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## thesis entitled

THE DEVELOPMENT OF AN INDUSTRIAL LABOR FORCE IN A DEVELOPING COUNTRY: A CASE STUDY OF BELIZE

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has been accepted towards fulfillment of the requirements for

<u>Master's</u> degree in <u>Labor</u> and <u>Industrial</u> Relations

Major professor

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# THE DEVELOPMENT OF AN INDUSTRIAL LABOR FORCE IN A DEVELOPING COUNTRY: A CASE STUDY OF BELIZE

Ву

Whitfield Edmund Constantine Tillett

## A THESIS

Submitted to
Michigan State University
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#### ABSTRACT

THE DEVELOPMENT OF AN INDUSTRIAL LABOR FORCE IN A DEVELOPING COUNTRY: A CASE STUDY OF BELIZE

Ву

Whitfield Edmund Constantine Tillett

Recent development planning in Belize has emphasized the need for expansion of the industrial sector both in manufacturing and agricultural industries. At the same time the Development Plans, for 1964-1970 and 1977-1979, have indicated a shortage of skilled labor and the need for more managerial and supervisory personnel. Industrial development would create the need for an industrial labor force, skilled, committed and able to conform to the discipline of industrial employment.

This study identified and analyzed the major issues involved in developing an industrial labor force in Belize. An analysis of the Development Plans, for 1964-1970 and 1977-1979, as they relate to planning for industrialization and planning for developing the necessary labor force has also been carried out.

Based on those analyses and available statistical data, the study points out certain policy implications related to the development of an industrial labor force. Taking into account the policy implications and the emphasis on increased industrial development, the study concludes with recommendations which cover the pertinent issues for industrial labor force development in Belize.

To:

My wife Kathy, Mom and Dad, and my Sister and Brother.

#### **ACKNOWLEDGMENT**

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#### CHAPTER I

#### INTRODUCTION

# General Scope and Character of the Study

It is the purpose of this study to identify and analyze the major issues involved in the development of an effective, productive and committed industrial labor force in Belize, a developing country. In this study my intention is not to carry out an exhaustive analysis of all the issues related to the development of an industrial labor force; but to examine those which are considered to be most important, as concisely as possible.

In order to present the background against which this thesis will be developed, it will be necessary to point out certain generalizations about the nature of underdevelopment in Belize. These will embrace specific internal diversities of culture, physical geography and the nature of the traditional society, which have a direct bearing on the problems encountered in attempting industrialization. One of the central problems of the economic development of developing countries is industrialization because of its close interrelation with social and cultural changes.

<sup>&</sup>lt;sup>1</sup>Belize was formerly known as British Honduras. On June 1, 1973 the name of the country was changed from British Honduras to Belize. Throughout this study the country will be referred to as Belize, except in the use of direct quotes from published sources which contain the name British Honduras.

Nevertheless industrialization is one method by which the backwardness and poverty of developing countries may be diminished or totally eliminated. However if a program of industrialization is to have any chance of success, one of the critical factors will be the availability of an industrial labor force. According to Galenson, "Lack of industrial skills is widely believed to be another serious impediment to development."<sup>2</sup>

But in addition to Galenson's observation above, Myers has pointed out that:

Industrialization requires not only the recruitment and training of an industrial labor force but also its commitment to an industrial as opposed to an agricultural way of life. As an economically underdeveloped nation moves toward industrialization, some part of the rural labor force is either pushed or pulled toward the growing industrial cities. But ties with the village and the land may remain strong. The development of a labor force which accepts the discipline of factory work and the conditions of urban living is much slower than the initial recruitment of enough workers to man the mills and factories.<sup>3</sup>

Therefore it is important that those planning a strategy for industrialization recognize the importance of the human factor in those plans. As a former Director General of the International Labor Organization (ILO) stated at the Seventh Asian Regional Conference (Teheran, December 1971), "Plans which ignore the human factor in their application will remain plans."

<sup>&</sup>lt;sup>2</sup>Walter Galenson, ed., <u>Labor and Economic Development</u> (New York: John Wiley & Sons, Inc., 1959), p. 4.

<sup>&</sup>lt;sup>3</sup>Charles A. Myers, "India," in <u>Labor and Economic Development</u>, ed. Walter Galenson (New York: John Wiley & Sons, Inc., 1959), p. 26.

<sup>&</sup>quot;United Nations, International Labor Organization, Record of the Seventh Asian Regional Conference (Teheran, 4-14 December 1971), Document GB.185/3/3, pp. 15-16.

This study will therefore analyze the Development Plans of the Government of Belize since 1964 as they relate to industrialization. It will then deal with the following questions which have a direct bearing on the development of an industrial labor force to meet the manpower demands of industrialization:

- Why is there a need for the development of an efficient, productive and committed labor force in Belize?
- 2. Are there policy guidelines either in the public or private sector, or both, for the development of an industrial labor force; and if so, what are these guidelines?
- 3. Since the government has "embarked on an active programme to promote industrial development," what are the problems which might be encountered in implementing such a program in Belize with respect to the supply of an industrial labor force?

Certain issues which arise from the questions listed above are:

- a. Recruitment of labor:
- b. Education and training;
- c. Mobility of labor; and
- d. Commitment of labor.

As these are pertinent to the development of an industrial labor force, they will be dealt with in view of the conclusions reached in the discussion of the preceding questions.

<sup>&</sup>lt;sup>5</sup>Government of Belize, <u>Belize New Nation in Central America</u> (Belmopan, Belize: Cubola Productions, 1976), p. 22.

After such analysis and discussion, it is then possible to make certain recommendations relating to the development of an industrial labor force in Belize.

The first chapter of this thesis will present background information on Belize, including important geographical features, demographic data and an overview of the economy. There are certain ties which tend to link the worker to the traditional society and affect the nature of the labor force. These are studied in Chapter II, along with the function of the education system in preparing the individual for the labor market.

Chapter III analyzes the Development Plans as they relate to industrial development and presents certain implications arising from a policy of industrialization. There are questions which will arise from such an analysis, and Chapter IV deals with the need for an industrial labor force, the policy surrounding the development of such a labor force, and the problems which may arise in its development.

In addition, the four important issues of recruitment, education and training, mobility, and commitment of an industrial labor force form the concluding sections of the chapter. After analyzing the policy of industrialization in the Development Plans and studying the issues and implications which have a bearing on that policy, Chapter V presents certain recommendations for the development of an industrial labor force in Belize, and the conclusions from the study.

# The Country

# Geography

Belize is located on the east coast of Central America, being bordered on the north by Mexico and on the west and south by Guatemala. The Caribbean Sea lies along its entire eastern coast. The total land area of the country is 8,866 square miles including 266 square miles of offshore islands, locally called 'cayes.' See Appendix A for map of Belize.

A distinguishing feature of the country's coastal region is a broad area extending approximately twenty miles offshore interspersed with small islands (cayes) sheltered behind a coral barrier reef. This reef extends along the entire length of the country and although broken in parts presents a slight hazard to shipping.

The country can be divided into three main physical regions:

- 1. The coastal belt which is low lying and dotted with mangrove swamps, ponds and lagoons;
- the intermediate region of gently undulating plain covered with pine forests and gradually extending into thick tropical jungle; and
- 3. the highlands consisting of a mountain range (the Maya Mountains) along the border with Guatemala. These mountains rise to over 3,000 feet and provide some of the most scenic areas of the country.

The entire country is interlaced by numerous rivers, most of which flow eastward into the Caribbean Sea. In the past many of these rivers provided the country's principal transportation system, but their importance has gradually declined with the development of an all-weather road system and the boats have given way to motor vehicles.

Belize has a tropical to subtropical climate with the northern half of the country being quite dry, while the southern half is generally wet with tropical rain forest. On the coast, temperatures range from 50°F to a maximum of 96°F; with the mean monthly average in January of 75°F and 81°F in July. Readings of 100°F are not uncommon in the interior of the country, but in the mountainous area the temperature may fall to a low of 40°F at night.

The dry season extends from January to April with the rainy season being from May to December. However August is a relatively dry month and is usually referred to as the "mauger" (meager) or little dry season. Relative humidity is high in the coastal areas although this is alleviated to some extent by the easterly trade winds blowing in from the Caribbean Sea. Annual rainfall ranges from less than 60 inches in the north to over 160 inches in the south of the country.

## The Population

In the past most commentators on Belizean affairs regarded population as a problem not from the point of view of overpopulation but rather, underpopulation. One writer has pointed out that:

Virtually every book, pamphlet and report published about the country has pointed to the small population as the most serious obstacle to economic progress. Innumerable

plans to attract immigrants have been devised. . . . But, on the whole, the colonial authorities took little active part in the promotion of such schemes and, with few exceptions, they were mainly unsuccessful. 6

Prior to 1861 only estimates of population are available as the first census was not conducted until that year. Thereafter censuses were taken regularly every ten years until 1931, and since then there have only been three, 1946, 1960 and 1970. The total population according to these census figures and the relative rates of increase are shown in Table 1 and Figure 1, respectively. The relative rates of increase can be clearly seen since the population growth is plotted on semi-log paper in Figure 1.

The census data indicate that except for the first intercensal period (1861-1871) the population grew almost steadily at approximately 1.0 to 1.5 percent annually until 1946. Between 1946 and 1960 the population increased from 59,220 to 90,505, approximately 53 percent in 14 years. According to the 1970 census figures, the population was 119,934 giving an approximate increase of 33 percent in 10 years. However during the period 1957 to 1960 about 1,760 Mennonites were allowed to migrate to Belize and that figure accounted for 6 percent of the increase in population between 1946 and 1960. A rapid rate of population growth (above 3 percent per annum) has become the dominant trend and the main factor responsible for that growth rate is the difference between births and deaths.

<sup>&</sup>lt;sup>6</sup>Narda Dobson, <u>A History of Belize</u> (London: Longman Caribbean Limited, 1973), p. 243.

TABLE 1
CENSUS POPULATION OF DISTRICTS AND TOWNS IN BELIZE, 1861-1970

	1861	1871	1881	1891	1901	1911	1921	1931	1946	1960	1970
Districts:											
Corozal	126		7.	5,544	5,964	6,093	6,756	6,885	6,773	9,730	15,551
Orange Walk	14,731	10,522	11,439	4,943	6,550	5,897	2,607	5,895	5,520	10,306	17,041
Cayo	6	9	5	2,667	2,858	4,272	5,464	5,694	7,370	11,764	15,701
Belize	61.0	10,900	11,209	11,312	13,771	15,118	17,398	21,661	26,781	40,084	49,355
Stann Creek	,		•	3,747	4,059	4,864	4,850	4,960	6,373	10,906	13,023
Toledo	7,00,7	067,6	4,004	3,218	4,277	4,214	5,242	6,252	6,403	7,715	8,989
Total	25,635	24,710	27,452	31,471	37,479	40,458	45,317	51,347	59,220	90,505	119,934
Towns:											
Corozal	n.a.	n.a.	1,780	1,514	1,644	1,789	2,069	2,197	2,190	3,171	4,724
Orange Walk	л. в.	л.а.	1,227	196	1,165	856	1,175	1,099	1,395	2,157	869'5
San Ignacio	ח.מ.	n.a.	267	303	395	895	1,237	1,260	1,548	1,890	4,336
Benque Viejo del carmen	n.a.	п.а.	л.а.	л.а.	543	883	1,097	1,211	1,264	1,607	1,921
Belize	л. a.	n.a.	5,767	6,972	9,113	10,478	12,423	16,687	21,886	32,867	39,050
Belmopan	п.а.	n.a.	n.a.	n.a.	n.a.	п.а.	n.a.	n.a.	п.а.	л. в.	274
Dangriga	п.а.	n.a.	1,337	1,645	2,227	2,640	2,577	2,844	3,414	5,287	6,939
Punta Gorda	J.a.	n.a.	430	519	653	799	922	1,119	1,375	1,789	2,083
Total	n.a.	n.a.	10,805	11,920	15,740	18,340	21,500	26,417	33,072	48,768	65,025

Great Britain, Secretary of State for the Colonies, Report of the British Guiana and British Honduras Settlement Commission (London: Her Majesty's Stationery Office, 1948), p. 223; and Census Research Programme, Population Census of the Commonwealth Caribbean, 1960 and 1970 (Mona, Jamaica, W.I.: University of the West Indies, 1965 and 1973). Source:

Census Population of Belize, 1861-1970

1861		•	25,635	1911			40,458
1871			24,710	1921			45,317
1881			27,452	1931			51,347
1891			31,471	1946	•		59,220
1901			37,479	1960			90,505
				1970			119,934

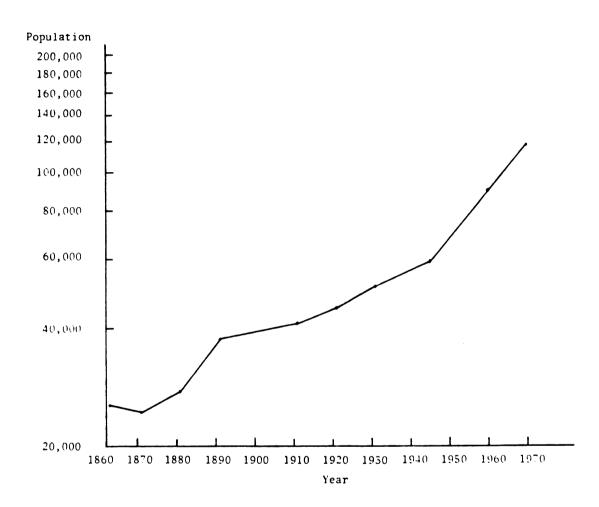


FIGURE 1. POPULATION OF BELIZE, 1861-1970, SHOWING RELATIVE RATES OF INCREASE.

Sources: Great Britain, Secretary of State for the Colonies, Report of the British Guiana and British Honduras Settlement Commission (London: His Majesty's Stationery Office, 1948), p. 222; and Census Research Programme, Population Census of the Commonwealth Caribbean, 1960, and 1970 (Mona, Jamaica, W.I.: University of the West Indies, 1965 and 1973).

According to the Development Plan, "this expansion was essentially due to the natural increase in population primarily because of the rapid and continued decline in death rate." That observation is substantiated by the findings of Waddell who stated in 1961 that "there has been no substantial migration to or from British Honduras [Belize] for several decades. . . . [In addition], emigration appears to have been insignificant."

Table 2 presents a vivid picture of the rise and fall in birth and death rates, respectively, over the period 1946 to 1975.

The post-World War II period has been one of unprecedented growth in the population of Belize as indicated by Tables 1 and 2. While growth has occurred in all Districts and Towns, it has been most spectacular in Belize City, which has almost one-third of the country's total population.

The implications of an overall population growth rate of 3 percent per annum has been recognized and the Development Plan (1964-1970) estimated that by 1980 the population would be approximately 173,000. Although the Development Plan indicated some concern at the high population growth rate, there is also concern of a different nature according to the following statement in the plan:

<sup>&</sup>lt;sup>7</sup>Government of Belize, <u>Development Plan 1964-1970</u> (Belize City, Belize: Government Printer, 1964), p. 10.

BD. A. G. Waddell, <u>British Honduras</u>, <u>A Historical and Contemporary Survey</u> (London: Oxford University Press, 1961), p. 63.

TABLE 2

BELIZE: CRUDE BIRTH RATES, CRUDE DEATH RATES AND NATURAL INCREASE, 1946-1975

Year	Crude Birth Rate (a)	Crude Death Rate (b)	Natural Increase (a) - (b)
1946	34.3	16.9	17.4
1950	39.4	11.1	28.3
1955	42.8	10.6	32.2
1960	44.7	7.8	36.9
1965	43.0	6.6	36.4
1970	37.1	6.8	30.3
1975	37.4	5.3	32.1

Source: Registrar General's Annual Reports 1946-1968 and Central Planning Unit, Belize Annual Abstract of Statistics, 1968, 1970-1972 and 1975.

However, the fundamental issue facing the country is not whether the rate of population growth is too fast in relation to the development possibilities, it is whether a sustained improvement in per caput can be obtained at all in so small a population. 9

In dealing with those observations in the Development Plan, the issue of population in all its manifestations should be taken into account. However, in so doing, care should be taken to avoid becoming entangled in the concept of 'optimal population.' Lewis has pointed out that:

<sup>&</sup>lt;sup>9</sup>Government of Belize, Development Plan, 1964-1970, p. 11.

Some very small countries . . . face the problem that their populations are much too large in relation to agricultural development and at the same time too small to support a wide range of industrial development. 10

Population pressure can be called a relative term and its use should be restricted to a specific set of variables, but this issue will be further discussed in Chapter II.

# Ethnic Composition of the Population

Roberts has commented that:

There are marked differences in ethnic composition between the non-Spanish-speaking elements of the Caribbean and the populations of Spanish descent . . . the only territories in the non-Spanish-speaking groups where an appreciable number of indigenous people exist today are the Guianas and British Honduras. 11

Prior to the arrival of British settlers in Belize around 1638, the country was inhabited by indigenous Maya Indians descendants of "a larger group known as the Mesoamericans who inhabited the area between the dry Mexican plateau and the line running south from the Republic of Honduras to El Salvador." As the Mayas occupied mainly the hinterland of the country, they were hardly disturbed by the arrival of the British, who settled near the coast.

<sup>&</sup>lt;sup>10</sup> W. A. Lewis, <u>The Theory of Economic Growth</u> (London: Allen & Unwin, 1955), p. 87.

<sup>&</sup>lt;sup>11</sup> G. W. Roberts, "Populations of the Non-Spanish-Speaking Caribbean," in Population Dilemma in Latin America, ed. J. M. Stycos and J. Arias (Washington, D.C.: Potomac Books, Inc., 1966), pp. 71-72.

<sup>&</sup>lt;sup>12</sup> Narda Dobson, p. 12.

The first immigrant settlers in Belize were mainly whites (British) and blacks (slaves from Africa). By 1806 it was reported by the agent of the colony in London that the "population was 6,000, comprising 600 whites, 3,500 male slaves, 1,300 slaves who were female and children. In addition, there were 600 free Negroes and coloured people." Waddell reports that by 1802 about 150 Black Caribs were living in the area now known as Stann Creek in Belize. These Caribs were the descendants of a group deported from the Island of St. Vincent to Ruatan off the coast of the Republic of Honduras in 1797, after an uprising in St. Vincent.

By the 1850s Belize received one of its largest groups of immigrants in the form of over 5,000 Spanish-speaking refugees, fleeing the War of the Castes in Mexico. These refugees crossed into the northern area of Belize and for a time caused a dramatic imbalance in the racial composition of the population. In 1861, the composition of the population was as follows:

. . . the Spanish-speaking white and mestizo community accounted for 37% of the population, and the Amerindian for 18%, as against only 32% mustered by the previously dominant English-speaking white, colored and Negro groups, and the Caribs 9%. 15

However the Creoles (blacks and colored persons) later regained numerical preponderance as immigration from Mexico decreased.

<sup>13</sup> Great Britain, Secretary of State for the Colonies, Report of the British Guiana and British Honduras Settlement Commission (London: His Majesty's Stationery Office, 1948), p. 217.

<sup>&</sup>lt;sup>14</sup> Waddell, p. 17.

<sup>&</sup>lt;sup>15</sup> Ibid., p. 18.

In 1865, 474 Chinese laborers including 35 women and children, were brought to Belize to work on the sugar plantations which had recently been established. Of this group some died and others deserted the estates to join the Santa Cruz Indians. The following year it is reported that about 3,000 more Chinese arrived, but it appears that most of these must have returned to their homes when their indenture expired. That conclusion is drawn from the 1871 census which reported only 133 persons whose birthplace was China. 16

During the rest of the nineteenth century there was a constant trickle of immigrants from various parts of the world. About 1870, a small group of Americans from the southern confederate states migrated to the Toledo District in Belize. These people evidently decided that they preferred to leave the United States after the Confederates lost the Civil War. In 1872, East Indian indentured labor was brought to the country from India. With the abolition of slavery, the indenture was a form of economic bondage which was designed to achieve the same result as slavery, i.e., cheap bonded labor.

As indicated in Tables 3 and 4, the bulk of the immigrants (i.e., foreign born) were from Jamaica and the Central American States. The nature of ethnicity in Belize is far beyond what one might expect from a country of such small size and population. The ethnic composition of the population as reported in the population census of 1946 and 1970 can be seen in Table 5.

<sup>&</sup>lt;sup>16</sup> Great Britain, Report of the British Guiana and British Honduras Settlement Commission, p. 219.

TABLE 3

PLACE OF BIRTH OF THE POPULATION OF BRITISH HONDURAS AS GIVEN IN THE DECINNIAL CENSUSES FROM 1861 TO 1946

	1861	1871	1881	1891	1901	1911	1921	1931	1946
British Honduras	10,937	14,623	18,811	22,712	28,505	32,805	38,317	44,454	53,538
United Kingdom	173	161	186	193	177	184		216	
Jamaica	į	426	834	1,015	864	673	640	738	
Barbados	179	230	204	264	229	144	150	111	52
Other British Colonies	443	240	267	221	211	86	80	57	
East Indies	12	10	175	291	190	104	74	50	
United States of America	55	105	125	118	178	159	170	185	
Central America	2,346	1,943	1,975	3,786	4,789	4,523	4,027	3,850	
Yucatan	9,817	6,069	4,088	2,233	1,712	1,276	1,351	1,233	
Spain	29	<b>∞</b>	26	14	11	17	27	20	
Germany	34	26	46	20	37	20	21	24	
France	31	6	16	11	9	∞	16	10,	
Italy	!	3	22	13	2	9	2	4	60
Africa	894	628	394	236	110	46	16	7	!
China	1	133	89	52	27	27	12	59	42
Other places	314	99	215	262	431	350	132	329	171
	25,635* 24,710	24,710	27,452	31,471	37,479	40,458	45,317	51,347	59,220

Great Britain, Secretary of State for the Colonies, Report of The British Guiana and British Honduras Settlement Commission (London: His Majesty's Stationery Office, 1948), p. 220. Source:

\*This column does not total 25,635. The figures actually total 25,265. However the former total would appear to be accurate since it is also quoted in another reliable source viz. Sir John Burdon, ed., Archives of British Honduras (London: Sifton Pracd, 1935), vol. 3, p. 238.

TABLE 4

PLACE OF BIRTH OF THE POPULATION OF BELIZE AS GIVEN BY THE 1960 CENSUS

Total Immigrants	1960	Total Immigrants	1960
Antigua and Barbuda	12	Pacific Islands (British)	∞
Barbados	39	Cuba	4
Dominica	9	French West Indies	4
Grenada and Carriacou	13	Puerto Rico	4
Jamaica	557	U.S. Virgin Islands	-
Cayman Islands	26	Costa Rica	15
Turks and Caicos Islands	1	Guatemala	1,345
Montserrat	-	Honduras	1,075
St. Kitts-Nevis	ĸ	Mexico	2,280
St. Lucia	2	Panamaincluding Canal Zone	56
St. Vincent and the Grenadines	œ	United States of America	246
Trinidad and Tobago	13	Other North and Central America	78
Bahamas	13	Brazil	2
British Guiana	24	Venezucla	7
British Virgin Islands	2	Other South America	<b>∞</b>
Canada	664	France	7
Other British America	4	Germany	37
United Kingdom	599	The Netherlands	7
Other British in Europe	3	Other Europe	36
India and Pakistan	17	China	25
Hong Kong	14	Syria, Lebanon, Jordan and Israel	46
Other Commonwealth in Asia	4	Other Asia	2
Gambia, Ghana, Nigeria and Sierra Leone	4	African countries not in Commonwealth	0
Other Commonwealth in Africa	9	Not stated but known to be outside	
Australia and New Zealand	7	territory	37

Census Research Programme, Population Census of the Commonwealth Caribbean, 1960 (Mona: Jamaica University of the West Indies, 1965. Source:

TABLE 5
ETHNIC COMPOSITION OF THE POPULATION OF BELIZE, 1946 AND 1970

	Popula	ation	Percent of Total Population <sup>a</sup>		
Ethnic Origin	1946	1970	1946	1970	
Negro/Black	22,693	36,921	38.3	30.8	
East Indian	1,366	2,695	2.3	2.2	
Chinese	50	204	0.1	0.2	
Amerindian	10,030	22,390	16.9	18.7	
Portuguese		11			
Syrian/Lebanese	128	169	0.2	0.1	
White	2,329	4,463	3.9	3.7	
Mixed	18,360	39,319	31.0	32.8	
Other Races	4,112	13,697	6.9	11.4	
Not stated	152	65	0.3	<b></b>	
Total	59,220	119,934	100.0	100.0	

Source: Census Research Programme, <u>Population Census of the Commonwealth Caribbean, 1960 and 1970</u> (Mona, Jamaica, W.I.: University of the West Indies, 1965 and 1973).

 $<sup>^{\</sup>mathbf{a}}$ Percentages may not total 100 due to rounding.

In comparison to the former British colonies in the Caribbean, the settlement history of Belize has resulted in a high degree of ethnic heterogeneity in the country. This has led to an unusual linguistic differentiation and although English is the official language, Spanish is widely spoken and in addition one may hear German, Arabic and Chinese also in use. Local idioms also used in everyday communication are Creole (a form of broken English), Carib (spoken by the Caribs), and Maya (spoken by the Maya Indians).

