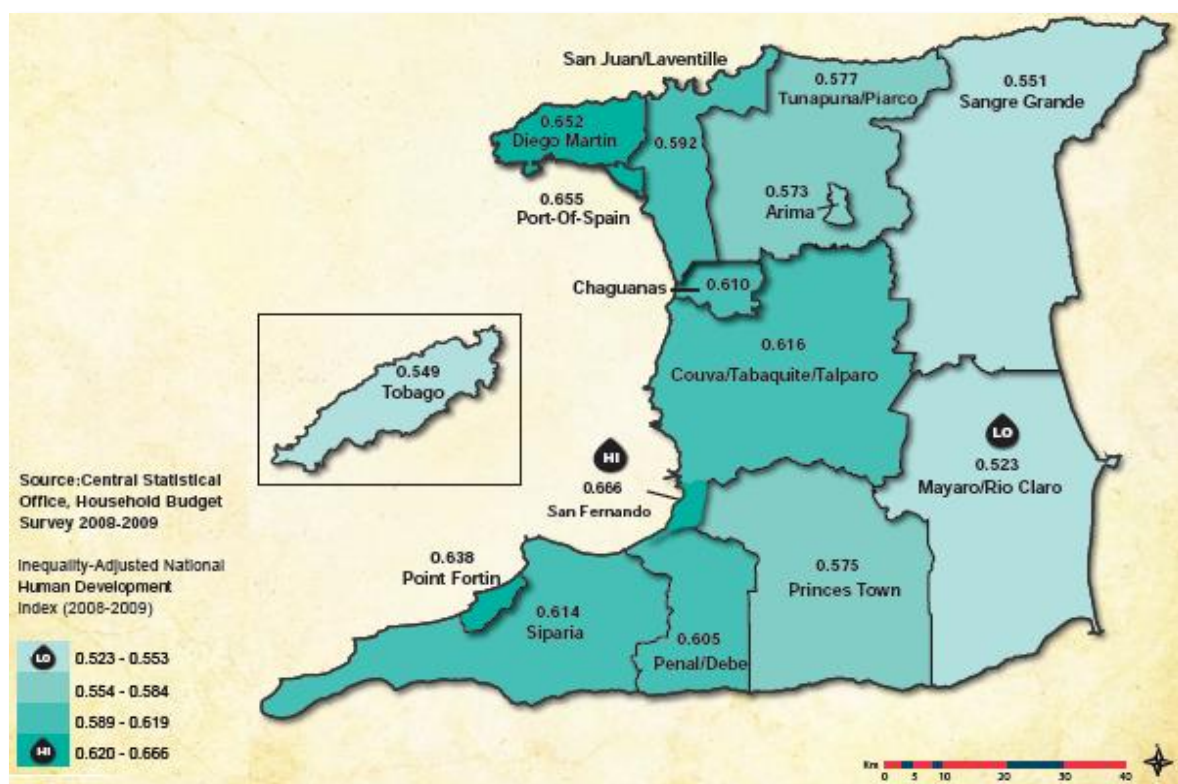


Figure 2.7: Inequality-adjusted National Human Development Index 2008/2009 by Administrative Regions

Source: Trinidad and Tobago Human Development Profile, 2012

Table 2.7 presents statistics highlighting living conditions in Penal/Debe taken from the Trinidad and Tobago Human Development Atlas. The Atlas provided information on the NHDHI and its dimension indicators which were disaggregated at the sub-regional level to compare levels and disparities among different sub-populations within the country. Data from the Atlas highlight the following:

- Penal/Debe had the fourth highest household income per capita per annum.
- Penal/Debe, with an education attainment rate of 89.6 percent for both females and males between the ages of 6 and 16 years, was the fifth lowest. Similarly the municipality had the fifth lowest educational attainment rate (59.6%) for persons above 17 years and older who have attained secondary level education and higher.
- Penal/Debe was among the regions that scored the lowest in the gender inequality index indicating that gender inequalities was lower in Penal/Debe compared to other regions in the country.
- Penal/Debe had a high Multidimensional Poverty Index (MPI), indicating a higher incidence and intensity of poverty compared to those areas with lower indices.
- The region had the lowest rate of adolescent births.

- Penal/Debe had the second lowest female labour force participation rate in the country (43.7%).
- Penal/Debe recorded a high life expectancy, higher than the national average of 73.2 years for both sexes; 70.2 years for males; and 76.5 years for females. Penal/Debe also has a relatively low incidence of chronic diseases of 20.7 percent.
- Consumption of iodized salt was above the national average in Penal/Debe, indicating that children from the island were at low risk of iodine deficiency disorder, which in turn can decrease susceptibility to miscarriages and still births.
- Penal/Debe recorded the second lowest population percentage without adequate sanitation facilities,⁶ with 3.9 percent of its households.⁷

Table 2.7: Various Statistics on Living Conditions in Penal/Debe

Indicators	Value	Rank and Rating out of the Country's 15 Administrative Regions
Total population, 2011	89,392	10 th (medium-high)
National human development index, 2010	0.678	8 th (medium-high)
Population having chronic illnesses ⁸ , 2008/2009 (%)	20.7	4 th (low-medium)
Primary and secondary educational attainment rate ⁹ , 2008/2009 (%)	89.6	11 th (low-medium)
Secondary and higher educational attainment rate ages 17 and above, 2008/2009 (%)	59.6	5 th (low-medium)
Household income per capita (TT\$/US\$)	29 358/ 6,368	11 th (medium-high)
Inequality-adjusted national human development index, 2010	0.605	8 th (medium-high)
Gender inequality index, 2010	0.322	3 rd (low)
Adolescent fertility rate ¹⁰ , 2010	28.9	1 st (low)
MPI, 2006	0.02	13 th (high)
Intensity of multidimensional poverty, 2006 (%)	28.1	13 th (high)
Incidence of multidimensional poverty, 2006 (%)	7.2	12 th (medium-high)
Life expectancy at birth, 2010 (years)	74.2	6 th (medium-high)
Households in which a child died, 2006 (%)	4.5	10 th (medium-high)
Population without electricity, 2006 (%)	2.2	8 th (medium-high)
Population access to without clean drinking water, 2006 (%)	8.4	15 th (high)
Population access to without improved sanitation ¹¹ , 2006 (%)	3.9	14 th (low)

⁶ Trinidad and Tobago Human Development Profile, 2012. Website source: http://www.planning.gov.tt/sites/default/files/content/mediacentre/documents/Human_Development_Atlas.pdf.

⁷ Anecdotal evidence suggests that this situation may have greatly improved over the last eight years.

⁸ The chronic illnesses include: Heart Disease, Cancer, HIV/AIDS, Lupus, Kidney Disease, Sickle Cell Anemia, Lung Disease, Epilepsy, Neurological Disorder, Clinical Mental Disease.

⁹ Primary and secondary educational attainment rate refers to the percentage of children between ages 6-16 who have attained primary or secondary school level of education.

¹⁰ Number of birth among women 15-19 years per 1,000 women (CSO: Population, Social and Vital Statistics Division 2010)

¹¹ Population without Access to improved Sanitation Facilities (2006) Population without access to improved sanitation facilities refers to the proportion of the population with sanitation facilities that are not improved or sanitation facilities which are improved but shared with other house-holds (the toilet is shared) (Ministry of the People and Social Development, Multiple Indicator Cluster Survey III, 2006). Improved sanitation facilities for excreta

Indicators	Value	Rank and Rating out of the Country's 15 Administrative Regions
Population not consuming iodised salt (%)	61.9	7 th (low-medium)
Labour force population – male (%)	76.4	3 rd (high)
Labour force population – female (%)	43.7	14 th (low)

Source: Trinidad and Tobago Human Development Profile, 2012

2.3.8 Crime

The Human Development Atlas acknowledges that *“Crime and Violence continues to be one of the most critical areas that need to be addressed in the context of national development. Economic growth and meaningful democracy will not be possible unless crime and violence is brought under control and all citizens can feel safe and secure.”*

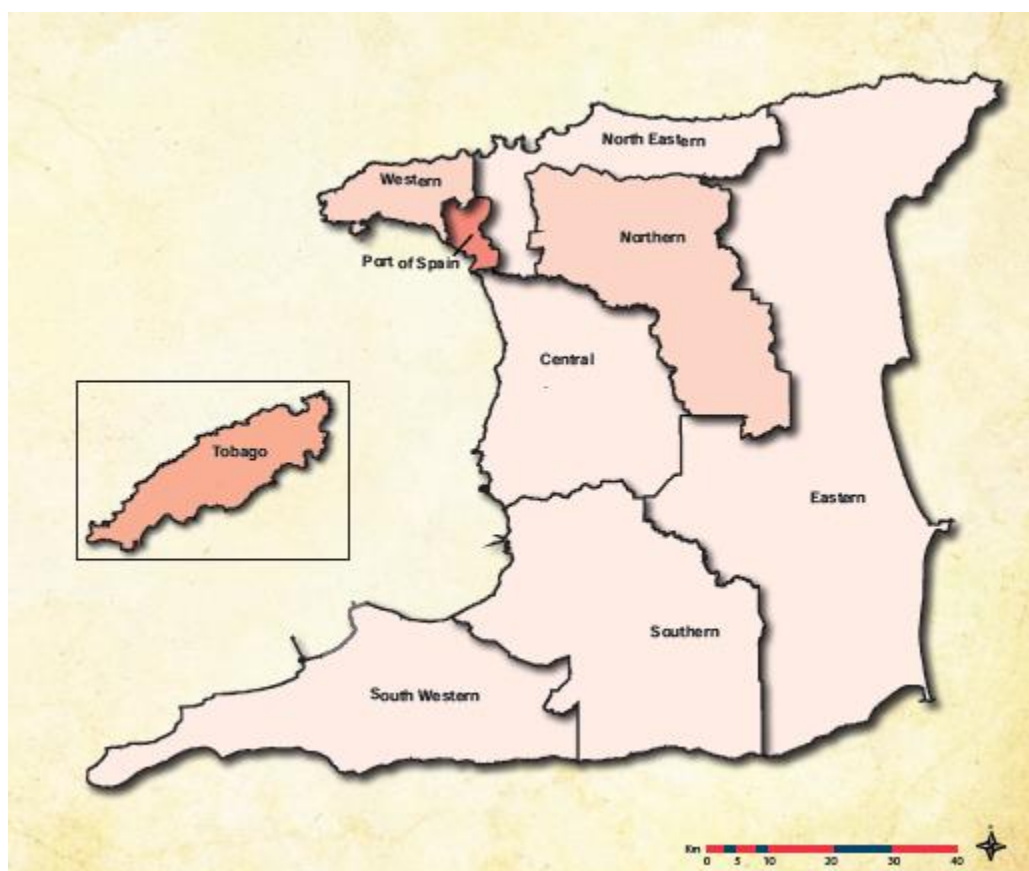


Figure 2.8: Police Divisions in Trinidad and Tobago

Penal/Debe belongs to the South Western Police Division (Figure 2.9). The 2010 Citizen Security Survey showed that in the South Western Division, compared to all other areas, had a relatively low percentage of victims of crime (16%) within the last ten years and persons reporting that crime was a problem in their community (36%). Only nine percent of the South Western Division's respondents

disposal are the followings: flush or pour-flush to a piped sewer system, septic tank, or latrine; ventilated improved pit (VIP) latrine and pit latrine with slab.

indicated that there was a gang in their neighbourhood. Residents in The South Western Division also felt safe and this was reflected in the survey by the highest level of persons who felt very secure (3%). However, more than one third of respondents felt fearful in the last year about the possibility of becoming a victim of crime (50%) and did not have much confidence in the police services to effectively controlling the crime problem in the country (47.5%).

According to statistics on crime and violence in the various police divisions compiled by the Crime and Problem Analysis Unit (CAPA) of the Trinidad and Tobago Police Service, the South Western Division had the lowest level of reported serious crime per 100,000 persons in the country. It was less than half the number reported in Port of Spain Division, which had the highest reported level of serious crime (4,800.5 reports).

