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The employment impact of restructuring and privatization in Trinidad and Tobago

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Foreword

During the latter part of the 1980s, in most countries of the world, but particularly in the developing countries, the process of restructuring and privatization emerged as a major public policy issue. Trinidad and Tobago, from the period 1986-95, suffered the consequences of the dramatic social, political, economic and technological changes which were being felt globally and set about the task of reorganizing the economy from a state-controlled to a market economy, instituting and implementing stringent privatization reforms, as well as restructuring of state-owned companies.

Restructuring and privatization have a strong impact on management/worker relations, management practices and workers' skill profiles. The success of these reforms rests with the commitment of the new owners of enterprises, the workers and their unions to improving the performance and productivity of their environment, while safeguarding jobs, upgrading working conditions and forging sound management/worker relations. This report traces the country's transition through restructuring and privatization and calls attention to their effects on jobs and employment. It also looks at the evolving patterns on industrial relations in various privatized/divested firms and the attendant changes in wage systems and workers' benefits.

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The Symposium brought together senior policy makers from Ministries of Labour, Trade, Planning and Economic Affairs and the leaders of employers and workers organizations to hear and discuss state-of-the-art reports on key issues of topical interest.

The opinions expressed in this work are those of the author and do not necessarily reflect those of the ILO.

ILO Caribbean Office | **Willi Momm**
September 1999 | **Director**

Introduction

The focus of this paper is on employment impact of privatization over the period 1990 to 1998. It is difficult to address the issue of privatization in Trinidad and Tobago without placing it in the context of the political economy of the post-independence period. One of the tenets of economic policy of the Government in this early period was the promotion and deepening of participation of the people in the economic affairs of the country. With independence, Trinidad and Tobago inherited a segmented economy, in which non-nationals dominated decision-making in the key sectors of the economy, and in which a small elite, with roots in the country's earlier colonial past, controlled the more significant domestic businesses.

This paper starts with a brief review of State ownership as a platform of economic transformation, as it was then envisaged by policy-makers. The privatization programme is analyzed against the changed economic conditions in which the Government found itself towards the end of the 1980s. A balance of payments and a fiscal crisis forced on it, the adoption of the measures required by the international financial institutions, as the basis for their assistance, by way of stabilization and structural adjustment programmes. The rest of the paper examines of the impact of the restructuring process and/or privatization, reviews the perspectives of key stakeholders in the political economy of the country, and ends with some conclusions on the likely evolution of current policies.

Descent from "the commanding heights"

The collapse of oil prices in the mid 1980s marked the end of the economic boom that Trinidad and Tobago had enjoyed over a ten-year period. The phenomenal increase in prices that occurred in the early 1970s had provided the resources for the Government of the country to embark on a massive transformation of the economy. The Government became the prime mover of the economy. The political administration of the country had been very clear on the difficulties of depending on the domestic and foreign private sector to lead the process of transformation.

The People's National Movement (PNM) that had brought the country to independence espoused the philosophy of economic diversification, and greater control over economic decision-making by the Government and people of Trinidad and Tobago. While the objective was seldom cast in terms of the "control over the commanding heights," (which slogan encapsulated the thinking of more radical opinion) the Government led by Eric Williams, was deeply sensitive to the political relevance of greater national control over the economy. The massive increase in oil revenues, starting in 1973, allowed the realization of a dream and provided the wherewithal for the Government to set the country on course to the achievement of this objective.

Prior to the boom in oil prices, the Government had enunciated its strategy for State participation in the economy of the country. The foundation of its programme was first elaborated in its Third Five-year Development Plan in 1969, and subsequently refined in its two White Papers on public sector participation. The Government reserved the right to enter into directly productive activity where, in its judgement, because of the size of a project, the domestic private sector displayed unwillingness or incapacity to make the required investment, and such investment seemed to serve the national interest. This was the fundamental condition.

Thus, the advent of unprecedented revenues found the country with an already existing framework for State participation. The Government was then able to interpret its role with greater liberality. According to an economist **(footnote[1])** the tenets of "national interest" came to justify and define at least six distinct imperatives:

1. the need to secure greater national control over key areas of the economy -- the control over "the commanding heights" thesis -- oil, banking, and telecommunications;
2. the need for greater ownership in areas of the economy deemed to be sensitive or important -- broadcasting and a national air carrier;
3. the need to promote transformation in sectors where the private sector (domestic and foreign) did not have, or was unwilling to provide the resources to accomplish the task --Methanol, Ammonia, Steel and Urea;
4. the need to avoid monopolization of an important sector by a foreign-owned enterprise;
5. the need to avoid unemployment where the closure of an important enterprise could lead to social unrest -- the acquisition of the firm, Printing and Packaging, and the assets of British Petroleum when it withdrew;
6. the need to avoid delays in service delivery in respect of services and goods important to public welfare -- the National Hospital Management Company, and the Secondary Roads Company.

These other conditions widened the framework for State participation. In addition to the expansion of the utilities (water, electricity, and telephones) and the extension of their reach to all areas of the country, the Government invested heavily in the establishment of a heavy industry sector through a range of energy-related industries. The idea was that with its tremendous endowments of oil and natural gas, the country should seek to diversify its sources of foreign exchange earnings by going downstream of oil and natural gas, in any of the areas that it could manage to establish a secure market abroad for the output.

[1] Frank Rampersad, (1991).

The Government also embarked on a number of other areas, although not related to exports, seemed to merit its attention, in so far as a stimulus could be provided to domestic production and transformation by the presence of the State. In other areas, the issue was improvement of the social infrastructure. In the former category, the Central Marketing Agency and the Food and Agricultural Corporation can be placed as they were expected to provide a secure market for domestic agricultural output and improve farm incomes.

The School Nutrition Company was a similar initiative, which had the additional advantage of adding to the social good of improving the nutrition of the nation's children. Indeed, direct subsidies to the population were provided through some of the activities in which the State took an active role. The Public Transport Service Corporation (PTSC) provided free bus services to school children in many parts of the country. The national airline ran the inter-island connection between Trinidad and Tobago on the basis of a government subsidy, and likewise did the Port Authority in respect of sea transport between the two islands. There were areas where the involvement of the State, under the rubric of a private company was deemed to be more efficient in the delivery of certain services. The purchase of essential drugs through the Hospital Management Company and the building of roads through the Secondary Roads Management Company were two such areas.

Over the period of the oil boom in 1973-83, the Government became involved in 30 additional enterprises, almost doubling its ownership from the 35, in which it had had an interest prior to 1973. Unfortunately, many of the firms came to rely heavily on the Treasury to fund their operations, far beyond their foundation and teething stages.

A most critical element in the strategy of State participation was the eventual divestiture to the population. The intention of the Government, on embarking on the directly productive activity, was to pass control to the population at a subsequent stage when the enterprise would have got off the ground and started to earn a profit. The objective was to create a wide shareholding among the mass of the population. Given the nature of the segmentation of the colonial economy that the country inherited on independence, the establishment of the Unit Trust Corporation and the creation of a Stock Exchange were expected to lead to a structure of ownership that departed considerably from the narrowness in the ownership of economic assets that existed previously.

An important feature of the state enterprise sector is that the enterprises, as some of the larger corporate organizations in the country, became an early target for the trade union movement whose influence the Government sought to restrict through the notion of essential services. This prevented a union from representing workers in more than one area of essential services. However, the Government wanted to be exemplary in terms of its corporate behaviour, and never prevented workers from forming trade unions and/or being represented by them, while adhering to the limits set by the industrial legislation of the country. The state enterprises and public utilities were areas of heavy union presence.

The weakening, and finally the collapse, of oil prices, the decline of oil production, the demand management policies pursued during the oil boom, and the relative failure of the diversification programme in reducing the fundamental dependence on oil and gas, forced the country into a major reversal of policy. Indeed, as will be seen below, 20 years after embarking on the strategy of control over "the commanding heights", the Government of the day had to sacrifice the once holiest icons in the national treasure, like PETROTRIN and FERTRIN. By 1988, the then Government was forced to approach the international financial institutions (IFIs) for assistance in dealing with a fiscal and balance of payments crisis.

Restructuring and privatization

Three distinct periods can be identified in the restructuring and privatization process pursued by the Government: these basically coincide with the three administrations that have been in Government since the latter years of the 1980s:

1. The National Alliance for Reconstruction (NAR) administration (1986-1991)
2. The People's National Movement (PNM) administration (1991-1995)
3. The United National Congress (UNC)/NAR coalition (1995 to the present)

Phase I

By his letter of intent, dated November 16 1988, the Minister of Finance admitted to the International Monetary Fund (IMF), the parlous state of the country's finances and, at the same time, embraced the standard methods of the Washington agencies - IMF and World Bank. The Government committed itself to reducing transfers to loss-making enterprises and public utilities, and to cutting drastically public debt as a percentage of GDP. It had already realigned the currency and had wound up three state enterprises -- the School Nutrition Company, the Secondary Roads Management Company and the National Hospital Management Company. A Special Committee of the Ministry of Finance was established to monitor the operations of the other state enterprises and public utilities, and to make recommendations on the approaches to their reorganization. The Government set the lead for the rest of the state sector and even for the private sector in its handling of its own direct employees. A major hurdle faced in its fiscal situation was the large outflow by way of salaries and emoluments for public sector employees, which had proved unsustainable in the light of the declining revenue situation of the country. Such outflows also constrained the development programme of the Government. One of the first acts of the new administration therefore, was to freeze and subsequently, to slash allowances and salaries of public servants. This was unprecedented in the industrial relations experience of the country, but created an example that a few enterprises in both the state and private sectors attempted to follow.

The initial response to the crisis and to the need for the restructuring was therefore, to cut benefits across the board, and this was extended to the State enterprise sector. Subsequently, the Government developed a voluntary separation package for public servants aged 50 and above, through the Voluntary Termination of Employment Plan (VTEP) and a Voluntary Separation of Employment Plan (VSEP) for persons under 50 years of age.