# Overview of the Economy of Belize

In 1953 Carey Jones, a former Colonial Service official writing about Belize remarked in his book.

The colony is suggestive of medieval Europe when it, too, was thinly populated and largely forest, with settlements in clearings, communication by horse and mule, wooden towns and a busy city before industrialization had come. . . Belize itself presents more parallels, with its merchants and craftsmen, sailing boats moored at the riverside, its dependence upon rainwater. . . . 17

While Belize in 1953 as seen by Jones may have been suggestive of medieval Europe, he fails to point out that those were the conditions after more than 80 years of colonial rule since the country was officially declared a British colony in 1871. What is even more distressing is that the country could be described in those terms after more than 300 years of British occupation and economic exploitation, since the origin of British settlement in Belize goes back to 1648.

No. S. Carey Jones, The Pattern of a Dependent Economy: The National Income of British Honduras (Cambridge: Cambridge University Press, 1953), p. 108.

The important point to recognize in looking at the economy of Belize is that from the beginning and throughout the period of British colonization the impetus behind the British presence was purely economic and exploitative in nature. The "civilising mission" theory has long since been discredited, moreover in Belize there was no large indigenous population to "civilize." The indigenous Indians lived in the hinterland of the country while the British settled the coast, importing African slaves in the absence of available indigenous labor.

The early economic history of Belize was dominated not by sugar as in the case of practically all the other British Caribbean territories, but by timber, mainly logwood. According to Gregg, "in the eighteenth century logwood fetched the fabulous price of £100 per ton." Logwood was used to produce a dye for dyeing textiles and at £100 per ton was clearly a very lucrative export product for the British in Belize.

However the logwood industry gradually declined with the development of aniline dyes in the nineteenth century and this led to mahogany, another forest product, rapidly increasing in importance. Mahogany became the mainstay of the Belizean economy for the next 150 years. It was generally exported in the form of "whole logs" and was used mainly in the manufacture of furniture in Britain. This has led Lewis to remark,

<sup>&</sup>lt;sup>18</sup> A. R. Gregg, British Honduras (London: Her Majesty's Stationery Office, 1968), p. 3.

The social satirist of colonialism would see nothing but ludicrous comedy in the spectacle of an entire colonial society depending for its daily existence upon the Victorian passion for the mahogany bed. 19

The economy of Belize therefore developed as a mono-economy dependent mainly on forest products. The extraction of chicle latex (used in making chewing gum) from the sapodilla tree was secondary to mahogany in terms of its export value. Due to the nature of the early land tenure system in Belize the forestry interests were able to maintain monopoly control over the land, labor (slave labor) and the political system. This led to the effective exclusion of land use for any other purpose such as agriculture on a large scale, thus allowing Lewis to characterize the early economy of Belize as:

. . . the peculiar Honduran economy of extremely profitable exploitation of the forest industries . . . along with the concomitant features of a high wage structure and negative social attitudes towards agriculture. . . . 20

With indiscriminate exploitation and the absence of any systematic forestry regeneration program, the forestry boom had to come to an end sometime. That decline began shortly after World War II, and in order to augment export values, instead of exporting whole logs, such logs were cut into lumber, the latter bringing in a higher price on the export market. Therefore while the value of lumber exports was maintained, there was a constant decline in the quantity of forest products, i.e., mahogany and pine.

<sup>&</sup>lt;sup>19</sup> Gordon K. Lewis, <u>The Growth of the Modern West Indies</u> (London: MacGibbon & Kee, 1968), p. 294.

<sup>&</sup>lt;sup>20</sup> Ibid., p. 291.

In 1950 forest products, including chicle accounted for 85 percent of all exports, but this had fallen to 50.5 percent by 1958. 21 In 1959, the combined output of sugar and citrus exceeded timber for the first time and that trend has continued. Table 6 gives an indication of the rise of sugar and citrus and the fall of timber and chicle respectively as export products.

Since the early 1950s the production of sugar and citrus fruit has expanded tremendously, filling the gap created by the declining forestry industry. The expansion of these two industries has resulted in a rising GNP at the rate of approximately 8 percent per annum. 22 Therefore the phenomenal increase in the total value of sugar and citrus exports as a percentage of total domestic exports has resulted in agricultural exports providing the main source of foreign exchange earnings. Table 7 shows the increase in the value of sugar and citrus exports as a percentage of domestic exports over the period 1965 to 1975.

As indicated in Table 7, the economy of Belize is predominantly agricultural with a narrow range of agricultural exports. While the output of sugar and citrus production has steadily increased, both these products are subject to unpredictable price fluctuations on the world market. In addition being agricultural products, they

<sup>&</sup>lt;sup>21</sup> Waddell, p. 83.

<sup>&</sup>lt;sup>22</sup>"Report of the Tripartite Economic Survey of British Honduras, May, 1966." Issued by the Tri-nation Survey Team: Canada, United Kingdom, and United States, 1966, p. 2.

TABLE 6

DOMESTIC EXPORTS 1950-1965 ('000 Belize \$)

(MAIN COMMODITIES)

Year	Timber Value	Sugar Value	Citrus Value	Chicle Value
1950	2,861		543	1,002
1951	3,846		731	950
1952	3,096	63	812	625
1953	4,337	126	849	766
1954	3,376	145	1,098	883
1955	4,427	334	935	575
1956	3,800	298	2,343	480
1957	3,996	1,176	1,345	314
1958	3,371	1,312	1,812	639
1959	3,418	2,243	1,898	562
1960	3,722	2,026	3,087	493
1961	2,370	4,022	3,470	435
1962	1,850	3,853	1,410	392
1963	2,704	5,125	3,849	236
1964	2,856	5,473	4,680	247
1965	2,065	4,831	3,813	133

Source: Norman Ashcraft, Colonialism and Underdevelopment: Processes of Political Economic Change in British Honduras (New York: Columbia University, Teachers College Press, 1973), p. 65.

TABLE 7

VALUE OF SUGAR AND CITRUS EXPORTS AS A PERCENTAGE OF TOTAL DOMESTIC EXPORTS, 1965-1975

('000 Belize \$)

Year	(a) Total Domestic Exports	(b) Total Sugar Exports	(c) Total Citrus Exports	(b) + (c) as Percentage of (a)
1965	15,217	4,831	3,813	56.8
1966	15,918	6,492	4,566	69.5
1967	16,351	8,019	3,551	70.7
1968	19,810	9,941	4,269	71.7
1969	20,858	9,589	4,329	66.7
1970	19,110	11,142	4,210	80.3
1971	24,726	12,241	3,661	64.3
1972	31,074	16,057	4,286	65.5
1973	42,170	20,842	4,565	60.2
1974	83,440	57,222	6,435	76.3
1975	102,858	79,444	6,053	83.1

Source: Government of Belize, Annual Abstract of Statistics, 1968, 1969, 1970-72, and 1975 (Belize: Government Printer); also Central Planning Unit, Economic Survey, 1971 and 1974

(Belize: Government Printer, 1971 and 1974).

are also subject to the vagaries of the weather and with Belize being in the hurricane zone, a severe hurricane could have devastating effects on the country's main export crops.

Turning to other economic indicators, there has been an inability of the economy to meet the demand for goods and services.

Trade statistics show that between 1960 and 1968, imports increased by nearly 140 percent to £11m.,\* while exports increased by only about 60 percent to £6.3m. In 1966, 46.2 percent of imports came from the sterling area and 40.8 percent from the dollar area.  $^{23}$ 

According to the budget speech of the Minister of Finance (who is also the Premier of Belize) in presenting the budget for the fiscal year 1976, paragraph 62, of that speech states:

Total merchandise trade of \$209.0m. for 1974 increased by \$73.9m. or 55 percent over 1973. The value of exports increased by 50 percent to \$99.7m. compared with a rise of 33 percent in imports to \$110.2m. With the rate of growth of exports exceeding that of imports, the trade deficit declined from \$30.2m. in 1973 to \$10.5m. in 1974.<sup>24</sup>

However, the figures quoted by the Minister of Finance do not agree with the data in two publications distributed by the Ministry of Finance. Table 8 shows the visible balance of trade for the period 1971-1975. Although there have been fluctuations in the balance of trade, the situation in 1975 does not indicate an improvement over

<sup>\*£1 = \$4.00</sup> Belize currency during the period 1960-1968.

Survey (London: The Financial Times, Belize (British Honduras) Financial Times July 1969).

<sup>&</sup>lt;sup>24</sup> Budget speech of the Honourable George Cadle Price, Premier and Minister of Finance, to the House of Representatives of Belize, 18 November 1975, p. 7, para. 62.

TABLE 8

VISIBLE BALANCE OF TRADE FOR THE PERIOD 1971-1975
('000 Belize \$)

Year	Total Imports	Total Exports	Domestic Exports	Re- Exports	Visible Trade Balance
1971	58,590	31,687	24,726	6,961	-26,903
1972	69,257	40,155	31,074	9,081	-29,102
1973	72,323	52,686	42,170	10,516	-19,637
1974	112,693	98,135	83,440	14,695	-14,558
1975	157,999	129,500	102,858	26,642	-28,499

Source: Government of Belize, <u>Development Plan 1977-1979</u> (Belmopan, Belize: Central Planning Unit, Government Printer, 1977), p. 6.

the previous four years. The trade deficit has been partly offset by 'transfers,' the most important of which was overseas aid from Great Britain. According to the economic survey for 1974:

Other important contributions (to offset the trade deficit) were the net receipts from the Tourism industry (\$4.2m) and remittances from abroad (\$3.8m). The latter consists mainly of funds received by Belizeans from their relatives residing and working in the U.S.A.<sup>25</sup>

Table 9 presents data on Central Government revenue and expenditure for the period 1971-1975. According to the Development Plan 1977-1979:

<sup>&</sup>lt;sup>25</sup>Central Planning Unit, Economic Survey Belize 1974 (Belmopan, Belize, Ministry of Finance and Economic Planning, mimeographed, n.d.), p. 13.

REVENUE, EXPENDITURE AND ANNUAL BALANCE OF THE CENTRAL GOVERNMENT OF BELIZE, 1971-1975 ('000 Belize \$) TABLE 9

	Annual Balance	Deficit	1,750	ť	:		;
	Annua1	Surplus Deficit		200	290	2,199	5,015
	Hurricane Rehabilitation	Capital	1	2,845	1,044	911	93
ıre		Aid	1	;	;	ł	11,065
Expenditure	nue	Capital	3,545	3,465	5,598	12,645	5,471
	Revenue	Recurrent Capital	20,322	19,360	19,870	24,605	29,093
		Tota1	23,867	25,667	26,512	38,261	45,722
	ot to	Revenue	3,439	3,794	7,410	12,904	8,257
	Foreign Other	Aid	6,081	8,257	4,433	6,026	7,923
Doverno	1000	Taxation	4,074	4,637	4,176	6,711	14,076
	Customs	ii i	8,523	9,679	11,083	14,819	20,481
		Total	22,117 8,523	26,367 9,679	27,102 11,083	40,460 14,819	50,737 20,481
		Year	1971	1972	1973	1974	1975

Central Planning Unit, Belize, Abstract of Statistics, 1975 Supplement (Belmopan, Belize: Government Printer, 1976), p. 23. Source:

Although there were increasing surpluses on the recurrent budget in every year except 1971, there is need to have larger surpluses to finance the new Plan and the higher level of expenditure which will occur from its implementation. <sup>26</sup>

Despite the fact that since 1972, government has been able to meet its annually recurrent expenditure totally from local revenue, the surplus which is then available for capital expenditure is quite small. This means that it is still necessary to rely on foreign aid from various sources in the form of grants and loans in order to carry out vital capital development projects.

In the final analysis Belize is a country which has only recently begun to develop. With the high rate of population growth, it is not yet faced with the prospect of too many people and too few resources which is the dismal situation facing many developing countries today. At the end of 1975 GDP at factor costs was "estimated to be over \$130 million (Belizean) at current prices with a per capita income of \$1,000 (\$1.00 Bze = \$0.50 U.S.)."<sup>27</sup>

Per capita income in Belize compares favorably with its neighbors in Central America and in addition we find that the literacy rate is extremely high at "over 93 percent." 28

<sup>&</sup>lt;sup>26</sup> Government of Belize, <u>Development Plan 1977-1979</u>, p. 9.

p. 18. Belize New Nation in Central America,

<sup>&</sup>lt;sup>28</sup> Ibid., p. 18.

## Summary

The main purpose of this study is to identify and analyze the major issues pertinent to the development of an industrial labor force in Belize. Small in land area and sparsely populated, climatically the country is a tropical paradise. The population is mainly of African and Afro-European origin with a large proportion being indigenous Maya Indians. Other ethnic groups are Caribs, Mestizo (Spanish-Maya), Europeans and Asiatics (Arab, East Indian, Chinese).

The economy of Belize is predominantly agricultural, based mainly on exports of sugar and citrus products. Agriculture has replaced the dependence on the forest industry (mainly timber) which was the mainstay of the country's economy since the inception of the settlement of Belize. In order to move away from dependence on a narrow range of agricultural production, there are plans to diversify the agricultural sector, and greatly expand industrial production both in agriculture and manufacturing, as far as the latter is feasible.

The main objective is to produce sufficient food to meet the domestic demand and a surplus for the export market. Plans also call for increased industrial production of some consumer goods to reduce the adverse trade balance and also to encourage production for the export market, mainly in the Caribbean area.

#### CHAPTER II

#### THE NATURE OF THE LABOR FORCE

One of the most important factors required for the development of industrial output is labor. In developing countries certain difficulties encountered in the process of industrialization pertain to the characteristics of the labor force. The nature of those characteristics may be qualitative—i.e., the level of education and skill, its adaptation to new techniques and the degree of absenteeism and labor turnover. On the quantitative side, we may determine the size of the available labor supply, size of the 'labor force' age group in relation to the total population and the age/sex composition of the labor force. At the outset it is clear from the available data that the levels of education and skill in developing countries are much lower than those in the industrialized countries.

In this chapter an analysis of the characteristics mentioned above, as they directly relate to the process of industrialization, will be undertaken. Such an analysis is necessary in order to determine what are the problems facing Belize in the process of implementing a policy of industrialization, and development of a viable strategy to provide workers suited to the requirements of an industrial economy.

Certain traditional ideals could pose serious obstacles to the system of incentives, discipline and mobility which are characteristic of industrial employment. It has also been stated,

Even in areas where there are apparently no traditional barriers the probability of successful economic development programs is very small unless the quality of human resources is greatly improved. 1

In view of the above observation, it is important that human resource development be taken into account when implementing any program of industrialization. The quality of human resources must be developed to provide the knowledge, skills and incentives demanded by a progressive economy. As Harbison has pointed out:

A strategy for development of human resources--i.e., the building and effective utilisation of the skills of people--is an essential element of any modern development strategy. . . . And it is essential for politicians and planners to understand that the development of human and physical resources must be integrated in any master plan for growth.<sup>2</sup>

Maximum utilization of the country's human resources could help to improve the standard of living and enhance the success of a program of industrialization.

<sup>&</sup>lt;sup>1</sup>Theodore W. Schultz, <u>The Economic Test in Latin America</u>, Bulletin 35 (Ithaca, N.Y.: New York State School of Industrial and Labor Relations, Cornell University, 1956), p. 22.

<sup>&</sup>lt;sup>2</sup>Frederick H. Harbison, "Human Resources Development Planning in Modernising Economies," <u>International Labor Review</u> 85:5 (May 1962): 2.

# The Institutional Ties of the Worker to the Traditional Society

## The Family

A major difference between the modern western societies and the developing countries has been the family structure. It is said that, "despite the onslaughts of modernization, the extended family structure remains a more universal social institution than the western-style nuclear family." Therefore in a process of industrialization that observation would indicate a bond whereby the old family structure ties the worker to the traditional society.

According to the extended family system, the obligations of the worker to the joint family could be quite extensive. Members of the group are expected to contribute the greater part of the 'fruits of their labor' for distribution among the group, and these obligations are usually reinforced by strong social sanctions. In return the worker is guaranteed a certain degree of security by the group, especially during periods of inability to work or later on in old age.

Because of the necessity to pool and/or distribute the product of one's labor among the members of the extended family, it is felt that the individual may have less incentive to produce, than if one was allowed to retain all the proceeds. However, according to Moore,

<sup>&</sup>lt;sup>3</sup>Jean L. Comhaire, "Economic Change and the Extended Family," Annals of the American Academy of Political and Social Sciences 305 (May 1956): 45.

In many cases where the worker has left the traditional society for industrial employment he has been forced out by the mounting forces of rural overcrowding and poverty rather than pulled by the positive inducements of the industrial sector. 4

In Belize, Ashcraft found that in the rural areas, "the nuclear type household (a man, his mate and her children) prevails" The decision to set-up a separate household can be implemented with relative ease in rural areas. Houses can be constructed quite easily of palm thatch or other building material easily available from the surrounding forest. The real cost of a house is usually the labor of the builder.

Ashcraft points out,

Each household asserts its independence through its own exclusive income-producing efforts; other activities can be shared, but not the means of getting an income. Some farmers hire neighbors to help cut and clear a prospective rice field or even a house site. The wage is paid either on a daily or task basis. . . . Payment is in cash: there is no thought of share cropping. 6

In the rural setting the male is expected to provide for his mate; that is important because his success in coping with that expectation is generally vital in keeping the family unit together. The main source of wage income is from casual labor and the men usually

Wilbert E. Moore, <u>Industrialization and Labor</u> (Ithaca, N.Y.: Cornell University Press, 1951), pp. 48-55.

<sup>&</sup>lt;sup>5</sup>Norman Ashcraft, "Some Aspects of Domestic Organization in British Honduras," in <u>The Family in the Caribbean</u>, ed. Stanford N. Gerber (Rio Piedras, Puerto Rico, University of Puerto Rico, 1968), p. 65.

<sup>&</sup>lt;sup>6</sup>Norman Ashcraft, <u>Colonialism and Underdevelopment: Processes</u> of Political Economic Change in British Honduras, p. 96.

have to leave the rural areas to obtain such employment. Therefore once the crops have been harvested, the men seek employment outside the rural area returning in time for the next planting season. While they are gone, the women take care of the family's chickens, turkeys and pigs which can be sold in the urban areas, generally bringing in a fair amount of cash to supplement the family's income.

There is scarcely any wage employment for women in the rural areas. Whatever income is earned by such women depends on their enterprising nature and an eye for seizing the opportunity to make a quick cash income, e.g., preparing food for sale at village fairs or sporting events. However, in recent years, this situation has been changing through the efforts of the government's Social Development Department. Women are now being taught to prepare food preserves, weaving and other types of handicraft work. Such products can be sold in the urban areas, giving women a cash income and an escape from an otherwise total dependence on the male head of the household.

The situation in the urban areas is much more complex and the social and economic status has a direct influence on the nature of the family setting. While the nuclear family also predominates, there are instances of what could be described as quasi-extended family relationships. The reason for describing the relationship as quasi-extended is to dispel certain references to the extended family as entailing:

. . . hospitality on a lavish scale to family members and the indiscriminate maintenance of distant relatives. Property and income are pooled and inherited as such; and expenditure is not accounted for individually. 7

<sup>&</sup>lt;sup>7</sup>B. W. Hodder, <u>Economic Development in the Tropics</u> (London: Methuen & Co., Ltd., 1973), p. 50.

It is very doubtful if that description of the extended family would accurately describe the family anywhere in Belize. Baur and Yamey have pointed out that that type of extended family:

. . . acts as a serious obstacle to economic progress. A man is much less likely to be willing and able to rise in the income scale, and to save and invest, when he knows that should he succeed in improving his position he would have to maintain a large number of distant relatives. . . . 8

Fortunately for Belize, despite a limited number of studies on the nature of the family, there has been no indication that family structure inhibits the attitude of the individual towards employment.

## The Land

The attachment of a peasant to his land may reflect very strong emotional as well as economic factors in the agrarian society. According to Kerr et al. and Frost, if the peasant owns his plot, small though it may be, it gives him the personal satisfaction of a concrete property right and the security of being his own employer. In areas where the peasant does not own the land, he still gains a great satisfaction from the fact that agricultural employment is usually relatively self-regulatory, as opposed to the more tightly disciplined regimen of factory employment. 9

Such ties to the land and the security of living in a familiar agrarian environment, while maintaining the traditional relationships,

<sup>&</sup>lt;sup>8</sup>Peter T. Baur and Basil S. Yamey, <u>The Economics of Underdeveloped Countries</u> (Chicago: The University of Chicago Press, 1957), p. 66.

<sup>9</sup>See Clark Kerr et al., Industrialism and Industrial Man (Cambridge: Harvard University Press, 1960), pp. 82-83; and Raymond Frost, The Backward Society (New York: St. Martins Press, 1961), pp. 142-143.

could clearly have serious implications for a policy of industrialization. Most industries whether manufacturing or agricultural, require a disciplined approach to the employment relationship. The job is specified, wages are set prior to completion of the task and the individual is required to work a certain number of hours each day.

While there is evidence from many developing societies to support the findings of Kerr et al. quoted above, those findings would not accurately reflect the situation in Belize. Due to the nature of the early economy of Belize, based on the timber industry, peasant agriculture or cultivation of the land in general was regarded as:

. . . an occupation reserved for the Maya and Caribs and at one time a ban was put upon other workers engaging in cultivation, primarily with a view to the maintenance of an adequate labor supply for the lumbering camps. 10

Therefore except for the indigenous Maya and to some extent the Caribs, the Belizean did not develop such binding ties to the land. Indeed, Ashcraft points out that, "Creole farmers who lived as squatters along river banks in the central sections of the country continued to work at forestry; during slack periods and market slumps they turned to the land." Romney writing in 1959 stated that, "the number of sincere and capable farmers attracted to the colony . . . was small, and those who came soon found themselves opposed to the traders

<sup>&</sup>lt;sup>10</sup> Evans, p. 253.

<sup>&</sup>lt;sup>11</sup> Ashcraft, Colonialism and Underdevelopment, p. 44.

who were both influential and ill-disposed to the appearance of local farm produce." 12

With the decline of the forest industries there was little alternative but to turn to agriculture, and the latent interest of the Belizean in the land was exemplified in the development of subsistence farming in the rural areas. However a clear indication of the Belizean's lack of interest in agricultural employment is exhibited by the perennial failure of the sugar and citrus industries to obtain sufficient labor to harvest the sugar cane and the citrus fruits respectively. Despite indications of a relatively high unemployment rate in the country, the shortage of labor in the sugar and citrus industries has to be filled by employing migrant labor from neighboring Mexico and Guatemala.

In Belize it would be true to say that the desire for land ownership is strong, the subsistence farmer will not easily part with his land. But there is little indication that the peasant has developed an emotional attachment to the land which would seriously affect his adaptation to the disciplined regimen of factory life.

Aronson in a study of labor commitment among Jamaican bauxite workers found that, "a problem of labor commitment failed to materialize." Furthermore, Aronson indicated that:

<sup>12</sup> D. H. Romney, ed., Land in British Honduras, Report of the British Honduras Land Use Survey Team (London: Colonial Research Publications, No. 24, Her Majesty's Stationery Office, 1959), p. 117.

Workers (Ithaca, N.Y.: New York State School of Industrial and Labor Relations, Cornell University, Reprint Series #108, 1961), p. 180.

Even in the initial years of operation, a work force mainly recruited from the local rural setting did not exhibit rates and patterns of turn over, absenteeism, or discipline very different from those that would be generally expected among urban workers in industrially-advanced countries.<sup>14</sup>

The findings of Aronson's study are significant, although as he points out, the results are based on the experience of a single industry. As he observes,

Even though the tools of an advanced industrial economy do not exist to a large extent in Jamaica, especially in the rural sector, certain cultural barriers to industrialization also do not exist. Jamaica shares with the highly industrialized metropolitan power a common language, certain common traditions and history, and a similar style of life. Continuous contact throughout most of its history with Great Britain, as well as with North America, has undoubtedly kept Jamaica abreast of social and economic change in those countries, if not a full partner in the material advances. 15

That observation could well have been made with respect to the situation in Belize, which has developed under similar circumstances. Therefore one may anticipate that in Belize there should be little tendency for the attachment to traditional agrarian social patterns to serve as a constraint in the process of developing an industrial labor force.

### The Labor Force

In countries which are considered to be at an advanced stage of industrialization one finds it relatively easy to deal with certain terms relating to labor force activity. For example, the Bureau of Labor Statistics in the United States of America has developed specific

<sup>&</sup>lt;sup>14</sup> Ibid., p. 180.

<sup>&</sup>lt;sup>15</sup> Ibid., p. 181.

rate, not in labor force and labor force.