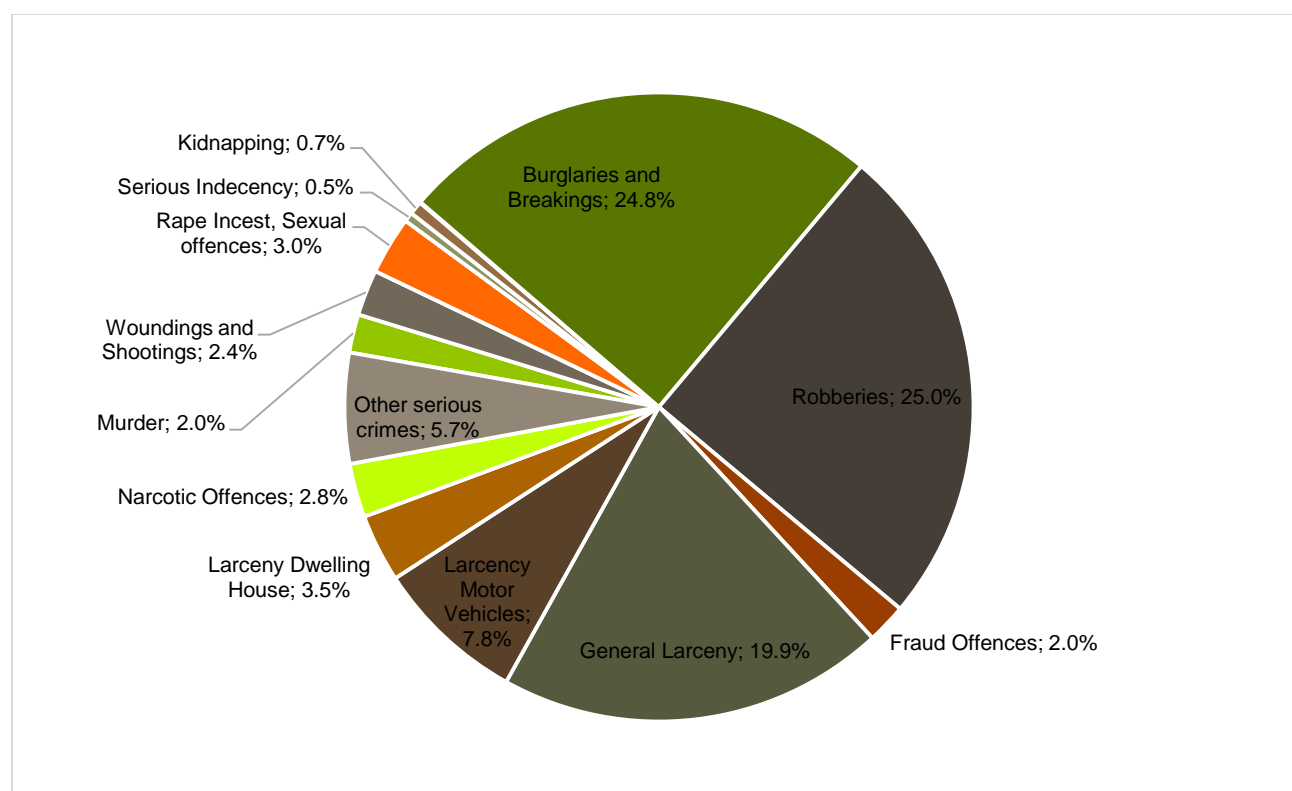


Figure 2.9: Share of Serious Crimes by the Type of Crime in South Western Division, 2010

Source: Trinidad and Tobago Human Development Profile, 2012

The serious crimes of major concern in the South Western Division included burglaries and break-ins, general larceny and robberies, with 313.8, 194.7 and 210.6 reported cases per 100,000 persons, respectively. With the high number of reported cases, it would also be important to pay particular attention to kidnapping (11.7).

3 Land Use and Land Resources

With a total area of over 24,691 hectares (240 sq. km), the municipality is the sixth largest of all municipalities in the country. Like the neighbouring municipalities to the east and the west, Penal/Debe presents a wide range of land uses including agriculture, fishing centre, forest reserves, coconut estates, swamps, wetlands and beaches along the coast on Columbus Channel. The region itself can be classified as being largely rural, comprising a sub-urban element close to San Fernando – La Romaine, Palmiste, Duncan Village and Picton - two small urban centres – Penal and Debe- and a number of villages/communities. Its riverine character is defined by six rivers, the largest of which is the Oropouche River. Much of the land is low lying except where it rises to hills in the south.

Within the municipality of 34 distinct communities, there are communities that are in close proximity and oriented to San Fernando, providing the bedroom for residents who work in San Fernando or elsewhere. There are also light industries and commercial developments in this area of the Penal Debe municipality. The region's economy reflects the shift from sugar-cane plantation agriculture in the 20th century to cultivation of rice and other short-term crops and also to cocoa.

In the last three decades, commerce, the production and processing of fruits and vegetables and other agricultural products, government services and SMEs in wood-working, carpentry and electrical equipment have created some diversity in the economy of the region. The agricultural credentials of the municipality are underlined by the establishment of the headquarters of the National Agricultural Marketing Development Corporation (NAMDEVCO) in the municipality.

The area is well endowed with abundant natural resources including oil, timber, arable lands and fisheries. There is a substantial forest reserve in the southern part of the region which is part of the Southern Watershed Forest Reserve. The Morne Diablo Forest, the Rochard Douglas Forests, the Godineau Swamp and the Digity Mud Volcano are natural attractions of the municipality.

With the majority population being Hindu, the East Indian culture is reflected in the celebration of Divali and Phagwa, and in Indian cuisine for which the area is nationally famous. There are also heritage sites in the Woodland Sugar House and the Indentured Barrack at Lagoon Village. There is also the Quinam Beach Eco Tourism Park, which is one of the attractions of the area.

The presence of lagoons – Debe Lagoon and Penal Lagoon – lent easily to the production of rice in an earlier period. However, the difficulty of flooding control, poor quality in rice production and the ready availability of imports have made this type of agriculture uneconomic. Fishing has been a marginal activity in the south of the municipality in the proximity of Morne Diablo. Oil extraction was also an important industry in an earlier period but is now conducted on a limited scale in the Barrackpore and Penal areas.

4 Municipal Physical and Social Assets

4.1 Physical Infrastructure

4.1.1 Buildings and Road Infrastructure

The most important development in the Municipality in the last five years have been the build-out and establishment of The University of the West Indies (UWI) South Campus, with associated facilities - student accommodation, recreation facilities - and the extension of the Sir Solomon Hochoy Highway to Debe, as part of the San Fernando to Point Fortin Highway.

4.1.2 Storm Water Management

Much of the region lies in the Oropouche Basin and is subject to serious flooding during heavy rainfall events. This impacts on roads and the agricultural traces in the region. The management of drainage has to involve drainage study for the entire region and an integrated approach with investment in sound infrastructure.

4.1.3 Water Supply and Distribution

The region has been historically one of the municipalities that have not been well served with a potable water supply. The recent initiatives by Water and Sewerage Authority (WASA) in the last three years should have brought greater regularity of service to most of the municipality.

4.1.4 Electricity

Electricity supply is near universal in the area, and the few households without access to electricity suffer problems of affordability from extreme poverty or as a result of the lack of build-out by the Trinidad and Tobago Electricity Commission in recently subdivided residential lands.

4.1.5 Wastewater Management

Wastewater management and treatment facilities are the responsibility of WASA but have not been known to be well maintained.

4.1.6 Solid Waste Management

The municipality is largely underserved in terms of a central sewer system. Most households rely on septic tanks and pit latrines are not uncommon. There is illegal dumping of waste in some parts of the municipality.

4.2 Social/Cultural Infrastructure

4.2.1 Dwelling and Building Stock

The Municipality has experienced some expansion in the building stock with the growth in the dormitory communities oriented to San Fernando. The UWI South Campus is a trigger for further expansion in the area, and will create a demand for services in Debe and in Penal, in addition to the services that will be accessed in San Fernando.

4.3 Social Facilities

4.3.1 Education

The municipality is reasonably well supplied with school places at the primary and secondary levels allowing relatively ease of access to the relevant cohorts. However, there may yet be some shortfall in facilities for early childhood care. The UWI South Campus will be a node in the tertiary sector for the municipality and adjoining municipalities.

The roll-out of telecommunications services offer possibilities to the remote communities in the municipality for Distance Education of the Open University of the UWI. Moreover, as residents in many areas gain access to cable television and internet access including broadband, they have available all free online educational programmes through Massive Online Open Courses (MOOCS) now available from some of the most reputable tertiary institutions like Harvard University and Stanford University. There are also possibilities open to them from the COURSERA programme of the University of Trinidad and Tobago (UTT) that is sponsored by the Government of Trinidad and Tobago (GORTT).

4.3.2 Health

Primary health care facilities are relatively well distributed through major Health Centres in the Municipality, at Debe, Penal and Barrackpore and in minor health care facilities dispersed throughout the municipality. Secondary and tertiary care services are available only at some distance for most communities at the San Fernando Hospital.

4.4.3 Disaster Management

The Office of Disaster Preparedness and Management, charged with the responsibility of disaster preparedness for the nation, has sought to promote a Disaster Management Unit in each municipal corporation. The presence of on-shore drilling for oil, and on-land gas pipelines means that there are risks of oil spills, explosions and industrial accidents that can be of disaster proportions. The susceptibility to serious flooding renders it imperative that the municipality has in place an efficient disaster management unit.

4.4.4 Social Services and Community Development

Social services agencies beyond health and educational facilities are available across the various communities. The Ministry of the Social Development and Family Services has established a Regional Social & Human Development Council that brings together all the public social service providers of the area as well as Private Sector Organisations and NGOs, to coordinate efforts at poverty reduction and social services delivery. The Council's remit is to:

- Appraise, monitor and evaluate grants to NGO's/CBO's in the region under the Regional Micro Project Funds (RMPF);
- Identify and analyse the needs and responses in the regions; and
- Develop integrated anti-poverty strategies for the regions;

Its work places it in direct contact with the MSMEs of the municipality.

In addition, the Council supports the Penal/Debe Multi-Purpose Community Based Telecentre, which offers access to individuals who do not have access to internet services at their homes.

4.4.5 Recreation, Sports and Entertainment

There are facilities for the popular sports of cricket and football in most of the major population concentrations – Penal, Debe, Barrackpore, and Ghandi Village.

In Penal and Debe, there are privately owned locations for recreation and entertainment in the form of bars and gaming machines. Recent passage of legislation has legalised the operation of private members clubs and this has legalised operations that have been in existence for some time.

5 The Area Economy

The administrative areas of Penal/Debe and Princes Town share a number of characteristics including abundant natural resources and a rich, diverse history and culture which can be harnessed for eco-tourism. The regional towns have bustling commercial and institutional centres, and the potential to revive its relatively dormant agricultural sector, provided vibrant agricultural and other resource-based industries can be re-established.

The areas also face a number of common challenges including extensive ribbon development, infrastructure deficiencies, and squatter settlements.

The potential for ancillary development around the UWI South Campus at Debe should be proactively planned for.

This section of the document elaborates on key elements of the municipality of Siparia. The first subsection provides the general review of the economic performance of Trinidad and Tobago while the second subsection highlights the key economic drivers in the municipality of Siparia.

5.1 Gross Domestic Product in Trinidad and Tobago

The economy of Trinidad and Tobago was not unscathed by the international economic recession of 2008: the economy was in decline as the second decade evolved. However, there was return to growth in 2012 and 2013. The country witnessed reduced growth over the period January to September 2014 of 0.7 percent, which followed on a period of sustained expansion of 2.1 percent in the fourth quarter of 2013, (see Table 5.1 below).

An unanticipated decline in the performance of the energy sector during the first two quarters of 2014 was the largest factor contributing to the sluggish growth observed. Nevertheless, this was largely offset by continued growth in the non-energy sector for the same period. Increased production in petrochemicals and natural gas in the third quarter resulted in an expansion of the energy sector of 2.8 percent subsequent to the previous two quarters of decline. This third quarter expansion could be attributed to growth of 3.6 percent observed in natural gas production when compared with the same period in 2013 when large-scale maintenance activity occasioned a reduction of 4.6 percent.

The momentum in fourth quarter non-energy sector growth was sustained in 2013 of 1.9 percent was sustained into the first three quarters of 2014 where an average growth rate of 2.2 percent was observed. The continued growth resulted largely due to strong activity in the finance, distribution and construction sectors. Substantial increases in local cement sales precipitated average growth rate of 3.1 percent observed in the construction sector over the first three quarters of 2014.

Robust activity in the construction sector was reflective of numerous continuing large-scale public sector developments including but not limited to the Port at Point Galeota, the National Aquatic

Centre, the Children's Hospital, and the Point Fortin Highway. Greater production of materials required for construction as well as cement caused the growth observed in manufacturing sector growth of 1.2 percent. New car sales drove the growth observed in the distribution sector while resilient activity in commercial banking stimulated financial sector growth of 3.2 percent. At the national level, agriculture grew on average by 3.5 percent for the first 3 quarters of 2014.

The third quarter of also 2014 witnessed increased inflationary pressures following comparative calm over the three preceding quarters. Inflationary pressures were propelled largely by prices of food and greater spending by consumers as demonstrated by precipitous growth in new car sales, robust growth in consumer lending and notable increases in government spending. Headline inflation by the third quarter of 2014 increased from 3.4 percent for the first two quarters to roughly 8 percent by the end of the third quarter of 2014: this was after a negative or indifference performance since 2009.

Food price inflation for the third quarter rose to 18.2 percent up from an average of 4.4 percent over the preceding two quarters of 2014. Increases in the prices of vegetables, fruit and other food products were the primary contributing factors. Furthermore, the most recent official estimates on the labour force have indicated that unemployment is at a historic low of 3.1 percent for the first quarter of 2014. Robust labour force participation and increasing job creation have resulted in the improvement in the unemployment rate when compared to the rate of 3.7 percent observed in 2013. Increases in employment were most notable among personal services, social services and community services. To a lesser extent, increased labour force participation was observed in the agriculture, water and electricity and manufacturing sectors.