In its major approach to divestment, it was clear that the Government did not care to depart too radically from the idea of people's participation in the ownership of the major economic assets of the country. The creation of the National Investment Company (NIC) reflected the thinking of the NAR administration on the nature of divestiture and privatization of state-owned (SOEs) enterprises. Through NIC the Government intended to pay its debt to public servants and to workers at Caroni by the offer of shares in some eleven state enterprises. Through NIC another objective of economic and social policy could be fulfilled, namely the vesting some of the resources of the country in the hands of a significant section of the mass base of the society. There was yet another imperative behind the establishment of NIC. The public service unions had challenged the Government's handling of the cuts in salaries, and had secured judgement in their favour in their submission to the Industrial Court. The Government, therefore, was forced to develop a mechanism to honour fully its debt to public servants and other employees of the State.

The Government recognized that the public service and the State enterprise sector had a bloated employment structure. The imperatives of adjustment dictated a reduction of the workforce in both areas. The establishment of a Small Business Development Company (SBDC), as well as the introduction of a number of other initiatives like industrial cottages, etc., were designed to create alternative employment opportunities as the state sector and the private sector restructured themselves and cut their workforce.

NIC was to be the centre-piece of its divestment strategy. In a White Paper (Footnote[2]) the Government identified some eleven companies to be divested with debt repayment as part of the package. In other words, while it was necessary to trim the ranks of the public service and cut employment through the state, the Government saw its strategy as contributing to the widest possible participation in business enterprises through share distribution and through the involvement of retrenched workers in small and medium-sized businesses. The net employment effect need not have been negative.

It was possible for the Government of the day to utilize an existing institution, the Unit Trust Corporation of Trinidad and Tobago. However, for some unexplained reason, it sought instead to establish a new institution as an investment holding company. The Government proceeded with the divestment of shares of the Trinidad Cement Company through the Stock Exchange. It restructured the Workers' Bank, and developed a management contract to deal with the difficulties with the major loss-making enterprise, the Iron and Steel Company of Trinidad and Tobago (ISCOTT). NIC was to be the centre-piece of its divestment strategy. Presumably, workers in the selected enterprises were also to become shareholders. In the event, the NAR administration was soundly defeated at the polls of 1991, and the PNM returned to power.

Phase II

In its new incarnation, the PNM administration 1991-95 espoused a far more private-sector-oriented philosophy than had earlier existed. Indeed, the major privatizations that have taken place were initiated under its watch. Its thinking is reflected in a comprehensive document(Footnote[3]). The new PNM administration sought to redefine the role of Government, arguing that the economic and political realities internationally had been transformed significantly from that of the 1970s. It was affirmed that the perception had 'changed significantly from that of the seventies to reflect the changes in main stream economic thought and the new realities of small peripheral nations'(Footnote[4]). Thus, in the context of globalization, open borders and free markets, the Government had to embark on a programme of rationalization, which embraced divestiture and privatization.

The Government contended that it was not renouncing such objectives as employment creation, and deepening national participation, but affirmed that these had to be pursued in the context of the changed circumstances of the 1990s. In sum, it fully espoused market-centred strategies, and committed itself to remaining in commercial activities only where an equity position was desirable for strategic reasons, and then within the framework of joint-venture arrangement with national and international investors. In effect, while employment growth was still an objective, it no longer enjoyed primacy of place and was to be achieved as a subsidiary to making the economy adaptable to international competition. "The commanding heights" objective was effectively eclipsed by new considerations.

As Table 1 shows (see Annex), the Government was not averse to the sale of enterprises by private treaty. It established a Divestment Secretariat within the Ministry of Finance, with the responsibility for developing tender documents and negotiating with firms. Moreover, it was inclined to heed the advice of such organizations as the Adam Smith Institute in the United Kingdom. Divestments were made in respect of 13 companies. All but two were initiated and completed during the period of the PNM administration of 1991-95.

In addition to these privatizations, there was a concerted effort to introduce the private sector into running of the utilities or to allow in market forces wherever possible. The Government sold off the power generation component of Trinidad & Tobago Electricity Commission (T&TEC) to Power Generating Company of Trinidad & Tobago (PowerGen). Severn Trent of Britain was contracted to

[2] White Paper, (1991) on "Proposals for the settlement of arrears to public sector employees and workers of Caroni (1975) Limited.

[3] Government of Trinidad and Tobago, (1995). Report on public participation in industrial commercial activities.

[4] ibid., p. 26.

manage the restructuring of the Water and Sewerage Authority (WASA). Two oil companies, TRINTOPEC and TRINTOC were merged. The amalgamation of the oil companies was apparently the first stage in the process of their restructuring before being sold off to the private sector. Likewise the television and radio stations were brought together under its control -- Trinidad and Tobago Television (TTT) and the National Broadcasting Service (NBS) Radio. Through its Divestment Secretariat, an active programme of divestiture and privatization was being pursued when that government left office at the end of 1995.

Phase III

The present Government which is comprised of a coalition between the UNC and the NAR has not privatized or divested any of the State enterprises to date. Very pointedly, it announced that plans to divest PETROTRIN have been put in abeyance. It has however, continued with the exercise of the restructuring of state enterprises, and has retracted on the plan, mooted when in opposition, of canceling the management contract with Severn Trent of Britain, which was restructuring WASA. While there have been statements suggesting that the programme of restructuring will be continuing, the present administration is not as committed to privatization in respect of the remaining companies. There still exists an important State enterprise sector, with some of the largest companies in the country under the control of the Government, who also retains a significant interest in a number of others.

The Impact on Employment and Working Conditions

The nature of the impact of restructuring, privatization, divestiture, and the reduction of State control generally, on employment and working conditions is a function of a number of factors. These include the level of unionization and union ideology, the nature of product markets, competition, institutional structures in Labour markets, capital - labour ratios, and substitution possibilities between capital and Labour, among others, all of which, a priori have had relevance in the Trinidad and Tobago context. Secondly, the structure of the market in which the enterprise operates might have influenced the price of its output and even its inputs: the extent of monopoly (natural or otherwise) and monopsony before and after privatization is a relevant issue. The relinquishment of State control is one element of introducing the market. Another is the elimination of barriers to competition and/or the formal introduction of competition policy.

Additionally, there is the nature of the privatization/divestiture process itself. The ideology of the Government involved, where there has not been a formal privatization programme, defines the depth and structure of the restructuring process. Moreover, a Government may be concerned to privatize with a view to ensuring that high levels of equity and maximum participation are secured, or alternatively may be concerned to get the maximum yield from privatizing an asset by selling to the highest bidder or minimizing the transaction costs of privatizing.

The structure of labour markets, the extent of unionization, and the nature of the technology in use are other intervening variables influencing the impact of restructuring and privatization on employment. Highly capital-intensive operations, if functioning at high levels of efficiency, may not allow much adjustment in employment whether under State or private sector control. Thus, employment in a particular sector or firm may not show any change in the numbers employed. A priori, the number of planes available to an airline would determine the minimum number of pilots required - a case of fixity in capital-labour coefficients.

The multiplicity of objectives that drove the process of State participation in directly productive activity might have been partial to employment creation and/or the padding of state enterprises. Of the three different management styles that can be identified -- engineering-oriented, economics-oriented and bureaucracy-oriented -- bureaucracy was more likely to be the characteristic pattern in state enterprises.

In this regard, in terms of principal/agent relations, the agent (the management of the state-controlled enterprise or utility) would have not been driven so much by the profit motive as by the desire to maintain calm among key stakeholders, that is, the Government or even key promoters such as the union and the workers. There may be contradictory mandates deriving from different areas of Government directed at the board and the management of the state-owned enterprises. The selection of the management itself is not immune to the politics of the country and every change of political party has witnessed substantial changes in the representation of the boards and top management of state-owned enterprises.

Management might have sought to ensure peaceable industrial relations by co-optation of union leadership through measures that were more likely to be partial to workers. Moreover, the state enterprise sector was an area of heavy union presence, relative to the rest of the directly productive sectors. The complete divestiture from Government to private companies was therefore highly likely to result in the most drastic changes in employment levels and in terms of working conditions except where a high level of unionization before and after privatization restricted the latitude available to management.

The high level of unionization in the public service and State enterprise sector implies substantial resistance to negative changes in conditions of service. Moreover, the fact that the Government of Trinidad and Tobago lost its case for the reduction in benefits to public servants suggests that management would have focused more on controlling the numbers of workers than on any formal reduction in benefits in seeking to contain or reduce wage costs.

Finally, the internal structure of unions and their competing positions against other unions in respect of membership and representation are another factor that will determine the bargaining strategy of unions vis-a-vis a management concerned with controlling wage costs by decreasing the number of workers, changing the work process or reducing workers' benefits. Over time, union bargaining strategy may change from protecting and increasing numbers -- which sub-serves the goal of maintaining and increasing membership dues -- to protecting and improving benefits which enhance union status vis-a-vis existing and potential membership. The degree of resistance of unions to changes brought on following privatization is subject to all these factors and influences the final outcome.

The gross impact of divestiture, privatization and restructuring can be assessed from Table 2 (see Annex) which shows employment levels in the utilities, wholly-owned state enterprises and majority-owned enterprises over the ten-year period 1988-97. The downward trend that was initiated in the 1980s was given added impetus during the administration of the PNM. There appears to have been some pause under the present administration, or even a reversion of policy.

However, the expansion that has taken place in the economy since 1991, may have set in train an increased demand for labour which required a necessary increase in the workforce in some cases. On the other hand, the decline noted in the utilities can be attributed to the hiving off of power-generation from T&TEC to the privately-operated firm, PowerGen. Regarding the Port Authority the data for the latter years are not available, but it is well known that there has continued to be a reduction in the workforce at the Port.