Despite those definitions, Marshall et al. have pointed out that there is considerable dissatisfaction with the conventional definition of unemployment. They go on to state,

By counting only those who actively seek work . . . a group of "hidden unemployed" is created, jobless persons who fail to satisfy the technical requirements of the census definition but who nevertheless desire work. 16

When dealing with the measurement of labor force data in developing countries, the difficulties become more complicated than a controversy over definition of terms. One of the more serious obstacles is usually the inadequacy or absence of basic statistical data, the availability of which is taken for granted in the more industrialized countries. There are large sectors of the economies of many developing countries which are not fully drawn into the money and exchange system, making it difficult to enumerate the gainfully employed.

Subsistence agriculture and other types of farming make varying demands on labor, while part-time and seasonal employment complicate the definition and measurement of the employed labor force. In this respect Belize is not different from most developing countries and there is a general absence of labor force data.

<sup>16</sup> F. Ray Marshall, Allan M. Cartter, and Allan G. King, <u>Labor</u> Economics, Wages, Employment, and Trade Unionism (Homewood, Ill.: Richard D. Irwin, Inc., 1976), pp. 181-182.

The agency which is charged with the responsibility for collecting labor force statistics in Belize is the Labor Department.

According to the Labor Ordinance in British Honduras, No. 15 of 1959:

- 4. It shall be the duty of the Labor Commissioner subject to the direction of the Minister . . .
  - d. to collect, analyse and publish statistics and general information in respect of:
    - i. employment and unemployment;
    - ii. wage rates and earnings;
    - iii. employment of women, children and young persons;
    - iv. price indices; . . . 17

However the Labor Department in Belize has not published any statistics on employment or unemployment in recent years, and according to the Department's Annual Report for 1974 (the latest available), "no accurate figures relating to unemployment are available." That would seem to imply that current employment figures are also unknown, which is not surprising, as this researcher worked for the Labor Department for some years prior to 1974 and during that period, employment and unemployment data were not collected. The facts are that the Department does not have the staff nor the expertise to collect and analyze such data.

In 1964 the government of Belize, clearly in recognition of the absence of even basic manpower data, requested the assistance of the International Labor Organization (ILO) in conducting a 'study of the manpower situation in Belize.' An ILO 'expert' was sent to Belize in February of 1964 and he spent the balance of the year collecting

The Labor Ordinance, No. 15 of 1959, The Legislature of British Honduras (Belize), 31 December 1959, p. 122.

<sup>18</sup> Labor Department, Belize, Annual Report of the Labor Department for the Year 1974 (Belmopan, Belize: The Government Printer, 1975), p. 4.

data which resulted in the publication of a document in two volumes called a 'Manpower Assessment Report, British Honduras 1964.'

The Manpower Assessment Report contains useful labor force data, but as the report points out, the prime objective of that study was:

. . . exposing the factual position of the manpower situation without any attempt to identify future employment objectives, make recommendations and suggestions for resolving imbalances of the manpower situation or to make suggestions for manpower planning. 19

The work of the 'manpower expert' therefore fell short of part of the objectives which the government expected from the study as stated by the Minister of Labor in the foreword to the report:

In consequence of this request Mr. Osmond W. Francis of India was deputed by the ILO to inter alia advise and assist us in:--

- a. Making an appraisal of the current and likely future manpower situation, both quantitatively and qualitatively.
- b. Formulating employment policy objectives and advising on programmes to attain these objectives.
- c. Analysing the changes necessary in the educational and training systems to meet the requirements for skilled manpower.
- d. Organising a comprehensive continuing manpower assessment and planning programme and helping train nationals to carry out this programme.<sup>20</sup>

In addition the Minister stated that:

This government realised from the inception the importance of training nationals and accordingly assigned a counterpart to assist and understudy the Expert so that the Manpower

Honduras 1964 (Belize City, Belize: The Government Printer, 1964), p. 1.

<sup>&</sup>lt;sup>20</sup> Ibid., p. i.

Programme may not only be firmly established, but continued effectively after the departure of the expert.<sup>21</sup>

The collection and analysis of manpower data did not continue after the departure of the 'expert' and to date no other report or study has been published. The reasons for the failure to continue the collection of manpower data are beyond the scope of this study, but it is remarkable, to say the least, that economic planning has been attempted in the absence of basic data relating to the labor force (employment and unemployment). That may not be so remarkable considering that according to the Development Plan 1964-1970, it is proposed to promote the establishment of certain industries listed in Chapter 6 of the Plan, and over the period of the Plan, the total number of jobs to be created would only be 938, i.e., in the private sector. <sup>22</sup>

From the data on the number of pupils who sat the Primary School Leaving Certificate Examination between 1964-1970 (the period of the Plan), the total number of pupils sitting the examination was 14,592; of that figure 7,055 passed the examination. Statistics from the Ministry of Education, indicate that 40 percent of the pupils leaving the Primary Schools enter High Schools; which would take care of 2,822 leaving a balance of 4,233 Primary School leavers available for the labor market. In addition, of the 7,537 who failed the examination, one could easily estimate that the majority of those would

<sup>&</sup>lt;sup>21</sup> Ibid., p. ii.

<sup>&</sup>lt;sup>22</sup> Government of Belize, <u>Development Plan 1964-1970</u>, p. 70.

leave school, thus adding to the total amount available for the labor market.

In fairness to the Development Plan it should be mentioned that there are provisions for a number of Public Service jobs. But those jobs usually require candidates with a high school education or higher qualification. The above information points out the inadequacy of the Development Plan as far as use of the country's human resources is concerned.

The Manpower Report of 1964 provides a convenient point from which to begin the study of the labor force. Although in the first instance it will be necessary to define the term 'labor force' in the context of Belize as a developing country.

The labor force may consist of those persons who are, or would like to be engaged in economically productive activities. However in Belize there is a large element of part-time or seasonal employment and this tends to complicate the definition and measurement of the employed labor force. As one ILO study indicated:

. . . it is important to recognize that the distinction between members of the labor force and dependents is not at all clear in most parts of most developing countries. This is particularly true in many rural areas where men, women and children above a fairly young age may all devote part of their time to productive activities.<sup>23</sup>

That study goes on to point out that if the concept of the labor force is not well adapted to analyzing social realities in the developing

<sup>&</sup>lt;sup>23</sup> J. Mouly and E. Costa, Employment Policies in Developing Countries (London: George Allen & Unwin Ltd., 1974), p. 30.

countries, this may be equally true of the concept of unemployment.<sup>24</sup> Therefore, since a person can only be unemployed by being a member of the labor force, and if it is not clear who is or is not in the labor force, then how do we determine who is unemployed?

In this connection another writer found that,

. . . in the complex and (to a foreigner) unfamiliar economic and social structure of many under-developed countries it may be difficult to appreciate the economic contribution that an apparent idle or redundant individual may be making to the family or community of which he is a member. <sup>25</sup>

As far as Belize is concerned the only reliable labor force data are contained in the 1960 and 1970 Population Census Reports.

This study will therefore draw upon those sources for statistics on the labor force. In view of the controversy regarding a satisfactory definition of the labor force in a developing country, that concept should at this point be clarified.

In 1959, the Eight International Conference of Labor

Statisticians in an attempt to develop the international standardization of labor statistics agreed on a definition that the labor force is made up of persons over a specified age who are either employed or unemployed. The employed covers persons at work and persons with a job but not at work; while the unemployed are persons not in employment at the time the labor force is measured, but are available for work and are seeking

<sup>&</sup>lt;sup>24</sup> Ibid., p. 31.

<sup>&</sup>lt;sup>25</sup> Baur and Yamey, p. 33.

work.<sup>26</sup> It is on this basis that data from the Census Reports will be analyzed in this study, notwithstanding the difficulties in the use of labor force data, to which reference has previously been made.

# Composition of the Labor Force By Age and Sex

International statistics accepts fifteen to sixty-four years as the working age limits although it is understood that participation in economic activity may vary from country to country. That convention particularly in respect to the lower age limit can be easily applied in Belize since:

- the law requires compulsory primary education between the age of six and fourteen years, and pupils may attend primary school up to the age of sixteen years; and
- 2. the Labor Ordinance prohibits the employment of a child, who is defined as a person under the age of fourteen years; although special regulations may be made to remove that restriction in certain specific circumstances.

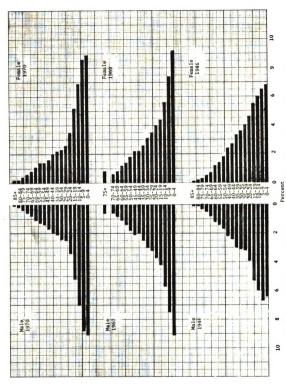
It is more difficult to conform to the upper age limit since in the case of the government which is the largest single employer in the country, the retirement age is fifty-five years. The private sector has no specific age limit for retirement, although the prevailing age is generally between sixty and sixty-five years. As both the 1960 and

Labor Statistics (Geneva: International Labor Organization, 1959), pp. 44-45.

1970 population censuses considered detailed analysis of the labor force in the fourteen years and above age group, this study will also stay within that age limit.

Before looking at the labor force it would be useful to examine the age and sex structure of the population as those are important determinants of the characteristics of the labor force, especially in a developing country. A widely used device for illustrating that information is the age and sex pyramid which presents a graphic picture so that the population structure can be easily interpreted. Such a graph may be seen in Figure 2 comprising a central vertical scale of age groupings, using five year groupings, the youngest, i.e., zero to four years, being at the bottom. The percentage of each of these groups in the entire population is then plotted on the horizontal scale, males to the left and females to the right of the vertical scale. By using percentages, the graph is more useful as proportions and comparisons may be easily read off.

An obvious characteristic of the three graphs in Figure 2 is the broad base resulting from a high birth rate associated with low death rates. But more interesting and important is the vivid representation that while in 1946, 38.4 percent of the population was under fifteen years of age, by 1970 that figure had increased to 49.3 percent. Therefore by the 1980s when the bulk of these children will have entered the reproductive period, the population as a whole will be of unprecedented fecundity. As youth represents such a high proportion of the population, that is an indication of



POPULATION BY AGE AND SEX COMPOSITION, 1946, 1960 and 1970. FIGURE 2.

the rather low expectation of life in Belize. In 1946, 3.6 percent of the population was over sixty-five years of age and by 1970 it had only risen to 4.3 percent. This information would imply that the rapid fall in the crude death rate shown in Table 2 is more indicative of a rapid decline in infant mortality rates than a general increase in the expectation of life. But the life expectancy in Belize is increasing and in the future we will undoubtedly see larger absolute numbers reaching the top of the pyramid.

It is clear that youth is a prominent characteristic of the population in Belize, yet we can also assume that those in the fourteen years and under age group may hardly be classified as economically active. The participation rates for that group are usually too low to be of any real significance.

For the purpose of this study the labor force will be considered as comprising those in the fifteen years and above age group, although the 1970 population census includes the fourteen year olds within their classification of the labor force. This researcher does not agree that fourteen year olds should be classified as being in the labor force, especially in view of the fact that recognized apprenticeship programs are almost non-existent in Belize. In order to be employed in any sector of the public service, one has to be eighteen years or older and in the private sector most employers would not employ a fourteen year old. Furthermore since there are no minimum wage regulations in the private sector, it is quite likely that fourteen year olds would be paid the lowest wage and may fall prey to unscrupulous employers.

In addition, the education laws require that children attend primary school between the age of six and fourteen years. Thus there is little doubt that persons below the age of fifteen years should not be regarded as fully productive members of society.

Table 10 gives a breakdown of the total population and the labor force by age and sex according to the 1970 population census. If we calculate the working age population, i.e., those between fifteen and sixty-four years we have a total of 55,624; while the total labor force is only 31,544, leaving a balance of 24,080 persons of working age who are outside of the labor force. In 1960, the proportion of working age population was 51.2 percent but by 1970 that figure had fallen by 4.8 percentage points to 46.4 percent. In comparison to the world as a whole and other regions, it will be found that the percentage of working age population (fifteen to sixty-four years) to total population in 1975 was 58 percent (world) with Asia, Europe, North America and Latin America showing percentages of 57, 64, 64, and 54 respectively.<sup>27</sup> This would indicate a not too unfavorable position in Belize as compared with Latin American countries.

From Table 10 a calculation of the labor force participation rate which is the ratio of the labor force to the population in the usual working age group (fifteen to sixty-four years) can also be made. The labor force participation rate was 54.5 percent in 1960, increasing to 56.7 percent by 1970. According to the 1964 Manpower Report the

<sup>&</sup>lt;sup>27</sup>United Nations, Department of Economic and Social Affairs, Demographic Yearbook 1976.

TOTAL POPULATION AND LABOR FORCE BY SEX AND AGE GROUPS, POPULATION CENSUS 1970 TABLE 10

							] 	Labor Force	e			
	Tot	Total Population	lation		Employed			With Job		្ន	Looked for Work	Work
Age Group	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
4 and under	10,996	10,732	21,728		;	-	;	;	;	;	;	:
5-9	10,508	10,320	20,828	:	;	;	:	;	;	;	;	;
10-14	8,357	8,255	16,612	;	;	;	1	;	1	;	;	:
15-19	6,276	6,289	12,565	3,520	1,109	4,629	112	52	164	685	134	819
20-24	4,091	4,164	8,255	3,413	1,082	4,495	143	86	241	261	37	298
25-29	3,016	3,104	6,120	2,649	577	3,226	118	44	162	115	<b>∞</b>	123
30-34	2,862	2,761	5,623	2,582	478	3,060	91	25	116	88	9	91
35-39	2,554	2,677	5,231	2,295	427	2,722	74	17	91	93	ы	96
40-44	2,445	2,352	4,797	2,169	367	2,536	78	13	91	7.7	4	81
45-49	1,997	1,897	3,894	1,791	286	2,077	40	22	62	57	4	61
50-54	1,651	1,681	3,332	1,455	264	1,719	49	10	29	47	3	51
55-59	1,581	1,636	3,217	1,276	251	1,527	69	9	75	44	-	45
60-64	1,306	1,284	2,590	1,026	170	1,196	25	4	59	31	1	32
69-59	896	992	1,960									
70-74	969	171	1,467									
75-79	423	452	875	1,311	168	1,479	47	9	53	33	S	38
80-84	208	284	492									
85 and over	156	192	348									
Total	60,091	59,843	119,934	23,487	5,179	28,666	846	297	1,143	1,528	206	1,735

Source: Census Research Programme, Population Census of the Commonwealth Caribbean, 1970 (Mona, Jamaica, W.I.: University of the West Indies, 1973), vol. 4, pp. 50-55.

male and female labor force participation rates were 91.3 and 19.5 percent respectively in 1960. 28 By 1970 the male participation rate had increased to 93.1 percent while the female rate was 20.4 percent. The Manpower Report had projected no change in the female labor force participation rate, and a fall of 2.5 percentage points by 1970 for the male participation rate. 29 The projected fall in the male participation rate was attributed to the contemplated expansion in secondary education and the general importance being given to formal education. It was envisaged that those two factors would have the effect of keeping children in the primary schools up to age fifteen and in secondary schools up to age nineteen or twenty.

The data indicate that the anticipated changes did not occur and instead there was a decline in the proportion of the population of working age, with a slight increase in the overall labor force participation rate. Of some significance from the data above is the low female labor force participation rate, although it is not unusual to find the number of women in the labor force in Belize is relatively small in comparison to more highly industrialized countries. While women make up a small percentage of the total labor force, there are more women than men in the age group fifteen to sixty-four. As Belize has a relatively small population, optimum use of all those in the working age sector of the population is important. It is clear that

<sup>&</sup>lt;sup>28</sup> Labor Department, Belize, <u>Manpower Assessment Report, British</u> Honduras 1964, p. 17.

<sup>&</sup>lt;sup>29</sup> Ibid., p. 17.

many more women could be brought into the labor force and this should obviously be one of the goals of development planning.

One important factor to consider is that the physical strain of many types of employment may not be conducive to female participation. With industrialization and as more machinery is introduced to substitute physical labor, there could certainly be an increase in the rate of female participation in the labor force.

Fortunately for Belizean women, there are few if any cultural taboos concerning the conduct of women which could be seen as exerting social sanctions against female employment. Although jobs in certain sectors of the economy have been considered the male's domain, there is no reason why women with adequate training should not be able to be employed in those sectors.

### The System of Education

Education in Belize may be divided into three categories:

Primary, Secondary, and Higher Education. At the Primary level according to the Department of Education:

. . . the aim is to ensure that all children of compulsory school age receive a sound basic education which will provide the necessary foundation on which they can develop their individual interests and abilities . . . so that they may function meaningfully as citizens. <sup>30</sup>

of Education for the School Years 1969/70, and 1970/71 (Belize: The Government Printer), p. 1.

The report goes on to philosophize that primary education "is the inherent right of every child and a fundamental ingredient for the operation of a democratic society."<sup>31</sup>

Primary school education is compulsory from the age of six through fourteen years, but children may be admitted to school at the age of five years. With few exceptions most schools are all age schools providing courses covering eight grades. There is no tuition charge for attendance at the government or government-aided primary schools.

The primary schools are mainly of two types:

- Government schools: These are fully owned and run by the government (Ministry of Education).
- 2. Government-aided primary schools: These schools are owned and managed by various religious denominations which receive financial grants from the government for recurrent costs, the the total costs of teachers' salaries and assistance towards the maintenance of buildings, furniture and equipment. Government also meets the cost of 50 percent of all approved building projects, in addition to providing some stationery and other materials to the schools.

Very few private schools exist and they cater to a small number of pupils. Such schools are not popular in Belize because of the tuition charged. Table 11 gives the number of pupils attending primary school in Belize in 1970 through 1975 by age and sex.

<sup>&</sup>lt;sup>31</sup> Ibid., p. 1.

TABLE 11
PRIMARY EDUCATION SCHOOL POPULATION BY AGE AND SEX, 1970-1975

						Age i	Age in Years						
Year	Sex	5	9	7	∞	6	10	11	12	13	14	15	Total
1970	Σц	962 949	1,872 1,821	2,006 1,941	1,943	1,765	1,735	1,606	1,441	1,169 1,108	636 501	167 135	15,302 14,758
1971	Σμ	1,070 1,026	1,889	2,022 1,933	1,906 1,899	1,932 1,851	1,736	1,662 1,554	1,552	1,165	582 458	203 157	15,719 15,113
1972	Σμ	n.a. n.a.	n.a. n.a.	n.a. n.a.	n.a. n.a.	л.а. п.а.	n.a. n.a.	n.a. n.a.	n.a. n.a.	n.a. n.a.	n.a. n.a.	п.а. п.а.	n.a. n.a.
1973	Σμ	994 1,013	1,780	2,059	2,019 1,861	1,890	1,861	1,698	1,599	1,272	554 477	176 129	15,902 15,445
1974	Σμ	1,059	1,884	1,915 1,926	1,990 1,952	1,970	1,850	1,846	1,626	1,239	607 469	149 125	16,135 15,475
1975	Σμ	1,126 1,135	1,798 1,752	1,979 1,955	1,953	1,998 1,921	1,906 1,805	1,774	1,633	1,267	529 464	150 117	16,113 15,625

Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2, and 1975 Supplement (Belmopan, Belize: The Government Printer). Source:

While the primary schools are generally all-age schools, a few have been organized into infant, middle and senior or upper schools. In Belmopan, the new capital city which came into existence in 1970, the schools are organized into infant, and junior after which pupils enter the Comprehensive school. The latter type of school is new to Belize and only one such school has been established, i.e., in the new capital; it could well be called an experiment.

Patterned off the British Comprehensive school, it is intended to provide for children of all ages (between eleven and eighteen), all abilities, and of both sexes. But some observers have pointed out that "perhaps the basic aim of the comprehensive school is to assert the equality of man, and then to admit to the validity of Haldane's title, 'The Inequality of Man.'" Comprehensive schooling emerged much earlier in the United States than it did in Great Britain and one writer has referred to American education as 'democratic' and that in Britain as 'elitist.' While there is much merit in the comprehensive system of education there were many political and social class ramifications which led to its introduction in Britain. In addition, it should be recognized that the comprehensive school should not be a social experiment, instead it should be education reform.

Developing countries such as Belize should therefore evaluate the implications of 'going comprehensive,' especially in the light of

<sup>&</sup>lt;sup>32</sup> National Association of Schoolmasters, <u>The Comprehensive School</u> (England: National Association of Schoolmasters, 1964), p. 14.

<sup>&</sup>lt;sup>33</sup> Paul Bellaby, <u>The Sociology of Comprehensive Schooling</u> (London: Methuen & Co., Ltd., 1977), p. 40.

the current shortage of adequately qualified teachers at the primary and secondary levels.

Secondary education at the private high schools managed by the religious denominations is not free. Students are required to pay a monthly fee covering tuition. The cost of books and other incidentals are additional costs to the student. Government does offer a small number of scholarships to these institutions which are generally tuition scholarships. The Belize Technical College and two Junior Secondary Schools in Belize City are government institutions. The former offers a number of free places to students each year, while there is no tuition fee for attending the Junior Secondary Schools.

There were 21 secondary schools in 1977, of which 4 were fully managed by government. The other 17 were all private secondary schools and 16 were managed by religious bodies. Heach approved denominational secondary school receives a basic grant of Bze \$14,000 per annum and an additional per capita grant of Bze \$160 for each student over 100. In addition they receive an annual facilities grant of between Bze \$2,500 and Bze \$5,000 depending on the size of the institution; and a staffing grant of Bze \$2,000 per graduate (instructor) per year. The other schools in 1977, of which 4 were fully managed by government.

Table 12 shows data on the secondary school population by age and sex for the period 1970 through 1975. It is interesting to

<sup>&</sup>lt;sup>34</sup> Government of Belize, <u>Development Plan 1977-1979</u>, p. 55.

<sup>&</sup>lt;sup>35</sup>Government of Belize, <u>Belize New Nation in Central America</u>, p. 27.

TABLE 12
SECONDARY EDUCATION SCHOOL POPULATION BY AGE AND SEX, 1970-1974

			Age in Years									
Year	Sex	11	12	13	14	15	16	17	18	19	20 and Over	Total
1970	M	5	29	134	306	408	<b>321</b>	282	180	83	48	1,796
	F	1	33	171	376	414	<b>380</b>	199	169	77	31	1,851
1971	M	8	83	152	316	463	354	300	171	116	<b>33</b>	1,946
	F	11	88	225	453	480	424	300	142	67	26	2,216
1972	M	2	50	196	367	430	399	344	199	85	41	2,113
	F	5	79	253	497	493	485	305	176	71	25	2,389
1973	M F	1	40 52	173 240	373 449	397 505	399 484	324 358	234 247	115 92	50 50	2,105 2,477
1974	M	2	44	201	442	463	356	328	204	108	44	2,192
	F	2	52	234	502	549	472	353	198	89	38	2,489

Source: Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2, and 1975 Supplement (Belmopan, Belize: The Government Printer.

note that between the ages of eleven through sixteen there are more females than males attending secondary school and although that figure declines from age seventeen through twenty, overall there are more females than males attending high school.

Belizeans who wish to attend university must now do so abroad as there is no local university. The University of West Indies has been established as a regional institution and Belize by virtue of its financial contribution to that body and its representation on the Council of the University has access to all facilities and programs of the university. The majority of students from Belize who pursue university courses do so at one of the campuses of the University of the West Indies, located either in Jamaica, Barbados or Trinidad.

In 1976, a University Center was established in Belize and according to the 1977-1979 Development Plan,

this Center will provide some of the training which Belizeans now go abroad to undergo; will carry out research into some of the problems of the country and make the role of the university much more meaningful in Belize. <sup>36</sup>

The University Center is a welcome addition to the educational facilities in the country and has great potential for the improvement of education in Belize. But, there is no indication in the Development Plan of how the Center will meet the stated objectives. There is no financial allocation for the Center mentioned in the Plan nor is there any indication that the University of West Indies will increase its financial allocation to the Center in order for it to carry out the

<sup>&</sup>lt;sup>36</sup> Government of Belize, <u>Development Plan 1977-1979</u>, p. 57.

programs anticipated in the Development Plan. With the current staff of two (a resident tutor and a secretary) one would not expect that the institution would be any more meaningful to Belizeans than the Extra-Mural Department of the University in Belize, which it has absorbed.

## Vocational Education

Vocational education was not included as one of the three main categories in the system of education since it is not exactly in a category by itself. Vocational education in Belize is provided mainly for primary school leavers who do not go on to any type of secondary education. The Belize Vocational Training Center provides basic craft training in five fields viz., carpentry, plumbing, masonry, electrical wiring and auto mechanics, for approximately 65 boys each year.

Originally the Center was intended to provide craft training not only to primary school leavers but also to adults, as a means of improving their skill level. The latter goal has not been achieved and in fact the school has expanded little since its inception. In 1964, the enrollment was 62 pupils and by 1977 that number had increased to only 70.

Vocational training in Belize has not been an effective means of increasing the skill level of adult workers or developing new skills in primary school leavers. One reason is that government has not been able to pinpoint areas in which certain skills are in short supply due to an absence of manpower data. In effect the Vocational Training

Center has been graduating students with basic skills in carpentry, plumbing, etc., but they have been unable to obtain jobs. Difficulty in job placement also arises because employers feel that after one year of training at the Vocational Training Center the graduates have not achieved journeyman's standard in their trade. The Center has not developed a certification examination which would signify a recognizable standard of achievement in the various skills being taught.