Table 5.1: Trinidad and Tobago Selected Economic Indicators

	2009	2010	2011	2012	2013	Jan-Sep-14
Real GDP Growth (%) (2000 = 100) ¹²	-3.4	-0.3	-1.2	0.3	2.1	0.7
Energy Sector	1.3	1.8	-3.7	-1.9	0.2	-1.5
Non-Energy Sector	-6.6	-1.8	0.6	1.8	3.5	2.2
Agriculture	-0.7	-15.7	1.2	-2.4	0.3	3.5
Manufacturing	-6.6	0.8	1.7	-1.3	2.6	1.2
Construction	-2.5	-5.8	-2.4	-0.9	3	3.1
Financial Services	-1.8	2.5	0.9	2.5	4.8	3.2
Inflation Rate (%) ¹³						
(period average)	7	10.5	5.1	9.3	5.2	4.6
(end of period)	1.3	13.4	5.3	7.2	5.6	7.8
Unemployment Rate (%) ¹⁴	5.3	5.9	4.9	5	3.7	3.1 ¹⁵

Sources: Central Bank of Trinidad and Tobago (CBTT), CSO and Ministry of Finance

¹² Growth rates are derived from the CBTT's Quarterly Index of Gross Domestic Product

¹³ Changes in the Index of Retail Prices (RPI), January 2003 = 100

¹⁴ This represents the average of the four quarters

¹⁵ For the period January - March

5.2 Key Economic Drivers (Activities)

Of those Businesses formally registered in Trinidad and Tobago, those operating in the municipality of Penal/Debe accounted for 5.64 percent (Table 5.2). Enterprises were concentrated largely in the Penal town centre (30%) and La Romaine (26%), but were also located in Debe (8%), Barrackpore (6%), Penal Rock Road (4%), Duncan Village (4%), Palmiste (3%), San Francique (2%), and Morne Diablo (2%) (Figure 5.1).

Table 5.2: Businesses in Operation by Municipality

Municipality	Proportion
Arima	3.7
Chaguanas	5.8
Couva-Tabaquite-Talparo	11.4
Diego Martin	8.1
Mayaro/Rio Claro	2.4
Penal/Debe	5.6
Point Fortin	1.6
Port of Spain	19.4
Princes Town	4.3
San Fernando	7.5
San Juan/Laventille	10.8
Sangre Grande	3.4
Siparia	4.2
Tunapuna/Piarco	11.7
Total	100.0

Source: CSO

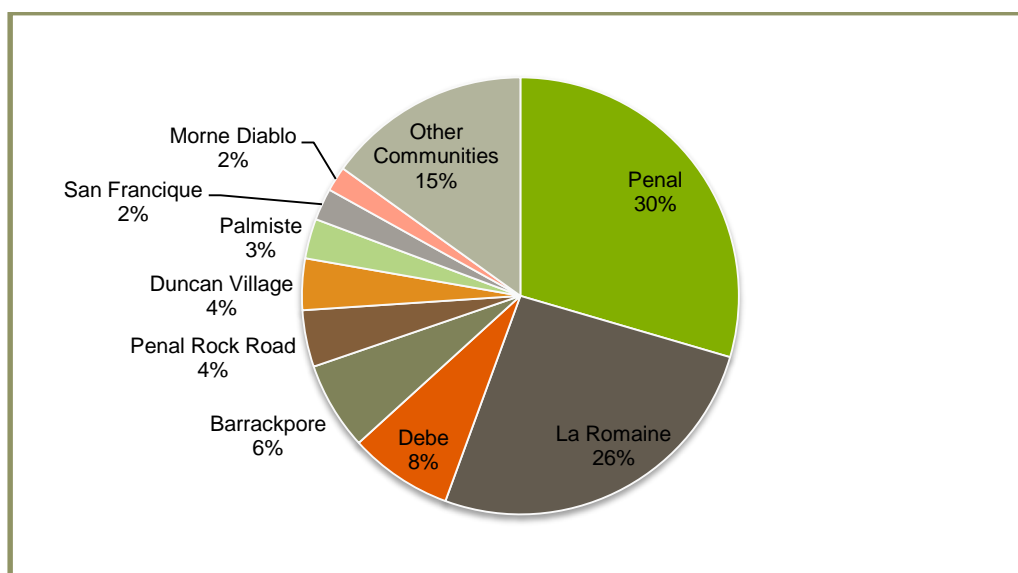


Figure 5.1: Distribution of Registered Businesses by Community

Consistent with that which is observed nationally, enterprises in the municipality were concentrated largely in the retail and distribution (57.32%) and personal services sectors (12.01%) (Table 5.3). Size based differences were observed among prevalent enterprises in the municipality. While retail and distribution businesses were indeed the most prevalent in the municipality, businesses in the petroleum sector accounted for the largest proportion of enterprises employing 50 or more

employees. Other sectors represented by large enterprises include Construction (20.51%), Wood and Related Products (7.69%), and Finance, Insurance, Real Estate and Businesses Services (7.69%).

Table 5.3: Distribution of Registered Businesses by Sector and Size

Sector	Size of Enterprise					
	Micro (1 to 5)	Small (6 to 25)	Medium (26 to 50)	Large (50 and over)	Branch	Grand Total
Assembly Type and Related Industries	1.2%	1.6%	4.2%	2.6%	3.2%	1.5%
Chemicals and Non-Metallic Minerals	0.3%	0.8%	0.0%	0.0%	0.0%	0.4%
Construction	4.9%	18.4%	20.8%	20.5%	0.0%	8.6%
Distribution	66.7%	36.7%	20.8%	20.5%	64.5%	57.3%
Educational and Cultural Community Services	0.1%	1.2%	4.2%	0.0%	0.0%	0.5%
Finance, Insurance, Real Estate and Business Services	4.2%	5.3%	8.3%	7.7%	12.9%	4.9%
Food Processors and Drink	0.5%	0.4%	4.2%	0.0%	0.0%	0.6%
Hotels and Guest Houses	0.1%	0.4%	0.0%	0.0%	0.0%	0.2%
Miscellaneous Manufacturing	0.4%	1.2%	0.0%	2.6%	0.0%	0.6%
Personal Services	13.8%	9.0%	4.2%	2.6%	9.7%	12.0%
Petroleum and Other Mining Industries	2.9%	9.0%	25.0%	30.8%	0.0%	5.6%
Printing, Publishing and Paper Converters	0.5%	1.6%	0.0%	2.6%	0.0%	0.8%
Textiles, Garments, Footwear, Headwear	0.3%	0.0%	0.0%	0.0%	0.0%	0.2%
Transportation, Communication and Storage	3.0%	4.9%	0.0%	2.6%	3.2%	3.4%
Wood and Related Products	1.1%	9.4%	8.3%	7.7%	6.5%	3.5%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: CSO

5.2.1 Industrial and Commercial Activities

5.2.1.1 Petroleum Company of Trinidad and Tobago

The Petroleum Company of Trinidad and Tobago (Petrotrin) was incorporated on January 21, 1993 to consolidate and operate the petroleum producing, refining and marketing assets of State-owned enterprises: Trinidad and Tobago Oil Company Limited (Trintoc) and Trinidad and Tobago Petroleum Company Limited (Trintopec). In 2000, these assets were further extended with the acquisition of Trinmar Operations. The company is an integrated oil and gas company, engaged in the full range of petroleum operations including the exploration for, development of and production of hydrocarbons, and the manufacturing and marketing of a wide range of petroleum products. The company is currently the country's largest producer of crude oil and the country's only petroleum refinery.

The company provides support for local economic development via its policy on the usage of local content, with registered suppliers and registered contractors including those located within the municipality. Penal and the western part of the municipality form part of the South Western Growth Pole that is earmarked by the GORTT for industrial development based on manufacturing including agro-processing, agriculture and support services. The thrust in this direction would already have started.

5.2.2 Commerce

Penal has been transforming into a major commercial centre. Located there is the major market in the municipality. Also there are shopping centres, groceries, restaurants, bakeries, beauty parlours, barbershops, music shops, butcher stands, pharmacies, repair shops, clothing stores and other establishments serving the needs of residents in the surrounding communities.

A similar pattern of development is emerging in Debe, which is likely to expand with the growth of a university clientele as the UWI South Campus begins operations. The requirements of the bedroom communities might be filled to some extent, by these establishments in Debe, because of its relative proximity with the opening of the Highway, and the lower congestion there than is involved in trips to San Fernando.

5.3 Clusters or Value Chain Linkages

Although the municipality is involved in the oil industry with extraction taking place in a number of locations, it could not be said that there is substantial energy industry cluster in Penal/Debe. There is some degree of agro-processing, and wood-working based on raw material inputs from the area. The Indian cuisine absorbs some of the input of vegetables from supplies from the agriculture of the area. There are also small-scale condiments supplies that derive from materials in the area. The Hindu Festivals and cultural events and historic sites have created, along with the cuisine, a destination of the area in domestic and international tourism.

6 Municipal MSME Profile

It is recognised that MSMEs are a key driver of socio-economic growth in national economies. The CBTT in 2008/2009 undertook a comprehensive study of the small and medium sized business in the country, the results of which were presented in the report entitled, “Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities - The Structure, Performance and Networks of SMEs in Trinidad and Tobago.”

There is considerable variation about what constitutes a micro, small or medium-sized (MSME) enterprise. There are various definitions in the literature that tend to be largely dependent on the purpose of the study being undertaken at the time, or the use to which the results are to be put by the particular author(s) or organisations. At the time of the study sponsored by the CBTT, there was no national definition on MSMEs. The study acknowledges that businesses tend to be lumped either into one grouping called the “SME Sector” or further broken down into the subcategories of “micro, small and medium-sized” enterprises.

The report revealed that the definition then currently in use by the CBTT, the then Business Development Company (BDC) and the Ministry of Labour and Small Enterprise Development (MOLSED) was based on the Report of the Cabinet-appointed Task Force on Small and Medium Enterprise Development (June 1995). This considered three factors: number of employees, assets and sales (Table 6.1). Because of the limited information available for SMEs on sales or assets, the CBTT’s study employed the approach of using “at least” the number of employees as a guide for placing a firm into one category or another.

Table 6.1: Domestic Definition of Micro, Small and Medium-sized Enterprises

Size	No. of Employees	TT\$ Assets (Excluding Land and Buildings)	TT\$ Sales
Micro	1 – 5	< \$250,000	< \$250,000
Small	6 – 25	> \$250,000 - <\$1,500,000	> \$250,000 - <\$5,000,000
Medium	26 – 50	> \$1,500,000 - <\$5,000,000	> \$5,000,000 - <\$10,000,000

Source: The MOLSED quoted in the Report of the Cabinet Appointed Task Force on Small and Medium Enterprise Development (June 1995) as quoted in the report: Developing Viable Small and Medium-Sized Enterprises in Trinidad and Tobago: Challenges and Priorities – The Structure, Performance and Networks of SMEs in Trinidad and Tobago

Currently, Trinidad and Tobago has a draft Micro and Small Enterprise (MSE) Policy which provides definitions for micro- mini-micro and small-sized businesses which were equivalent to the categories previously used. During this study on Tobago, it was clear that not many persons were aware of the new definition. The criteria for the new MSE definition are provided in the table below (Table 6.2).

Table 6.2: Criteria Used to Define Mini-Micro, Micro and Small-sized Businesses

Size of Enterprise	Number of Employees	Asset Value (TT\$)	Turnover (per annum) (TT\$)
Mini-micro	≤1 including owner/manager	Up to \$100,000	Up to \$250,000
Micro	≤5 including owner/manager	\$100,001 - \$500,000	Up to \$2,000,000
Small	≤25 including owner/manager	\$500,001 - \$5,000,000	Up to \$10,000,000

Source: MOLSED, Enterprise Development Division (EDD), 2013. Draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016, September 2013.

6.1 Municipal MSME Survey (2015)

The Municipal MSME Survey was conducted over the period April – May 2015 among 120 MSMEs operating within the confines of the municipality. The results of this survey are presented in the following categories:

- General Characteristics;
- Size of Enterprise;
- Legal Status;
- Primary Business Activities;
- Employment;
- Markets and Annual Sales;
- Financing and Investment;
- Use of Internet;
- Technical Support; and
- Key issues faced MSMEs

6.1.1 General Characteristics

Of the 120 respondents, the vast majority (98.3%) were over the age of 36 (Table 6.3). Only 1.7 percent of entrepreneurs were under the age of 35, none of which ran micro sized enterprises.

Table 6.3: Category of Business by Age of Respondent

Category of Business	Age Last Birthday (%)			Total
	Less than 35 years	36-55 years	More than 55 years	
Micro Mini	2.5	90.0	7.5	100.0
Micro	0.0	72.5	27.5	100.0
Small	2.4	56.1	41.5	100.0
Total	1.7	72.7	25.6	100.0

In carrying out the MSME survey, equal numbers of micro mini, micro and small enterprises were interviewed. The survey revealed male entrepreneurs exhibited a greater propensity towards the operation of small enterprises than their female counterparts (40.8% versus 4.3%), while female entrepreneurs demonstrated a greater tendency towards the operation of Micro-Mini enterprises than their male counterparts (73.9% versus 23.5%) (Table 6.4).

Table 6.4: Category of Business by Sex of Respondent

Category of Business	Sex (%)		
	Male	Female	Total
Micro Mini	23.5	73.9	33.3
Micro	35.7	21.7	33.3
Small	40.8	4.3	33.3
Total	100.0	100.0	100.0

In the municipality of Pena/Debe, entrepreneurs were predominantly of East Indian descent (82%), followed by African descent (9%), entrepreneurs of Mixed ancestry (7%), and business persons of Chinese descent (2%) (Figure 6.1).