Full privatization

It is possible to differentiate sale from public to private operations into two categories. In the first case, there is the closure of the operations, followed by the sale, after which the private operator resumes as an entirely new enterprise and therefore avoids successor responsibilities to workers, even if some or all the previous workers are rehired. In the case of the Trinidad and Tobago Packaging Company, Cariflex (1994) Ltd. purchased a firm that had ceased operations, with the workforce having technically been severed, and having received their severance benefits.

The management of Cariflex was therefore free to resume operations in the privatized firm with a structure considered appropriate to their profit objectives. Interestingly, there is no trade union representing the workers, and there has reportedly been some downward adjustment in the terms and conditions previously enjoyed by workers. The operation has become viable with a smaller workforce and with some upgrade and refurbishing of the technology.

There are obvious advantages to a private firm seeking to purchase a State enterprise, if it is officially wound up before the transfer of assets. The existing Retrenchment and Severance Benefits Act No. 32 of 1985 provides for severance benefits which would become payable should the private firm seek to restructure a state enterprise by reducing the workforce if it were purchased as an operating entity. The workers' rights to severance benefits terminate at the moment that the firm is wound up as a state enterprise.

By and large, the privatization in these cases allowed management the greatest latitude in rationalization of the workforce. In the operations that were more capital-intensive, it was possible after rationalization to provide workers with a compensation package as good as, or better than, what they previously enjoyed. In one case - Printing and Packaging - since the operations had folded-up, the successor firm chose to exercise the fullest leverage over the number of employees and in developing terms and conditions of employment for employees. There was a downward adjustment in both respects. In other cases, the presence of a union, or stipulation by the Government as to involuntary termination was an interesting variable.

Indeed, this can be of benefit for the workers as has been demonstrated in the case of the National Fisheries Company. The operation was sold to a Taiwanese firm, which rehired all the workers, who had received severance benefits. In another change of ownership, they again received severance benefits. There is no union representing the workers. According to the management, the structure of benefits and of working conditions have remained invariant since the days when the operation was a state enterprise. The workforce has increased slightly and salaries have been raised.

Thus, the owners of the privatized National Fisheries Company have been quite content with the structure of the operations, which is, by and large, a transshipment operation, for the collection, storage and export of fish caught in the mid-Atlantic and exported to North America. In the case of Printing and Packaging, the new owners found it necessary to restructure the firm, and welcomed the free hand they had in so doing. A condition of sale that they had sought was for the firm to be officially wound up, which occurred when the Government recognized that it was cheaper to moth-ball the plant rather than to keep it operating.

It may well be too that labour costs as a share of overall costs are higher in the Printing and Packaging Industry as compared to deep-sea commercial fishing. On the other hand, the manning levels at Printing and Packaging might have been hopelessly uneconomic which explains the level of losses that were being incurred before its closure. The reorganized operation at Printing and Packaging represents the integration of the entity into the firm Cariflex, which bought the State enterprise. The joint enterprise has a smaller workforce than was previously employed by Printing and Packaging.

PowerGen is another example of the privatization of a State-run enterprise where substantial workforce rationalization occurred, and where productivity improvements were achieved. Although all the workers were previously employees of T&TEC, there has been debate as to whether PowerGen is a successor/owner to T&TEC, according to the laws and practices of the country. The former has taken control of part of the operations of T&TEC. The workers were officially transferred to PowerGen and retained all their rights and conditions of service. However, the Oilfields Workers Trade Union (OWTU), the representative union, is still to receive official recognition for the employees of PowerGen from the Recognition and Certification Board, which is the certifying agency in such matters. Management representatives of PowerGen do however interface with the Union as the voice of the workers, although there is no formal recognition.

On acquisition, PowerGen received the power-generating assets and 513 workers from T&TEC. A number of problems needed to be addressed as a matter of urgency, according to the management. Equipment had not been properly maintained -- the result of under-capitalization at a cash-strapped T&TEC. The turn-around time for overhaul of machines was excessive. The workers were single-skilled and there were 12 different classifications in the main operational area. They were accustomed to a daylight system of work and were not well disposed to a shift system. There existed an absenteeism rate of at least 15 per cent.

PETROTRIN developed a Voluntary Separation of Employment Programme (VSEP) and started a re-organization of the work process. Two shifts were introduced and the number of workers per shift was reduced by one-third in certain critical operational areas. Where one worker previously tended only one machine, it became possible for the same worker, following training and upgrading, to tend two machines at the same time. There was substantial retro-fitting of plant and equipment, and with the emphasis on multi-skilling, productivity has improved considerably. The turnaround time on overhauls has more than halved.

PowerGen was unremitting in sticking to its core function and has contracted out all non-core services. Training, employee assistance programmes, the administering of the medical plan, and even the receptionist function are out-sourced. The initial workforce was reduced from 513 to 424, and output is much higher.

Initially, the necessary changes created major discord in industrial relations. However, VSEP arrangements were made attractive, and PowerGen offered retraining to those leaving. It also provided soft loans for the purchase of computers and offered education grants so that employees could upgrade their skills, whether or not they remained at PowerGen. Both union and workers are still adapting to the culture change, and the industrial relations climate appears less tense.

In respect of the purchase of FERTRIN and the Urea Plant by Arcadian Partners LP of the United States, a formal agreement was reached with the Government, in which Arcadian agreed that there would be no involuntary separation of staff for two years subsequent to the purchase. Two years after the purchase, the Company offered a package specifically to the administrative staff and 30 people responded.

Over the same period, the mix of the staff was considerably adjusted by the recruitment of technical personnel. Following the merger of FERTRIN and the Urea Company, there was a staff of approximately 400 employees. With the 60 or more separations, followed by hiring of new staff, the workforce of the firm actually fell. However, the workforce was back to its previous size by November 1998, but with a larger technical complement. The most recent owners, PCS Nitrogen Ltd., have left this structure largely intact. Interestingly, there has been an improvement in wages and in other conditions, such as a profit-sharing plan, and an employee share ownership programme (ESOP), and an improved pension plan.

In addition to the re-engineering of the workplace, there have also been two significant changes at the higher level. The marketing function was moved abroad on the purchase of the enterprise by Arcadian, since the parent company took full charge of marketing the output in the structure of its world-wide operations. The Finance Department was substantially scaled down as this too was subject to integration into the wider operation of the parent firm at its headquarters in Memphis. The treasury and audit functions were transferred there, but the accounting function was retained in Trinidad.

From the very beginning the Government, as major shareholder in these enterprises, sought to extend the notion of essential services to these new industries, especially to protect itself from some of the more militant unions in the country. The strict definition of the Essential Services Act 1966 prevented any existing union from representing these new workers at that time. In the case of ISPAT, the new owner of the privatized steel operation, the workers successfully established a union to represent them. In the case of FERTRIN, it is not known whether a move for similar union representation was attempted, and if so, failed.

Divestiture

One form of departure from the wholly-owned sate enterprise model has been divestiture through sale of some of the shareholding of the State to a private-sector operator, or through ESOP, and local investors like the Credit Union Movement, the Trinidad and Tobago Unit Trust, and the Stock Exchange. While the firm may finally pass out of the control of the Government, privatization may be phased; starting with an initial private-sector involvement which is increased over time.

In most of the cases, the firm has had to negotiate staff reductions and offer incentives like VSEP to reduce the size of the workforce. Given the presence of trade unions the adjustment has been weighted more on the side of employment, even though these latter have not remained untouched, e.g. in respect of work processes.

It is possible to differentiate between the enterprises in which a significant investor is sought for strategic considerations, and situations where the Government sells its shares to a range of private interests and institutional investors. BWIA and TSTT are examples of the former, while Trinidad Cement Limited (TCL), National Flour Mills (NFM) and Point Lisas Industrial Port Development Company (PLIPDECO) are examples of the latter.

In the case of BWIA and TSTT, a significant share of the operation was sold to a foreign firm. In the two above-mentioned cases, the foreign investor was specifically targeted to bring new technology, capital injection and management skills, which were not deemed possible through sale to domestic shareholders. Both operations were considered to be significant to the national interest, and did not allow for any disruption in the functioning of the enterprise.

In respect of BWIA, the Government became a minority shareholder, but retains a "Golden Share". The workers are also represented on the Board of Management, through the Aviation, Communication and Allied Workers Union (ACAWU) representing general staff, and another union representing the pilots. The data show that the Government of the day was intent on improving the efficiency of BWIA by a substantial reduction of staff prior to its being privatized. Important cuts were made in 1993 and 1994 prior to the sale, which took place in 1995 to the foreign investor. The cuts were effected through VSEP, and about 300 staff members left the company. There were no buyouts, but incentives were made especially attractive for workers to leave.

The VSEP, being entirely voluntary, led to the loss of many experienced staff members as numbers were reduced. Some had to be rehired on a contractual basis, and there has since been new hiring with the result that the present workforce exceeds the number before divestiture, even though the number of planes was reduced. Further, BWIA has expanded into other areas -- cargo and duty-free sales have become part of its operations. By and large, there has been no change in the nature of the industrial relations system, in the view of the management, and the benefits and conditions of service have improved for workers in the process of collective bargaining.

In the case of TSTT, Cable and Wireless acquired 49 per cent of the shares in the combined operation of TEXTEL which was responsible for external communications, and TELCO, the telephone company. The Government retains the majority of shares, but the management and control of the firm reside with Cable and Wireless. The process of rationalization in TSTT started in the 1980s. The telephone component, TELCO, was subject to considerable reorganization, with the upgrading of its infrastructure during that period. Thus, the 1990s found the firm having already rationalized much of its operations.

Thus, for much of the decade, it has been involved in upgrading its workforce and expanding its services thereby improving productivity with a slightly lower number of workers than in 1991. Instead of hiring permanent workers, it utilized contract labour in the re-engineering of its operations. The union had some opposition to the principle of buy-out, and this was only done in respect of the senior management officials on the amalgamation of the two firms.