Government has not given vocational education the importance it deserves in the educational system of the country. The Belize Vocational Training Center was originally designed to have five buildings, each containing a workshop and classrooms for each subject taught at the Center.

Instead, only one of those buildings was constructed and all five workshops and classrooms were literally 'crammed' in a building designed for one workshop. The building is totally inadequate for the purpose for which it is being used and this results in an environment which is not conducive to good education.

## Administration

Ultimate responsibility for education lies with the Minister of Education. As the head of the Ministry of Education he is responsible for initiating policy and his adviser and chief executive, the Permanent Secretary has the responsibility for ensuring the implementation of educational policy. The Chief Education Officer is also the Minister's adviser but, 'on professional matters,' and he is the head of the

Department of Education. In addition his main responsibility, under the law is the administration of the educational system.

At the primary level:

Immediate control and administration of the schools is vested by law in the denominational managing authorities. Even where the law gives the Ministry or the Department authority in certain matters these powers are exercised with diffidence and sometimes not at all. Dual control is deep-rooted in the history of the developing educational system, in the minds of the teaching profession and the people at large.<sup>37</sup>

The unholy alliance between church and state in the administration of the educational system at both the primary and secondary level is in need of serious evaluation. The country is undoubtedly indebted to the religious denominations for their pioneering efforts in the field of education in Belize. Those efforts have allowed the people to have the highest rate of functional literacy at over 93 percent, <sup>38</sup> among all the countries in Central America and higher than most of those throughout the rest of Latin America.

While past achievements are appreciated, education for accelerated national development should be linked to the developmental needs of the country. The goals of the churches which own and run the schools are clearly different from the needs of the government which meets the greater portion of the costs of those schools, and relies

Mission to British Honduras (Paris: UNESCO, 1964), Appendix D, p. 17.

<sup>&</sup>lt;sup>38</sup> Government of Belize, <u>Belize New Nation in Central America</u>, p. 18.

on their output to satisfy the manpower requirements of its development programs.

One of the most serious problems arising out of the church-state educational relationship is fragmentation of the education effort. Each denomination wishes to have its own school in various localities although the population of children may be barely sufficient to justify only one school. Government's attitude to such fragmentation has been passive even in the light of glaring examples of fragmentation and duplication.

The government states that its policy is,

. . . to support and encourage educational progress in plans devised and set in operation by the private institutions existing in the country--this is a good thing, especially under the present circumstances where government has limited resources.<sup>39</sup>

It is difficult to understand why a government which seems to have a chronic disease called 'limited resources' is prepared to expend those resources in a manner which could not be classified as prudent.

The UNESCO Report has pointed out,

It behooves the country seeking fulfillment of economic and social goals with limited resources to give the quality and quantity of education in all the levels and ramifications consistent with those goals. The more glaring examples of fragmentation, duplication and over-lap need to be eliminated if the combined resources are to be successfully and economically deployed and applied.<sup>40</sup>

<sup>&</sup>lt;sup>39</sup> See Peoples United Party, "Manifesto for Belizean Progress" (unpublished, mimeographed, Premier's Office, Belize, n.d.).

<sup>40</sup> United Nations, UNESCO, p. 15.

That statement is valid both at the primary and secondary levels of education in Belize.

### Summary

The successful development of an industrial labor force will depend upon certain characteristics of the existing labor force. Variables such as education and skill level, size of the labor force and its age/sex composition must be taken into account in developing an industrial labor force.

In Belize there are also certain cultural barriers such as the family structure and traditional ties to the land which could affect the implementation of a successful program of industrialization. But as this study has indicated those two factors would not have any serious inhibiting effect on the plan for industrialization.

It is no easy task to determine the labor force in a developing country and Belize is no exception. The subsistence nature of obtaining a livelihood on the part of most people in the rural areas and the general absence of statistical data combine to present a perplexing task to the researcher. By accepting the ILO's definition of labor force, this study was able to make use of data from internationally published sources to supplement that available from government and other sources in Belize.

The composition of the labor force in Belize is not unlike that in many developing countries, with a very high male participation rate and low female participation rate. The imbalance in the participation rates results mainly from the fact that industrial employment in Belize is currently very limited. Most employment is of a manual

nature and require physical brawn, thus being unsuitable for most women. Yet there are few, if any, cultural factors which would prevent women from increasing their participation in the labor force and this should be encouraged.

The system of education is divided mainly into primary, secondary and higher education. Primary education is free and compulsory for all children from ages six through fourteen years. Secondary education starts mainly at age eleven or twelve and goes on through age sixteen to seventeen. Higher education goes on from age sixteen onwards. Secondary education in Belize is not free and most students must pay all the costs of attending a secondary school. The government offers a few scholarships which mainly provide for the payment of tuition. There is no university located in Belize, and Belizeans must go abroad to obtain university education.

The Ministry of Education while responsible for the country's education policy is somewhat handicapped in implementing that policy due to the nature of the system of education at the primary and secondary level. At the primary and secondary levels the majority of the schools are under the management of religious denominations with government meeting certain costs. Complications therefore arise as the goals of the church and those of the state do not usually coincide.

Vocational education which has an important role to play in the overall development of human resources has been seriously neglected in Belize. One can only hope that the value of vocational education will be recognized and that adequate funds will be provided to improve the quality of education available at vocational training centers.

#### CHAPTER III

### NATIONAL DEVELOPMENT OBJECTIVES AND STRATEGIES

## Development Planning

National development planning is a relatively new phenomenon particularly in the developing countries. Planning strategies and the planning system varies in the light of specific conditions, economic, social and political, in the various countries. Many countries which have adopted national development planning as a strategy for improving economic and social conditions have been influenced by the example and experience of the socialist countries. As Gunnar Myrdal has pointed out:

That the ideological influences from the Communist world have been strong is quite apparent. Very generally, but particularly in India, Burma, and Indonesia, the intellectual and political leaders had received strong impulses from the Russian revolution. . . . The five year plans of the Soviet Union were recognized as the pioneering attempt of an underdeveloped country to engender economic development by state planning, and have been a decisive influence, which has not spent its force. 1

But evidence of the effectiveness of development planning also came from the western industrialized countries. During World War II the western allies used physical planning to ensure that scarce materials went to priority production. After the end of the war many of

Gunnar Myrdal, Asian Drama, vol. 2 (New York: Pantheon, 1968), pp. 726-727.

those countries found it necessary to retain such wartime planning measures. Countries participating in the Marshall Plan for the reconstruction of Western Europe were required to prepare comprehensive plans, which the United States considered necessary, prior to providing aid for the reconstruction program.

Since the 1950s the World Bank has also been effective in accelerating national development planning in some countries. Many of its survey missions have recommended the establishment of planning agencies, and in general, aid for developing countries from the Bank is usually tied to formulation of a 'plan.' Some western countries, although they do not favor 'planning' for their own economies, have insisted that developing countries formulate 'plans' before they are granted development aid. The late United States President, John F. Kennedy, in his State of the Union Address to Congress on January 30, 1961, indicated that all United States foreign aid be extended on the basis of "orderly planning for national and regional development instead of a piecemeal approach." Development planning in the Commonwealth Caribbean countries goes back to the late 1930s and the findings of the West Indies Royal Commission under the chairmanship of Lord Moyne. The Commission was appointed by the British in 1938 to

. . . investigate social and economic conditions in Barbados, British Guiana, British Honduras [Belize], Jamaica, the Leeward Islands, Trinidad and Tobago, and the Windward Islands. . . . 2

<sup>&</sup>lt;sup>2</sup>Ashton Chase, A History of Trade Unionism in Guyana, 1900-1961 (Demerara, Guyana: New Guyana Co. Ltd., Ruimveldt, 1964), p. 94.

Among the many recommendations in the report of the Commission (often referred to as the Moyne Commission) was the establishment of a West Indian Welfare Fund, to be used for 'financing basic improvements in the economic and social conditions of the people in the West Indian Colonies.' This recommendation resulted in the passage of the Colonial Development and Welfare (C.D. & W.) Act in 1940, superseding a Colonial Development Act passed in 1929, which provided for funds to be allocated for colonial development.

Approval of aid under the C.D. & W. Act, was conditional upon the colonial authorities submitting plans and/or specifications for various projects which qualified for such aid. The British were convinced that development planning for the colonies was desirable and in 1945 when another C.D. & W. Act was passed allocating more aid funds, the colonies were required to prepare and submit ten-year development plans for the period 1946-1956. 3

But in addition to providing impetus to development planning in the colonies, the C.D. & W. Act also gave leverage to the advocates of free trade unionism in the colonies. Included in the Act was a clause stipulating that:

. . . no territory might receive aid under the provisions unless it had in force legislation protecting the rights of trade unionism, and unless the works for which aid was to be used were carried out under a contract which forbade the employment of children under the age of fourteen. 4

<sup>&</sup>lt;sup>3</sup>See Albert Waterston, <u>Development Planning Lessons of</u> Experience (Baltimore, Md.: The Johns Hopkins Press, 1965), p. 34.

B. C. Roberts, Labor in the Tropical Territories of the Commonwealth (Durham: Duke University Press, 1964), p. 188.

That clause became necessary because the Moyne Commission's report strongly criticized the failure of colonial Governors to implement Colonial Office policy dealing with fostering the development of trade unions.

According to Knowles, the Moyne Report was so critical of the colonial administration that ". . . its publication was held up for the duration of the war for fear that its contents might be used as enemy propaganda." In fact, the report, although presented to the British Parliament in 1940, was not made public until 1945, thus giving some credence to the observation by Knowles.

The origin of development planning in Belize goes back to those C.D. & W. Acts providing British aid for development and one of the earliest plans was for the period 1947-1956. However development plans prepared in Belize prior to 1964, had limited local input, as the country was not self-governing and British expatriate officials dominated the administrative and legislative bodies responsible for development planning.

On January 1, 1964 a new constitution came into being and Belize had achieved full internal self-governing status. For the first time the elected representatives of the people would be responsible for the country's domestic affairs. While the British Governor retained responsibility for external relations, defence, and the terms of service of civil servants, his powers had been sharply curtailed. The

<sup>&</sup>lt;sup>5</sup>William H. Knowles, <u>Trade Union Development and Industrial</u> Relations in the British West <u>Indies</u> (Berkeley: University of California Press, 1959), p. 44.

Premier as leader of the majority party in the House of Representatives became the head of government and President of the Cabinet.

As mentioned before, this study in examining development planning in Belize will only deal with those plans originating since 1964. The reason for this is mainly due to the constitutional changes which took place in January of that year. For the first time Belizeans were responsible for planning the development of Belize, a new and challenging task, after hundreds of years of colonial exploitation and neglect.

Planning has been defined in widely divergent ways, but many writers see it as "an organized intelligent attempt to select the best available alternatives to achieve specific goals." Perhaps one of the more simple and pragmatic definitions is that given by former Prime Minister Nehru of India: "Planning is the exercise of intelligence to deal with facts and situations as they are and find a way to solve problems."

But despite the various definitions given to planning, and the variety of forms which such planning may take, it is possible to point out certain common attributes. These include:

. . . looking ahead, making choices, and, where possible, arranging that future actions for attaining objectives follow fixed paths or, where this is impossible, setting limits to the consequences which may arise from such action. 8

<sup>&</sup>lt;sup>6</sup>Waterston, p. 8.

<sup>&</sup>lt;sup>7</sup>Jawaharlal Nehru, "Strategy of the Third Plan," in <u>Problems of the Third Plan</u> (New Delhi, India: Government of India, 1961), pp. 33-34.

<sup>&</sup>lt;sup>8</sup>Waterston, p. 9.

In addition to the above-mentioned attributes, planning for national development entails not only planning for economic growth, but it also requires certain social and cultural changes as well. These are particularly important in developing countries; the quantitative increases in economic growth goes hand in hand with the qualitative social and cultural change. Without the latter it is doubtful whether the former could be sustained for any appreciable length of time.

# National Development Planning in Belize

Since 1964, there have been two development plans prepared in Belize. The first was for the period 1964 to 1970 and the second only came out in 1977 covering the period 1977 to 1979. During the period 1971 through 1976 there was no plan in existence; it has not been possible to determine what was the reason for this, and at this stage speculation would be unjustified.

## The 1964-1970 Development Plan

The objectives of the 1964-1970 plan were to:

- 1. increase the national income;
- increase employment opportunities;
- 3. balance the recurrent budget and possibly provide a surplus for contribution towards capital formation; and
- 4. make total exports exceed the imports of consumption goods.<sup>9</sup>

  The plan clearly gives priority to economic growth as it

states, "The importance of improving certain of the social services

<sup>&</sup>lt;sup>9</sup>Government of Belize, Development Plan 1964-1970, p. 19.

such as housing, water, sewerage and medical services is accepted as important. Their contribution to economic efficiency is recognized." According to Professor W. Arthur Lewis,

. . . it is as important to expand social services as it is to produce more commodities; neither has priority over the other. Social services can to some extent be justified on the ground that they increase productivity, but even in so far as they are to be justified only as consumption, they rank equally with any other kind of consumption. 11

It does not take much research or technical skill for one to deduce that a country with a population which lacks management or entrepreneurial skills, has poor development of labor skills, is lethargic due to disease and poor health services, will most likely be unable to sustain any high degree of economic growth. Such growth depends not only on the amount of work done, but on the intelligence, initiative and energy shown in making and seizing new opportunities. Good health undoubtedly enhances those qualities.

Professors Harbison and Myers have carried out a major manpower study relating to education and economic growth and have developed an 'index of levels of human resource development.' This index which is a composite of several factors, takes into account the number of teachers, engineers, scientists, and doctors in relation to the population of nations, and percentages of the school-age population enrolled in various levels of educational pursuits. According to the study there

<sup>&</sup>lt;sup>10</sup> Ibid., p. 19.

<sup>11</sup> Caribbean Organization, <u>Planning for Economic Development in</u> the Caribbean (Hato Rey, Puerto Rico: Central Secretariat Caribbean Organization, 1963), p. 165.

is a high degree of correlation between per capita out-put and the index of human resource development. Table 13 summarizes the results of the study which was carried out in 75 countries. The correlation coefficient between the composite index and GNP was 0.89 for the 75 countries. The point is, that a development plan should give recognition to the fact that investment in human capital and other social services is an essential part of the process of economic development, although progress in that area may not be as visible as new factories, highways or electrification schemes.

The Development Plan 1964-1970 gave priority to agriculture for the use of funds to implement the plan, i.e., if there was a shortfall in the financial allocation for the overall plan, then other programs would be rescaled in order to allow the full agricultural program to be implemented. The basis of that decision was that: "priority must be given to increasing the productive capacity of the industries that will provide the current and capital inputs that the social services will require." 13

In Belize as in many other countries, most of the services classified as social services are provided by government, viz. education, medical and public health service, community development services, water and sewerage systems, telecommunications, roads, electricity, etc. These services are financed by the Government of

<sup>&</sup>lt;sup>12</sup> See F. H. Harbison and C. A. Myers, Education, Manpower and Economic Growth (New York: McGraw-Hill Book Co., 1964), pp. 23-48.

<sup>13</sup> Government of Belize, Development Plan 1964-1970, p. 19.

TABLE 13

COUNTRIES GROUPED BY HUMAN RESOURCE DEVELOPMENT AND GROSS NATIONAL PRODUCT, 1958-1959

Countries (in Order from Highest to Lowest)	National Index of Human Resource Development	Averages per Capita GNP (\$ U.S.)
Advanced countries:		
U.S.A., New Zealand, Australia, Netherlands, Belgium, United Kingdom, Japan, France, Canada, USSR, Finland, West Germany, Israel, Argentina, Sweden, and Denmark	115	\$1,100
Semiadvanced countries:		
Norway, Uruguay, Czechoslovakia, Poland, Yugoslavia, Italy, South Korea, Taiwan, Hungary, Chile, Greece, Venezuela, Costa Rica, Portugal, Egypt, South Africa, Spain, Cuba, India, Thailand, and Mexico	50	380
Partially developed countries:		
Iraq, Peru, Turkey, Jamaica, Pakistan, Ecuador, Lebanon, Malaya, Ghana, Paraguay, Colombia, Brazil, China, Iran, Tunisia, Bolivia, Dominican Republic, Burma, Libya, Indonesia, and Guatemala	21	182
Less developed countries:		
Sudan, Uganda, Senegal, Haiti, Nigeria, Kenya, Liberia, Congo, N. Rhodesia, Ivory Coast, Tanganyika, Saudi Arabia,		
Afghanistan, Somalia, Nyasaland, Ethopia, and Niger	3.2	84

Source: F. Ray Marshall, Allan M. Cartter, and Allan G. King, Labor, Economics, Wages, Employment, and Trade Unionism (Homewood, Ill.: Richard D. Irwin, Inc., 1976), p. 555.

Belize from local taxation, loans, grants and foreign aid. In 1964, the year the Development Plan was published, the main sources of government revenue were customs duties (32.5 percent) and income taxes (13.6 percent). British development aid, while not a source of revenue, accounted for approximately 10 percent of funds available for government expenditure.

Table 14 shows the revenue situation in 1964 and 1965, one year after the plan was in effect. It can be seen that customs duties provided the largest single source of government revenue, comprising import duties and entry tax on various commodities. Table 15 gives a further breakdown of revenue, from import duties, on the basis of specific commodities for the years 1964 and 1965.

Although food imports by dollar value are the largest single item imported, the amount of income generated through import duties on food items is relatively low as indicated in Table 15.

By giving priority to the use of funds for the development of domestic and export agriculture the development plan:

. . . proposed to increase the output of the existing export crops--sugar and citrus--and to produce cattle, cocoa, bananas and tobacco for the export market; also to embark on a substantial measure of substituting locally produced staples such as rice, beans and meat products for imports. 14

According to the import statistics for 1964 the total value of food imports in 1964 was Bze \$8.2 million, 15 although the Development Plan

<sup>&</sup>lt;sup>14</sup> Ibid., p. 26.

<sup>15</sup> Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2 (Belmopan, Belize: The Government Printer), p. 1, Table 1.

TABLE 14

GOVERNMENT OF BELIZE MAJOR SOURCES OF REVENUE FOR 1964 AND 1965
('000 Belize \$)

	Total i	n Dollars a	nd Percent o	f Total	
	1964		19	1965	
Sources of Revenue	\$	<sub>%</sub> a	\$	<sub>%</sub> a	
Customs	4,822	32.5	5,355	39.6	
Excise on spirits	172	1.2	151	1.1	
Excise on cigarettes	65	0.4	63	0.5	
Income tax	2,018	13.6	1,791	13.3	
Land tax	219	1.5	174	1.3	
Estate duty	110	0.7	32	0.2	
Stamp duty	231	1.6	163	1.2	
Motor vehicle and bicycle licenses	129	0.9	154	1.1	
British Development aid	1,464	9.9	1,766	13.1	
Grant-in-aid	250	1.7	500	3.7	
Hurricane rehabilitation	2,183	14.7	519	3.8	
Other	3,192	21.5	2,839	21.0	
Total	14,855	100.0	13,507	100.0	

Source: Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2 (Belmopan, Belize: The Government Printer), p. 16, Table 8.

 $<sup>^{\</sup>mathbf{a}}$ Percentages may not total 100 due to rounding.

TABLE 15

REVENUE FROM IMPORT DUTIES CLASSIFIED BY S.I.T.C. FOR 1964 AND 1965
('000 Belize \$)

	Revenue	in Dollars	and Percent	of Total
	1964		1965	
Commodity by S.I.T.C.	\$	<sub>%</sub> a	\$	<sub>%</sub> a
0Food	500	12.1	563	11.8
1Beverages and tobacco	1,056	25.5	1,209	25.3
2Crude materials inedible except fuels	1	0.02	2	0.04
3Mineral fuels, lubricants and related materials	569	13.7	658	13.8
4Animal and vegetable oils and fats	3	0.1	5	0.1
5Chemicals	258	6.2	283	5.9
6Manufactured goods	693	16.7	823	17.2
7Machinery and transport equipment	522	12.6	583	12.2
8Miscellaneous manu- factured articles	474	11.4	596	12.5
9Goods and other transactions	69	1.7	61	1.3
Total	4,145	100.0	4,783	100.0

Source: Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2 (Belmopan, Belize: The Government Printer), p. 17, Table 9.

 $<sup>^{\</sup>mathbf{a}}$ Percentages may not total 100 due to rounding.

states that that figure is only Bze \$5 million. The Plan claims that an estimated Bze \$3 million of those imports could "be competitively produced locally." It is clear from looking at a list of the food imports (see Appendix B), that most of those food items could indeed be produced locally. Unfortunately, by 1971, one year after the expiration of the Development Plan, the total value of food imports had jumped to Bze \$15.1 million. 17

This researcher has not been able to locate any official reason or explanation for almost 100 percent increase in the value of food imports between 1964 and 1971. However Table 16 gives an indication of the shortfall in the projected output of almost all the items listed. The anticipated output of agricultural products based on the projections in the Development Plan were not realized and the rising expectations of the people could only be satisfied by importing food to meet the demand.

But the situation becomes even more acute as the latest

Development Plan (1977-1979) states that, "imports of 'Food' items

increased by 24.4 percent between 1971 and 1973, then moved up sharply

by 112.5 percent between 1973 and 1975." It is thus quite clear

that the planning process has not been successful in generating a

<sup>&</sup>lt;sup>16</sup> Government of Belize, Development Plan 1964-1970, p. 26.

<sup>17</sup> Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2, p. 1, Table 1.

<sup>&</sup>lt;sup>18</sup> Government of Belize, Development Plan 1977-1979, p. 7.

TABLE 16

AGRICULTURAL PRODUCTION IN BELIZE COMPARATIVE
OUTPUT 1964 AND 1970

Product <sup>a</sup>	Output in 1964	Projected Output by 1970 According to Development Plan	Actual Output in 1970
Livestock			
Cattle (by the head)	33,000	50,000	38,399
Beef ('000 lbs.)	939	Not stated	1,045
Pork ('000 1bs.)	1,209	1,500	448
Sugar (tons)	33,591	40,000	64,851
Rice ('000 1bs.			
milled rice)	3,386	10,000	4,620
Beans (red kidney			
in '000 lbs.)	1,500	15,321	4,050
Corn (in '000 lbs.)	9,107	70,560	35,000
Citrus (acreage under cultivation)	8,146	10,200	9,201

Source: Central Planning Unit, Abstract of Statistics, 1970-1972, vol. 2 (Belmopan, Belize: The Government Printer), pp. 44-54; and Central Planning Unit, Economic Survey, 1971 (Belmopan, Belize: The Government Printer), pp. 14-24.

<sup>&</sup>lt;sup>a</sup>Products for which comparative data are available.

sufficiently high quantity of domestic food production to satisfy local demand and thus displace the imports.

Earlier in this study it was pointed out that 'Plans which ignore the human factor in their application will remain plans' (see page 2). It was also established that Belizeans in general, due in part to the nature of the country's early development, have not indicated a strong desire to become involved in agriculture. While one must not ignore the use of modern technology for increasing agricultural production, the human factor is also extremely important. In Belize the latter has been largely ignored, despite the importance attributed to agriculture in the Development Plan.

As a means of enhancing agricultural development, the Plan proposes that the program for education should emphasize,

. . . the teaching of the rudiments of scientific agriculture in all rural schools, for the development of Lynam College\* and of the School of Agriculture at Central Farm to produce farmers, farm supervisors and agricultural administrators. 19

However, the School of Agriculture is geared for students of post-primary school age. For example, in 1967 the School offered ten courses to special groups of participants with an average duration of twelve days per course. The school is not an agricultural school in the true sense of the word; it has no permanent or full-time staff and

<sup>\*</sup>Lynam College was a high school run by the Jesuits (Roman Catholic Church) devoted to providing students with an agriculturally biased education. This school has now been closed mainly due to lack of financial support.

<sup>19</sup> Government of Belize, Development Plan 1964-1970, p. 27.

teaching of courses dealing with specific aspects of agriculture is carried out by the staff of the Agriculture Department. According to <a href="The New Belize">The New Belize</a>, a government publication, in October 1977, the Belize School of Agriculture was opened at Central Farm in the Cayo District. The magazine further points out that a Dean and Assistant Dean of the 'School' have been appointed. It would appear that the Belize School of Agriculture has superseded the 'School of Agriculture' mentioned above.

The problem with such projects is that they are rarely well funded, and that presents an immediate problem for their successful existence. For example, an examination of the 1977 budget reveals no provision for a School of Agriculture, or for payment of the Dean, Assistant Dean, or any other staff. Funds for the school will obviously be 'pinched' from the regular budget of the Agriculture Department. But an even more important question is, why not establish the agricultural school under the control of the Ministry of Education? Surely that Ministry with its expertise in curriculum development, trained technical staff and experience in educational administration would be the obvious area under which all education should be undertaken. It would also allow better coordination between the School of Agriculture, the Primary schools and the Secondary schools. While this study cannot delve too deeply into this aspect of development in Belize, we can only hope that the current School of Agriculture will be more effective than its predecessor.