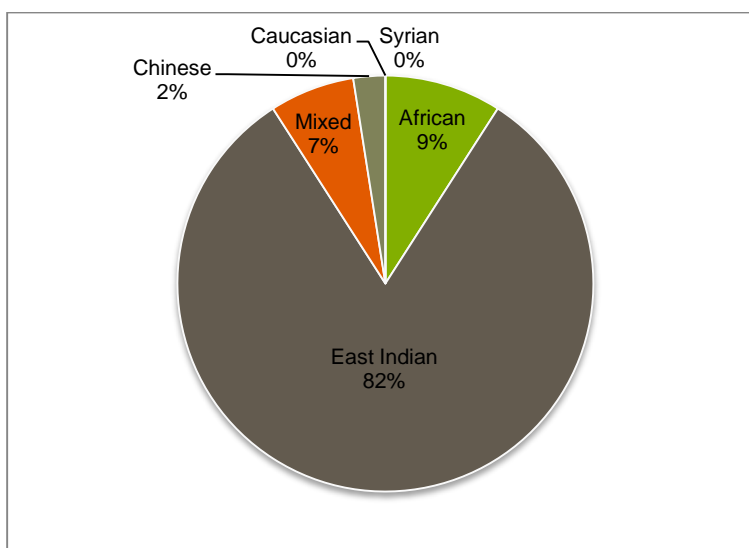


Figure 6.1: Distribution of MSMEs by Ethnicity

6.1.2 Size of Enterprise

The survey revealed notable differences between the proportions of micro mini, micro and small enterprises by gender (Figure 6.2 and Figure 6.3). As mentioned previously, female entrepreneurs demonstrated a notable tendency towards the operation of micro-mini enterprises than their male counterparts (74% versus 23%). In contrast, male counterparts tended to operate a substantially large number of small enterprises (41%) than their female counterparts (4%) (Table 6.5).

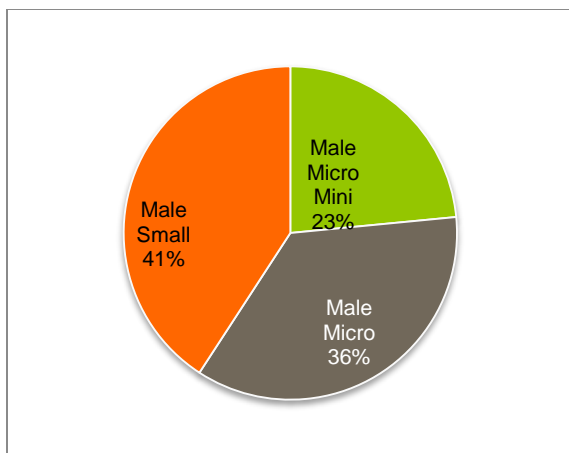


Figure 6.2: Male Ownership of MSMEs

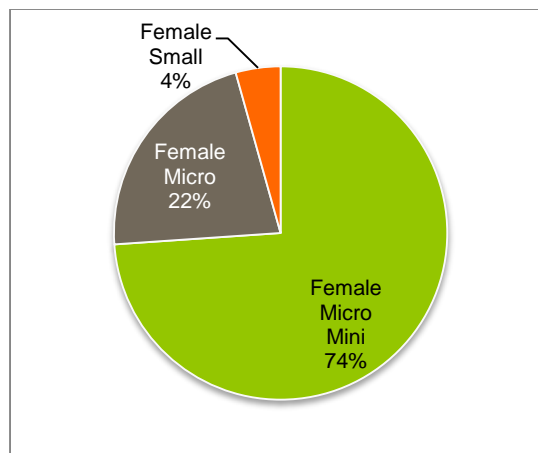


Figure 6.3: Female Ownership of MSMEs

6.1.3 Legal Status

The majority of respondents were in business between 1-5 years (61%) at the time of the survey (Figure 6.4). Just under two-fifths of respondents were in business more than ten years, with no respondents being in operation in the 6-10 years nor the one-year or less ranges. Of the 120 participants, the vast majority (74%) admitted that their business had been formally registered (Figure 6.5). Just over one quarter of all respondents in the Penal/Debe municipality admitted to being part of the informal sector¹⁶.

Registration of businesses is encouraged and affords operators the benefit from programmes geared at promoting and fostering MSME development. Non-registration of unincorporated enterprises refers to absence of registration under commercial, tax or social security laws, professional groups' regulatory acts or similar regulations established by national legislative bodies.

¹⁶ The 1995 National Baseline Survey (Characteristics and Constraints of Small Businesses in Trinidad and Tobago prepared in 1996) defines an informal business as "a small firm with less than 5 workers (no more than 2 of whom are regular employees), which does not have any licence, permit or certification to operate" (p. 89).

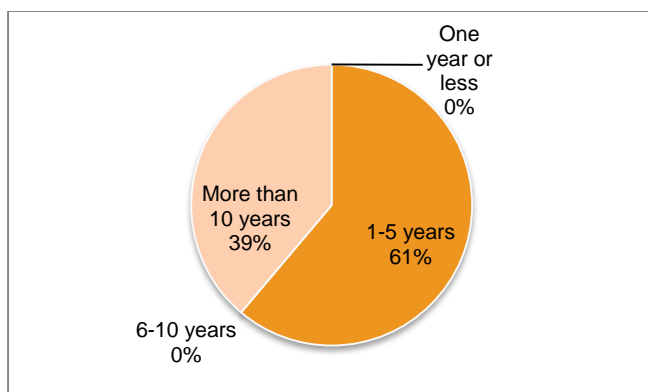


Figure 6.4: Length of Time in Operation

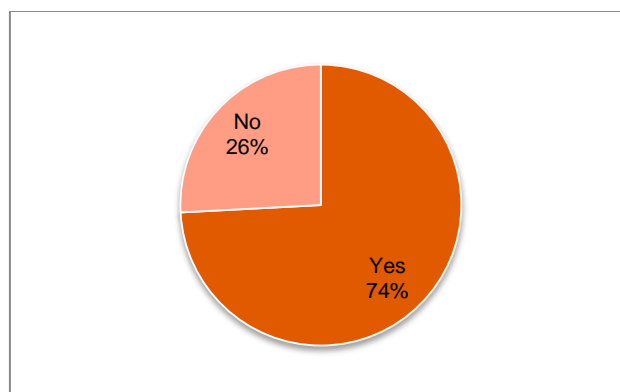


Figure 6.5: Distribution of Registered Versus Unregistered MSMEs

Table 6.5: Length of Time in Operation by Size of Business

Category of Business	Length of Time in Business (%)					Total
	One year or less	1-5 years	6-10 years	More than 10 years	Not stated	
Micro Mini	0.0	87.5	0.0	12.5	0.0	100.0
Micro	0.0	65.0	0.0	35.0	0.0	100.0
Small	0.0	31.7	0.0	68.3	0.0	100.0
Total	0.0	61.2	0.0	38.8	0.0	100.0

Considering the sizes of the businesses surveyed, it is interesting that as much as 35.5 percent of respondents were registered as limited liability companies (Table 6.6). Nevertheless, the single largest category of business registration was the sole proprietor which accounted for 57 percent of all respondents over all. Very few participants admitted to being registered as partnerships (7.4%), and none were registered as co-operatives. Size based differences were observed among the registration categories of surveyed enterprises, with the vast majority of micro-mini enterprises (97.5%) being registered as sole proprietors, while the limited liability legal status was most popular among small enterprises (75.6%).

Table 6.6: Legal Status of MSMEs by Size of Enterprise

Category of Business	Legal Status of Business (%)					Total
	Sole Proprietor	Partnership	Limited Liability Company	Cooperative	Not stated	
Micro Mini	97.5	0.0	2.5	0.0	0.0	100.0
Micro	65.0	7.5	27.5	0.0	0.0	100.0
Small	9.8	14.6	75.6	0.0	0.0	100.0
Total	57.0	7.4	35.5	0.0	0.0	100.0

6.1.4 Primary Business Activities

Of the 120 respondents, the vast majority operated businesses in the retail and distribution (61%) and Services (32%) sectors (Figure 6.6). Only a minority (1%) of respondents operated enterprises in the food and beverage sector.

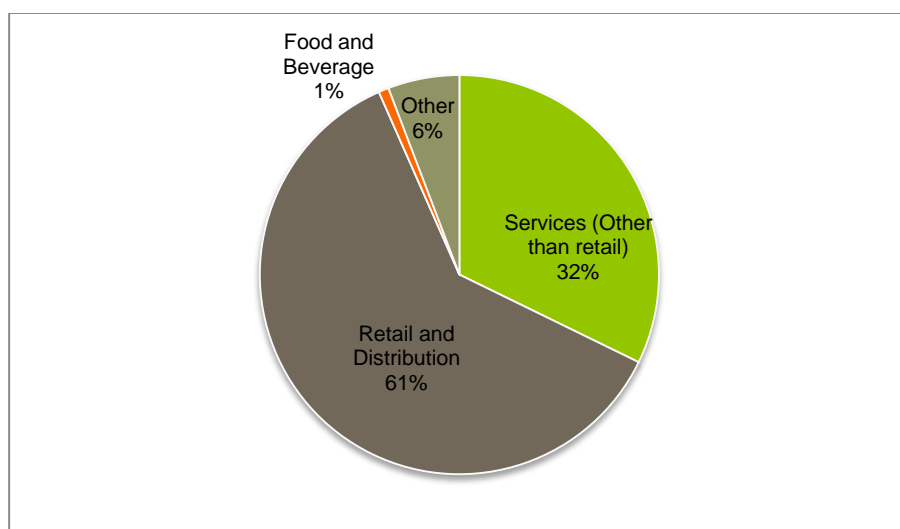


Figure 6.6: Distribution of MSMEs by Primary Business Activities

Differences in the sectoral representation of businesses were observed based on business size (Table 6.7). While the retail and distribution sector accounted for the largest proportion of micro-mini (82.5%) and micro (65%) enterprises, most small enterprises operated in the services sector (48.8%). The food and beverage enterprises were exclusively of the small enterprise business category (2.4%).

Table 6.7: Key Business Activities by Size of Enterprise

Primary Business Activity or Sector	Category of Business (%)			
	Micro Mini	Micro	Small	Total
Services (Other than retail)	15.0	32.5	48.8	32.2
Retail and Distribution	82.5	65.0	36.6	61.2
Food and Beverage	0.0	0.0	2.4	0.8
Other	2.5	2.5	12.2	5.8
Total	100.0	100.0	100.0	100.0

Gender based differences were also observed among respondents regarding primary business activities (Table 6.8). While both male and female entrepreneurs operated predominantly in the retail and distribution sector (55.1% and 87%), a substantially larger number of male entrepreneurs operated in the services sector than their female counterparts (37.8% versus 8.5%).

Table 6.8: Key Business Activities for MSMEs by Gender

Primary Business Activity or Sector	Sex (%)		
	Male	Female	Total
Services (Other than retail)	37.8	8.7	32.2
Retail and Distribution	55.1	87.0	61.2
Food and Beverage	1.0	0.0	.8
Other	6.1	4.3	5.8
Total	100.0	100.0	100.0

6.1.5 Employment

Employees working with MSMEs in Penal/Debe attained a wide range of education levels (Table 6.9). Almost three-fifths of all employees of MSMEs in the municipality held Secondary education as their highest level of education. As much as 21.5 percent of respondents held non-university tertiary education, while only 8.3 percent held tertiary level education received from a university. Only 5.8 percent of employees in the municipality held primary education as their highest level of education.

Table 6.9: Highest Level of Education Attained by Employees Generally by Category of Business

Category of Business	Highest Level Education Attained by Employees Generally (%)							Total
	Primary	Post Primary	Secondary	Tertiary (non-university)	Tertiary (university)	Other	Not stated	
Micro Mini	10.0	0.0	72.5	10.0	5.0	0.0	2.5	100.0
Micro	5.0	0.0	60.0	17.5	10.0	7.5	0.0	100.0
Small	2.4	0.0	43.9	36.6	9.8	4.9	2.4	100.0
Total	5.8	0.0	58.7	21.5	8.3	4.1	1.7	100.0

6.1.6 Markets and Annual Sales

The market for the sales of goods produced and services rendered expanded throughout Trinidad and Tobago (Table 6.10). Of the respondents, roughly 10 percent identified the local community as the primary market for their products and services. As much as 46.3 percent of respondents indicated that their primary market extended to encompass all areas around Trinidad. Very few respondents (3.3%) reported that their primary market was at the national level.

Table 6.10: Primary Markets for Goods and Services by Size of Enterprise

Category of Business	Primary Market (%)					Total
	Local community	Nearest town/city	All of Trinidad	Trinidad and Tobago	Not stated	
Micro Mini	97.5	0.0	2.5	0.0	0.0	100.0
Micro	42.5	0.0	57.5	0.0	0.0	100.0
Small	12.2	0.0	78.0	9.8	0.0	100.0
Total	50.4	0.0	46.3	3.3	0.0	100.0

The annual sales for respondents ranged from under TT\$100,000 to as much as TT\$500,000 (Figure 6.7). Just over 60 percent of all respondents generated sales under TT\$100,000, while roughly 33 percent generated sales in the TT\$100,000 to TT\$200,000 range. Very few respondents (5%) generated sales in the TT\$ 100,000 to TT\$500,000 range.