There is now flexi-time for some of the technical cadres, and consideration is being given to the development of a shift system in some of the operations. By its own admission, the union is not represented on the board, but it has been able to collaborate with management in the restructuring of the firm, and has seen itself as a full partner in this exercise and union/management relations have been, largely, cordial.

There have been three cases of divestiture through the Stock Exchange: Trinidad Cement Ltd. (TCL), National Flour Mills (NFM), and PLIPDECO. The first is fully divested of Government control. TCL has performed extraordinarily well on the Stock Exchange. On the initial divestiture, a tranche of shares was reserved for workers and currently 16 per cent of shares is in the ESOP. With growth in the value of shares, some workers have experienced considerable wealth appreciation and have become, according to the management, very much in touch with the opportunities offered by the Stock Market. Their shareholdings have since extended to other stocks and shares.

The liberalization of the economy and the removal of cement from price control meant that TCL needed to prepare itself for a more competitive environment. The firm is the sole domestic producer of cement but it has had to accommodate itself to the possibility of imports. The workforce, which prior to divestiture was over 700, had to be rationalized and was reduced to as low as 300. The firm was fully privatized in 1989, and has since had considerable expansion, with its production technology upgraded to include some of the latest systems including semi-automated and fully computer-controlled kilns. There has been growth in related areas -- the Company has subsidiaries in cement production, and in the supply of bulk cement mix to construction sites. The workforce has been increased to 400, and now has technical and professional bias in its composition.

In the case of the NFM, there is evidence that the company was being readied for privatization during the PNM administration, and its workforce was cut considerably in 1993. By 1994 when it was partially divested, the workforce had been reduced by 25 per cent from 509 in 1991 to 381 workers. With the advent of a new political administration, and in an apparent reversal of policy, there has been some increase in the workforce. The number of workers stood at 478 in 1997, but had increased to 547 in 1996. During 1997, VSEP was offered and some 30 per cent of the workforce availed itself of the opportunity. The decision to offer VSEP was dictated by the need to upgrade efficiency.

The firm is deeply sensitive to the impact of liberalization and free trade, and recognizes that in targeting mainly the domestic market it faces competition from highly efficient "lights out" mills in Europe. Globalization, and liberalization, rather than privatization and divestiture per se have driven the process of efficiency improvement, workforce rationalization, and technology upgrading. Job profiles were modified, though, according to management, not very significantly.

The firm has had one of the better organized programmes for managing VSEP. There was a retraining allowance, with workers being paid up to 30 per cent up to the limit of $5000 of the costs of retraining The Small Business Development Company and the Unit Trust were invited to assist in counselling workers embarking on business-related careers. The firm has had to resort to short-term contracts to accommodate gaps that were created through the VSEP, and some of the previous employees (mainly production workers) were to be rehired on these contracts. In a few key areas, there were problems getting adequately trained workers, and the firm had to develop special packages to retain some core skilled personnel, who were being courted by firms in the oil and petro-chemical sectors.

Generally, the firm has attempted to focus very carefully on the size and structure of the workforce, and allows the collective bargaining process to determine the wages and other conditions of service. No attempt was made to reduce benefits and terms and conditions of service. The union, while not a member of the board of management, collaborated as a genuine partner in the adjustment and changes during the firm's reorganization process.

In the case of PLIPDECO, there was initially slow growth in the workforce in the early to mid '90s but the numbers seem to have grown since (if contracted workers are included), possibly a reflection of the buoyancy in demand for the industrial sites developed by the firm at Point Lisas. The firm's stock is quoted on the Stock Exchange and the creditable performance of its stock suggests that its management is very sensitive to market indicators.

Restructuring

It could be argued that all firms engaged in a market system need to be constantly in the mode of restructuring to accommodate for changes taking place in the market. For present purposes, restructuring is interpreted as a conscious process of reorganization to anticipate privatization, or efficiency improvement as a result of international financial institutions (IFI) prompting, and/or to cut dependence on the Treasury in the form of transfers and subsidies to state-owned enterprises and public utilities.

The utilities

In respect of the utilities, the restructuring, in two cases, has involved:

- The introduction of management firms to implement changes (WASA and the Post Office);
- The hiving off of one part of the enterprise to private sector in another case (TTEC);
- The deregulation and withdrawal of state-provided services in favour of the private sector alternative (PTSC).

In the case of wholly-owned or majority-owned firms, a more direct route of cost reduction has been taken with the use of VSEP or VTEP. In all of these cases, union presence has meant that adjustment has been effected through negotiation in respect of the implementation of VSEP or VTEP for the most part. The public utilities have been the area of the most significant staff reduction overall.

As can be seen in Table 2 (see Annex), the workforce of WASA, which stood at 4,505 in 1991, prior to the re-accession of the PNM to government, was reduced to 3087 in 1994, a reduction of over 30 per cent. The Government, in keeping with its policy proposal5 instituted stringent measures on the allocation of funds, and proposed organizational restructuring as an immediate objective to assist in reducing the financial burden of the public utilities.

The judgement issued by the Public Utilities Commission in 1992 in respect of WASA gave some impetus to the restructuring effort in that agency. In justifying its request for rate increases, the Authority is required to demonstrate how in its functioning, it maximizes efficiency and guarantees value for money in its output. Thus, even before the Severn Trent contract was implemented, drastic cuts had already been effected. The main performance measures by which WASA is being judged include:

- The level of reduction in the subsidy from the Treasury;
- The extent to which additional income exceeded any rise in operational costs; and
- The degree to which new technology and upgraded work practices improved efficiency.

WASA has implemented a major training programme and has sent some of its managers to the UK to be exposed to new systems. All of this is in support of a major change in work culture. The cuts in the workforce were shared equally between the head office central administration and the workforce in branch offices and field operations. In filling the gaps in its technical complement, it relied on retraining as a method more conducive to good industrial relations, rather than hiring externally, except in the areas where it has been difficult to recruit from the internal staff body.

While there is no aggressive outsourcing strategy, WASA has sought to limit itself to its core function, and operates through contract work. Also, peaks and troughs in the work schedule can be more easily accommodated. Indeed, the contractor element has been the base for creating flexibility in the operations of WASA. There are ad hoc committees providing oversight of the restructuring process. The three unions representing different categories of workers -- the National Union of Government and Federated Workers (NUGFW), The Public Services Association (PSA), and the Estate Police Association -- function independently, and are not engaged in any organized approach to restructuring in respect of the impact on work and the inter-relationship among their respective membership. The union objectives of restructuring are being achieved, without major difficulties in the industrial relations system.

The implementation of a management contract in respect of the Post Office was agreed on by Act of Parliament in December 1998. While restructuring and reorganization are expected, the format is still to be clarified. It is expected that the Post Office will operate with more of a business orientation as it is recognized at all levels that the new communications technology has left the Post Office system in a time warp. Private carriers have relegated the Post Office to a marginal status in the movement of general and specialized mail.

In the case of T&TEC, there was some workforce reduction even before the power-generation facility of the company was sold off to PowerGen. In 1984, T&TEC ceased dependence on subsidies from the Government. While there has been no formal statement on the privatization of the rest of the enterprise since the sale to PowerGen, there has continued to be an anticipation of privatization. Thus, there is now a tradition of constant efficiency improvement starting with rate increases in the 1980s. Yet, workforce reduction has been achieved strictly by attrition. For example, there has been no VSEP in T&TEC which, according to the management, has had a positive psychological effect on employees given their understanding of what has transpired elsewhere.

In respect of work rules and working conditions, there have been a few changes, since T&TEC is still basically in a monopoly situation, criteria from elsewhere are applied in gauging its efficiency in operation. According to World Bank criteria, i.e., the number of employees to 100 customers, T&TEC can be regarded as the better performers. Yet, there is evidence that productivity could be improved further.

The workforce could be reduced by as much as ten per cent without any fall in output. The more significant changes made have been the introduction of a shift system in the areas of street lighting, the reduction in the number of specializations, and the move towards multi-skilling. There are now craftsmen drivers (viz., skilled workers who drive the vehicles making site visits), and although this may not actually be sanctioned by the union, the fact that there are special allowances for workers prepared to work in a multi-skilled environment, is indicative of a growing flexibility and receptivity among workers to the introduction of change in work practices. There are areas where efficiency could be improved by employing external contractors e.g. metre reading.

In respect of the two other utilities - PTSC and the Port Authority - there have existed alternatives capable of providing the required services. Mass transport could be provided by private operators, and in the case of port operations, the service at the Point Lisas Port run by PLIPDECO, which, though specialized for bulk cargo of the heavy industry sector, can accommodate the in and out flow of general cargo. Thus rationalization could be pursued without excessive disruption in operations which would have been more difficult in the case of WASA and T&TEC.

The reduction in services and personnel at the PTSC reflected the decision of the Government to allow the private sector to satisfy demand through the increase in the number of maxi-taxi operators. The number of workers employed by PTSC was reduced to about one-tenth due to the withdrawal of services by the State. At the same time, the operations of the Port Authority were being rationalized and the workforce reduced by more than one half in 1993. The public utilities sector has been the area of the most significant staff reduction overall.

Restructuring and wholly State-owned companies

There remain a number of state enterprises that have not been divested and are firmly under the aegis of the Government. The process of restructuring that was initiated in the 1980s following the decline in oil prices, and given impetus by the early 1990s, has been sustained, albeit in more measured terms. In respect of the two largest state enterprises that have been retained fully by the Government, and which have not been divested - Caroni (1975) Ltd., and PETROTRIN - the process of restructuring has been slow. The rationalization process at Caroni resulted in a reduction of the number of workers from 9,132 in 1991 to 8,828 in 1993. This modest reduction can be attributed, in part, to the serious political implications of the retrenchment of sugar workers, many of whom resided in constituencies represented by the then-opposition.