The present School of Agriculture is ideally situated near the government's major Agricultural Experimental Station. It is not clear whether the school is intended as a training center offering courses mainly at the craft level or if it will also include agricultural educational courses up to the secondary level.

Agricultural education has been given some priority in the Development Plan and the Agricultural School should be established on a sound basis. This entails sufficient staff and an adequate financial allocation for equipment, books and residence facilities for the students. The area in which the school is located is a rural area and private housing is not available for students. Dormitory facilities would have to be provided. While students at the school could be allowed use of existing laboratory and other facilities, it would be more convenient if the school could have its own facilities. The existing facilities are barely sufficient to meet the demands of the government's agricultural research staff, hence the suggestion that the school obtain its own laboratory facilities.

In analyzing the development of agriculture in Belize, there are indications that a large proportion of the population is not oriented towards agriculture. The Development Plan proposes to deal with that problem by introducing pupils to agriculture in both urban and rural schools at the primary level. It is at that level that pupils should be introduced to agriculture, both in the rural and urban areas; nevertheless the primary school curriculum does not provide for teaching of agriculture in those schools. Some schools

do have school gardens, but the establishment of these really depends on the initiative of the individual school principal, rather than a requirement of the curriculum.

Of course the situation in the primary schools is mainly the result of the absence of agricultural subjects from the curriculum of the Belize Teacher's College. 20 If the teachers who are being prepared for teaching in the primary schools have not been given any agricultural training, then they could not be expected to teach such subjects in the primary schools.

Despite the situation mentioned above, apparently in keeping with the promise in the Development Plan 1964-1970 (see page 78 ante) a pilot project for agricultural education in nine rural primary schools was started in 1976. Unfortunately, the official from the Ministry of Education who was placed in charge of the project had no specific expertise in agriculture or agricultural education.

While the pilot project is a useful beginning, its expansion to the majority if not all primary schools will be restricted due to the limited exposure which most teachers have had with agricultural education. The project should be evaluated on a continuing basis in order to determine:

<sup>&</sup>lt;sup>20</sup> After the completion of the research for this thesis, the writer was informed that 'agriculture' has now been added to the curriculum of the Belize Teacher's College. It has not been determined how extensive will be the agricultural bias in the curriculum of that College, or whether or not the addition of 'agriculture' is simply a cosmetic change.

- how well teachers cope with the teaching of agricultural subjects in the schools;
- additional costs to the school system in terms of equipment and land for school gardens, etc.;
- 3. how effective is the teaching of agriculture at the primary level in encouraging pupils to:
  - a. remain in the rural areas and get involved in farming,
  - go on to secondary schools and major in agricultural science, or
  - c. develop a complete dislike for agriculture and thus wish to leave the rural areas; and
- 4. the views of parents on the teaching of agricultural subjects in the primary schools.

At the secondary level the school curriculum has a similar deficiency, although most high school students are able to pursue subjects in the natural sciences which are necessary if they wish to specialize in agriculture at the College level. The orientation towards an agricultural bias is absent in the secondary schools with the result that very few students go on to specialize in the agricultural sciences, veterinary medicine or agricultural economics.

## The 1977-1979 Development Plan

A Bolivian delegate to a Latin American Seminar on Planning held in Argentina during 1963 observed, 'No hay que hacer planes a corto plazo si no hay que en corto plazo hacer planes' (what is needed

is not so much short term plans as plans prepared in a short time). It is amazing that it could take from 1971 to 1976 to produce a three year development plan in Belize, but from the quotation above it would appear that long delays in preparing development plans are not unknown in other parts of Latin America.

However, by studying the Development Plan 1977-1979 one begins to doubt whether in Belize we have development planning or simply development plans.

Gross has pointed out that, "development planning, then, is not the same thing as a development plan. Those who confuse the two mistake a product of the planning process for the process itself." We may therefore look at planning as a process which is an almost indispensable precondition in the formulation of effective development policies. "Whether or not the bases and rationale for these policies should be set forth in a paper plan is another matter." It should be clear that by preparing a document which embodies the results of such planning, there can be a systematic approach to coordinating development decisions. As Cairncross states,

It is a mistake to suppose that nothing ever gets decided or 'planned' until there is a programme. Just as it is nonsense to equate planning with the publication of a quinquennial programme, so it is nonsense to think that

<sup>&</sup>lt;sup>21</sup> Bertram M. Gross, "When Is a Plan Not a Plan?" Challenge 10:3 (December 1961): 11.

<sup>&</sup>lt;sup>22</sup>United Nations, Economic Commission for Africa, <u>Problems</u> Concerning Techniques of Development Programming in African Countries (Addis Ababa, Ethiopia, December 1959, E/Cn.14/42/Add. 1), p. 18.

a programme settles everything and that no sensible decisions can be taken without one. 23

While the statement above by Cairncross may have some degree of merit, its applicability to a developing country such as Belize must be considered in the light of past plans and the development planning process. In 1963, a United Nations Planning Team after visiting Belize presented its findings and recommendations to Government in the form of a 'Development Plan in broad outline.' Government accepted that plan in principle but found certain areas of disagreement and thus prepared its own plan within the framework of the plan submitted by the United Nations Team, covering the period 1964-1970.

From 1971 to 1976 there was no plan 'on paper' yet according to Cairncross referred to above, this does not mean that nothing was planned or achieved during that period. Since government has decided on development planning as the process through which development policies for the social and economic welfare of Belizeans would be improved, then, such a break in the planning process could have a detrimental effect on the process. In the absence of a plan it is easy to attempt to use the annual budget as if it were a development plan. Annual budgets include nondevelopment expenditures and the budget making period is usually too short to make adequate appraisals for development projects or programs. That part of the budget dealing with capital expenditure also only deals with the public sector of the

<sup>&</sup>lt;sup>23</sup>A. K. Cairncross, "Programmes as Instruments of Coordination," Scottish Journal of Political Economy (Edinburgh) 8:2 (June 1961): 90.

economy and is therefore not a suitable instrument of coordination with the private sector.

What then is the reason for a three-year development plan in the light of the statement by the government that, "it is the first phase of the long term perspective for socio-economic and political change which the government wants to establish during the next 25 years"?<sup>24</sup>

One obvious reason could be political considerations. The ruling party in government was elected in December 1974 for a maximum term of five years, which expires in 1979. Therefore, although it has indicated that there are certain socio-economic and political changes which the government wishes to establish, it is only prepared to give the people a three-year glimpse of what those changes are likely to be. It may be that the governing party feels that planning should be of maximum assistance to it, therefore the planning period should coincide with its term of office.

Dr. Eric Williams, an outstanding Caribbean scholar and politician, presently Prime Minister of Trinidad and Tobago, opposes that view. He states that:

. . . to have medium-term plans coinciding with the term of office of a government is bound to 'overpoliticise' the process of national economic and social planning. Under these circumstances it is almost inevitable that planning will become the sport of party politics. Wild promises rather than realistic goals will be set out in the Plan, since it is almost certain to be made into an

<sup>&</sup>lt;sup>24</sup>Government of Belize, <u>Development Plan 1977-1979</u>, p. 1.

election manifesto, whether that is or is not the intention of the ruling party.<sup>25</sup>

While government development planning is fundamentally a political activity, the plan should take into account not only economic but also social and institutional conditions. The plan should not only deal with increases in GNP and per capita income, it should also be concerned with a policy directed towards social changes such as land reform, the redistribution of incomes and the formation of financial and budgetary discipline. By looking at the goals of the 1977-1979 Plan, one can see where they are vague and indeterminate with broad generalizations, e.g., ". . . the Government strategy will be to":

- 1. increase the rate of growth in real output originating in an expansion of:
  - farm output for export and import substitution and import replacement;
  - industrial production for export, import substitution and import replacement;
- 2. increase the value of national savings, especially the share generated by the public sector and through this means increase the participation of nationals in the key sectors of the economy;
- 3. bring about an absolute reduction in the current account deficit of the Balance of Payment;
- 4. increase employment opportunities;
- diversify the economic structure so as to increase the viability of the national economy (e.g., to reduce dependence on a few crops); and

Planning, vol. 1, ed. Mike Faber and Dudley Seers (London: Sussex University Press, 1972), p. 41.

6. raise the standard of living through self-help and through greater participation in the process of social and economic development.<sup>26</sup>

Although it is not possible to deal with those goals analytically, it is difficult to understand what they are really intended to achieve. This is especially so in the light of the previously quoted statement by the government that the plan is 'the first phase of the long term perspective for socio-economic and political change.' It is felt that such change may be either structural or functional; the former indicates that the existing socio-economic and political structure is untenable and that total change is necessary if certain developmental goals are to be met. In the latter case total change may not be necessary, as Zweig states, "functional planning will only repair not build anew; it will improve the work of the existing order, but not supersede it."<sup>27</sup>

In the view of this researcher the goals listed above are designed for economic improvement at the macro level, with the apparent hope that such changes will have favorable spillover effect on the social structure. It is not possible to even speculate on the possible effect which it may have on the country's political structure. But such are the vagaries of development planning in Belize.

<sup>&</sup>lt;sup>26</sup> Government of Belize, <u>Development Plan 1977-1979</u>, p. 12.

<sup>&</sup>lt;sup>27</sup>F. Zweig, The Planning of Free Societies (London: Secker and Warburg, 1943), p. 78.

# A Policy for Industrial Development

According to the booklet <u>Belize New Nation In Central America</u> published in 1976, "Government has now embarked on an active programme to promote industrial development." Since the 1960s certain development incentive legislation was passed with the intention of encouraging 'industrialization by invitation' in Belize.

The law provided incentives to agricultural and industrial enterprises, such as income tax and import duty exemptions on required capital and raw materials not available in Belize. At the time these laws were passed, 'Operation Bootstrap' in Puerto Rico was seen as the way developing countries could develop their industrial base. It was felt that the success which the Puerto Ricans were having with Operation Bootstrap could be duplicated in other areas of the Caribbean.

While the ideas behind a 'Bootstrap' type development program had much appeal to a country like Belize, it should have been realized from the beginning that the basic economic infrastructure in Belize left much to be desired. Although road connection existed between all the major towns except Punta Gorda in the south, the roads were narrow, the pavement being twelve feet or less in many places. The electricity generating capacity was extremely limited particularly in the district towns and was totally absent in the rural areas. The internal telecommunication system was archaic resulting in extremely inefficient service both in the capital—Belize City, and to the district towns. It was not until the mid-1960s that an automatic

<sup>&</sup>lt;sup>28</sup> Government of Belize, <u>Belize New Nation in Central America</u>, p. 22.

dial telephone system was introduced in Belize City, then the capital of the country. The extension of that system to the other towns and some rural villages was not completed until the early 1970s.

Therefore although the government was serious in its intent to attract overseas investment to Belize, its effort met with little success. In 1961 a Ministerial mission visited Canada, the United States of America and Jamaica for the purpose of luring investors to Belize, in addition to seeking needed technical assistance.

But it could not be said that 'industrialization by invitation' has been successful in Belize and as the 1977-1979 Development Plan points out, the industrial sector contributes only 10.0 percent to gross domestic product. Government has clearly recognized that that sector has the potential to make a larger contribution to GDP. Efforts have thus been made to improve the basic economic infrastructure in order to facilitate the establishment of new industries for both domestic and export production.

In the past, industrial development in Belize was faced with the problem of a small domestic market. The local demand was considered too small to warrant production of many manufactured commodities, while efficient production in the agricultural sector could easily flood the market, with the excess production going to waste unless export markets were available. The problem of export markets particularly for agricultural products has been solved to some extent since Belize has become a member of the Caribbean Community (CARICOM)<sup>29</sup> in

<sup>&</sup>lt;sup>29</sup>See note on CARICOM in Appendix C.

1974. The country now has access to a potential market of over five million in CARICOM made up of the former British colonies in the Caribbean area including Guyana in South America.

Investment in industrial development in Belize should now be more lucrative due to the enlarged market, although such questions as the mobility of labor between the member countries of CARICOM must still be resolved. With the much larger market available to Belize through CARICOM, the country should be able to develop a fair amount of light manufacturing industries and greatly expand its agricultural industries.

For the development of industrial output there are four broad categories of resources which are required, viz. labor, management and entrepreneurship, capital, and natural resources. In this study the emphasis is on the labor aspect of those resources, although some mention will be made of management and entrepreneurship. Labor is a major factor of production and can also be seen as one of the main beneficiaries for which the results of industrialization are intended.

While in most developing countries labor is an abundant factor of production, in Belize that is not the case. According to the 1977-1979 Development Plan, during the Plan period:

Labor force requirements will reach almost 47,900 persons, mainly for agricultural labor and industrial workers. But the economically active population will only be 41,800 persons. Some 6,100 additional persons will therefore be required to ensure that the Plan targets are achieved and that the projected growth rate of Gross Domestic Product is maintained.<sup>30</sup>

<sup>30</sup> Government of Belize, Development Plan 1977-1979, p. 13.

In order to cope with the projected shortage of labor, the plan proposes to "emphasize projects and programmes which can lend themselves to further labor saving devices, e.g., mechanization of more farm activities and the further processing of raw materials by more capital intensive methods." The shortage of labor can also be met by the importation of foreign labor, but it is clear that government will not allow an 'open-door' immigration policy to develop. Instead, there will be selective entry limited to those with the ability to contribute to the industrialization of the country.

On the other hand, government needs to ensure that its development program is successful enough to provide Belizeans with sufficient incentives for them to remain at home rather than emigrating. Although there are no reliable data available, indications are that there is a steady flow of immigrants from Belize particularly to the United States of America. According to Thompson, the net out-migration of secondary school graduates from Belize is about 30 percent. The Development Plan also recognizes the emigration problem and attributes the low rate of population increase in Belize City between 1960 and 1970 partially to emigration to the United States of America. 33

<sup>31</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> John Timothy Thompson, "Secondary Education and Employment in Belize: A Tracer Study of Recent Graduates" (Ph.D. dissertation, Michigan State University, 1973), p. 72.

<sup>33</sup> Government of Belize, Development Plan 1977-1979, p. 3.

The problem of emigration has a twofold characteristic, there is emigration from the rural to the urban areas and emigration from the urban areas (generally) abroad. To help remedy the former situation, rural life should be made more attractive, land reform and rural industrialization could help to dim the lure of the 'bright lights' in the towns and cities. Another measure which although more difficult to implement would be to maintain the average real rural wage equivalent to the average real urban wage, for comparable skills. In Belize the drift to the urban areas is not due so much to the imbalance of the wage structure (although this does occur) as to the limited opportunities for regular wage employment in the rural areas.

One answer to the problem of rural emigration lies in the development of the economic infrastructure, and this has been discussed before as a means for enhancing overall economic development. The limited return accruing to the manual labor involved in rural living, relatively lack of access to certain utilities and the overall drabness of rural life, serves to spur migration from the rural areas. On the positive side access to better educational and entertainment facilities, the attraction of jobs in the government or service sectors even at lowest levels serve to stimulate the influx from the rural areas to the towns and cities.

Improvement of the economic infrastructure could lead to development of industries and thus provide increased employment opportunities to the rural population. In addition, such measures as village electrification, improved educational facilities, upgrading of medical

and other social services would all help to enhance the quality of life in those areas.

As far as the problem of emigration abroad is concerned, this has much broader ramifications. Even the building of the Berlin Wall did not prevent East Germans from leaving their country, although it did reduce the numbers able to leave. Human nature being the way it is, the 'grass will always look greener on the other side.' There will always be a certain degree of emigration; this occurs in all countries; the best we can do is to keep it to a minimum. Therefore in the absence of mandatory controls to prevent emigration, a country like Belize will have to ensure that sufficient employment opportunities exist within its borders to attract those who would emigrate. Development policies should enable the building of a strong economy which would provide employment opportunities for educated Belizeans, as those are the persons most likely to emigrate.

The overall policy towards industrial development is as follows:

- a. It is proposed to encourage joint ventures in manufacturing enterprises, with firms in CARICOM countries providing management and technical skills and Belize providing raw materials and semi-skilled/unskilled labour.
- b. Government will create the necessary climate by providing the concessions and infrastructure required for the development of industries, and the private sector will be expected to undertake the necessary investment. Where feasible government will consider joint ventures with private enterprises.<sup>34</sup>

The objectives of that policy as stated in the Development Plan will be to:

<sup>&</sup>lt;sup>34</sup> Ibid., p. 31.

- a. attract a selected number of import substitution industries, and to develop offshore industries in urban areas;
- b. to encourage export oriented industries; and
- c. to encourage where possible a higher level of national participation.<sup>35</sup>

It is recognized that in stating the policy and objectives envisaged in a program of industrial development, it may be difficult to be precise especially when much of the capital and entrepreneurship is expected to come from external sources. But the policy for industrial development which includes both agricultural and manufacturing industries seems to be rather vague. The Plan does not indicate an anticipated growth rate for the industrial sector or what percentage of GDP is expected to be derived from the industrial sector at the end of the Plan period.

Other developing countries which have development plans have been using a wide variety of measures to accelerate their industrial progress:

A common theme running through the plans is that substantial amounts of investment would be undertaken in order to increase industrial capacity. . . . For developing countries as a group the yearly increase sought in manufacturing is about 10 percent. . . In Bangladesh and Costa Rica the stress is on enabling the banking system to provide medium and long-term loans. . . . In Kenya the emphasis is also on decentralization of financial operations through implementation of the Rural Industrial Development Programme. In some countries tax concessions are to be modified with a view to avoiding distortions of the relative prices of labour and capital. <sup>36</sup>

<sup>&</sup>lt;sup>35</sup> Ibid., p. 31.

<sup>&</sup>lt;sup>36</sup>United Nations, Department of Economic and Social Affairs, Journal of Development Planning, No. 11 (New York: United Nations, 1977, E.77. 11. A. 14), pp. 78-81.

Planning for industrial development is of course an integral part of overall economic planning and in Belize where only rudimentary economic statistics are available, economic planning in general is difficult. Sutcliffe has remarked that many countries "have produced economic plans, though this does not mean that in any significant sense they employ economic planning." <sup>37</sup>

Looking at industrial development, Sutcliffe has listed five basic decisions which should be taken into consideration:

- 1. The choice of sectorial priorities (agriculture, industry, basic facilities).
- 2. The choice of industries within the industrial sector.
- 3. The choice of proportions of industrial output and investment in the public and private sectors respectively.
- 4. The choice of techniques of production in industry.
- 5. The choice of industrial location. 38

Careful analysis of the choices listed would point out the difficulty of making any one choice independently of the other.

Planning for industrial development will not be successful by having little booklets called Development Plans in which desirable goals are printed. Dudley Seers has questioned the emphasis on planning documents, pointing out that planning is not writing plans. He further points out that:

<sup>&</sup>lt;sup>37</sup>R. B. Sutcliffe, <u>Industry and Underdevelopment</u> (London: Addison-Wesley Publishing Co., 1971), p. 304.

<sup>&</sup>lt;sup>38</sup> Ibid., p. 303.

Perhaps the most important job of a planning office is to plan planning itself--to aim at improvement of the government machine as an instrument for influencing social and economic development. This covers programs for the improvement of the flow of information, including statistics and research.<sup>39</sup>

While the issue of whether or not a planning document should be issued is debatable, it should be recognized that planning is not completed with the publication of the document. Economic planning in general carries a certain degree of complexity, requiring coordination between a wide range of economic activities. There is also an important need for objective evaluation of the results of past plans and a continuous revision or review of the current plan in the light of experience. The current Development Plan for Belize and particularly the section dealing with Industrial Development gives no indication that the policies and objectives have taken into account the various issues discussed above. In that respect the policy for industrial development will most likely not achieve the anticipated goals, especially with the role of government being mainly a catalyst to the industrial sector. In a developing country such as Belize, the role of government must be more vigorous, not only in creating the climate for development, but in taking steps to ensure that the climate is stimulating enough to lead to acceleration of industrial development.

<sup>&</sup>lt;sup>39</sup> Professor Dudley Seers, "The Prevalence of Pseudo-Planning," in <u>The Crisis in Planning</u>, vol. 1: <u>The Issues</u>, eds. Mike Faber and Dudley Seers (London: Sussex University Press, 1972), pp. 32-33.

# Implications of the Industrial Development Policy

Workers bear the brunt of failures to plan the orderly introduction of advances in the process of production.

--Robert K. Merton

According to the 1977-1979 Development Plan, over the plan period, labor force requirements will reach almost 47,900 persons while the economically active population will be only 41,800 persons. Because of the resulting shortfall of some 6,100 persons, the plan proposes to stress capital intensive industrial production methods, in addition to encouraging some measure of immigration of labor to meet the anticipated demand.

Although the Development Plan projects a shortage of labor by the end of the Plan period in 1979, available data does not support such a projection. The Population Census shows that there were 59,171 persons fourteen years and under in 1970. A breakdown of that number by single years of age and sex is given in Table 17.

By the end of the plan period in 1979, all persons six to fourteen inclusive in 1970, would be fifteen years or older and eligible for entry into the labor force. The potential addition to the labor force would therefore be 33,168 persons comprising 16,710 males and 16,458 females. In making projections of the labor force, it is usual to project the proportion of the population in a certain age/sex group which is expected to be in the labor force using the labor force participation rate and then apply these rates to the expected population.

TABLE 17

POPULATION FOURTEEN YEARS AND UNDER BY SEX
AND SINGLE YEARS OF AGE, 1970

Single Years of Age	Male	Female	Total
00	1,884	1,813	3,697
01	2,322	2,222	4,544
02	2,272	2,252	4,524
03	2,214	2,185	4,399
04	2,304	2,260	4,564
05	2,155	2,117	4,272
06	2,193	2,147	4,340
07	2,169	2,180	4,349
08	2,009	2,006	4,015
09	1,982	1,870	3,852
10	1,852	1,826	3,678
11	1,719	1,686	3,405
12	1,655	1,734	3,389
13	1,580	1,587	3,167
14	1,551	1,422	2,973
Total	29,861	29,307	59,168

Source: Census Research Programme, <u>Population Census of the Commonwealth Caribbean, 1970</u> (Mona, Jamaica, W.I.: University of the West Indies, 1973), vol. 3, Sec. C, Table 5, pp. 188-191.

It is recognized that in making such projections past trends in birth rates, death rates, net immigration, etc., should be taken into account. For the purpose of the projection being undertaken, birth rates would not affect the level of participation since everyone of working age (fifteen years and over) at the future date has already been born. As mentioned before, in Belize labor force data are almost nonexistent and one has to depend on the population census data.

Trends in labor force participation rates are therefore calculated based on the census data.

As mentioned in Chapter II, the trend in labor force participation rates for males and females between fifteen and sixty-four years of age, showed increases and stood at 93.1 and 20.4 percent for males and females respectively in 1970. Applying those rates to the potential addition to the labor force (16,710 males and 16,458 females) given above, there is an overall total of 18,914 persons (15,557 males and 3,357 females) entering the labor force by the end of 1979.

If 18,914 persons are added to 31,544 (labor force in 1970) the total labor force in 1979 would be 50,458 persons. Although of those who were in the labor force in 1970, death, retirement, emigration or other factors might reduce their numbers. Yet that latter figure is in excess (by 2,558 persons) of the labor force of 47,900 persons projected in the Development Plan. Even if the planners are given the benefit of the doubt, it is unlikely that the demand for labor by the end of 1979 would be short by more than 6,000. The data do not support such a proposition.

However, if there was a shortage it would seem more feasible to encourage an increase in the female labor force participation rate than bringing in immigrants to satisfy the demand for labor. This is in the light of the fact that the population is increasing at over 3 percent per annum and the population under fifteen years stood at 49.3 percent in 1970.

Employment has often been found to be a secondary, not a primary, objective of planning. Looking at the 1977-1979 Development Plan, it is clear that the concern is mainly for higher output and the employment generating potential of the plan is not exactly planned. In fact, only one page of the entire plan is devoted to employment per se. The implication is that high rates of growth will ensure increased employment. This is not necessarily so and it was found that "a sustained 6 percent rate of growth in Pakistan in the 1960's led to rising unemployment. . . ."

Concern about employment strategy is even less evident in Belize when we find that neither the government's Planning Unit nor the Department of Labor have seen it fit to collect data on employment or unemployment. The Plan does not discuss the employment of the unemployed and moreover a study of the Plan would give the impression that there is no unemployment in Belize. The 1970 census data are used to state that unemployment fell from 9.1 percent in 1960 to

<sup>&</sup>lt;sup>40</sup> Mahbub ul Haq, "Employment in the 1970's: A New Perspective," in The Political Economy of Development and Underdevelopment, ed. Charles K. Wilber (New York: Random House, 1973), p. 267.

4.7 percent in 1970, if that trend continues by 1980, Belize would achieve full employment.

Population census data are not suitable for determining unemployment, especially in a developing country with seasonal industries and the peculiar characteristics of the labor force and the pattern of employment. The number of unemployed was obtained from two categories of nonworkers: persons seeking employment for the first time and those employed before, but now out of work and seeking employment.