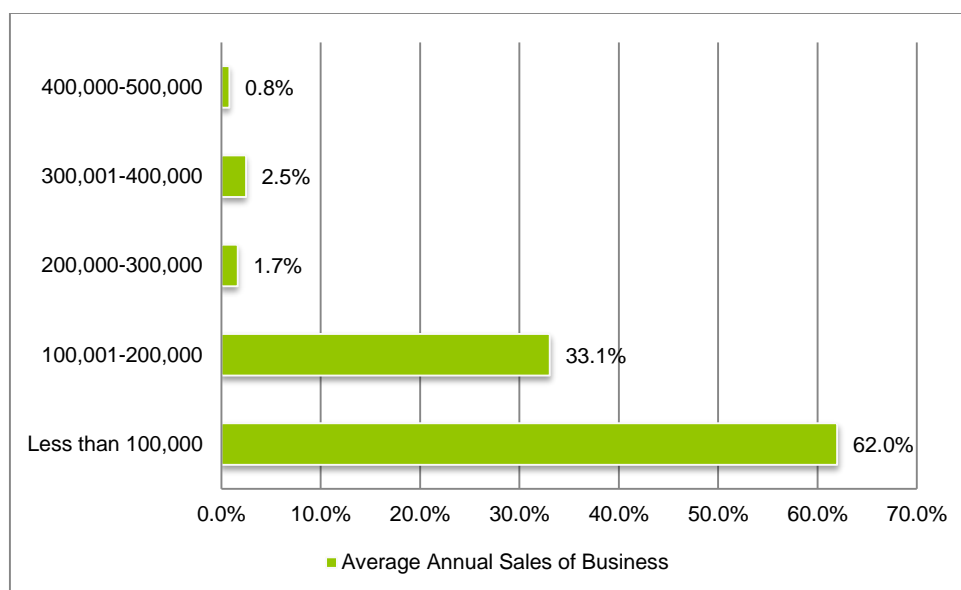


Figure 6.7: Annual Sales for MSMEs

6.1.7 Financing and Investment

Access to finance is perhaps one of the greatest challenges faced by enterprises of this size. MSMEs require financing not only for “seed” capital for business start-ups but also for working capital and expansion. Of the 120 respondents, the vast majority were self-financed or received financial assistance from their families (60.2%) (Table 6.11). Commercial banks are the pivot of the local financial system, thus it is not surprising that as much as 36 percent of respondents turned to the commercial banks for financing.

Other sources of financing included National Entrepreneurship Development Company Limited (NEDCO) (2%) as well as Credit Unions (0.5%). Interestingly, size appeared to be a factor influencing the source of financing for MSMEs. Micro-Mini enterprises depended substantially on self/family funds (76.9%) for financing as compared to their small counterparts (48.8%). On the other hand, small enterprises turned to commercial banks (46.4%) to a much greater extent than micro-mini enterprises (19.2%).

Table 6.11: Key Suppliers of Financing for MSMEs by Size of Enterprise

Source of Funds	Category of Business (%)			
	Micro Mini	Micro	Small	Total
Self/Family	76.9	61.5	48.8	60.2
Credit Union	1.9	0.0	0.0	0.5
Commercial Bank	19.2	35.4	46.4	35.8
Business Development Unit	0.0	1.5	1.2	1.0
NEDCO	1.9	1.5	2.4	2.0
Other	0.0	0.0	1.2	0.5
Total	100.0	100.0	100.0	100.0

Roughly 85 percent of respondents admitted that they invested under TT\$250,000 in plant equipment and other assets (Figure 6.8). A small minority (3.3%) of respondents invested in the TT\$250,001 to TT\$2,000,000 range.

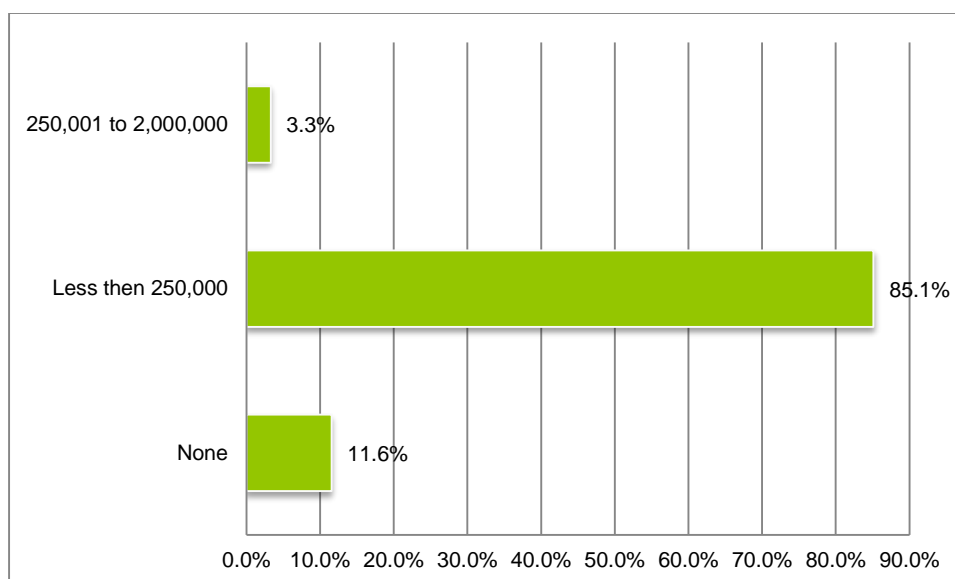


Figure 6.8: Amount Invested in Plant Equipment and Other Assets

6.1.8 Use of Internet

Almost two thirds of respondents reported the routine use of the internet in their business (Table 6.12). The survey revealed that small enterprises (92.7%) use the internet to a substantially larger extent than their micro-mini counterparts (32.5%).

Table 6.12: Businesses Reporting Routine Use of Internet and Category of Business

Routinely Use the Internet in Business	Category of Business (%)			
	Micro Mini	Micro	Small	Total
Yes	32.5	67.5	92.7	64.5
No	67.5	32.5	7.3	35.5
Total	100.0	100.0	100.0	100.0

Of those respondents that indicated routine use of the internet in their operations, the majority used it exclusively for email (40.1%), followed by market information (31.8%) and product information (28.1%) (Figure 6.9). This trend was indeed consistent among micro-mini, micro and small enterprises interviewed.

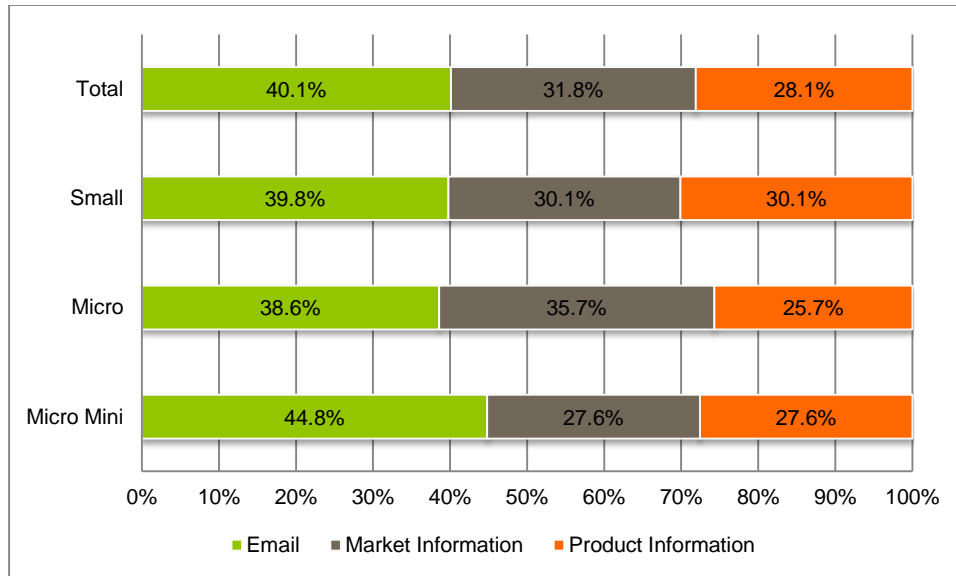
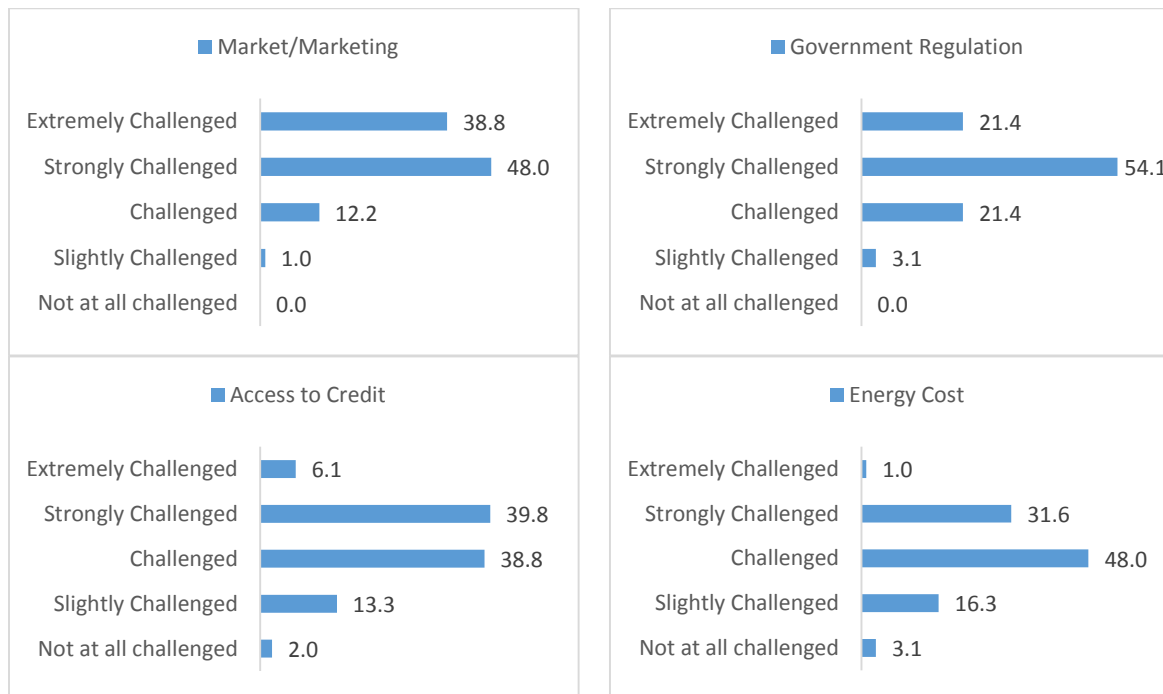


Figure 6.9: Reported Uses of Internet and Category of Business

6.1.9 Key issues faced MSMEs

When MSME respondents were asked to rate the issues they faced (Figure 6.10), the largest challenges faced by entrepreneurs were Marketing, Government Regulation, Access to Credit, Energy Cost, Corruption, Bureaucracy, Crime and Access to Raw Materials.



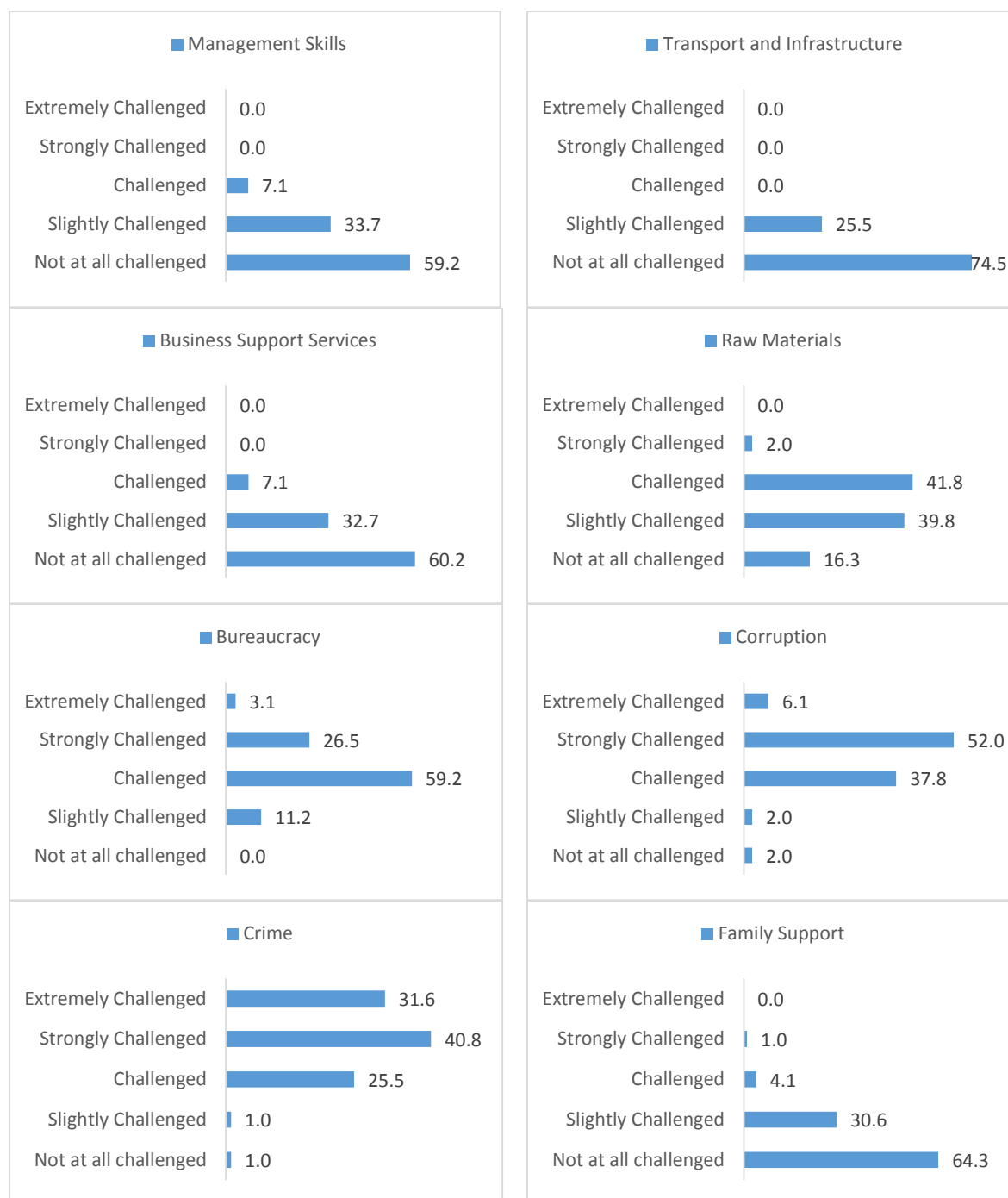


Figure 6.10: Rating of Key Issues Faced by MSMEs

6.2 Challenges and Opportunities Facing Entrepreneurs

With a view to explore the strengths, weaknesses, challenges and opportunities facing MSMEs, discussions were held with stakeholders in the municipality. Emerging from these interactions was the fact that access to finance continues to be one of the most significant challenges facing MSMEs. Though firms generally thought that there existed sufficient options for debt and equity financing in