Moreover, the restructuring of Caroni (1975) Ltd. is contingent on the restructuring of the sugar industry itself, in which are bound up issues of the relative role in the production of cane, of cane farmers as against the company, the redistribution of land to retrenched sugar workers. These thorny questions have slowed the rationalization of Caroni (1975) Ltd. The general approach to rationalization was outlined in a tripartite report in 1992 by the three stakeholders - Government, sugar workers and cane farmers. An important supporting mechanism is the proposed Agricultural Small Holding Tenancy Act (ASHTA), which has not yet been passed into law.

According to the terms of the general agreement among the stakeholders, Caroni (1975) Ltd. will remain primarily a processor operation, and will reduce its role in the production of cane in favour of cane farmers from the present company/cane farmer ratio of 46 : 56, to 25 : 75. Meanwhile, since it was also agreed that there would be no forcible retrenchment, natural attrition has been the main factor involved in staff reduction to date.

VSEP has been provided to both staff and weekly-paid employees. The former has responded but the latter have not in any significant number. According to management, the terms of the VSEP may not appear attractive to the daily-paid workers and the arrangements for training and retraining for alternative employment are still to be explored. Moreover, having regard to the low level of skills of some of its workers, the unavailability of viable options elsewhere, and with the union having won the concession that there should be no forcible retrenchment, workers are attracted by the element of job security that this arrangement offers.

Also, at PETROTRIN there has been a modest reduction in the workforce. The restructuring of the producing firms took place, firstly, through their amalgamation into one firm: TRINTOC and TRINTOPEC became PETROTRIN, with the immediate rationalization of their joint workforce, from over 6,600 in 1992 to 5,475 in 1993.

The numbers have been reduced from this level over the last few years through a mix of measures, including retirement and resignation, and voluntary separation packages. The nature of the existing terms and conditions of service makes it very difficult to induce workers to leave before reaching the age of 50 as there is a medical entitlement paid to employees if separation takes place after that age. According to the management, workers left the company though, usually, in response to very attractive offers of employment from the new firms being established in the country's energy sector.

The other wholly-owned state enterprises are much smaller than Caroni (1975) Ltd. and PETROTRIN. Some have had a certain degree of restructuring and realignment of functions, and have experienced an expansion rather than contraction of staff. The National Petroleum (NP) Marketing Company Ltd. had a slight increase in its workforce since 1991, as had the Solid Waste Management Co. Ltd. In the latter case, great care was taken to limit its operations to core functions, and it attempted to improve its internal flexibility rather than add more to its core staff. Thus, additional personnel needs are met by short-term contract workers. There is also greater flexibility through orienting the organization to provide a 24-hour service. Moreover, the firm is currently reviewing its distribution of skills and is proposing to develop greater skills flexibility in the workforce. The close attention that has been paid to efficiency allowed the firm to free itself from dependence on the Treasury more than a decade ago.

Trinidad and Tobago Forest Products Company Ltd. (TANTEAK) remains a loss-making enterprise. Its workforce was trimmed in 1992, but had doubled on the 1992 level by 1995. The removal of barriers against some of its competition in the sourcing of its material inputs -- teak logs from state lands -- has weakened the position of the company and deepened its dependence on government in its staying afloat. Meanwhile, a strong trade union presence on the board of the management ensures that there would be no radical cost containment by staff reduction or unilateral changes of terms and conditions of service. In respect of the reduction of State ownership, a number of options appear to be presently under consideration.

The National Quarries Company Ltd. enjoys some 60 per cent of the market in its area of operation. It declared a profit in 1998 for the first time since its inception in 1979. This is attributed to the fact that over the last three years, a concerted attempt has been made to introduce skilled personnel into the operations, which outside of a narrow management group, were run by a complement of unskilled and semi-skilled workers. The company is being prepared for divestiture which is expected to be modelled after the National Flour Mills. The National Agricultural Marketing Development Company has been subject to rationalization and also to relocation nearer the farming community. Its functions have been reduced to make it more facilitative of its clients. It no longer handles produce, and limits itself mainly to the identification of markets, domestic and foreign, for farmers. Its work-force has been reduced by more than one half since 1991, largely through VSEP and to a lesser extent through attrition.

In the field of radio and television broadcasting, the initial restructuring consisted of the amalgamation of the two state companies involved the National Broadcasting Service (NBS) and Trinidad and Tobago Television (TTT). With that came some rationalization of their joint workforce from over 320 in 1993 to 160 in 1994. In more recent times, there has been an expansion in the staff complement at International Communications Network (ICN). The Government has not proceeded with its plans for divestment.

The National Gas Company is another case of expansion. Indeed, its workforce has been increased for every year since 1991, from 303 then to 480 in 1997, or by 58 percent, the result of the market conditions that it faces. Its profits have also risen.

Restructuring the majority-owned enterprises

Yet another category is the case of majority-owned firms in which no divestiture has taken place over the period. The underlying policy seems to be to engage in restructuring until such time as the firm is made attractive for further divestment or full privatization. The presence of strong union representation may push the management to seek to improve efficiency and productivity with the existing workforce rather than cut numbers.

First Citizens' Bank represents a restructuring exercise on three banks that, as individual units, had become unviable. On the merger of the three banks, a VSEP was put in place and was accepted by 217 employees. However, among them was some of the better and more experienced staff, so creating vacancies in the core areas with the result that some personnel had to be rehired on short-term contracts.

As a corporate personality, the bank is not technically a successor/owner to the three banks that it replaced. The union that represented the workers of all three banks is still to secure recognition from the Certification Board. The job profile structure of one of the banks, the Workers' Bank, has been the one selected with the result that some workers have been easily assimilated into the restructured operations.

At the same time, technological upgrading has imposed even greater requirements for adjustment. There is a continuing process of redeployment of staff. Indeed, the thrust of the restructuring exercise has been to upgrade and re-deploy existing staff, improve productivity through systems and technology and expand output by entering new areas. The staff of the bank has been reduced slightly from 1,171 in 1993 to 1,009 in 1997. The union is seen as an active partner in the process of restructuring, and accepted the need for the reduction of some benefits in the structure of the agreement that exists with the management. However, interestingly, where staff members had enjoyed a benefit superior to that which applied in the new terms and conditions of service, they were allowed to retain the benefit. The level of losses is being reduced, and the bank is engaged in a major effort to widen its customer base to include more corporate clients, and to offer a wider range of services.

The National Maintenance Training and Security Co. Ltd. (MTS) is another firm that has grown in size over the period from 2,072 in 1991 to 3,000. Its role was initially to provide maintenance services to government institutions. It has expanded into the private sector, in response to decision of the Government to reduce/eliminate transfers from the Treasury. The enterprise has moved from a loss-making to profit-generating mode.

The Agricultural Development Bank (ADB) is another majority-owned institution being readied for divestiture. It has been able to transform itself from a loss-making to a profit-making enterprise. There was need for a fundamental change in its image and the way it addressed its clients' needs. In this new dispensation, it was necessary to cut staff and retrain those remaining. With the cooperation of the union, the PSA, it developed a VSEP, which provided for training of workers prior to their departure. The structure of the organization was modified, with implications for the nature of some posts. A staff of 242 in 1993 and 230 in 1994 was cut to 117 in 1996.

By and large, divestiture, privatization and restructuring have led to a reduction in the numbers previously employed in most enterprises. State-run enterprises or enterprises with majority interest held by Government are currently leaner than they were at the beginning of the 1990s. As Table 3 (see Annex) demonstrates, the absolute numbers have fallen, and the relative share of state enterprises in total employment has fallen from 10.4 percent in 1991 to 7.0 percent in 1997, with the deeper cuts taking place under the PNM administration in the period 1991-95.

Table 4 (see Annex) provides, in summary form, information on selected enterprises that have been privatized, divested or in which a decision for major restructuring was taken. The data are derived from a mixture of primary and secondary sources. The high union presence is noted. Moreover, most enterprises have continued to be represented by the same union after privatization, divestiture or restructuring. In only one case - Printing and Packaging, now absorbed in Cariflex - was there clear evidence of a reduction in wages and in other terms and conditions of service. There is no union representing the workers of this privatized firm.

In the context of competitive unionism that exist in Trinidad and Tobago, it is difficult in for unions to accept a major roll-back of benefits either by way of wages or other terms. There may be some degree of rationalization, but unions would put up enormous resistance to such changes. Moreover, they would seek to ensure that the process of wage bargaining bears fruit in the form of increases in the three-year wage-bargaining cycle.

Management, possibly in recognition of the failure of Government itself to secure reduction in benefits by fiat, has been less inclined to attempt any major change in this area. Thus, adjustment of the wage bill has been effected through reduction of the workforce, upgrading of technology, the application of new work processes, the upgrading of workers through training, or in seeking to replace them by better trained personnel. VSEP has allowed for pruning staff but also for the infusion of more highly-skilled workers as well. Also, some flexibility has been achieved by outsourcing and/or the use of contracted workers on a short-term basis, with the result that the permanent workforce has been much reduced as compared to what existed in these operations a decade ago.

Industrial relations and restructuring

Over the last 15 years, one of the most important changes to be noted in the structure of industrial relations has been the institutionalization of worker participation on the boards of management of state enterprises. The system is not yet universal however, and surely has not been adopted by the private sector. The NAR administration of 1986-91, was the first political administration to make this policy change. The fact of participation has undoubtedly helped trade unions to develop a better appreciation of the demands imposed by market conditions faced by the enterprises on whose boards they sit. It was not possible in the course of the current exercise to establish the degree to which this has shaped the bargaining strategy of unions, and their position on wages, salaries and other terms and conditions of service.

The NAR administration of 1985-91 had to impose some of the most severe measures in keeping with its need to seek assistance from the IFIs. This put it in open conflict with the trade unions of the country and prompted some of the more radical responses among the unions. The time lapse, the growing difficulties in neighbouring or regional countries - Guyana, Venezuela, and Jamaica, the deeply conservative economic policy environment in the developed countries of the North Atlantic -- USA, Britain, France and West Germany - and the collapse of communism in Eastern Europe, would have prompted some rethinking in the trade union movement. The international economy, and the international political economy at that, has changed.