The broad definition of worker included: a person who had worked on at least one day during the fortnight preceding the day of enumeration, and anyone engaged in seasonal activity who had worked for at least an hour a day, throughout the greater part of the working season. With such a broad definition for categorizing 'worker,' the number in the nonworker category would be greatly reduced. Also when sub-groups such as household workers, students, retired persons, and dependents are accounted for, the two residual sub-groups mentioned above are then classified as unemployed. It is therefore no surprise to find that in a labor force of 31,544 there are only 1,568 persons listed as unemployed, taking into account that the total working age population was 55,624.

### Summary

Despite a relatively late start in national development planning, the government of Belize supports the idea of national planning for social and economic development. By preparing documents called Development Plans, the government is able to coordinate various decisions and strategies in a systematic manner, in order to achieve the overall goals for national development.

In view of the commitment in the Development Plan to industrial development in both the agricultural and the manufacturing sectors, it is felt that sufficient emphasis has not been given to the human resources aspect in that sector of the country's development. The education system is not geared to even encouraging an agricultural bias in the schools, both at the primary and the secondary levels. Sufficient emphasis is also not being given to skilled technical training, and there is little indication from the Plan that significant advance in the area of education will be achieved during the Plan period.

It has been found that skilled training for industry can be carried out quickly and efficiently in relatively short training courses. The Development Plan in acknowledging that there is a shortage of skilled labor in the country proposes to import such labor and in the meantime undertake such training as is necessary to provide sufficient local skilled labor to meet the demand. But, the impression one is left with is that such training takes a long time and that it would not be possible to meet the demands of industry over the short run. This is an erroneous conclusion.

With the high literacy rate of the overall population in Belize and as English is the dominant language, it should not be difficult for workers to absorb such training. Many companies also prefer to put workers through their own training program, rather than employing workers who although already skilled, may have developed 'bad habits' in the course of their past employment.

While the Development Plan is skeptical about the available supply of labor to meet the projected demand, in fact the population data show that there is little factual support of such a view. In the light of the high population growth rate, the relatively low female labor force participation rate, there is little reason for Belize to consider importation of labor. That is except for the few highly skilled technicians and possibly managerial personnel which may not be available.

There is no shortage of labor among the population of working age and with the right incentives, a sufficient increase in the labor force could easily be drawn from those in the former category. The main source of increase in the labor force could come from the female sector and there are indications that the Belizean female is quite willing to undertake industrial employment.

The proposal to encourage capital intensive industrial development should be seriously evaluated in the light of adequate labor force data. With the high rate of population growth, extensive capital intensive production could result in high growth rates in the economy, but yet not result in sufficient increase in employment opportunities to keep pace with the number of entrants into the labor force.

The decision to encourage industrial development mainly in the urban areas will not help to stem the drift of population from

the rural to the urban areas. If the country is to develop its agricultural industries, then it will be necessary to halt the urban drift, and clearly one way of doing this is to provide employment opportunities in the rural areas. It will be difficult enough to change the attitude of the population in general towards agriculture, and the urbanization of industry will not enhance such attitudinal change.

#### CHAPTER IV

#### ANALYSIS OF DEVELOPMENT POLICY IMPLICATIONS

Part of government's development policy for Belize aims at improving the agricultural and manufacturing sectors of the economy. Where possible new industries will be developed by the introduction of improved technology and increasing worker productivity. Of paramount importance for the success of such a policy is the availability of labor, in both its quantitative and qualitative dimensions.

Quantitatively the labor force must be large enough to meet the projected demand for labor, or there should be a 'pool' of unemployed willing and available for work. Qualitatively that labor force should at least be literate, having received basic primary education. Basic formal education is a prerequisite for various kinds of training. Such education prepares the way for the building of a skilled labor force, which is necessary if a policy of industrial development is to be successful. The ideal situation would be to have a relatively large proportion of the labor force as skilled labor, but in developing countries that is unusual. The general trend in most developing countries indicates an increase in the skill level of the labor force as industrialization progresses.

#### The Need for an Industrial Labor Force

Harbison has stated that:

A country which commits itself to accelerated growth needs a strategy for development. . . . It must emphasize industrialization, but at the same time it must modernize agriculture. It must invest wisely in things and people. 1

The size of the industrial labor force in Belize is relatively small since there are few industries. Although there is no specific data available, from Table 17 the category 'Production and related workers . . .' accounts for 23.7 percent of the economically active population. Most likely not all persons classified under that category are engaged in industrial employment, therefore it would be safe to say that the industrial labor force accounts for less than 23 percent of the economically active population. In many developing countries, due to the absence of a broad industrial base, the overwhelming proportion of the workers are unskilled. Belize is no exception according to the following statement in the 1977-1979 Development Plan:

A hindrance to rapid growth, is a shortage of adequate quality and supply of skills at every productive level, particularly in intermediate and lower areas of economic activity.<sup>2</sup>

Galenson has observed that, "low labor productivity is indeed characteristic of underdeveloped economies, and the skill factor is

<sup>&</sup>lt;sup>1</sup>Frederick H. Harbison, "Human Resources Development Planning in Modernising Economies," p. 2.

<sup>&</sup>lt;sup>2</sup>Government of Belize, Development Plan 1977-1979, p. 11.

undoubtedly a contributing cause." Therefore in placing emphasis on industrialization there will be increased demand for a quality of labor which is already in short supply. The obvious way to satisfy that demand is to increase the size of the industrial labor force in Belize. In a study of the British West Indies published in 1958, Knowles stated that "the present industrial labor force, therefore represents the cream of the entire labor force in intelligence, education, and industrial experience." The preceding statement by Knowles could imply that any attempt to expand the industrial labor force would result in recruitment of labor which is considered less than the 'cream of the labor force,' but that was twenty years ago.

The recruitment of labor from among those unfamiliar with the discipline of industrial work could create problems such as high turn-over or absenteeism. But the effects of acculturation on new recruits to the labor force should not be ignored as that effect may be strong enough to offset the expected high turnover and absenteeism.

Studies carried out in Peru and Nigeria have indicated that the adaptability of workers, previously considered ill-suited to industrial labor, presented less difficulty than anticipated. <sup>5</sup> In addition to those studies, Aronson (see page 37) found that a problem of labor commitment did not develop among Jamaican workers employed in

<sup>&</sup>lt;sup>3</sup>Galenson, <u>Labor and Economic Development</u>, p. 4.

<sup>&</sup>quot;William H. Knowles, "The British West Indies," <u>Labor and Economic Development</u>, ed. Walter Galenson (New York: John Wiley & Sons, Inc., 1959), p. 268.

<sup>&</sup>lt;sup>5</sup>See Sutcliffe, p. 127.

the bauxite industry, although a large percentage were from the rural areas of Jamaica.

The present Development Plan for Belize emphasizes industrialization and anticipates an increased demand for industrial labor. With
the current shortage of such labor, there is a need for an increase in
the industrial labor force. It is also necessary to take into account
the projected expansion of services provided by the public sector which
will also lead to increases in the demand for skilled industrial
workers.

There are three main attributes which are expected of an industrial labor force viz., a certain level of efficiency, productivity and commitment. To some extent the productivity of labor in developing countries is usually low in comparison to that in the industrialized countries. That low level of productivity is generally due to the combined effect of the very low capital to labor ratio and the shortage of trained and experienced management staff. Hirschman while confirming the low level of productivity in developing countries argues that such productivity is less marked in industries using machine-paced operations. The reasoning is that with machine-paced operations the quality and behavior of the labor force has less influence on output.

The importance attributed to the effect of capital intensive industry on the quality and efficiency of the labor force has not gone unnoticed. Some developing countries have felt that by increasing the

<sup>&</sup>lt;sup>6</sup>A. O. Hirschman, <u>The Strategy of Economic Development</u> (New Haven: Yale University Press, 1958), p. 152.

capital to labor ratio, an automatic increase in productivity and to a lesser extent efficiency of the labor force would result. While both results may occur, there should be careful evaluation of the possible effects of such a decision on overall current and future employment levels. Increased capital input while having positive effects on the technical need to increase productivity, may adversely affect the social need to increase employment.

The commitment to an industrial type of environment has not been seen as a problem in the Caribbean. As far back as 1958, Knowles pointed out that the attitude of the West Indian towards industrial labor is not the result of cultural conditioning:

Change the employment pattern and the attitude toward work will change. . . .

It is a common observation that West Indians prefer factory to agricultural work. Their aptitude and liking for anything mechanical is often observed. West Indians demonstrated their ability and desire for industrial employment in their work record in the United States during World War II and their work on United States military bases in the Caribbean.

There has been no indication of any cultural or other changes among West Indian workers which would affect the development of a committed industrial labor force. This also applies to workers in Belize, especially considering the early involvement of the Belizean workers with the forest industry rather than the agricultural plantation.

<sup>&</sup>lt;sup>7</sup>Knowles, "The British West Indies," p. 268.

## Policy Guidelines for Developing an Industrial Labor Force

Once it has been determined that there is a need for an industrial labor force, it is necessary to determine whether there is a policy to guide the development of such a labor force. The government's Development Plan is the basic document wherein one would expect to find the existing guidelines for the development of an industrial labor force. The Belize Development Plan includes planning for both the public and private sectors, but as far as the latter is concerned, the Plan is more a forecast of expectations than actual planning.

Over the short-run the 1977-1979 Plan states that in order to meet the demand for skilled labor, "an immediate requirement is an inflow of skilled manpower." The Development Plan is not specific on the exact skills which will be required but it does state the need for managerial and technical skills. Some of the industries which have been mentioned are (a) food processing including meat and meat products, (b) wood and wood products, (c) electronics and electrical accessories and (d) rubber and plastic goods, toys, etc. The Plan also calls for an increase in the production of animal feeds; sugar; citrus products; fertilizers; metal products, nails, bolts, nuts, etc.; and an investigation into the development of paper and wall board manufacture.

The development of new industries and the expansion envisaged calls for a variety of skills, some highly technical, others not so

<sup>&</sup>lt;sup>8</sup>Government of Belize, Development Plan 1977-1979, p. 11.

technical. There will also be a clear need for trained supervisors and managerial personnel.

In the long-run the Development Plan provides for "training of managers and technicians." Other skilled training for industry would take place through planned expansion in the current vocational training program, and through variation in the secondary school curricula to emphasize technical education. However with government in full control of only four of the country's twenty-one secondary schools, there is no indication of how the anticipated curriculum changes will be achieved in the seventeen private denominational secondary schools.

Organizations in the private sector which could be effective in contributing to the development of an industrial labor force in Belize are the Chamber of Commerce and the Employers' Association. In the past they have sponsored short courses for retail clerks and typists, but such courses have been organized on an ad hoc basis. Experience has shown that some firms in Belize, on their own initiative, are prepared to undertake skilled training of their employees to meet their individual needs. Most formal training institutions are provided by the private authorities as part of the country's educational system. Another aspect of improving the skill requirements in the industrial sector would be to encourage joint participation by firms in that sector in the training function. An agency could be established to coordinate such training comprising representatives of employers in the private and public sectors and the trade unions.

<sup>&</sup>lt;sup>9</sup>Ibid., p. 29.

In the beginning the role of such a body may be purely advisory to the vocational training institutions on the type of training which should be carried out at such institutions. Working in conjunction with the government's manpower service, the employer representatives through their connection with other employers would be able to point out areas in which shortage of skills are occurring, or are likely to occur. Looking into the future, the agency should be encouraged to investigate the possibility of financing training costs from a levy or payroll tax, both in the public and private sectors. Colombia has developed a very successful training scheme for workers in the industrial, commercial, agricultural, mining and catering fields, financed by that type of tax. 10

However the 1977-1979 Development Plan sets out vague guidelines for achieving the development of an industrial labor force in Belize. The Plan clearly points out the need for an increase in both quality and quantity of the labor force to meet the demands of its program of industrialization. In the short-run the Plan calls for importation of skilled labor, in the long-run, changes in education should lead to increased availability of skilled labor.

The 1964-1970 Development Plan advocated a similar policy, yet in 1977 the new Plan shows that the situation had not changed, i.e., the skill shortage still exists. There is thus an absence of

A Programme for Colombia (Geneva: International Labor Organization, 1970).

dynamic policy measures to develop an industrial labor force. Instead the Plan is dependent on changes in an educational system whose organizational structure, curricula and pedagogical methods are inadequate to successfully enhance the development of an industrial labor force.

## Factors Affecting the Supply of an Industrial Labor Force

According to Rees, the classical economists in discussing labor supply were concerned with the forces that determine the size of the population of working age and, especially, the effect of changes in real wages on the growth of this population. <sup>11</sup> Not much was said about the amount of work supplied by a given population. Rees goes on to point out that "labor economists now define the supply of labor as the amount of work supplied by a given population." <sup>12</sup>

In examining the above definition of labor supply it is expected that the following factors would affect the supply of an industrial labor force in Belize:

- a. the labor force participation rate;
- the number of hours people are willing to work per day,
   week or year; and
- c. the level of skills which workers bring to their jobs.

  These three factors will therefore be discussed below.

<sup>&</sup>lt;sup>11</sup> Albert Rees, <u>The Economics of Work and Pay</u> (New York: Harper & Row, Publishers, Inc., 1973), p. 3.

<sup>&</sup>lt;sup>12</sup> Ibid., p. 3.

### The Labor Force Participation Rate

Labor force participation rates in Belize have already been examined in Chapter II, where it was found that in 1970, the male and female participation rates were 93.1 and 20.4 percent respectively. That information was based on the 1970 population census data.

One of the most important factors affecting labor supply is the labor force participation rate. Yet an examination of the 1977-1979 Development Plan for Belize shows no mention of labor force participation rates. It is surprising that although the Plan calls for an increase in the supply of labor, there are no data on the participation rates of males and females, or the participation rates among various age groups.

There are a number of variables which can affect the labor force participation rate and these can be briefly listed as follows:

- a. age,
- b. sex,
- c. marital status,
- d. whether or not the individual is the head of a household,
- e. educational status and the age at which the individual leaves school,
- f. racial or ethnic group to which the individual belongs, and
- g. availability of jobs.

In planning for industrial development in Belize the Development
Plan should have taken into consideration the variables listed above.
Those variables become even more important as the Plan indicates a
need for the development of an industrial labor force. They could

all have an adverse or a positive effect on labor force participation rate which in turn affects the labor supply. The overall health of the population is recognized as important to labor force participation, although it has not been mentioned in the variables listed above; health will not be discussed explicitly in this study.

The Development Plan predicts that by the end of the Plan period in 1979, there will be a shortage of some 6,100 workers in meeting the projected demand for labor. This researcher feels that that projected shortage has not been supported by accurate statistical data (see pages 97-99). Moreover, it is felt that any shortage in labor supply in Belize could be met through encouragement of an increase in the female labor force participation rate. A combination of increased demand, a rise in wages and adequate training could induce more participation in the labor force by females.

The country should make full use of its human resources and it is important to note the high imbalance between the male and the female labor force participation rate in Belize. While the principle of equality in conditions of employment has always been maintained in all government and quasi-government employment in Belize, in the private sector there have been instances of sex discrimination.

Such discrimination has been particularly prevalent in the retail trades which are not unionized. Trade unions have found it difficult to organize retail clerks, not due to anti-union employers, but because of the high rate of turnover among such employees and to a certain extent union apathy. The absence of unionization, or some

other method of representation for the many female workers in the retail trades, has adversely affected the level of wages in that sector.

Since the labor force participation rate for men in Belize is relatively high at 93.1 percent, the planners should study those factors which have been significant in leading to an increase in labor force activity of women. In order to study such factors it is necessary to have an adequate data base regularly supplemented by new statistical information. Unfortunately, in Belize there is a general absence of statistical data. Government reports are slow in being published and the methods of collecting and reporting data are not uniform. If modern economic analytical tools are to be utilized in development planning in Belize, organized data collection must be given priority by the government's planning agency.

The Soviet Union has succeeded in having women account for 51 percent of all workers and employees. <sup>13</sup> It is acknowledged that the Soviet Union's social, economic and political systems are quite different from those in Belize. But it must also be remembered that 60 years ago the Soviet Union was classified as economically backward. Today it has established itself as the world's second largest economic power. <sup>14</sup>

<sup>13</sup> Paul R. Gregory and Robert C. Stuart, <u>Soviet Economic</u> <u>Structure and Performance</u> (New York: Harper & Row, Publishers, 1974), p. 213.

<sup>&</sup>lt;sup>14</sup> Ibid., p. 2.

Commenting on the speed of Soviet industrialization, Simon Kuznets writes:

As in all countries, economic growth in the USSR meant a decline in the shares of national product originating in, and labor force attached to, the A [agriculture] sector. But the rapidity of this shift was far greater in the USSR than in the other developed countries . . . the shift of labor force out of agriculture of the magnitude that occurred in the USSR in the 12 years from 1928 to 1940 took from 30 to 50 years in other countries . . . and the same was true of the decline in the share of the A sector in national product. A comparable shift took from 50 to 60 years in most other countries. 15

Many developing countries see industrialization as the way out of the vicious circle of economic backwardness and poverty. Should they emulate the Soviet command-type economy or the western market system? The latter system has been tried in countries in Africa and Latin America, yet after many years, few of those countries can be classified as industrialized. It could well be time for a change, not a total adoption of one system, but a combination of the more useful features of both models. In their thrust towards industrial development, planners in Belize should recognize that models of economic development, whether of the Soviet type or the capitalist market model, are not a development panacea. They must be evaluated for their strengths and weaknesses and the bearing these will have on specific development problems.

<sup>15</sup> Simon Kuznets, "A Comparative Appraisal," in Economic Trends in the Soviet Union, eds. Abram Bergson and Simon Kuznets (Cambridge, Mass.: Harvard University Press, 1963), pp. 345, 347.

#### Variation in Hours of Work

The amount of labor which workers will supply depends upon the number of hours per day or per week which they are willing to work. But as Marshall et al. point out, the data relating to hours of work should be used with caution in relation to their effect on labor supply. They go on to state that such data: "... reflect not only the amount of labor supplied but the amount demanded, simply because in most instances workers can supply hours only if firms want to buy them." 16

The issue of hours of work supplied is, however, important, in considering labor supply. Employers establish a certain number of hours for a particular job, but that does not mean that every worker will agree to supply his labor full time for that job. Many workers may wish to work only part-time and, sometimes the employer fills one full-time job with two part-time workers. Students and certain sectors of the female labor force generally exhibit a desire for part-time employment due to the nature of their other commitments, e.g., studying and child-care respectively.

In further consideration of the variation in hours of work supplied, the individuals supply schedule of working hours is important. If that supply schedule is backward bending as in Figure 3, that is an indication that an increase in wages <u>might</u> result in a decrease in the amount of labor supplied. The concept of the backward bending supply curve has an important bearing on wage rates in some developing

<sup>&</sup>lt;sup>16</sup> Marshall, Cartter, and King, p. 210.

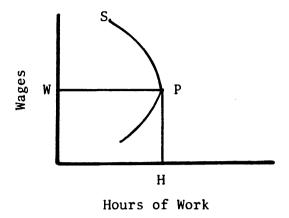


FIGURE 3. BACKWARD BENDING SUPPLY CURVE.

countries. Using the rationale that with high wages workers would supply less hours of work, some employers deliberately kept wages low in the expectation of maintaining a stable supply of labor. 17

The issue of an appropriate wage to maintain the required supply of labor has not been conclusively decided. But it has been found that as wages are increased, although certain individuals may change the number of hours worked, the reduction in hours has attracted workers not already employed in the particular sector. Marshall et al. have stated that:

. . . the wage policies pursued in developing countries should be evaluated primarily in terms of their consistency with long-run development plans. . . . Only in the extreme short run is the supply schedule of hours typified by the typical individual labor supply schedule . . . although individual supply schedules may be backward bending, this does not permit us to make inferences regarding the shape of the aggregate supply schedule of labor to a sector of

<sup>&</sup>lt;sup>17</sup> See Elliot Berg, "Socialism and Economic Development in Tropical Africa," Quarterly Journal of Economics 68 (November 1964).

the economy, since this reflects both changes in the number of hours the average given person works and the total number of workers seeking employment. 18

There are three other variables in addition to wages which also affect the number of hours which the individual will agree to work. These are occupations where the hours are determined by employers' preference, technological requirements, and collective agreements with trade unions. The situation in Belize is that in most occupations employers' preference prevails and there is little opportunity to adjust the weekly hours of work. Thus it would seem that employers would find it easier to hire workers who prefer the required length of the work week, than workers who object to it. Presently the role of technological requirements in determining hours of work for an occupation in Belize is almost negligible. One could therefore expect technological requirements to have little effect on the hours of work and consequently the labor supply.

Trade unions, which are the third variable, are relatively weak in Belize. In 1976 of an estimated labor force of 39,000 total trade union membership was approximately 5,886 or a unionization rate of 15 percent. According to Fleisher:

. . . even though it is likely that unions often raise the relative wage rates of union members and have a negative effect on average hours, it is unlikely that these forces induce a bias in the observed relationship between wage rates and average hours worked by occupational groups. 19

<sup>&</sup>lt;sup>18</sup> Marshall, Cartter and King, p. 211.

<sup>19</sup> Belton M. Fleisher, <u>Labor Economics Theory and Evidence</u> (Englewood Cliffs, N.J.: Prentice Hall, Inc., 1970), p. 61.

The overall effect of trade unions on hours of work among occupations in Belize would clearly be insignificant. Government is the largest single employer in Belize and there is no collective bargaining with any of its employees.

Although trade unions are currently weak, it could be anticipated that with increased industrialization, there is the possibility that unions may also increase their activities. But as far as the supply of labor is concerned, the individual supply schedule of working hours should have a negligible effect on overall labor supply.

#### The Supply of Skills

The 1977-1979 Development Plan has acknowledged that there is a shortage of skilled labor in Belize (see page 97). If that shortage is not to hinder planned industrialization, efforts should be made to ensure an adequate supply of the skills required. Skills may be acquired either through schooling or through programs of formal or informal on-the-job training.

For its part, government has proposed in the Development Plan that the present student enrollment of 400 at the Belize Technical College be increased to 540 over the three-year Plan period. In addition to the expansion of the Belize Technical College, it is also proposed to provide more facilities for vocational education. The importance of vocational education appears to be recognized by the government, but little attention has been given to such education. The present institution has serious shortcomings (see page 58).

Although the Development Plan calls for a 100 percent increase in the vocational school enrollment, as far as the writer has been able to determine, no steps have been taken to provide the facilities to meet the proposed increased enrollment (see pages 58-59). Most of the skilled labor which will be required for the agricultural and manufacturing industries must be produced by the formal education system, viz. Secondary and Junior Secondary schools, the Belize Technical College and the Vocational Training Center.

The Belize Technical College and the Junior Secondary Schools are government institutions and have the physical capacity to increase their enrollment. But additional staffing may be necessary to cope with the increased student bodies.

However, all the other secondary schools are privately managed denominational schools and government has little influence over the curriculum. Tuition and other fees are charged at all those secondary schools at approximately Bze \$200 per annum. When the per capita income of Bze \$1,000 is taken into account, it is clear that not many people in Belize can afford to send their children to secondary schools.

Government scholarships to the private secondary schools are few and there is strong competition to win one of those scholarships, which cover mainly tuition. If the private secondary schools are to participate in providing some of the skills necessary for industrialization, government will have to take a more active role in determining their curriculum. In addition, more scholarships should be awarded to deserving candidates.

The government's plan for education at the primary and secondary level has been far from successful. According to the 1964-1970 Development Plan, at the primary level there was one qualified teacher to seventy pupils and one probationer (unqualified) teacher to fifty-seven pupils. The Plan proposed that by 1970, the teacher/pupil ratio should be one trained teacher to forty pupils and one untrained teacher to fifty pupils. By 1975, the situation had deteriorated, and there was one trained teacher for every seventy-five pupils and one untrained teacher for every forty-two pupils. <sup>20</sup>

At the secondary level, the 1964-1970 Development Plan stated:

Just over 2,000 boys and girls are receiving a secondary education in the country. This is below the requirements for a developing country . . . by 1970 the country would need to multiply its secondary school enrolment four times to meet the desirable target of one child in secondary school for every five in primary school.<sup>21</sup>

The plan then went on to propose the modest figure of 6,550 pupils in secondary schools by 1970. Instead, in 1975, the total secondary school enrollment was only 5,200 students. The section of the Development Plan which deals with education does not indicate a coordinated approach to education at the different levels. With the high population growth rate, the enrollment in primary education is increasing much faster than at the secondary and higher levels.

If the education system is to be effective in providing graduates with the capacity to develop the skills required by an

<sup>&</sup>lt;sup>20</sup> Government of Belize, Development Plan 1977-1979, p. 54.

<sup>&</sup>lt;sup>21</sup> Ibid., p. 100.

industrial economy, then the quality of education in the schools will have to be improved. Shortcomings in the curricula at both primary and secondary levels have already been pointed out in this study. In 1963 there were 108 trained teachers (i.e., graduates of a teachers' training college) in the primary school system. That number increased to 428 by 1975; while that increase might seem impressive, it reflects an average of only 32 additional trained teachers per annum over the ten-year period.