the municipality, the capacity to access these financing options was not simple for MSMEs. Complex procedures, restrictive collateral requirements and high transaction fees generally acted as a barrier to accessing finance by enterprises of this size.

Consequently, firms relied to a substantial extent on personal savings and funds obtained from family members and friends to establish their businesses. While stakeholders indicated that they had benefitted from the services offered by NEDCO, the Agricultural Development Bank, and some government ministries, entrepreneurs still believed that greater levels of government incentives and subsidies should be available for new and growing firms.

MSMEs were of the belief that government policies, particularly those guiding public procurement, consistently favoured large firms as opposed to micro, small and medium sized firms. It was suggested that the process should be such that not only would the best firm for the job be selected but also that firms of different sizes would have equal opportunity in the public procurement process. Stakeholders also believed that policy should be developed at both the local government and national level to promote and support the development of micro, small and medium sized enterprises. While taxes and other government regulations were applied consistently to micro, small, medium and large enterprises, it was generally thought that licencing requirements and government bureaucracy was unduly difficult for growing and new firms.

In respect of government initiatives to assist MSMEs, it was thought that a wider range of government programmes should be developed and channelled through a single government institution. A likely candidate for such an initiative could be NEDCO since it is already well positioned to provide both financial and technical assistance to new and growing firms. It was also firmly believed that there should be greater collaboration among public institutions providing services to MSMEs. Representatives within existing institutions must have relationships with key members of other institutions to ensure maximisation of the impact of government resources allocated towards the promotion of the growth and development of MSMEs in the country.

It is generally agreed that while certain agencies may specialise in the provision of certain services, all institutions catering to the needs of enterprises of this size must have readily be able to assist MSMEs to find information needed to grow and flourish. The provision of loanable funds was thought not to be sufficient enough to contribute to the development and expansion of MSMEs to a stage where they could indeed be self sufficient and competitive. Consequently, it was agreed that loans and grants should be provided along with business support services for firms at this nascent stage of development.

Many MSMEs expressed that finding reliable labour posed a serious challenge to their business. Even though the national education system ensures free education for persons up to a first degree, it was firmly believed that teaching at the primary and secondary not only discouraged personal initiative, self-sufficiency and creativity but also was lacking in explaining the nuances of new firm creation and entrepreneurship. Even at the tertiary level, firms believed that universities, colleges and technical institutes did not provide sound and adequate preparation for the establishment and growth of new businesses. Firms thought that many persons with degrees may have the knowledge necessary to contribute meaningfully to a business but generally lacked the soft skills to work well in

teams and the practical skills to take what was earned into the classroom and apply it to their unique working situation.

The national Physical Infrastructure was thought to be very propitious to the establishment and growth of new enterprises. Firms were generally satisfied with the state of the roads, utilities, communications, and waste disposal. It was not considered expensive for MSMEs to gain access to communication technology such as the internet, landlines or cell phones. Furthermore, there exists ready access to electricity, fuel and water at a very affordable rate to both residents and commercial enterprises.

Social and Cultural Norms however were indicated as factors that do have an influence on the size of the private sector and the profile of enterprises observed throughout the country. While it is believed that the national culture is indeed supportive of individual success, it is not believed that it places significant emphasis on personal initiative, autonomy nor self-sufficiency. It is believed the average person in the country is averse to entrepreneurial risk taking, while the more affluent in society are encouraged from a very young age to enter into entrepreneurial endeavours.

6.3 Partners in Local Area Economic Development in Trinidad

6.3.1 The Ministry of Labour and Small Enterprise Development

The MOLSED is specifically designed by the Government to foster and implement labour strategies on a national level. Whist MOLSED is multidimensional; its major focus is establishing and maintaining a steady industrial relations environment in the work place that promotes productivity and sustainability.

Six Strategic Objectives of MOLSED:

- Facilitation of labour market equilibrium
- Promotion of opportunities for poverty reduction, employment and wealth creation
- Promotion of the application of the principles of decent work in the workplace
- Promotion of industrial relations peace in the economy
- Enhancement of the capacity of the MOLSED to undertake an expanded role in formulating and implementing national development goals and strategies
- Management of Government's regional and international commitments and responsibilities with respect to the Labour Market Agenda, in particular, CARICOM Single Market and Economy (CSME), the Inter-American Conference of Ministers of Labour and the International Labour Organization (ILO).

6.3.2 The National Entrepreneurship Development Company Limited

NEDCO was established in July 2002 under the MOLSED to assist small and micro businesses with regard to the accessing of loans for business start-up and expansion purposes. Skills, training and financial support for entrepreneurs are also offered by NEDCO as they seek to diversify the economic landscape of Trinidad and Tobago.

NEDCO's Penal office caters to a wide range of entrepreneurs and provides both Loan Financing and Integrated Business Incubator Systems (IBIS) Facilities. The loan facility does not however, make funds available for primary agriculture, bars, professional services or casinos. NEDCO funding is specifically designed to assist those who face difficulty in accessing fund from commercial banks or other commercial lending agencies, and as such, its loan facility is characterized by simple procedures and minimal collateral requirements.

NEDCO has increased their loan entry ceiling from \$100,000 to \$250,000 for first time borrowers and a maximum of \$500,000 for second time borrowers. NEDCO's Sangre Grande office also provides business advisory services and information in areas such as Marketing, Financial Management, Business Planning and Records Management.

The Entrepreneurial Training Institute and Incubation Centre (ETIIC) is an institution under NEDCO, which provides entrepreneurial training, basic support, mentoring, and marketing and distribution support to SMEs. The institute also offers start-up business support, onsite IT, administrative and business services as well as office, computer labs and virtual office services. In addition, users can avail themselves of the reference library services which have publications covering a range of SME development and entrepreneurship topics.

The recently established Enterprise Investment Fund (EIF) is a project-based mechanism which aims to provide a strengthened support system for the MSE sector by providing funding to entrepreneurship-support programmes developed by the private sector, academic institutions and other NGOs so that they can utilise their expertise to play a greater role in MSE development.

6.3.3 Micro-Enterprise Loan Facility

The client can also seek the services of the MEL Facility for accessing business grants and loans for business starts and expansion. The Micro Enterprise Loan (MEL) Facility is a community empowerment and poverty reduction initiative, which equips Community Based Organisations (CBOs) to actively engage in promoting sustainable livelihoods among the poor through the provision of micro loans and support to micro entrepreneurs. A grant is given to a CBO to on-lend to individuals in their communities. The individuals start new or expand existing micro enterprises and repay the loans at a minimal interest rate.

This programme aims to contribute to the reduction of poverty by facilitating the creation of sustainable livelihoods; empower CBOs to discharge micro credit services; and support and promote entrepreneurship at the community level. This programme is aimed at persons in receipt of public assistance; persons earning at subsistence level or at the minimum wage; or unemployed persons who live under impoverished conditions. MEL provides borrowers with community based business loan services; business training for all interested persons and after-loan services and business support.

The FairShare Programme, launched in January 2011, is a set-aside programme that enables SMEs to access opportunities to do work with the Government for contracts valued up to TT\$1.0M to SMEs. Simultaneously, the FairShare Programme provides some training to MSEs to improve business management, use of technology and understanding of legal obligations. FairShare utilises an online platform where Government Ministries post opportunities and where MSEs search for and

bid on those opportunities. However, SMEs can only register with the FairShare programme for a maximum of six years.

The objective of the FairShare Programme is to create independent and strong SMEs by allowing SMEs to participate in Government spending over a fixed period of time during which time they should have increased their capacity, skill, product quality and other capabilities. Additionally, the FairShare programme:

- Is an incentive for formalisation because it is only open to registered MSEs, compliant with state regulations;
- Compiles an online registry of micro and small businesses categorised by economic sector;
- Creates a real-time, online listing of all Ministry contracts worth up to a maximum of \$1M;
- Provides automated notification of opportunities to SMEs for the purpose of bidding
- Provides a space for SMEs to market their products and services through online profiles; and
- Offers training to SMEs in procurement, business management and other important areas of relevance to improve their ability to win contracts.

6.3.4 Background Agencies

6.3.4.1 Employers' Consultative Association

This agency seeks to quality representation for employers and to ensure the strength and success of the Employer Community, which will auger well for the socio-economic well-being of Trinidad and Tobago. The Employers' Consultative Association of Trinidad and Tobago (ECA) was formed with 21 firms in 1960 primarily to assist and support Employers in industrial relations matters and to give them an association that would speak on their behalf on matters of similar interest. Since then, the ECA has built a strong reputation for handling all issues concerning Employers in Trinidad and Tobago. Today, the ECA is still a not-for-profit enterprise whose membership grows yearly and includes companies that belong to a variety of sectors.

6.3.4.2 Trinidad and Tobago Manufactures Association (TTMA)

The TTMA acts as a representative of the manufacturing sector in dealing with local and foreign governments and in the monitoring of legislation affecting manufacturers. Members are provided with information on all local, regional and international trade related matters of relevance and they act as a liaison between the membership and the Government, specifically the Ministry of Trade and Industry (MTI). Members are encouraged to maintain and adhere to the required standards and grades of quality in all manufactured goods and services.

6.3.4.3 Penal/Debe Chamber of Commerce

The Penal/Debe Chamber of Commerce's goal is to further the interests of businesses within the region by lobbying for favourable policies for their members. Regular dialogues with government to advocate, provide feedback on, and help fine-tune policies and legislations affecting business practices are held. Strategic alliances are forged with local and sometimes foreign organizations to establish and develop mutually beneficial business relationships. The Chamber also provides their members with efforts to trouble-shoot, address, and solve common problems and issues affecting business operations. On-going recruitment and sustaining the membership is important to the Chamber's growth and development.

7 Local Government System in Trinidad and Tobago and the CARILED Model

The Penal/Debe Regional Corporation was established and operates under the Municipal Corporations Act Chapter 25:04. This Act was enacted in 1990 and has been amended over time, the last amendment being in 2013. The Councils are allocated funds by the Ministry of Rural Development and Local Government (MLG), and are responsible for House Rates and Local Taxes, Finance, Planning, and allocation of Resources, Public Health and Physical Infrastructure, maintenance of markets, slaughterhouses, pastures, commons, recreation grounds or cemeteries and crematoria, the distribution of truck-borne water subject to the provisions of the Water and Sewerage Act, oversight of Pedlars, Hawkers and Hucksters.

The Tobago House of Assembly (THA) enjoys wider powers than the Municipal Corporations. The THA exercises considerable authority in respect of business development and economic planning. In that regard, the THA has developed a comprehensive economic development plan (CEDP 2.0) in a participatory process, and which provides structure to its initiatives deriving from its annual budgetary exercises.

The Division of Finance and Enterprise of the THA promoted business development through its Business Development Unit which provides funding to micro businesses and SMEs. It has established an eco-industrial park, on which small and medium sized enterprises can be established. There is also a Venture Capital Company which provides funding for certain types of businesses. There is much in the existing paradigm of the THA that conforms to the CARILED Model.

The GORTT has promoted in recent years, the idea of devolution through the development of growth poles and the alignment between national priorities and regional priorities within the 14 local government jurisdictions and the House of Assembly in Tobago, as well as with the 585 communities identified throughout Trinidad and Tobago. In its Medium Term Framework, the Government pledged to transform “Local Government Services through the devolution of authority from Ministries to ensure increased efficiency”.¹⁷

CARILED has been inspired by the experience of the Federation of Canadian Municipalities. The Federation is the “national voice” representing the vast majority of the municipal population of Canada. The membership includes Canada’s largest cities, small urban and rural communities and 19 municipal associations and has been functioning since 1901.¹⁸ The Federation is thus steeped in the philosophy of federalism and in the advocacy of deep involvement of people in the planning and organisation in the place in which they reside. In that regard, local economic development is premised on a participatory process involving communities, civil society organisations and the private sector in partnership with local governance authorities or local government.