The unions have been forced to reckon with the limited degrees of freedom available to the Government as a key shareholder in certain enterprises, and to themselves as representatives of the workers. The slogan that "not a man must go" did not prevent their entering into negotiations in the context of a changed economic climate. As the data suggest, greater flexibility was exercised in respect of the number of workers than on wages and conditions of service. Protection for retrenched workers was sought in the institutionalization of VSEP and in the campaign to have the Retrenchment and Severance Benefits Act upgraded and enhanced.

Meanwhile, the broad strategy was outlined by the Government, especially under the PNM administration, in its approach to State enterprises and divestiture. This policy framework established the fact and design of restructuring, rather than dialogue and negotiations at the enterprise level between management and the representative union. The official position on privatization in a firm was more likely to be defined by the central government, through the Divestment Secretariat, than through the board of management in discussion with a representative union. The role of the unions in the restructuring process, even when they were represented on the boards of management, was limited to the area of employee benefits and employee protection and hardly extended to decision-making on the shape of the enterprise and on its ownership restructuring.

Privatization issues

Government

The nationalist ideology that provided stimulus for Government participation in the economy in the late 1960s and 1970s is no longer espoused in Government circles. Indeed, the aggressive approach to seeking foreign investment, the elimination of the Aliens' Land Holding Act, the exchange of information for tax purposes among governments, all suggest a willingness of Government administrations, since the mid '80s, to accept the mainstream ideological frame of the North Atlantic countries. The role of the State therefore, is to provide a facilitative environment for production of goods and services and not to provide these itself, except in respect of certain public services. Moreover, where such services can be delivered by private firms and can be contracted out by the Government, the private sector is deemed more adept, and its involvement as more conducive to greater economic and presumably to social efficiency in that the workforce used bears a closer relationship to sustainable employment. The present UNC/NAR coalition might have slowed the process of divestment, but remains committed to restructuring.**(footnote[5])**.

Given the Government's commitment to private sector-oriented growth, there is little likelihood of any thrust for a greater involvement of the Government in directly productive activity. Moreover, the measures that were put in place in the late 1980s and early 1990s have slowed the "haemorrhage" in the energy sector and there is now less urgency to privatize. There is now a net surplus generated by the State enterprise sector as can be seen in Table 5 (see Annex).

Private sector

The position of the private sector as gleaned from the views expressed by three organizations: Employers' Consultative Association (ECA); Trinidad and Tobago Manufacturers' Association (TTMA); and Trinidad and Tobago Chamber of Commerce suggest they are generally favorable to the idea of reducing the role of the State in directly productive activity.

The TTMA supports open competitive policies. Moreover, it is the view that privatization efforts should be undertaken through the Stock Exchange of the country. This is conducive to widening of participation by the mass of the people and of workers generally. The TTMA looks favourably on ESOP. This mode of privatization is conducive to the development of the Stock Exchange and is more facilitative of the expansion of private business in the country.

The ECA generally espouses a similar philosophy. Although it is the official mouthpiece of employers in the country, it has not contributed very much to the public debate on the rationalization, or privatization and divestiture. It is however, firmly agreed on the need for the withdrawal of the State from directly-productive activity. The Chamber of Commerce, on the other hand, has maintained a much higher public profile, and through its weekly newspaper column, has elaborated on its position that the State should leave business activity to the business and commercial interests in the country. In the view of the Chamber, the relative failure of the State in ensuring profitability of enterprises under its control represents a wasteful use of the resources of the country.

Unions

In respect of trade unions, it appears that while the National Trade Union Centre of Trinidad and Tobago (NATUC) has a standard position on privatization, there has generally been limited agitation

[5] "The State enterprise rationalization Programme will continue albeit with a reduced level of divestment activity. In terms of the remaining portfolio of 22 commercially oriented companies, the majority of these operate in monopolistic or near monopolistic markets. Accordingly, the review of these companies in the context of the requirements of sectorial restructuring will be emphasized". Source: Government of Trinidad and Tobago. (1996). Medium-term policy framework 1997-1999. Ministry of Finance, p. 11.

on its part, even where the position of a Government administration on the issue of privatization seems hostile to worker interests. Indeed, there is a strong sentiment that internal rivalry within NATUC has blunted its resolve in dealing with larger national issues, including the issue of restructuring and privatization of state enterprises and utilities.

It is necessary to differentiate union perspectives on privatization against the background of their presence or absence on the board of management prior to the restructuring process. In the case of BWIA and PETROTRIN, the unions remain critical of the restructuring/privatization process, and feel a deep sense of betrayal insofar as there is, allegedly, "a board within a board". In other words, worker participation on the board has been deemed to be a tool used by management to try to control or frustrate the union and its members from getting their just due. The OWTU and ACAWU feel that they are part of a peripheral board, and that the real decisions on restructuring are being made among an inner clique of the boards of PETROTRIN and BWIA respectively. Given the relative difficulty of arriving at a well-coordinated collective position, it is clear that unions have adopted their own singular approach in adapting themselves to the realities of restructuring, privatization and divestiture.

In an interesting case (the only one of its type), a trade union elected to take control of the loss-making enterprise. The NUGFW was approached by its members who worked at the National Fruit Processors Company Limited, to mobilize resources for a union buy-out of the enterprise. The members contributed their severance pay for the re-capitalization of the company, which was bought with union funds. The enterprise has been operating since then, and has turned in a small profit on its operations. This worker-managed firm purchases raw materials from the farming community, processes, and sells the output in bulk -a case of a worker and farmer supply chain.

NUGFW is associated with another novel approach in adapting to the process of restructuring and privatization. The Government, through the Ministry of Works and Transport, and on the basis of advice of IFIs (in particular the Inter-American Development Bank (IDB)), had agreed to reduce the employment of direct labour in the maintenance of roadways and the control of grass verges and drains on major arterial roads. The Government's intention was to contract out these services.

The union was sensitive to the argument of the greater productivity of a contractor workforce vis-à-vis their membership, and entered into negotiations with the Ministry of Works and Transport and with the IDB, in seeking support for an improvement in the technology. Indeed, the leadership paid visits to the head office of the IDB to ensure that in the negotiations between the Government and the IDB, its own position and the interest of its membership would be protected. This was achieved and is recorded in an official document. In this way, the union has been able to protect the jobs of its membership. Its argument is that the increase in productivity permitted by improved technology allows more work to be accomplished for the same amount of expenditure. The Government can therefore provide maintenance services over a larger amount of roadway.

A number of employers interviewed in the course of this exercise, admitted to relatively cordial relations between the union and their firm. On the other hand, there have been instances of major conflict, in a few cases, to the detriment of both the workers and the firm. Allied Caterers Ltd. lost their contract to supply meals to the airlines connecting Trinidad and Tobago to other destinations, following alleged tampering with food put on an aircraft. The Company, on losing its contract, had to reduce its staff substantially. It now services offshore oilrigs and has totally transformed itself and the terms and conditions of the workforce in the new dispensation.

Therefore, there has been no consistent framework within which Government and the other social partners address systematically and with technical information the national issue of employment, wages, privatization and the international competitiveness of Trinidad and Tobago.

Conclusion

It is unlikely that in terms of sheer size and breadth achieved by the state enterprise sector that Trinidad and Tobago would have had such a share in international production if there were not the initial stimulus from the Government of the country. Clearly, the country has secured some measure of industrial advance on the basis of State participation in the economy. By and large, the population supported the thrust of this approach at the time.

The shift to privatization and divestiture was an important conditionality that the Government had to fulfil when it was found necessary to approach the IFIs for assistance by way of structural adjustment and stabilization programmes. The fact that most of the enterprises had become a charge on the public purse justified and dictated the policy shift, given that the Government did not have the resources to embark on reorganization using appropriate models for efficiency improvement. Moreover, the delineation of a coherent policy that would retain the advantages of people participation and control over "the commanding heights" and secure efficiency gains proved difficult for the NAR administration that was required to engage in crisis management in the late 1980s.

The succeeding PNM administration, having jettisoned much of its earlier ideological platform, adopted the market ideology of the IFIs and was apparently prepared to sell off most of the SOEs and to introduce market forces as far as possible, across the utilities. While privatization and divestiture did excite strong passion in some quarters, it is at the level of the trade unions that there has been the greatest resistance. They have lost heavily in terms of employment and membership given the sector had a high union presence. Union membership would have been seriously affected by the restructuring process, generally. On the other hand, they have generally retained representation for the firms restructured or divested. The internal politics of trade unions may have dictated the nature of the trade-off between benefits and employment protection. Generally though, trade unions have adjusted to the fact of privatization. It appears from the information available that either they have fought harder, or have been more successful in protecting benefits than in protecting jobs.

On a more general level, they have campaigned more for the improvement of the Severance Act than for seeking the renunciation by the Government of privatization and divestiture. Meanwhile, the other critical stakeholders, mainly in the private sector, have supported the move to privatization, while the general public has shown little yearning for the retention of the utilities under total State control given the poorer quality of service with which they have been associated.

The present government administration seems committed to continue the process of restructuring but is not as anxious as its predecessor to privatize and divest. Given that the country is not as dependent on the IFIs as it was in the late 1980s, there is now some greater leverage available to the Government. As can be seen in Table 5 (see Annex), the state enterprise sector has not been as heavy a burden in the late 1980s. The Government may be able to return to a programme of divestiture and privatization with a greater presence of domestic players in the process. This can be done very effectively given that there exists a more developed institutional framework to permit this. There has been upgrading of the regulatory and legislative arrangements for the Unit Trust Corporation, the Stock Exchange, and the Public Utilities Commission. The Unit Trust will be critical in any new thrust at deepening the participation of the mass of the population in the ownership of economic assets.