In 1964, the UNESCO Educational Planning Mission to Belize stated that:

The outlook for the development of the British Honduras economy is now distinctly promising, but there are serious deficiencies of skills which, if not rectified, will retard the pace of development and limit the participation of native British Hondurans in that development. These deficiencies directly involve the educational system. <sup>22</sup>

Thirteen years later in 1977, the Development Plan reminds us that the situation is still the same (see page 106) as reported by the UNESCO Mission in 1964.<sup>23</sup> It is alarming to note that the serious skill deficiency reported by the UNESCO Mission in 1964 is still prevalent. Even more alarming is the small number of trained teachers in the primary schools; in 1975 there were 428 trained teachers in comparison to 762 untrained teachers.<sup>24</sup>

<sup>&</sup>lt;sup>22</sup>United Nations, UNESCO, Report of the Educational Planning Mission to British Honduras, p. 6.

<sup>&</sup>lt;sup>23</sup> Government of Belize, Development Plan 1977-1979, p. 11.

<sup>&</sup>lt;sup>24</sup> Ibid., p. 19.

The unsatisfactory trained teacher/pupil ratio coupled with the fact that the content of education at almost all levels has not been attuned to cultural, social and economic background of the country, has resulted in education which has little bearing on the likely future manpower needs of the country. Of course that result is not totally unexpected, since little attention has been paid to manpower planning in Belize.

The supply of skilled labor will present some difficulty for the program of industrialization. But the situation is not hopeless. Industrialization will not be achieved in a short time-frame and this allows some time for training to take place in order to reduce the imbalance of unskilled to skilled labor. The strategy should be to encourage the employing institutions to undertake most of the training required by their employees. In an industrial setting that training will generally be specific training and most firms are usually willing to undertake such training. Formal education and training are two different processes. Government is mainly responsible for the former, and a sound education is a prerequisite for various types of training.

# Strategies for Developing an Industrial Labor Force

The development of an industrial labor force clearly emphasizes the importance of the human factor in the overall process of industrialization. The rate of industrialization and the possibility of success in achieving such industrialization depends in no small measure upon a country's human resources and their potential for development. Kuznets has stated that:

The major capital stock of an industrially advanced country is not its physical equipment; it is the body of knowledge amassed from tested findings and the capacity and training of the population to use the knowledge effectively.<sup>25</sup>

During the process of developing an industrial labor force, the supply of labor will be drawn from both the urban and the rural sectors. Of the estimated population of 139,187 in Belize in 1975, 54.2 percent or 75,466 persons were classified as living in the urban areas, i.e., towns and cities. These data have an important bearing on the strategy for developing an industrial labor force. As far as education is concerned it has generally been accepted that particularly in developing countries the quality of education obtained in the urban areas is superior to that in the rural areas. That factor also has an effect on migration to the urban areas.

The strategies for development of an industrial labor force in Belize will therefore be considered under the following four broad headings, viz., recruitment of labor, education and training, mobility of labor, and commitment of labor.

#### Recruitment of Labor

The government's Development Plan for Belize over the period
1977 to 1979 anticipates a shortage of skilled labor to meet the demand
of its projected industrialization program. This would indicate a tight

<sup>&</sup>lt;sup>25</sup> Simon Kuznets, "Towards a Theory of Economic Growth," a paper read at the bicentenary celebration of Columbia University, New York, 1954.

<sup>26</sup> Government of Belize, Annual Abstract of Statistics, 1975,
p. 8.

domestic labor market for skilled labor and as the Plan suggests, that demand should be satisfied by importation of labor.

In the past the private sector of Belize has been able to meet its demand for labor without governmental assistance. But if it becomes necessary to meet the projected shortage of 6,100 workers through immigration, systematic control of such immigration (amounting to more than 20 percent of the current labor force) would have to be established by government. Such control would be necessary to:

- a. protect domestic labor by ensuring that all skilled Belizeans were aware of the job vacancies, and were given an opportunity to bid for those jobs;
- b. ensure that those who were allowed entry into the country as skilled labor did indeed possess the skills they claimed to have; and
- c. to determine whether the employment of immigrant labor should be on a permanent or temporary basis, and to safeguard the rights of immigrants through proper contracts of employment.

Although the actual employment arrangements would be made with the management of the various industries, government does have an interest in aiding recruitment. That interest extends to an assurance that immigrants will be treated fairly and recruited with minimal disturbance to the economy.

However, prior to the recruitment of foreign labor, the domestic labor force must be given the opportunity to fill available job vacancies. Government should act as a facilitator and establish employment

offices in the main district towns to assist in the recruitment process. Those centers could disseminate job information and help in the screening of potential employees. Employers should be required to prove that vacancies were widely advertised and suitable applicants were not available locally. Belize is relatively small, and advertisement throughout the country should not present any difficulty.

Employers in the private sector should be encouraged to inform the government's labor exchanges of vacancies in order that such vacancies may be widely publicized. Since there are no private employment agencies in Belize, in order to obtain maximum advertisement the employer should use the employment exchanges, once these have been established in the main district towns.

Advertisements may also be placed in the daily newspapers, although these have a limited circulation and are not widely available in the rural areas. Radio is a more extensive means of advertising vacancies as coverage extends throughout the country and broadcasts are made both in English and Spanish, the two predominant languages in Belize.

With the firm support of government behind the industrialization process, the employment service has an important role to play in the overall employment market. Its duties may become more sophisticated as industrialization progresses. Those varied duties should include vocational guidance to young people, the administration of aptitude tests for assisting unemployed workers obtain suitable vocational training, and provision of special services for disabled workers.

The usefulness of an employment service in enhancing manpower development can be seen in the functions of the United States Employment Service (USES). At its inception USES was conceived as a labor exchange to which was added the function of administering the 'work test' with the passage of a Social Security Act in 1935. That test was required to qualify persons for unemployment benefits.

The USES is a federal-state system of employment offices in which both the federal government and the state government have responsibilities for operating the system. The federal government administers the system and provides funds to the states, while the states operate the system and the personnel in the state offices are paid with federal funds.

There was some reorganization in 1962 with a promise to "cease operating as a system of labor exchanges but to take on expanded responsibilities as a manpower agency concerned with all aspects of manpower." In addition, there was a further stipulation that:

. . . each local office must serve as the local community manpower center and beyond that also function in a strongly linked nationwide network of offices operating to meet national manpower purposes and goals.<sup>28</sup>

With the passage of the Manpower Development and Training Act (MDTA) and subsequently the Comprehensive Employment and Training Act (CETA) the employment service got a new mandate to carry out even broader functions. A major responsibility of the USES is the provision

<sup>&</sup>lt;sup>27</sup> Sar. A. Levitan, Garth L. Mangum, and Ray Marshall, <u>Human</u> Resources and <u>Labor Markets</u> (New York: Harper & Row, Publishers, 1976), p. 305.

<sup>&</sup>lt;sup>28</sup> Ibid., p. 305.

of services to inexperienced youth, the physically handicapped, minority groups and other disadvantaged workers who have particularly difficult employment problems. There has also been expansion in the counseling, testing, and vocational guidance functions of the USES.

Although the system in this country is a two-tier Federal-State employment service, a more detailed study of the functions of the USES (which is beyond the scope of this study) would be useful for countries developing an employment service. There are always lessons which the developing countries can learn from the experience of the industrialized countries.

At the outset the employment service in Belize should make a concerted effort aimed at the recruitment of women. In manufacturing industries many jobs may not require years of experience as a skilled worker. Depending on the type of industry, it may be possible to organize short training courses to provide female operatives, skilled in specific aspects of product manufacture. For example in Taiwan, the growth in the manufacture of electronics led to an increase in the female labor force participation rate.<sup>29</sup>

As industrialization becomes more extensive throughout the economy, and the female labor force participation rate increases, the emphasis on the recruitment of women can be reduced. Once the trend of increased female participation in the labor force is established, it should not be difficult to maintain a steady flow of females into the labor market. That trend will be enhanced by increased vocational

<sup>29</sup> Orville John McDiarmid, <u>Unskilled Labor for Development.</u> Its <u>Economic Cost</u> (Baltimore: The Johns Hopkins University Press, 1977), p. 17.

guidance and the planned changes in the educational system, leading to an emphasis on the sciences rather than the mainly literary curriculum which presently exists.

extent supervisory personnel in Belize, it is expected that most employees in those categories will be recruited from abroad. At this point in time, the country has no alternative to such recruitment. But the government should obtain a commitment from firms which employ immigrant labor that they will train and promote Belizeans to supervisory and managerial posts within their organization. The degree of tolerance which foreign firms encounter could well depend on their effectiveness in training and promoting Belizeans to such positions. Of course it is expected that government will always reserve the right to revoke work permits for expatriate employees of firms found delinquent in their training programs.

#### Education and Training

In formulating a strategy for education and training for the development of an industrial labor force, consideration must be given not only to meeting the demand for skilled labor in the short-run but also in the long-run. The basic policy for overall education envisaged in the current Development Plan is for a general expansion of all educational facilities. The Plan has also stressed the importance of curricula reform and the increased supply of trained teachers for the primary schools.

Development of an industrial labor force is a necessity if the planned program of industrial development is to be successful in Belize. The strategy in education and training should aim to overcome the fundamental problem of low educational standards, and the lack of technical training which would seriously affect the development of an industrial society.

Belize does not have a problem with functional literacy, the literacy rate is over 93 percent (see page 27). Universal free primary education has already been attained. The current priorities are the reorientation of primary education, making it relevant to the child's environment, and expansion of the present facilities to ease the overcrowding in schools. At the secondary level expansion of facilities is also necessary. Greater emphasis should be placed on teaching the fundamentals of mathematics and the sciences while providing free schooling for those who are qualified. The need for education at the sub-professional and technicians level is absolutely necessary, but little is being done in these areas. The Belize Technical College is the only institution which attempts to cater to the education and training of both the technician and the craftsman.

It has been found that workers who are unfamiliar with machine technology can acquire reasonable proficiency at repetitive tasks after short periods of training. At the higher levels in the factory hierarchy, e.g., technicians and skilled mechanics, maintenance and research workers, executive and administrative personnel, deficiencies in vocational and technological education become more apparent. It also requires more extensive education to remedy such deficiencies.

Training facilities take time to develop and are costly to maintain, the training process itself especially above the level of the operative is not easily compressed into short periods. Training policy should therefore concentrate on key sectors of the economy while ensuring that all locally available skilled labor is utilized.

The relationship between general education, vocational and higher education and training, needs to be carefully planned. There is a delicate balancing act to be performed in general and higher education. There should not be undue emphasis on the literary side of education as this may lead to a surplus of would-be white collar workers. Yet education should prepare the individual to function within the environment in which he lives. According to Harbison and Myers a useful strategy at the secondary level is to

. . . emphasize secondary schools with an optional range of courses (i.e. teacher preparation, technical subjects and university preparation) within a single school rather than to proliferate specialized institutions. Such a practice would reduce costs of staff . . . and it might help change the notion that the best students go to an academic institution while the less competent are relegated to specialized vocational or teacher training institutions. <sup>30</sup>

As the question of costs has been raised above, it is necessary to point out that vocational and technical training is expensive. A proliferation of vocational schools should be carefully evaluated and they should not be allowed to develop as prestige projects. Where possible encouragement should be given to in-plant training for

<sup>&</sup>lt;sup>30</sup> Frederick Harbison and Charles A. Myers, Education, Manpower and Economic Growth, p. 68.

craftsmen and technicians as this is usually less costly (at least to government) than formal education or vocational training in raising the skill level of employees.

At the early stages of industrialization there may be few firms available to provide such training for their employees. Onthe-job training is valuable not only in providing the basic skills, but in developing attitudes in industry which are generally obtained mainly through such experience.

The strategy for education and training while normally expected to relate to the preparation of youth for industrial employment, also has to take adults into account. In Belize, there are many adults who could take advantage of adult education and training programs, thereby allowing them to play a more important role in national economic development. Training programs for unskilled adults and assistance in developing new skills among adults who are unemployed or have become redundant are important from both an economic and social point of view.

Of paramount importance to the education and training strategy is the supply of qualified teachers and instructors throughout the educational system. The rate at which training and educational services can be increased and the overall output of trainees will all depend upon the availability of sufficiently qualified teachers and instructors.

#### Mobility of Labor

Labor mobility can be an advantage in the industrialization process but it should be purposeful mobility. Mobility from underemployment to full employment, from overcrowded rural areas to growing industrial areas, from low wage jobs to high wage jobs, from unskilled to skilled employment.

Purposeful mobility is not easy to achieve, in effect mobility is usually ad hoc. Information is passed on in the rural areas of job openings in the city and there is a flood of people to fill a handful of jobs. There is evidence that creating one new job in the city may worsen urban unemployment because information is circulated that jobs are increasing. 31

In Belize such disorganized mobility which leads to open urban unemployment is undesirable and has a more far-reaching effect than rural idleness. Public assistance for the unemployed is almost non-existent; there is no Social Security scheme which could provide any type of benefits to the unemployed. Migrants from the rural areas who remain unemployed and have no relatives in the city from whom they may receive assistance, find it extremely difficult to exist.

Variables such as wage rate differentials between the urban/modern and rural/traditional sectors have been used to explain the profitability or nonprofitability of the move from rural to urban areas.

<sup>&</sup>lt;sup>31</sup> See Michael Todaro, "A Model of Labor Migration and Urban Unemployment in Less Developed Countries," <u>American Economic Review</u>, March 1969.

It has also been said that before moving to a new area, consideration should be given to the present value of one's future income. Sophisticated models have been used in the literature to indicate the probability of finding a high wage job or the profitability of future income, etc.<sup>32</sup>

The point is that while the executive might take those variables into consideration in making a decision to move from one job to a new job, that may not be the case throughout the economy. The rural nineteen year old, who has worked on the family farm, usually for no wage, but with lodging and food provided and the occasional share of cash from the sale of crops, cattle, poultry, etc. has a different outlook.

That youth sees an opportunity for obtaining wage employment in the urban area, and in addition to the wages, it presents an opportunity to move out of the drabness of rural life. He or she also sees wider horizons and great expectations which primitive farming or subsistence living in the rural areas could not provide. Those factors may form the basis of a decision to move to the urban area, and not only the sophisticated calculation of present value of future income.

The industrialization program needs worker mobility, but such mobility has to be planned in order to prevent an excess flow of workers into an area. The government employment service discussed above could be of assistance in providing information to the public on job vacancies.

<sup>&</sup>lt;sup>32</sup> For a discussion of this, see Albert Rees, <u>The Economics of</u> Work and Pay (New York: Harper & Row Publisher, 1973), pp. 104-110.

In addition, provision of reception and advice centers could also be provided for workers who are in the process of obtaining a job. Such services are not usually provided by employment agencies in the industrialized countries, but developing countries also have the capacity for innovation.

Mobility of workers may be of two types, voluntary and involuntary. The former results from a desire to obtain an improvement in one's position, while the latter may result from the loss of a job due to dismissal, redundance, or shifts in demand for a product or service. Consideration has been given mainly to voluntary mobility in this section since it is expected that a program of industrialization in Belize will have a marked effect on that type of mobility. Industrialization should result in increased employment and a lower level of unemployment in some areas of the country and this will attract voluntary mobility.

#### Commitment of Labor

Developing an industrial labor force involves the mobilization of human resources in a variety of new activities. Such resources may be drawn from the urban as well as the rural areas of a developing country and will generally have at least one common denominator. In Belize the majority of workers entering the industrial labor force will have very limited skills and little experience with the rules, regulation and discipline of industrial labor.

This new work relationship requires a degree of social transformation on the part of the worker and that transformation has been labelled 'commitment.' Commitment entails the performance and acceptance of certain modes of behavior which are expected in an industrial setting. Kerr et al. have pointed out that:

Commitment entails the permanent acceptance of industrial employment and the acclimatization of the work force at all levels to factory conditions, urban living, formalized rule making processes and other demands inherent in the industrial order.<sup>33</sup>

As pointed out earlier in this study there is some doubt that a problem of labor commitment would occur in Belize during the process of developing an industrial labor force. A problem of labor force commitment is expected in an economy which is characterized by predominantly small-scale subsistence farming to which workers are attached by strong familial or cultural ties. In addition, workers may have little experience at wage employment.

Due to the nature of the early development of the Belizean economy, the conditions mentioned above had little influence on the Belizean worker. The country did not develop from an agricultural base, but instead through the forest industry. It is safe to say that at some points in the early history of Belize, agriculture was discouraged (see page 20). Those conditions did not result in the development of strong familial or cultural ties to the land. On the contrary, to a great extent the reverse effect occurred. The limited effect was due to the existence of a sizeable indigeneous Maya Indian population which

<sup>&</sup>lt;sup>33</sup>Clark Kerr, John T. Dunlop, Frederick Harbison, and Charles Myers, "The Labor Problem in Economic Development: A Framework for a Reappraisal," International Labor Review 71:3 (March 1955): 231.

has retained their historical ties to the land. However through the years some cultural assimilation has been taking place and indications are that even for the Maya Indian close familial ties to the land are declining.

This does not mean that small-scale subsistence farming does not exist in Belize. On the contrary, there is a high level of subsistence farming, but such farming is usually coupled with some type of seasonal wage employment during the period after crops have been harvested and the next planting season. In effect, this results in a weaker attachment to traditional rural society than one would expect in a country which is classified among the developing nations of the world.

Table 18 gives a breakdown of the economically active population by occupational group. It can be seen that those engaged in the agricultural sector form the largest single occupational group. But the data in that table do not indicate the seasonal shifts in occupation which are known to occur throughout the country. Many of those engaged in the subsistence farming would find it difficult to exist solely on the produce from their farms.

In the contemporary Caribbean context, including Belize, there has been a tacit dislike for agricultural employment and implicitly rural life. Studies such as Rottenberg's, dealing

TABLE 18

STRUCTURE OF THE ECONOMICALLY ACTIVE POPULATION, MALE AND FEMALE, 1970

Occupational Group	Male	Female	Total	Percent
Professional, technical and related workers	1,226	1,418	2,644	8.0
Administrative and managerial workers	153	16	169	0.5
Clerical and related workers	993	754	1,747	5.3
Sales workers	1,549	739	2,288	6.9
Service workers	1,184	1,720	2,904	8.8
Agriculture, animal husbandry and forestry workers, fishermen and hunters	10,047	483	10,530	31.7
Production and related workers transport equipment, operators and laborers	7,082	756	3,838	23.7
Workers not classified by occupation	3,263	103	3,366	10.2
Members of the armed forces	6		6	
Unemployed	1,425	204	1,629	4.9
Total	26,928	6,193	33,121	100.0

Source: International Labor Office, 1977 Yearbook of Labor Statistics (Geneva: International Labor Organization, 1977).

with unemployment in Antigua,<sup>34</sup> and Smith's investigation of labor shortage in small-scale farming in Jamaica,<sup>35</sup> substantiate that observation.

Earlier it was stated that commitment involves both performance and acceptance of behaviors appropriate to an industrial way of life. Performance of the Belizean as a factory worker would prove difficult to assess. One reason is the lack of comparability with factory workers in industrially advanced countries and the limited amount of factory work now available in Belize. Shortly after World War II, a study was carried out by the United States Department of Labor on the performance of Jamaican workers employed in defense industries in the United States during the war and it was reported that "almost two-thirds of the companies reported that the output per worker for Jamaicans compared favourably with that for other employees."

While that study is quite dated, one can assume that societies generally progress, therefore if a problem of commitment did not surface in 1945 it is doubtful that it has developed since that time.

<sup>34</sup> Simon Rottenberg, "Income and Leisure in an Underdeveloped Economy," <u>Journal of Political Economy</u> 60 (1952): 95-101; and Simon Rottenberg and Nora Siffleet, <u>Unemployment in Antigua</u> (Rio Piedras, Puerto Rico: Labor Relations Institute, University of Puerto Rico, 1952).

<sup>&</sup>lt;sup>35</sup>M. G. Smith, <u>A Report on Labor Supply in Rural Jamaica</u>. (Kingston, Jamaica: The Government Printer, 1956).

<sup>&</sup>lt;sup>36</sup> George E. Sadler, "Wartime Utilization of Jamaicans in United States Industrial Establishments," Monthly Labor Review 61:5 (1945): 848.

According to findings in much of the literature, a problem of labor commitment is directly related to the transition from an agrarian subsistence society to the highly structured industrial society. There is no indication of a trend towards an increase of those involved in the agrarian subsistence economy. In Belize the trend has been in the opposite direction. In 1960, 40.5 percent of the economically active population was engaged in agriculture, forestry, fishing and hunting. By 1970, only 31.5 percent of the economically active population was engaged in the areas mentioned above.

According to the occupational distribution of the economically active population as shown in Table 18, one may expect a slight tendency towards a problem of labor commitment during the course of developing an industrial labor force in Belize. That is, based on the fact that just under one-third of the economically active population is engaged in what may be classified as subsistence agriculture, although not all agriculture in Belize is subsistence agriculture.

However, there is some difficulty in determining whether or not a problem of labor commitment will occur in the process of developing an industrial labor force. This difficulty is further complicated in Belize due to the very limited social and economic statistics which are available. If more relevant statistical data were available, it would be possible to trace various factors or trends which could point to a problem of labor commitment.

Aronson in his study of bauxite workers in Jamaica also found it difficult to determine whether or not a problem of labor commitment would develop among those workers. He came to the conclusion that:

A well-articulated account of the specific circumstances under which a problem of labor commitment may become significant, or of the factors that determine its magnitude, does not exist, however. Implicitly, the term appears to refer to an economy in the incipient stages of development.<sup>37</sup>

Difficulties will undoubtedly arise in the process of transition to industrialization. Although we have predictable patterns in our social relationships, because we are human and not mechanical, those patterns are not absolutely predictable. But every attempt should be made to ensure a smooth and unduly painful process of transition from rural peasant to industrial worker.

Attention should be paid to proper selection and placement, adequate training, and extremely important--well trained supervision. These are factors which should not be neglected because industrial labor with its rigorous discipline, will stand out in sharp contrast to the traditional setting and patterns of work to which the peasant has been accustomed. Inadequate adjustment will result in problems of labor commitment.

#### Summary

Part of the Development Plan for Belize over the period
1977-1979 deals with industrialization. The Plan aims at the expansion

<sup>&</sup>lt;sup>37</sup> Aronson, p. 157.

of existing industries and the development of new industries both in the manufacturing and agricultural sectors.

If the planned program for industrialization is to have any possibility of being successful, an appropriate labor force with the necessary skills and commitment to industrial labor will have to be developed. The Plan itself expresses the need for an adequate supply of labor capable of meeting the requirements of industrialization.

The Development Plan projects a shortage of labor over the Plan period and proposes to recruit foreign labor to meet the demands of industry. While the need for foreign labor is inevitable, especially in the managerial, supervisory and highly skilled technical areas, emphasis must be placed on training Belizeans to fill all the needs of the industrialization program. The female labor force participation rate must be increased, since in the opinion of this researcher, Balizean women are not participating to their maximum potential in the labor market.

Policy guidelines in the Development Plan for developing an industrial labor force are stated in the form of a forecast of expectations, rather than of specific means to be used in achieving that particular goal. This chapter has therefore pointed out various factors which could affect the supply of an industrial labor force and which should have been mentioned in the Development Plan for Belize. These factors are the labor force participation rate, variation in the hours of work and the supply of skills.

The strategies for developing an industrial labor force were then analyzed under four broad headings, viz., recruitment of labor, education and training, mobility of labor and commitment of labor. Industrialization is an important part of the wider process of economic development and will entail a movement of labor from less productive (subsistence agriculture) to more productive occupations. Peasant patterns of work are incompatible with the demands of the machine and factory employment.

The discussion under the four headings mentioned above deals with the social changes and the technical demands which the process of developing an industrial labor force will entail. Due to historical factors in the development of Belize, the development of an industrial labor force in the light of observations in this study, could proceed satisfactorily.

#### CHAPTER V

#### CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to identify and analyze the major issues involved in the development of an industrial labor force in Belize. It was also intended that, based on the findings of the study, certain recommendations would be made which could form the basis for future policy in the development of an industrial labor force in Belize.

With its small land area and low population density, the country has been struggling to improve the economic and social well being of its inhabitants. Despite a policy of 'industrialization by invitation' and legislation providing various incentives, the country has proven to be relatively unattractive to the foreign investor. As this study has pointed out, part of the failure to attract foreign investment was due to the poor economic infrastructure.

In its development plans the government also emphasized industrialization with the desire that it would lead to import substitution, a reduction in the balance of payments deficit, and increased employment opportunities. This study has analyzed two of these development plans (1964-1970 and 1977-1979) as they relate to planning for industrialization. From that analysis, a question arises, whether development planning has become a fashion, and that is dealt with under a separate heading.

However the plan pointed out a persistent shortage of skilled labor, managerial, supervisory and technical personnel. Little has been achieved, since the introduction of the 1964-1970 Plan, to increase the supply of that type of labor although the shortage was already recognized at the time that Plan was being prepared.

This study has also found that the current 1977-1979 Plan does not project a specific strategy aimed at developing the skills, whether supervisory, managerial or technical which are in short supply. In the short run importation of labor is advocated and in the long run it is expected that expansion in the education system and changes in the curricula will lead to an increased supply of labor for an industrial labor force.