1.1.1 ¹⁷ Ministry of Planning and the Economy, 2011, *Medium-Term Policy Framework 2011-2014*, Government of Trinidad and Tobago, pg. 19.

1.1.2 ¹⁸ <http://www.fcm.ca/home.htm>

CARILED Initiatives in the Caribbean have involved:

1. Helping communities establish and manage committees of government, private-sector and community representatives to lead local economic development;
2. Increasing the capacity of local governments (and decentralised agencies of central governments) to facilitate private-sector growth in a sustainable and equitable manner;
3. Strengthening the ability of local government officials to engage civil society in local economic development planning and implementation;
4. Collaborating with business support organisations and educational institutions to provide training to micro, small- and medium-sized enterprises;
5. Funding pilot LED projects with the potential to show how local governments, the private sector and communities can work together to create jobs, increase micro-, small- and medium-sized enterprise revenues, and bring economic and social benefits to communities; and
6. Working with national governments, local government associations and regional organisations to replicate good practices and successful LED models, and institute policy reforms to support LED.

The partnerships provide for the harnessing of local resources, encouragement of investment and the stimulation of local commercial activities including the involvement of micro, small and medium-sized enterprises. The experience is that local commercial activities contribute to job creation, business development and improved quality of life for citizens.¹⁹

Adoption of CARILED represents signalling of decentralisation and further devolution in economic planning and more particularly in implementation in the Trinidad and Tobago and will require further changes in the existing legislation in the Act establishing the Municipal Council and Regional Authorities.

¹⁹ <http://cariled.org/about-led/definitions/>

8 Recommendations for Local Economic Development

8.1 Introduction

Vision 2020 supports the goal of economic diversification, while promoting the principle of social equity across the various groups that comprise the society, and participatory modes with devolution and decentralisation of decision-making from previous governance structure at the national level.

The Government's strategy is designed to diversify within the energy sector, promote various non-energy industries, tourism and agricultural sectors, and achieve better balance in economic activity through diversified investments by the public and private sectors. The economic base of the municipality has been in agriculture, including primary agriculture and fishing catering to the domestic economy, and a range of services, some of high level in between, with residents of the dormitory communities that are part of the population of the municipality.

There are possibilities for a vibrant participation of the Municipality in the clusters promoted at the national level, and for substantial local economic development around a number of initiatives on the part of the Municipal Corporation and the clusters being promoted as official policy and strategy of diversification of the National Government. Some of these are addressed in the present concluding section, which identifies some of the key issues to be addressed in the way forward for the Municipality.

The Municipal Corporation would do well to focus on the promotion of the involvement of its emerging entrepreneurs in the sectors of Agro-processing, a revitalised primary Agriculture, Aquaculture, Fishing, Eco and Cultural Tourism and Commerce and Distribution. In the planning of projects and providing the supporting infrastructure, the Corporation would contribute substantially to local economic development and to the improvement of the quality of life of the residents in the various communities in the municipality.

There are physical infrastructure issues that confront the Municipal Corporation and which have a bearing on business in the area. The road infrastructure outside of the newly constructed highway has to be addressed. Poor quality roads impose high transport costs on the movement of goods and in the provision of some services. The perennial problem of flooding has to be addressed to reduce disruption to business and the losses to business and residential accommodation.

There is also the matter of the institutional infrastructure to be addressed. If local economic empowerment is to be driven by the Municipal Corporation and the planning and facilitation of business activity become part of its remit, there is need for institutional collaboration in order to ensure that the services of specialised agencies become available to residents of the area who are the immediate clientele and stakeholders of the Municipality in its thrust into business development. New or would-be entrepreneurs need considerable support by way of training in business management and operations. In the course of this project, stakeholders identified the need for

handholding, especially among groups that might have had no experience in running a business and lack the support available in families that have had a long tradition in conducting business.

The Municipal Corporation has to ensure that there are accessible programmes across communities which are user friendly and can attract participation and involvement of those who might not have had the opportunity of a good secondary education in their earlier educational career. Internet access in community centres might be part of the infrastructure to be put in place: there is now a wide array of free on-line programmes, and the Telecentre model in Penal might be extended to other communities.

There is also the issue of informal sector operators who, with adequate support, might be able to formalise their operations. The Municipal Corporation has to be provided with the assistance to promote the transition of informal activities into structured businesses. In that regard, there are NGOs and CBOs operating in the Municipality which are familiar with its communities, which might be able to provide services in communities, and which can complement or supplement what is available from agencies like NEDCO and IBIS.

In the following subsections, the alignment of initiatives of the Municipality with national goals is addressed.

8.2 Strategic Sectors

8.2.1 Energy

The municipality of Penal/Debe has had some involvement in the oil and gas sector. There is still extraction taking place in the municipality, through work-overs, which would have been uneconomic for the major oil companies to exploit. A number of such small firms have developed and are now part of the energy sector, and success in this activity has led to their embarking on other areas of the sector.

While the official policy of the country is the diversification from the reliance on the Energy Sector, Trinidad and Tobago cannot avoid exploiting opportunities that its participation in the sector will provide over the medium term. The underlying strategy for the country is likely to be built around continuing exploitation of the sector, in the traditional mode of extraction and processing, diversification within oil and gas, along with diversification from the sector as a whole.

The sector provides limited employment for some of its residents, and there are a few MSMEs engaged in servicing some of the demands created by the sector. The experience garnered in servicing the sector in the municipality will allow some MSMEs to extend their operations into other neighbouring municipalities and even into the offshore operations which are now the location of much of the extraction conducted in the country.

There is need to support the educational and training preparation within the municipality for the technical and professional occupations relevant to the sector. This underlines the importance of the reach of programmes offered through YTEPP Ltd, National Energy Skills Centre (NESC), Metal Industries Company Limited (MIC) and (on-the-Training (OJT) Programme to residents across the

various communities. It is training and work experience in the related fields that eventually will provide the training for the more entrepreneurial to create new start-ups that will eventually develop into vibrant firms and enterprises, as the nature of the industry changes. With some skills being fungible across sectors, many of those engaged in servicing the Energy Sector will switch to alternative activities as demand for their skills and expertise declines and increases in other sectors.

8.2.2 Agriculture and Food

The municipality is endowed with the considerable potential for addressing the food sustainability needs of the nation. Historically, a substantial acreage was devoted to plantation agriculture, in sugar cane. With the decline of the sector, attention shifted to rice and to short-term crops and to cocoa. Rice production has declined as supply could not match the quality of imports at the going prices. The efforts of the Ministry of Food Production can trigger renewed interest in agriculture, in this municipality that is blessed with highly productive land resources.

Targeted support for farmers by way of technical and extension services, land suitability and capability studies, the selection of planting material, post-harvest technology, and marketing, can contribute to substantial increase in food supplies and to the reduction in imports. Small animal husbandry can be expanded also with appropriate support from the Ministry of Food Production: pigs, goats, rabbits, and poultry including duck are possibilities.

Fishing: The improvement of landing sites through the provision of infrastructure – refrigeration and ice-making facilities at Quinam. Fishers need training to ensure that they can comply with national and possibly international food safety standards.

Aquaculture: There are areas in the municipality that are amenable for fish farming. Swamps and lagoons and riverine areas can be exploited for the growing of fresh water fisheries e.g. tilapia, and cascadox. With appropriate infrastructure and training and extension services from the Ministry of Food Production, residents in some communities might avail themselves of the opportunities for viable businesses in this activity.

Packaging and Agro-processing: NAMDEVCO has a facility in the municipality, which must picture prominently in the packaging of supplies and in the provision of a ready outlet to national and even international markets, for expanded supplies of a revitalised agriculture from the area. The establishment of small scale and medium scale agro-processing operations in the municipality will be the natural link in the development of a value chain to final consumers in Trinidad and Tobago and in respect of some products, there is possibility of export potential. While domestic markets are likely to be the target, it is possible that the area can become engaged in exports. In respect of both agro-processing and fish processing, the Municipal Corporation will need to enlist the services of Caribbean Industrial Research Institute (CARIRI) to ensure that the food processing and fish processing observe the appropriate standards, thereby guaranteeing widening of markets.

8.2.3 Eco and Cultural Tourism

The Municipality is endowed with historic, cultural and other resources that allow for tour guiding services and adventure experiences as part of the expansion of the tourism industry of Trinidad. A tourist in the area has as possibilities visits to:

- The Morne Diablo Forest;
- The Godineau Swamp;
- The Quinam Beach Eco Tourism Park;
- The Dignity Mud Volcano;
- The Woodland Sugar House; and
- The Indentured Barrack at Lagoon Village.

There are also the major events in Cultural Tourism with the celebration of the Hindu Festival and Religious observance of Phagwa and Divali.

The Municipal Corporation in association with the Tourism Development Company and the Ministry of Tourism can market the area as a unique location in Trinidad for Hindu cultural observances and for the Indian cuisine. All of this would require some level of enterprise on the part of the Municipal Corporation in recognising that there is a product in the municipality that can be marketed with a number of residents becoming the 'distributors' of the product as they become involved in catering to guests from the rest of the country and from the rest of the world. A number of MSMEs can develop around the cultural tourism and eco-tourism amenity resources of the municipality, let alone in the serving of Indian cuisine. There will be need for appropriate training and preparation of the residents in the local population who will become engaged in the various dimensions of the emerging tourism sector.

The Municipal Corporation will need to be at the centre of the process of organising most of the elements involved in creating a presence in the tourism sector of the country. However, planning and implementing its initiative in the development of its tourism product will require inputs from the state agencies and consultants specialised in tourism development.

8.2.4 Commerce and Distribution

Commerce and distribution will expand with the expansion of economic activity in the municipality and in neighbouring municipalities of Siparia as part of the Southwestern Growth Pole and in San Fernando. With the establishment of UWI South Campus, there will be growth in demand for a range of services required by a University community, both of staff and students. The Corporation will need to exercise care in the promotion of entry of micro and small businesses to avoid saturation. The allocation of licences to operate can be the mechanism to prevent oversupply.

Support for the development and expansion of commercial and distributional activities will require interventions on the part of agencies involved in the provision of credit and training in entrepreneurship, micro and small business development, but will need to be tempered with constant review of levels of involvement to protect the municipality and some of the potential entrepreneurs from losses because of oversupply in sectors that might appear to be easy in terms of market entry.

8.3 Proposed Projects and Implementation Plan

Having greater responsibility for the economic and social outcomes within Debe/Penal would require the Local Government to play a more proactive role in LED. Preparation of the Municipal LAEP is a first step in directing investment for business and economic development. However, further work is

now needed to build the necessary institutional structures within the Debe/Penal Regional Corporation to lead and coordinate LED. There is also the need to identify business and economic opportunities in the strategic sectors identified in the study. Therefore, the Corporation must work with local and external partners in developing and implementing sectoral projects that can lead to positive economic growth, provide employment and support the expansion of local MSME sector.

8.3.1 Establishing Institutional Structures within the Debe/Penal Regional Corporation

The following recommendations are provided to create support mechanisms that would allow the Corporation to play a greater role in economic development of the Municipality:

1. **Establishing a Debe/Penal LED Group** – This Group, operating out of the Regional Corporation, would provide a municipal platform to facilitate and support the implementation of targeted local economic activities. The main functions of the Group should be as follows:
 - a. To listen and interact with local and external stakeholders on LED related matters;
 - b. To identify and tackle the challenges to local business and economic development;
 - c. To recommend new initiatives and investments (to be implemented by the Municipal Corporation, Central Government Agencies and others) that would improve the local business environment, foster innovation and strengthen the municipal economy;
 - d. To monitor, advise on and support the implementation of LED activities undertaken by the Corporation; and
 - e. To provide guidance on the use of Corporation's resources to achieve the objectives of Municipal LED.

The Group should meet on monthly or at least quarterly basis and should comprise:

- Councillors/Aldermen;
 - Representatives of the private sector and the NGO and community sector (inclusive of the Debe/Penal Chamber of Commerce, representatives from the local banking sector, energy sector, and the local MSME sector);
 - Local knowledge and research institutions; and
 - Public sector business support agencies (such as NEDCO and the Cooperative Division) and NAMDEVCO.
2. **Strengthening the capacity of the Debe/Penal Regional Corporation to facilitate local business and economic development** - The goal here is to build technical capacity within the Corporation that would allow the Corporation to effectively lead and coordinate sustainable LED of Debe/Penal.