In all of this, employment objectives have been reduced to a secondary element of policy. On the other hand, the nature of privatization and divestiture that is pursued will, in the final analysis, influence not only the quantum of employment but also its quality. In the early 21st century, greater dependence and reliance will be placed on the market. It is a moot point, however, whether Trinidad and Tobago can eschew matters relating to industrial policy and to the involvement of the domestic population in the ownership and decision-making in the major economic activities in the country.

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Appendix

Questionnaire

1. In what year was the firm restructured, privatized or divested? …………………………..

2. Give distribution of workforce by type of worker for selected years.

Category	Year before restructuring, privatization or divestiture	Year after restructuring or privatization	Three years after restructuring or privatization	Current year
Professional				
Administrative				
Clerical				
Skilled				
Semi-skilled				
Unskilled				

3. Give data on retrenchment, by type of worker during the first year of restructuring or privatization.

Category	No. retrenched	No. taking voluntary retirement	No. quitting voluntarily
Professional			
Administrative			
Clerical			
Skilled			
Semi-skilled			
Unskilled			

4. Indicate job vacancies for selected years where vacancies have existed for more than two months.

Category	Year before restructuring or privatization	Year after restructuring or privatization	Current Year
Professional			
Administrative			
Clerical			
Skilled			
Semi-skilled			
Unskilled			

5. Indicate number of new workers hired for selected years.

Category	Year before restructuring or privatization	Year after restructuring or privatization	Current Year
Professional			
Administrative			
Clerical			
Skilled			
Semi-skilled			
Unskilled			

6. Indicate number of part-time workers.

Category	Year before restructuring or privatization	Year after restructuring or privatization	Current Year
Professional			
Administrative			
Clerical			
Skilled			
Semi-skilled			
Unskilled			

7. List main activities in which the firm has out-sourced, identifying, where possible, number of workers employed by contractor.

Year before restructuring or privatization		Year after restructuring or privatization		Current year	
Activity	No. of workers	Activity	No. of workers	Activity	No. of workers

8. List major technological changes introduced since restructuring or privatization, and identify, where possible, the number of workers trained for new technology.

Major technological change	Year introduced	No. workers specifically trained by category					
		Professional	**Administrative**	**Clerical**	**Skilled**	**Semi-skilled**	**Un-skilled**

9(a). Identify areas and number by which workforce is likely to increase over the next two years.

Category	Increase likely over next two years
Professional	
Administrative	
Clerical	
Skilled	
Semi-skilled	
Unskilled	

9(b). Provide general reasons for increases in staff anticipated over the next two years.

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……
……
……………………………

10. Indicate annual turnover or gross sales for selected years.

Selected years	Gross sales/turnover
Year before restructuring or privatization	
Year after restructuring or privatization	
Three years restructuring or privatization	
Last audited year	

Table 1: Divestment details of 13 companies

Company	Sector	Nature of Divestment	Year of Sale	Comments
Trinidad and Tobago Printing and Packaging	Manufacturing	Sale by competitive bidding to private company	1992	Government liquidated all outstanding debts of the company on its transfer to the new owner
Trinidad Cement Limited	Cement manufacturing	Phased sale of stock units	1989 TT$6.0 m 1990 TT$12.1 m 1994 TT$6.8 m	Shares were sold over period 1989-94 on Stock Exchange of Trinidad & Tobago to a mix of individuals, credit unions, pension funds, the Unit Trust & employees. Government became a majority shareholder in 1990.
Trinidad and Tobago Airways Corporation (BWIA)	Air transport	Joint venture and ESOP	1995 US$19.2 m common stock US$10 m redeemable pref. Stock	Retention of "golden share" by government.
Point Lisas Industrial Port Development	Real estate development and port operations	ESOP, individuals and institutional investors through Stock Exchange	1994 US$19.2 m common stock US$10 m redeemable pref. Stock	Retention of "golden share" by government.
National Flour Mills	Food Processing	ESOP, individuals, the Unit Trust, NIB, Credit Unions and other institutional investors through the Stock Exchange	1995 TT$23.7 m	Government retains majority shareholding
Trinidad and Tobago Mortgage Finance Company Limited	Finance	National Insurance Board	1994 TT$24.0 m debt repayment to GORTT	Company made the sole vehicle for the disbursement of NIB mortgage loans, with central government minority shareholders
National Fruit Processors Ltd.	Food processing	Former employees and the union representing the workers	1993 TT$0.22 m	Company had been put into liquidation prior to sale of assets.
Iron and Steel Company of Trinidad and Tobago (ISCOTT)	Steel manufacturing	Ispat, foreign investor from India	1994 US$70.05 m	Ispat initially took a lease in 1989 with the option to purchase
Fertilizers of Trinidad and Tobago Ltd. and Trinidad Urea Co. Ltd.	Chemical processing	Arcadian Partners LP	1993 US$91.7 m	The company was a joint venture with Amoco Oil Holding Co. as the minority

				partner.
Farrell House (1975) Ltd.	Hotel operations	Energy Consultants Limited	1992	Sale of facility and assumption of debt by new owners
National Fisheries Co. Ltd.	Fish and shrimp processing	Kwo-Jeng Trading Co. of Taiwan	1994 US$2.3 m	Sale of private treaty.
Airline Caterers Ltd.	Catering	Alpha (a subsidiary of the British airline catering firm)	1995	Alpha was sold at 40% share, to become minority shareholder to BWIA, and also given a contract to manage operations for ten years.
Arawak Cement Co. Ltd.	Cement Manufacturing	Trinidad Cement Ltd.	1994 TT$15.9 m	Firm was joint venture with the government of Barbados

Table 2: Trinidad and Tobago: Employment in public enterprises

Public enterprises	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*
Total No. of Employees				41,673	40,640	36,729	37,171	32,462	33,040	33,236
National Insurance Board				897[1]	904	885	810	555	519	514
Public Utilities	14,490	12,753	11,958	11,378	10,969	8,249	7,209	6,684	6,113	5,757
T&TEC	3,241	3,227	3,185	2,885	2,851	2,808	3,131	2,630	2,410	2,091
WASA	5,508	4,868	4,817	4,505	4,222	3,227	3,067	3,100	3,463	3,414
PTSC	3,192	3,065	2,346	2,367	3,376	1,500	277	254	240	252
Port Authority	2,549	1,593	1,610	1,641	1,608	714	714	700		
Wholly state-owned companies				23,198	22,564	20,555	20,762	17,611	18,361	18,220
Caroni (1975) Ltd[2]	9,620	9,488	9,612	9,132	9,000	8,828	9,035	9,100	9,351[27]	9,347
TRINTOC[3]				5,192	5,079	-	-	-	-	-
T&T Nat. Petroleum Marketing Co. Ltd.				562	553	596	550	543	576	578
TRINTOPEC[3]				1,594	1,646	-	-	-	-	-
The National Gas Co. of T&T Ltd.				303	320	336	367	370	409	480
ISCOTT[5]				5	5	5	5	-	-	-
National Energy Corp.				31	-[4]	-	-	-	-	-
Nat. Broadcasting Services of T&T Ltd.	117	118	105	103	102	172	-[16]	-	-	-
Trinidad and Tobago Television (TTT)	201	212	188	171	170	150	-[16]	-	-	-
T&T Printing and Packaging Co. Ltd.[5]	266	261	303	263	-	-	-	-	-	-
Lake Asphalt Ltd.				201	206	202	147	-	141	143
BWIA	2,276	2,522	2,615	2,729	2,805	2,345	2,221[6]	-[15]	-	-
Int'l Communications Network Ltd. (ICN)				-	-	-	160	151	181	200
Nat. Agricultural Development Co.				151	151	125	99	100	87	65
National Flour Mills Ltd. (NFM)				509	509	388	381	-[15]	-	-
School Nutrition Company Limited[7]				5	5	-	-	-	-	-
T&T Urea Company Limited[5]				26	30	-	-	-	-	-
T&T Methanol Company Limited				264	242	256[9]	-	-	-	-
T&T Forest Products Company Limited				171	152	177	203	305	264	263
National Poultry Company Limited[5]				44	38	30	-	-	-	-
Farrell House (1975) Limited[5]	45	37	39	52	-	-	-	-	-	-
T&T Solid Waste Mgmt. Co.	96	108	109	124	92	113	119	116	125	137

Ltd.[20]										
T&T Export Credit Insurance Co. Ltd.				9	9	10	10	9	14	15
National Quarries Co. Ltd.				62	62	62	62	74	75	110
Non-Pareil Estates[7]	42	32	32	18	18	-	-	-	-	-
National Fruit Processors Ltd.[5]	11	11	21	15	9	-	-	-	-	-
National Feed Mills Limited[17]				44	45	45	41	40	29	29
Shipping Corporation of T&T Ltd[18]	87	102	103	79	78		-	-	-	-
Petroleum Company of T&T Ltd.				-	-	5,475	6,100[8]	5,500	5,496[8]	5,360
T&T Free Zones Company Limited				5	4	4	4	4	4	4
Youth Training and Employment Partnership Programme Co. Ltd. (YTEPP)	Incorporated in 1990	1,234	1,234	1,234	1,200	1,200	971	927		
Nat. Commission for Self-Help Ltd.[19]				-	-	-	-	-	-	-
Tourism & Industrial Dev. Co. of T&T Ltd. (TIDCO)				-	-	-	58	99	86	79
Urban Development Corp. of T&T[21]				-	-	-	-	-	5	5
Majority-owned companies				6,200	6,203	7,039	8,390	7,612	8,047	8,745
Pt. Lisas Industrial Port Dev. Co. Ltd. (PLIPDECO)	212	212	165	177	182	182	197	197	818[28]	1,232
T&T Methanol Co. Ltd.[9]				-	-	-	243	202	205[26]	-
Trinidad Nitrogen Co. Ltd.				3	3	3	3	4	4	5
National Fisheries Co. Ltd.[5]	285	152	151	52	32	32	32	-	-	-
National Flour Mills Ltd.	269	348	361	-	-	-	-	369[15]	547	478
National Helicopter Services Ltd.[23]	Incorporated in 1989			42	46	47	47	45	45	49
Fertilizers of T&T Limited[5]				381	379	-	-	-	-	-
First Citizens Bank Limited				-	-	1,171	1,160	989	1,008	1,009
T&T External Communications Co. Ltd. (TEXTEL)				-[10]	-	-	-	-	-	-
Telecommunications Services of T&T Ltd. (formerly TELCO)	TELCO & TEXTEL merged to form TSTT in 1991			2,921	2,984	2,896	2,822	2,822	2,816	2,825
National Maintenance Training & Security Co. Ltd.	2,080	2,483	2,310	2,072	2,010	2,356	3,537	2,710	2,549	3,000
Caribbean Hotel Development Co. Ltd.[7]				5	5	5	-	-	-	-
T&T Mortgage Finance Co. Ltd.[14]	30	29	29	40	40	45	47	47	55	63
Agricultural Development Bank of T&T	207	209	228	217	225	242	230	188[22]	117	137
Workers' Bank (1989) Ltd.[11]	Restructured in 1989			236	233	-	-	-	-	-

Reinsurance Company of T&T Ltd.[5]				35	39	36	36	-	-	-
Small Business Development Co. Ltd.	Began operations in 1990			19	25	24	28	31	46	45
T&T Export Trading Co. Ltd.				-	-	-	8	8	11	10
Taurus Services										

Sources: Ministry of Finance; Central Personnel Office and Fund staff estimates.