The Development Plans do not project a sense of urgency and aggressiveness in developing the labor supply necessary to meet the potential demands of the program of industrialization. Instead the Plans seem to reflect lethargy and more intended for rhetoric than for vigorous implementation which could lead to changes in the economic and social conditions of life in Belize.

There is also the need for coordination between investment in material capital and investment in human capital. Many developing countries are held back, not so much by a shortage of savings as by a shortage of skills. While education plays an important role in raising the level of skills, education alone will not cure all shortages. It is evident that shortages exist in the area of managerial and supervisory personnel, and certain skilled categories of labor. There

is a necessity for the increase of vocational training facilities in order to meet the demand for skilled labor.

It may be necessary to adjust the reward system among various skills to ensure an increase in those which are in short supply. The creation of new jobs to absorb those graduating from high schools and the universities is also very important. The rate at which a developing country can absorb the new supply of trained people will depend upon its general rate of economic growth. The development plan should therefore give some indication of the anticipated rate of economic growth and thus allow coordination between that rate of growth and investment in human capital.

#### Development Planning--A Fashion?

Development planning has been widely accepted as an essential means of guiding and accelerating economic and social advancement in the developing countries. Yet from the diffusion of development plans among such countries, it appears the national plan has joined the national anthem and the national flag as a symbol of sovereignty and modernity.

With the formation of political parties in Belize in the 1950s, more attention began to be focused on economic development than hitherto. Earlier, under the Colonial Development and Welfare Acts, a semblance of development planning was started as the Colonial Government in Belize was required to project forward for five years, their needs for assistance on capital account. Government departments were invited

to submit lists of projects for financing from Colonial Development and Welfare funds.

Those lists were then aggregated into what became known as development plans, after they had been adjusted to fall within the country's Colonial Development and Welfare allocation. The projects included in those 'shopping lists' were not based on full analysis of the economy or on well-reasoned government policies. There was no planning organization or a statistics agency to assist in drawing up requests for financing of various projects.

That type of pseudo-planning was carried out during the period 1945 to 1960. With constitutional change to internal self-government in 1964, the Colonial officials were replaced by popularly elected representatives of the people. Those politicians upon forming the government clearly felt that 'development planning' was a good thing as they immediately prepared a plan for the period 1964-1970.

But the question remains, is development planning a fashion?

Is it done so that governments can comply with the requirements of international aid agencies, and to present an orderly method for disposing of foreign aid funds?

The truth is that many developing countries have had development plans since the early 1950s. India became independent in 1947 and although some planning had been going on prior to that date, it is convenient to look at 1947 as the start of national development planning in India. In the case of the former British colonies in Africa, planning began with their dates of political independence--

Ghana, 1957; Nigeria, 1963; Kenya, 1964; Tanzania, 1964--to mention a few. For the former British territories in the Caribbean area, as pointed out before (see page 65), planning goes back to the Colonial Development and Welfare Acts of the 1940s.

The list could go on and on; almost every country which is classified as a developing country either has a development plan or had some type of development planning in the past. Yet those plans which were intended to increase per capita income levels and the growth rate of GNP and provide all the other attributes of social and economic development, seem to have fallen short of those goals.

The economic and social statistics of the developing countries tell the story--high unemployment, malnutrition, famine in some instances, high rates of illiteracy and other forms of overt poverty. In the case of Belize, this study has shown that a large quantity of the food which is consumed is imported and those imports have been increasing. Belizeans use imported matches to kindle imported natural gas which cooks imported food in an imported cooking utensil on an imported gas cooker. That food in many instances is served on an imported dining table in a house constructed with imported cement reinforced by imported steel rods with imported corrugated roofing.

The beverage served at such a meal may well be 'Coca Cola' or 'Pepsi' manufactured from an imported formula with imported refined sugar and imported carbon dioxide. There is still sufficient water available locally.

Despite those facts, the development plans promise import substitution and increased agricultural production to name a few of those elusive goals. The plans exist and so do the promises for improvement in the quality of life in developing countries—they exist on paper. But these goals soon become a mirage and when they are not achieved within one plan period, the fashion of the plan changes, goals are shuffled and out comes a new plan.

In 1964 Belize achieved internal self-governing status, the final constitutional step prior to political independence. The governing political party was full of enthusiasm and ready for the thrust towards independence. A 'viable economy' was all that was necessary and the 1964-1970 Development Plan, "aims at fulfilling this requirement." Thirteen years later the 1977-1979 Development Plan points out that "Belize is . . . moving towards independent status . . . though there is no agreed schedule for the transition." The enthusiasm has subsided, the planned goals have eluded the planners and the latter start once again to create a new plan.

Development planning has become fashionable and countries with a plan seem to obtain the 'nod of approval' from international agencies such as the United Nations and the World Bank as well as governments and governmental agencies which provide foreign aid.

The developing country without a 'plan' is out of style. Many

<sup>&</sup>lt;sup>1</sup>Hon. George Price in Foreword to <u>Development Plan 1964-1970</u>, Government of Belize.

<sup>&</sup>lt;sup>2</sup>Government of Belize, Development Plan 1977-1979, p. 1.

developing countries have allowed themselves to become dependent on foreign aid, and a plan is usually a prerequisite for such aid.

If the eradication of poverty was the real goal, why is it that, in the case of Belize, so little attention is paid to determining the extent of unemployment, the distribution of incomes, housing shortages and other forms of poverty? The Development Plan claims that unemployment in Belize was 4.7 percent in 1970. That figure is based on the data in the population census which classifies employed worker "on the basis of any work at all done in the year (prior to the census) irrespective of its duration." That is clearly a most unsatisfactory definition of employment and unemployment; statistics based on that definition of employment would be clearly misleading.

No attempt has been made to conduct a proper survey to determine the extent of unemployment in Belize. Basic economic indices such as a cost-of-living index are nonexistent in Belize. How is it possible for effective planning to take place in the absence of such important social and economic statistical data? There is only one conclusion, on the basis of existing facts. While the existence of the plan may exhibit some altruism on the part of those responsible for it, concrete changes in social and economic development in Belize resulting from the development planning will remain illusory. Planning as carried out in Belize, without adequate statistica data is tantamount to attempting to fit a garment on a body of unknown dimensions. In a country with

<sup>&</sup>lt;sup>3</sup>University of West Indies, 1970 Population Census of the Commonwealth Caribbean, vol. 4, pt. 5 (Mona, Jamaica: Census Research Programme, 1973), p. vii.

limited financial resources one should endeavor to obtain a perfect fit, rather than making a shroud.

#### Development of Human Resources

This study has indicated that more attention should be given to the development of human resources in Belize. The shortage of skilled labor pointed out earlier is a glaring example of the neglect of human resource development in Belize.

For example, in 1964 the total enrollment of the Belize Vocational Training Center was 60 trainees. By 1977, according to the official budget for the Ministry of Education, the enrollment had increased to 70 trainees. The Vocational School caters to male primary school leavers who fail to go on to any type of secondary education. In Belize, that means the school is intended to serve 60 percent of all primary school leavers as the other 40 percent go on to secondary education. The average child leaving primary school at the end of the eighth grade has almost no chance of obtaining any type of skill through vocational training. For the female school leaver the chances are even more remote.

Certain charitable organizations such as the Y.W.C.A. (Young Women's Christian Association) and the Christian Social Council offer courses in Home Economics, but with their limited facilities and finances only a small proportion of the demand for such training is met. The type of education available at the secondary level and

<sup>&</sup>quot;There is no prohibition against females attending the vocational school, but females have never enrolled for any of the courses offered by the school.

the small number of primary school leavers going on to secondary education has already been taken up in Chapter II.

The formulation and implementation of programs and policies for the development of human resources within the framework of the overall development plans have been seriously neglected. Of course the lack of adequate information on such variables as employment, unemployment, education and health is an obstacle to providing programs for human resource development. Population censuses are not an adequate source of data for planning such programs.

The absence of current manpower data inhibits the preparation of programs for education and training which accurately take into account national manpower requirements for the immediate future as well as in the long term.

The current Development Plan for Belize has pointed out the shortage of persons with essential skills. Failure to improve the supply of such persons will be a contributing cause to an increased rate of unemployment. As the pace of industrialization is increased, the demand for skilled manpower will also increase and dealing with the problem from the supply side alone will not necessarily provide the solution.

It is also necessary to consider incentives such as financial rewards. In the private sector that problem may be solved through the supply and demand relationship. But in the public sector, it may be necessary to relate pay incentives to the demand for specific categories of personnel in order to:

- 1. contribute to the rising status level of a particular job, and
- 2. encourage an increase in persons willing to work in areas where specific skills are in short supply.

The two Development Plans with which this study has been concerned have both expressed a concern about the development of human resources. But that concern has not been translated into programs for developing a corps of competent professionals, technicians and skilled workers. The speed at which industrialization will progress will depend on the availability of an adequate industrial labor force.

#### Recommendations

#### Basic Data for Planning

In Belize there is inadequate and/or an absence of basic economic and social statistical data. In carrying out the research for this study it was frustrating to find inaccuracies and many instances of discrepancies in similar data published by two or more government agencies.

Development planning and the formulation of basic economic policy depends on what has gone on before. But it is also necessary to have up-to-date statistical indicators in order to maintain flexibility in planning and evaluate progress. It is recognized that the collection of statistical data is not free of cost and this is an important consideration for Belize with its meager financial resources. The availability of suitably trained personnel is also another problem. This study therefore recommends that:

- A comprehensive plan be drawn up for improving the collection and dissemination of social and economic statistics and the provision of appropriate financial, personnel, and other resources for implementing the plan.
- 2. Government departments such as the Department of Labor be provided with the necessary financial allocation and personnel in order to allow compliance with their legal obligation relating to the collection of statistics (see page 39).
- 3. A uniform system of data collection should be instituted and coordination for that system should be carried out by the Central Statistical Office, or whatever other name that institution may have.
- 4. Legislation should be instituted (where this does not already exist) requiring employers to submit information on wage rates, employment levels, safety and health and other data necessary for developing planning, as specified from time to time.

#### Manpower Policy

During the transition to a modern industrial order there will be considerable demands on the manpower supply in Belize.

Manpower will be displaced in certain sectors and absorbed in others. It will be necessary to ensure maximum utilization of the labor supply in order to reduce possible unemployment or underemployment. Manpower data are important in planning overall economic development, but it is considerably more important in the case of planning for industrialization.

Although the importance of manpower data cannot be overemphasized, the approach in obtaining such data should not be along purely quantitative lines. Some manpower studies are designed mainly to determine shortages and surpluses, that is, they compare the demand for different types of skills in relation to the present supply, including those in training, thus establishing a net balance for some target date.

That approach does not take into account variations in the composition of inputs into the production process. A producer may increase the proportion of capital to labor, or vice versa and therefore any projections based on current ratios of skilled manpower to output will be inaccurate. There is also the future need for skills based on proposals for implementing planned development projects. If those projects are not established within the period specified in the plan, then the whole manpower demand picture will change.

Manpower policy should be designed to match people and jobs, and in the context of this study, to develop the necessary skills and commitment of the labor force to meet the demands of the program of industrialization. In carrying out this study, it was found that one of the basic obstacles to developing manpower policy in Belize is the inadequacy of manpower data.

It is recognized that the following recommendations dealing with manpower policy will involve certain additional expenditures.

However, it is not the purpose of these recommendations to develop

a cost budget. Where new staff will be required this will be indicated along with the starting salary for that category of staff according to the salary scales in the 1977 budget of expenditures for the government of Belize.

The Development Plan 1977-1979 proposed that "available manpower resources should be reviewed from time to time and the information gathered utilized in the execution of national development
schemes as well as for private purposes." 5

In planning for economic and social development, one does not review manpower resources from time to time, instead manpower data are collected regularly and the review of such data should be carried out on a continuing basis. In some instances these recommendations will result in the establishment of new functions within existing governmental agencies. It will also be necessary for certain allocations to be made in the national budget for the collection and analysis of statistical data.

The government of Belize will have to decide whether it is prepared to allocate some of its resources to the development of statistical data which will be used in the rational planning of future development. On the other hand, it may decide that such data are not absolutely a prerequisite for national planning and continue the current system of planning without adequate data.

The recommendations which follow are by no means elaborate.

They are considered to be the bare essentials required to enhance the

<sup>&</sup>lt;sup>5</sup>Government of Belize, Development Plan 1977-1979, p. 65.

collection of manpower data and allow a continuing manpower service to be established.

1. A Manpower/Agency/Unit (the name does not really matter) should be established within the Ministry of Labor. This agency would be responsible for collecting and initiating the collection of manpower data throughout the country. The Ministry of Labor already has sub-offices of the Department of Labor in all the main district capitals, and it would be necessary to strengthen the staff of those offices, so that they could carry out data collection functions for the Manpower Agency.

The data to be collected should include information on such factors as age structure, sex composition, educational attainment, labor force participation rates, the distribution of the labor force by economic activity, and unemployment and wage levels. Data are also needed on the expected labor force growth rate, population growth rate and educational output. This is not an exhaustive list, but merely data which should be collected on a continuing basis. Decennial population censuses are not a satisfactory source of such data.

The writer is aware that the term Manpower as used to connote both male and female has fallen prey to the movement for equalization of the sexes. Recently the United States Manpower Administration changed its name to the Employment and Training Administration. The government of Belize will have to decide on the name for the proposed agency, but that

should not affect the service which it is intended to provide.

It will be necessary for the Ministry of Labor to develop a training policy for existing staff, which will enable them to better understand their new role in the economic development of the country. Based on this writer's personal experience in the Ministry of Labor in Belize, there is a cadre of staff resources on which to build some of the new functions.

From my experience in the United States of America, it is the general practice for government agencies to have ongoing inservice training programs for staff workers. Such programs deal with a variety of topics relating to the mission and objectives of the specific agency. Training programs of that nature would prove invaluable in a developing country such as Belize since they enable staff personnel to keep in focus the goals and objectives of their agency.

2. Employment exchanges should be established in conjunction with the Manpower Agency. The exchanges would be mainly concerned with placement of workers, employment counseling, and testing of workers, especially youths with vocational problems. The exchanges would also provide industrial services for employers such as assistance in job analysis, advertisement of vacancies and assistance in problems of recruitment, selection and placement.

3. A Vocational Guidance and Counseling Service should be established within the Manpower Agency mentioned in (1) above. That service would guide and counsel secondary school students toward occupations in expanding sectors of the economy or encourage them to develop skills which are in short supply.

The recommendations in (1) to (3) above all entail additional staff for the Ministry of Labor. It is estimated that the following minimum number of staff would be required:

		Bze \$
1	Manpower Officer (to Head the Agency) .	\$ 8,508
1	Statistical Officer	6,240
5	Vocational Guidance Counsellors	31,200
3	Labor Officers	16,128
5	Clerical Officers (Grade I)	22,800
		\$83,876

4. The question of financial incentives to motivate entry into various occupational categories of the labor force where there are critical shortages should be studied. Use of financial incentives to influence highly skilled personnel or professionals to serve in areas where their training or skills are necessary should also be investigated. While pay of itself may not be a sufficient incentive, a rise in pay could well result in raising the status level of a job. While government may have little influence on incentives in the private sector, government pay scales are taken into account by the private sector. Generally wages and salaries in the private sector in Belize are kept at a higher level than government rates.

5. In its industrialization program, Belize will need skilled labor, highly trained technicians, qualified supervisory and managerial personnel. There are many Belizeans living abroad who have the experience, training and education to contribute immensely to the program of industrialization.

Government should launch a campaign aimed at encouraging qualified Belizeans living abroad to return home and work in their own country, thus contributing to its development. A method of providing special incentives to those Belizeans with special skills who return home should be developed and perhaps a tri-partite committee comprising representatives of government, the private sector and the trade unions could be appointed to deal with this recommendation.

6. Efforts should be made to increase the female labor force participation rate. Vocational guidance and counseling mentioned above should be available for female youths. Where there are differentials in wages or salaries between males and females for work of a similar nature, these should be eliminated by legislation if necessary.

#### Education and Training

The recommendation for education and training has been deliberately placed after that dealing with the establishment of a manpower agency. Manpower data will allow reasonably accurate projections of the various types of workers needed to meet the demands of the economy

over a period of time. By studying the data it will also be possible to determine the type of changes, either qualitatively or quantitatively which should occur in educational facilities to satisfy manpower needs.

It should also be recognized that the effect of changes in the educational system do not result in an immediate change in the output. The result of such a change could take years before the individuals coming out of the education system show a response to the changes. In Belize, while some changes in the curricula of the primary schools are gradually being implemented, at the secondary level little change is taking place.

This study did not deal with the question of teacher training except in pointing out the shortage of trained teachers at the primary level. It should be clear that the quality of instruction in the schools will depend to a great extent upon the qualification of the instructors. Every effort should be made to improve the trained teacher/pupil ratio in the primary schools in Belize.

The concept of nonformal education is especially important for training in the rural areas, for skill development, in programs for improving agricultural production, improvement of health standards and similar objectives.

Training can be defined as job-oriented learning and the individual is generally required to have previously passed through the formal education system. There are various methods of carrying out training; for example, there may be classroom instructions, supervised shop work or a combination of these. But training is usually oriented towards a specific occupation.

Since Belize has selected the path of industrialization as one way of achieving economic development, an industrial labor force is necessary if the planned goals are to be achieved. It is therefore recommended that:

- Education policies be developed on the basis of information on the manpower situation in the country. Those policies should be adjusted from time to time to meet the labor market requirements as determined by analysis of such manpower data.
- 2. Training programs to acquire or improve job skills should be established either at the institutional level, on-the-job, or some combination of the two. A committee comprising representatives of employers, the trade unions and government should be formed to coordinate the training programs.
- 3. Consideration be given to the establishment of a well regulated and effective apprenticeship program.
- 4. The Vocational Training Center in Belize City should be expanded so that the enrollment may be increased. Based on projections from manpower data the number of subjects offered at the center should be increased. Females should also be encouraged to enroll for training at the center.
- 5. Consideration should be given to the levy of a tax on employers, both in the public and private sectors to finance the costs of training programs. Such a tax could be based on the capital value of the firm and with a certain number of employees, probably ten or more permanent workers.

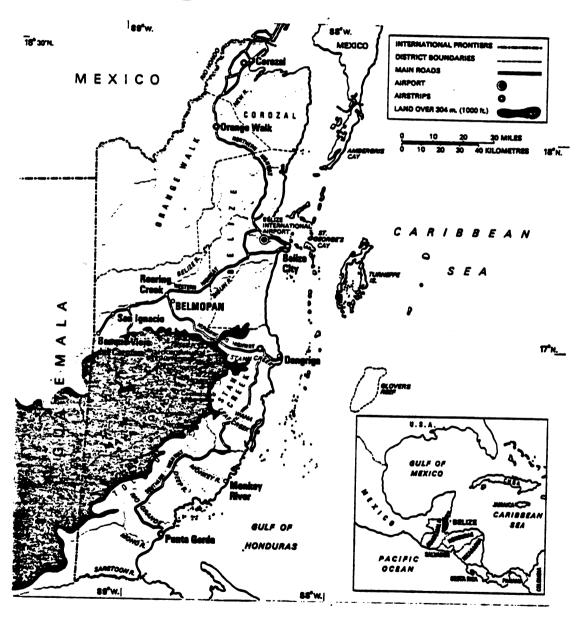
#### APPENDIX A

# MAP OF BELIZE INDICATING POSITION IN CENTRAL AMERICA IN RELATION TO THE CARIBBEAN ISLANDS AND NORTH AMERICA

#### APPENDIX A

## MAP OF BELIZE INDICATING POSITION IN CENTRAL AMERICA IN RELATION TO THE CARIBBEAN ISLANDS AND NORTH AMERICA

### **Belize**



#### APPENDIX B

LIST OF FOOD IMPORTS BY STANDARD INTERNATIONAL

TRADE CLASSIFICATION, 1964

#### APPENDIX B

### LIST OF FOOD IMPORTS BY STANDARD INTERNATIONAL TRADE CLASSIFICATION, 1964

#### Section 0--Food

#### Division

- 00 Live Animals
- 01 Meat and Meat Preparations
  Hams and Bacon
  Meat, Dried, Salted or Smoked
  Meat Prepared and Preserved Excluding Sausages
  Other Kinds
- O2 Dairy Products and Eggs
  Milk, Evaporated and Condensed
  Butter
  Cheese
  Other Kinds
- 03 Fish and Fish Preparations
  All Kinds
- O4 Cereals and Cereal Products
  Rice
  Wheat Flour
  Prepared Breakfast Foods
  Bakery Products
  Other Kinds
- Fruits and Vegetables
  Fruit, Fresh
  Fruit, Canned
  Jams, Jellies & Marmalade
  Potatoes, Fresh
  Dried Beans (All Kinds)
  Vegetables, Fresh
  Vegetables, Canned
  Other Kinds
- O6 Sugar and Sugar Preparations
  Sugar, Refined
  Sugar, Confectionery
  Other Kinds
- O7 Coffee, Tea, Cocoa, Spices
  Coffee
  Tea
  Cocoa Powder Unsweetened
  Other Kinds
- 08 Animal Feeding Stuff All Kinds
- 09 Miscellaneous Food
  Preparations
  Margarine
  Lard
  Other Kinds

#### APPENDIX C

NOTE ON THE CARIBBEAN COMMUNITY (CARICOM)

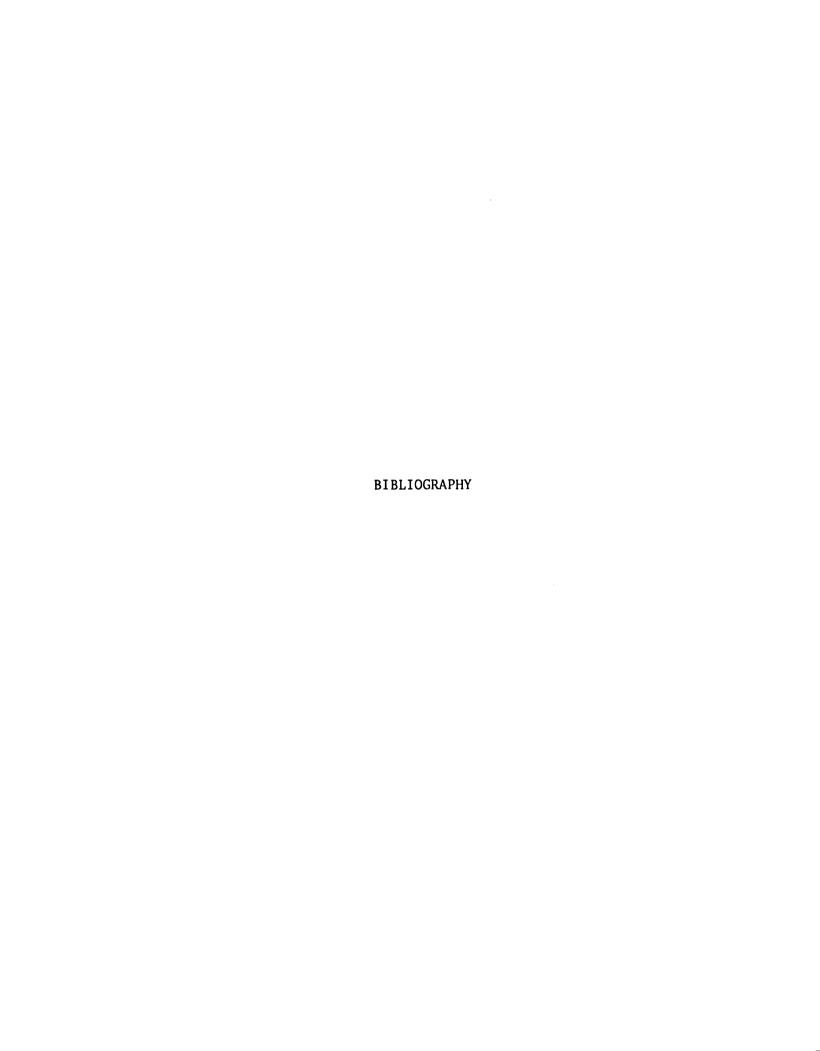
#### APPENDIX C

#### NOTE ON THE CARIBBEAN COMMUNITY (CARICOM)

The Caribbean Community (CARICOM) is an organization comprising former British colonies in the Caribbean. The Preamble to the agreement establishing the organization states that: "Member nations hope to achieve full employment and improved standards of living through the optimum use of available human and material resources." Briefly the five stated objectives are as follows:

- to promote the expansion and diversification of trade in the area of the organization;
- to ensure that trade between member territories
   takes place in conditions of fair competition;
- to encourage the balanced and progressive development of the economies of the area;
- 4. to foster the harmonious development of Caribbean trade and its liberalization by the removal of barriers to it; and
- 5. to ensure that the benefits of free trade are equitably distributed among the member territories.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup>M. V. Hinkson, <u>The Caribbean Free Trade Association</u>, Caribbean Regional Secretariat, 1969, p. 6.



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