This calls for the establishment of the LEDU, which would be led by a LEDO and assisted by an Assistant LEDO. These officers should be seen as the nucleus of industrial, commercial and business development within the Municipality. The LEDO should be charged with the following responsibilities, among others:

- To facilitate LED planning in order to identify and establish business and development economic opportunities;

- To collaborate with stakeholders inside and outside of the Municipality in engaging in scenario planning and identifying possibilities for local resource use and mobilisation that might otherwise remain untapped. The LEDO should be instrumental in organising and recording discussions between the Municipal Council and MSME and institutional stakeholders within their jurisdiction.
 - Work with local businesses, organisations, schools, and communities in supporting and promoting LED and individual, school and community-led entrepreneurship;
 - Identify opportunities that will allow the Corporation and its stakeholders to develop the local MSME sector, programmes and projects;
 - Identify and secure funding for MSME and LED initiatives;
 - Assist local organisations, communities, businesses and individuals to develop project proposals and business plans for financing; and
 - Assist with communities and businesses to establish business groups and other support networks, including working closely with stakeholders in the informal economy in and around main commercial districts.
3. **Preparing a comprehensive LED strategy and action plan** – One of the efforts in supporting municipal LED, is the formulation of an LED strategy and action plan for the municipality. The preparation of this strategy should be the responsibility of the LEDO. This strategy and action plan should be tailored to the needs of the Municipality and provide a comprehensive agenda for LED including the identification of potential areas where the Corporation and its partners can focus investment, additional actions to create enabling mechanisms to support the work of local organisations, businesses, communities and individuals within the Municipality. The strategy should also identify and contain concrete proposals for creating and expanding economic and business opportunity in the strategic sectors identified earlier in this chapter.
- The strategy should also provide the necessary baseline information to be used for monitoring and evaluation and strategic LED decision-making.
4. **Developing a database of municipal entrepreneurs (of all sizes)** – This should be developed based on the sector within which these business establishments operate. This will serve well, not only in terms of the conduct of research activities, but will also be required for collaborative and promotional partnership activities. The Corporation should actively encourage informal MSME business owners to register with the Corporation to ensure that all can access benefits from future business programming. The LEDO should be charged with the responsibility for developing and regularly updating of the databases, and maintaining contact with the local MSM businesses.
5. **Establishing Strategic Partnerships with Neighbouring Municipal Corporations** – The Corporation should seek strategic partnerships and collaborate with neighbouring Local Governments to explore joint economic opportunities, that can lead to mutual benefits and other spin-offs, for example in the areas of industrial development, tourism development and agricultural production.

6. **Establishing a Municipal Business Support Programme for Local MSMEs** – The success of this programme depends heavily on the commitment and cooperation between the Corporation and the national business support service providers. The approach here is not to duplicate the work of the MSME support agencies, but rather to bridge the current gap in services identified during the study. The goal is to provide a one-stop-shop platform within the Corporation.

The model for service provisioning should allow clients to have easy access to the various services provided by agencies.²⁰ The Corporation should work closely with providers to create a system where clients can access information on the full range of business support services available and to connect them to the services they need. Moreover, the Programme should facilitate the implementation of the sectoral projects implemented by the Corporation.

Therefore, the Corporation should approach and work with service providers to seek their assistance in establishing this one-stop-shop mechanism. For example, the platform can be:

- The main source for accessing information on business support services offered by the various providers. In addition, several Municipal Corporations should collaborate in developing an app that would provide information and facilitate clients' more ready access to services.
- Locate suitable space for the conduct of specific business training programmes as identified in the LAEP study that would facilitate the increase use of Information and Communications Technology (ICT) and the Internet in business and to foster personal development of entrepreneurs. The objective here should be to address the entrepreneurial characteristics and functional competencies of participants through effective training programmes.
- Provide access to business advisory and mentoring services through the establishment of municipal business support networks, business associations and business support cooperatives. A lack of business mentorship and business advisory programmes was highlighted by MSMEs as a major barrier to the survival of businesses.
- Facilitate business cluster development and establishment industry and marketing cooperatives as vehicles for achieving critical mass in specific sectors.
- Offer business Incubator support services - the MOLSED and NEDCO should use the Municipal Programme to expand the reach of the IBIS, ETIIC and Women in Business programmes.

Special attention must be paid to the findings of the study concerning the challenges faced by women and youth in setting up and operating their own business. The objective would be to put mechanisms in place that would eliminate any barriers to women and youth entrepreneurship.

²⁰ Finance and markets, entrepreneurial skill development, training (soft and technical skills), and mentoring and coaching, etc.

The programme should be audited and its impact monitored regularly to ensure it remains attractive, relevant and accessible to its target clients.

8.3.2 Recommended Sectoral Initiatives

There was insufficient data collected to clear identify the sectoral business projects at this stage. The recommendation here is to identify the local sectoral initiatives in Debe/Penal during the LED strategic planning phase and should be based on the strategic sectors identified earlier in this chapter. All the projects developed should be based on an inclusive model which ensures the participation of residents of the Municipality, including the poor, women and youths.

8.3.3 Debe/Penal LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
Establishment of a Debe/ Penal LED Group	<ul style="list-style-type: none"> • Develop scope, responsibility, function and reporting procedures of the Group. • Identify the prospective agencies/individuals to comprise the Group. • Prepare and issue invitations to prospective Group members/ agencies. • Hold inaugural meeting and orientation session. • Hold regular/monthly meetings. • Monitor and provide advice on on-going LED programmes and projects 	Debe/Penal Regional Corporation (DPRC) (Municipal Council)	<ul style="list-style-type: none"> ○ Ministry of Agriculture ○ Ministry of Tourism ○ NEDCO ○ TTInvest, ○ ExportTT Cooperative Division ○ Ministry of Rural Development and Local Government ○ Local NGO/CBO representative ○ CARILED Project ○ UTT ○ Debe/Penal Chamber of Commerce 	4 months to establishment and ongoing	Representatives who are decision makers in their organisations	1
Strengthening the capacity of the Debe/Penal Regional Corporation to facilitate local business and economic development	<ul style="list-style-type: none"> • Recruit the LEDO • Establish a Chairman's Advisory Subcommittee to oversee the establishment of the LEDU, comprised of two other Councillors, and the Chief Executive Officer (CEO) with the LEDO as Secretary. • Prepare requisite documentation for establishing the LEDU - rationale for its establishment, resources requirement (staffing, furniture, equipment, software, training, etc.); and estimated cost. • Obtain the necessary approvals for establishment of the Unit. • Recruit additional staff and procure the necessary 	DPRC	<ul style="list-style-type: none"> ○ MLG ○ Ministry of Public Administration ○ CARILED Project 	12 Months	<p>Ministry of Public Administration and Consulting Services to assist the Council in developing a business oriented focus to support the emergence of businesses in the area.</p> <p>Provision for appointment of a LEDO, two Assistant LEDOs and supporting</p>	1

8.3.3 Debe/Penal LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
	resources • Officially establish the LEDU.				staff – Statistical Assistant and Clerk/Typist	
Preparing a comprehensive strategy and action plan for Debe/Penal	<ul style="list-style-type: none"> • Hold Debe/Penal LED workshop on way forward and the LED and MSME creation. • Hold consultations with specific industry stakeholders to elaborate strategies and actions agreed on at the workshop • Prepare a local economic development strategy and action plan in collaboration with relevant stakeholders. This plan should include cost estimates, funding sources and mechanism for continuous monitoring and evaluation. 	DPRC -LEDU Debe/Penal LED Group	<ul style="list-style-type: none"> ○ Debe/Penal Chamber of Commerce ○ Local business owners ○ Local communities 	6 months	Consultancy – Debe/Penal LED Strategy and Action Plan	
Establishing a Debe/Penal Business Establishments Database	<ul style="list-style-type: none"> • Hold discussion with the CSO, NEDCO and other relevant agencies on the establishment of the database. • Identify resource requirement for database. • Acquire software and other support tools. • Determine the type of information to be recorded in the database - business owner name and contact details for communications, gender of owner; type of business; years in operation; size of business/number of employees, etc. 	DPRC LEDU/ LEDO	<ul style="list-style-type: none"> ○ CSO ○ Debe/Penal Chamber of Commerce ○ NEDCO ○ MOLSED 	3 months to establish database and ongoing	Computer Spreadsheet or database software Clerk Campaign to encourage business registration	1

8.3.3 Debe/Penal LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
	<ul style="list-style-type: none"> • Advertise and encourage business owners to register with the Corporation. • Undertake initiatives to actively register businesses. • Develop a profile of local businesses by sector which can help understand local business owners' needs. • Update profiles regularly based on additional information received. 					
Establishing Strategic partnership with Neighbouring Municipal Corporations	<ul style="list-style-type: none"> • Hold discussions with Chairmen and CEOs of neighbouring Municipal Corporations • Identify and reach agreement on areas for collaboration and support and resource requirements • Undertake agreed joint activities • Monitor and evaluate partnerships biyearly 	DPRC Neighbouring Municipal Corporations		6 months and ongoing	Chairmen and CEOs of the Corporations Meeting place	1
Establishing a Municipal Business Support Programme for MSMEs	<ul style="list-style-type: none"> • Hold meetings with key business support service providers to discuss service provisioning and areas of collaboration between Municipal Council and service providers. • Reach agreement on the DPRC one-stop service model for MSMEs to be used. • Develop MSME services app to provide information on service provisioning and places to existing and 	DPRC - LEDU	<ul style="list-style-type: none"> ○ Debe/Penal Chamber of Commerce ○ Established local businesses ○ NEDCO ○ MTI ○ MOLSED including the Cooperative Division ○ Ministry with responsibility for development of medium-sized enterprises 	9 months to establish and on-going	Cooperation of central government, NGO and private sector service providers For development of the app - Graphic designer Copy writer	1

8.3.3 Debe/Penal LED Implementation Plan

Project	Activities	Implementing Agencies	Collaborating agencies	Time Frame	Resources Requirement	Priority Rating (1-2)
	<p>potential MSME clients.</p> <ul style="list-style-type: none"> • Launch Debe/Penal MSME Support Programme. 		<ul style="list-style-type: none"> ○ Local Banks ○ ADB ○ Arthur Lok Jack Graduate School of Business 		<p>Software developer</p> <p>Service provision – brochures, factsheet and information on product and services for small businesses</p>	

8.4 Conclusion

Decentralised Governance: The adoption of the CARILED Model involves a widening and deepening of decentralisation and devolution in the governance structure of the country. The Municipal Corporations are at the epicentre of this process. The authorities and the elected representatives of residents in municipalities have to embrace responsibilities that will extend to the economic development within the municipalities.

Business Facilitation: There is evidence that the country does not lack agencies that are formally entrusted with the responsibility for the facilitation of business and enterprise and for the provision of such supports as credit supply and training. However, their reach into communities is limited and constrained. In the context of the CARILED Model, the authorities in Municipal Corporations will have the responsibility for coordinating and enlisting the services of these agencies, and parlaying their support for residents in municipalities as they seek to create productive activity within the economic space of the municipality.

In this regard, CARIRI has to be available to collaborate with the Municipality of Penal/Debe in the promotion of fish processing for external markets. The Ministry of Food Production has to contribute in the focused attempt of the Municipal Corporation to develop aquaculture operations in the lagoons. The technical personnel of the Corporation have to enlist the support of Tourism Business Development Company in planning and implementation of the initiatives to realise the tourism potential of the Municipality that is well endowed with the amenities for eco-tourism and cultural tourism.

Competitiveness: Expansion and revival of agriculture has to be seen in the context of a huge bill and foreign exchange usage on imported food. Domestic agriculture has to withstand and/or push back on imports from Florida and the rest of the world. The producers, large and small have to be fully seized of the nature of the competition in organising production from farm to market. Dressed or processed fruit and vegetables from geographically remote locations in the municipality, on entering the market place in an upscale supermarket in Port-of-Spain are in competition for shelf space with vegetables from the United States. In other words, farmer/entrepreneurs even in micro-enterprises in Barrackpore or La Fortune are players on the world stage and must be fully seized of that fact and be technically prepared..

Structuring Economic Equity: As the population becomes more diverse ethnically and in terms of religious affiliation with the inflow of residents from elsewhere, there is need to ensure equity in the participation of the various groups in the area of business and enterprise. There will be need to ensure that state involvement in the provision of support for business and enterprise does not contribute to the creation of structural barriers and to the exclusion of minority participants in business and enterprise.

Information, Training and Educational Upgrading: The Census Data establish that there does exist a human capital challenge in the municipality. This imposes a constraint on the capacity of residents in the establishment of viable business and productive enterprises. There is need to institutionalise a support system that would allow large numbers of the residents although located in relatively remote communities to embrace technology and access information, and, most importantly,

initiate themselves on the path of lifelong education and upgrading such that they can correct for previous marginalisation in the education system.

The task is to ensure that the mango farmer in Penal/Debe is no less knowledgeable and no less technically competent than his competitor in South Africa. While this may not be currently the case, the measures and initiatives undertaken by the Municipality in association with the Ministry of Food Production and with the cooperation of UTT or the Distance Education Programme, would allow such transformation to take place in less than a decade. Moreover, those interested in undertaking the provision of high level information services from a base in Penal or the University Town of Debe, must be readily equipped to develop the start-up based on the infrastructure provided by the Municipal Corporation or with the assistance that it can mobilise from agencies at the national level to support local economic empowerment.

Paradigm Shift: The CARILED Model involves a major paradigm shift in thinking in local governance. The responsibilities of Municipal Councils require perspectives that extend beyond what seems to be incorporated in the current legislation. At the level of the Ministry, there is need to win the resources including the fiscal space for Municipalities to become entrepreneurial in implementing national policy relating to the economy.

There is need to recognise the enormity of the task of investing people in their communities with the capacity to transform their economic reality with the resources that reside in their community such that they can create a high quality of life from their respective spaces.