1. Includes persons hired to provide leave relief, but excludes persons hired for special projects.
2. Includes workers of Orange Grove National Co.
3. Vested in the Petroleum Company of T&T Ltd.
4. Absorbed by the National Gas Co. Ltd. In 1992.
5. Divested.
6. Represents employment at August 1994 and includes 401 external staff.
7. Currently not in operation.
8. Excludes persons hired to provide leave relief (also for 1997).
9. Partially divested in 1994.
10. Merged into Trinidad and Tobago Telephone Co. Ltd. In 1991.
11. Merged into First Citizens Bank in 1992.
12. Operational in December 1994 after divestment of T&TEC generating capacity.
13. 43% Government owned, 8% owned by Caroni (1975) Ltd.
14. 49% Government owned, 51% owned by the National Insurance Board.
15. Partially divested in 1995.
16. Merged into International Communications Network (ICN) Limited.
17. Fully owned by National Flour Mills Limited.
18. Liquidated.
19. Formed in 1997.
20. Figures for 1996 and 1997 include personnel contracted for a single year only.
21. Began operations in 1996.
22. Jan to June 1995 – 246 employees. July to December – 129 employees. Average for 1995 is thus 188.
23. 81% Government-owned, 1% owned by Caroni (1975) Limited, 8% owned by the National Gas Company of T&T Limited.
24. Began operations in 1994.
25. Figures exclude temporary employees.
26. Fully divested in 1997.
27. 1996/7 represents peak period figures.
28. 1996 and 1997 figures include contract workers, but exclude temporary and casual workers

Table 3: Employment in Public Enterprises as Share of Total Employment

	1990	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*
Persons with jobs	374,100	401,000	405,900	404,500	415.600	431,500	444,400	476,700
Employment in Public enterprises		41,673	40,640	36,728	37,171	32,462	33,040	33,236
Employment in public enterprises as share of total employment		10.4	10.0	8.1	8.9	7.5	7.4	7.0

Table 4: Summary of impact of privatization, divestiture and restructuring in selected enterprises

SOE (State-owned enterprises)	New name	Year privatized/ Divested/ Restructured	Union		Initial workforce			Wage			Working conditions & benefits			Work process modified	
			Before	After	No change	Increase	Decrease	No change	Increase	Decrease	No change	Increase	Decrease		Remarks
BWIA	BWIA	1995	✓	✓			✓		✓			✓		✓	Workforce initially reduced but has since been increased
TELCO & TEXTEL	TSTT	1991	✓	✓			✓		✓			✓		✓	Workforce reduced initially
National Flour Mills	National Flour Mills	1995	✓	✓			✓		✓		✓			✓	Workforce reduced
WASA	WASA	1992	✓	✓			✓		✓		✓			✓	
TTEC (distribution)	TTEC	199--	✓	✓			✓		✓		✓			✓	Workforce reduced
PTSC	PTSC	1993	✓	✓			✓							✓	Workforce reduced
Caroni (1975) Ltd	Caroni (1975) Ltd.	1992	✓	✓			✓							✓	Workforce reduced through VSEP and attrition
TRINTOC & TRINTOPEC	PETROTRIN	1993	✓	✓			✓		✓					✓	VSEP and attrition -- the initial factors reducing workforce
NCB, Workers Bank, Trinidad Cooperative Bank	First Citizens Bank	1993	✓	✓			✓		✓					✓	
Printing & Packaging	CARIFLEX	1992	✓				✓			✓			✓	✓	
National Fisheries	National Fisheries	1994				✓			✓		✓				
TTEC (Power generation)	POWERGEN		✓	✓			✓					✓		✓	Now receive greater incentives for training and re-skilling
FERTRIN & UREA Company	ARCADIAN and now PCS	1993					✓		✓			✓		✓	Distribution of workforce made more technical in composition
Trinidad Cement Ltd.	Trinidad Cement Ltd.	1989	✓	✓			✓		✓					✓	
TANTEAK	TANTEAK	1992	✓	✓			✓		✓		✓			✓	
National Quarries Co. Ltd.	National Quarries Co. Ltd.	1995	✓	✓					✓		✓			✓	Structure of workforce changed
Agricultural Development Bank	Agricultural Development Bank	1995	✓	✓			✓		✓		✓			✓	

Table 5: Profit/Loss after tax of the State sector (TT$ millions)

Company	1992	1993	1994	1995	1996	1997
Energy and energy-based	(215.00)	(255.59)	606.48	476.99	667.48	548.19
NGC	32.91	161.41	367.09	345.16	372.87	357.84
TTUC	3.37	Divested in 1993				
TTMC	(7.18)	37.00	336.74	Partially Divested in 1995		
FERTRIN	(47.49)	Divested in 1993				
TRINGEN	(11.62)	2.90	48.26	69.90	160.70	40.73
NPMC	32.30	14.90	17.37	1.50	20.60	30.80
TRINTOPEC[1]	26.08	(40.10)		(0.30)		
TRINTOC[2]	(181.80)	(185.00)		(0.40)		
PETROTRIN		(225.10)	41.40	57.71	111.30	105.60
NEC	Acquired by NGC in 1991					15.83
National quarries	(1.30)	(1.60)	(2.40)	3.42	2.01	(2.62)
ISCOTT	(60.27)	(20.00)	(201.98)	Sold in 1994		
Agro-based and manufacturing	(83.51)	(91.39)	(99.29)	(127.61)	(121.2)	(131.34)
Caroni/Orange Grove	(107.00)	(105.00)	(105.80)	(136.75)	(113.02)	(138.44)
TANTEAK	(2.10)	(1.90)	0.72	(10.67)	(10.32)	(7.87)
Fruit processing	Divested in 1993					
NFM	24.75	16.03	6.90	21.19	26.80	19.90
Fisheries	n/a	n/a	Sold in 1994			
Printing and packaging	Divested in 1993					
Non-Pareil	Estate non-operational since 1990					
NAMDEVCO[3]	0.84	(0.52)	(1.11)	(1.38)	(4.70)	(4.93)
Services	(9.07)	(6.02)	0.52	14.16	(21.45)	37.72
TIDCO[4]			0.61	12.94	2.92	31.55
UDeCOTT[4]				(0.56)	(0.52)	(0.98)
Export Trading[5]	0.13	(0.52)	(0.41)	(0.40)	(1.49)	(0.67)
Free Zones[4]	(0.5)	(0.70)	(0.60)	0.19	(0.88)	(0.27)
Farrell House	(0.56)	Divested in 1992				
Solid Waste	(0.97)	(0.14)	0.22	1.92	2.91	0.34
MTS	(7.12)	(4.64)	0.70	0.07	0.18	1.20
YTEPP[4]	0.00	0.00	0.00	0.00	(25.08)	(23.78)
Crown Reef						
Self-Help					0.00	30.33
Finance	(14.25)	19.76	(400.67)	(149.84)	(111.26)	21.73
TRINRE (Trinidad and Tobago Reinsurance Company) Ltd.	1.51	2.10	0.06	Divested in 1995		
EXIMBANK Export Import Bank of Trinidad and Tobago (EXCICO)	(0.09)	0.10	0.07	0.20	0.85	1.46
ADB (Agricultural Development Bank)[6]	(5.91)	25.20	(90.62)	(7.87)	(18.16)	2.31
Workers' Bank[7]	3.31	Merged into First Citizens Bank				

SBDC (Small Business Development Company)	(3.47)	0.06	(0.26)	(0.01)	(2.45)	(3.81)
TAURUS	(9.60)	(7.70)	(351.30)	(102.19)	(79.71)	n/a
FCH (First Citizens Holdings) Ltd.			(58.62)	(39.97)	(11.79)	(21.76)
Energy and energy-based	(215.00)	(255.59)	606.48	476.99	667.48	548.19
Agro-based and manufacturing	(83.51)	(91.39)	(99.29)	(127.61)	(121.2)	(131.34)
Services	(9.07)	(6.02)	0.52	14.16	(21.45)	37.72
Finance	(14.25)	19.76	(400.67)	(149.84)	(111.26)	21.73
Transport and communication	162.72	121.65	121.58	219.49	203.89	239.62
TOTAL	(159.12)	(211.8)	128.63	433.19	617.43	715.92

n/a – data not available
1 – National Quarries
2 – Vested in PETROTRIN
3 – Operations funded by Government
4 – Operations funded by Government
5 – Company commenced operations.
6 – Small business development (4.30)

GORTT grant 0.75
EU grant 1.80
Deficit after funding (1.75)

7 – First Citizens Holdings Limited