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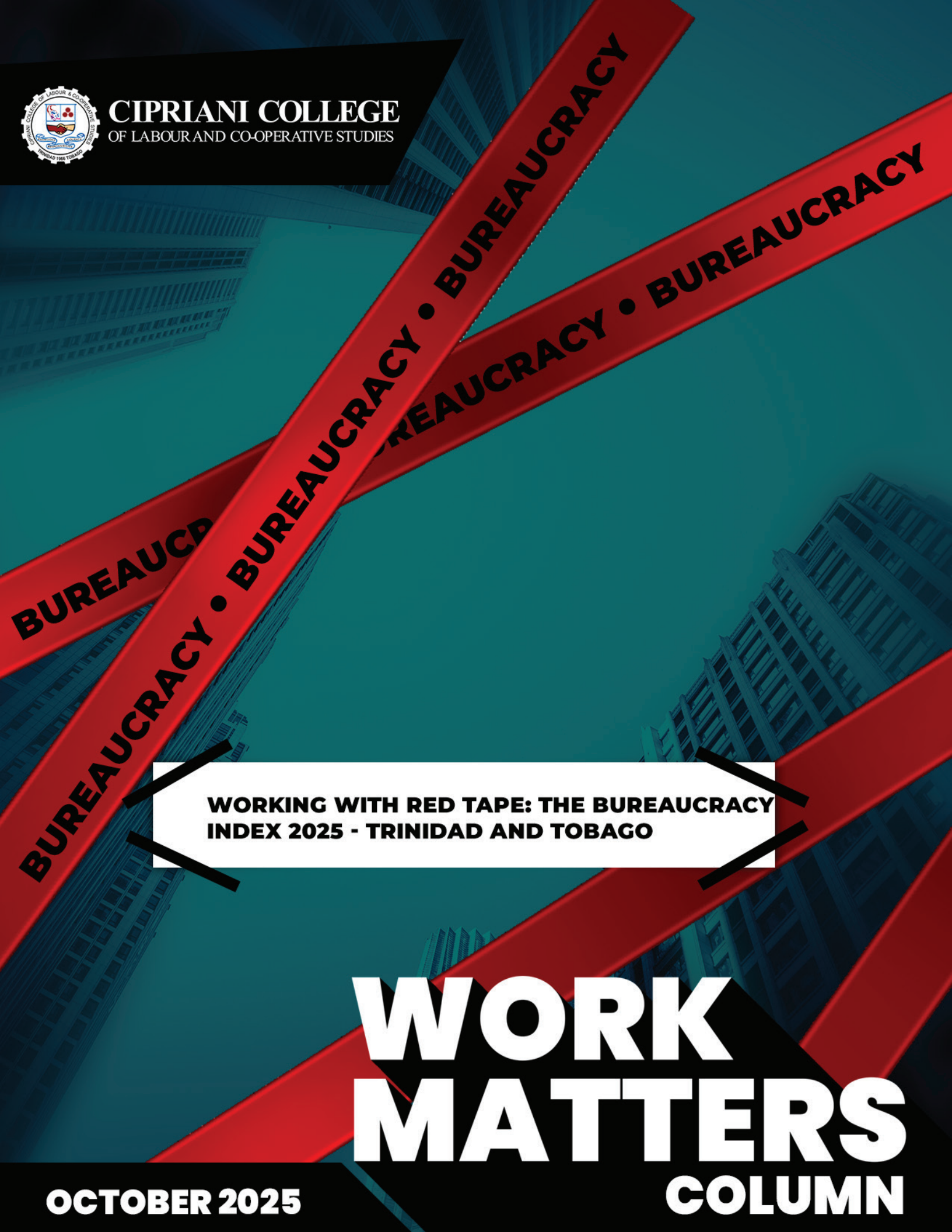## OF LABOUR AND CO-OPERATIVE STUDIES

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WORKING WITH RED TAPE: THE BUREAUCRACY INDEX 2025 - TRINIDAD AND TOBAGO

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Working with red tape: The Bureaucracy Index 2025 - Trinidad and Tobago

Iyana John

Excessive bureaucracy is quietly suffocating Trinidad and Tobago's economy, holding back investment and discouraging compliance across our most productive sectors: this has long been a part of the culture in Trinidad and Tobago. We often find ourselves overwhelmed by paperwork, endless waiting periods, and countless trips to government offices in an attempt to expedite often simple procedures. The newly released Bureaucracy Index 2025 examines the most productive sectors in 21 countries, highlighting the amount of time spent traversing regulatory procedures, and thus the impact on their overall productivity. This year marks the first time Trinidad and Tobago has contributed data to the project. The Institute of International Relations at the University of the West Indies collaborated with The Adam Smith Centre for Economic Freedom at Florida International University, and with other research centres across the globe to put forth the Bureaucracy Index 2025. This study focuses on four of our most productive sectors: mining and quarrying, construction, manufacturing, and the trade of chemical-related products. Together, these sectors generate about half of our GDP. On average, it takes about 134 days to open a business in Trinidad and Tobago. However, not all sectors experience bureaucracy in the same way: the mining and quarrying industry carries the heaviest burden. While the required permits and documentation are necessary, they rely mainly on paper-based documentation and in-person submissions. Trinidad and Tobago requires nine to ten permits, accompanied by over 100 supporting documents, and interactions with five different agencies. By comparison, Guyana requires just two permits and seventeen supporting documents to begin business operations. In the course of our interviews, some respondents reported having to submit applications more than once, with one business owner sharing that he had to submit an application five times before it was processed, as the requesting entity had frequently misplaced the application. These errors stagger productivity and put an unnecessary strain on businesses, not to mention loss in time and money. Approvals for some of these applications have processing times from three months to a year, and must be renewed every five years. How can we expect businesses to thrive when they spend months awaiting approvals? Is there not a mechanism to make the process more efficient? I believe that efficiency leads to productivity, which leads to profitability, which leads to increased jobs and a growing economy. The construction sector faces its own hurdles with Town and Country approvals, which can delay projects up to 90 days. In contrast, the trade and manufacturing sectors reported mostly digital processes requiring two to three permits. This contrast demonstrates that bureaucracy varies across different industries. Whereas some sectors may benefit from streamlined systems, others endure lengthy paper-based procedures. Apart from the statistics, respondents highlighted the challenges created by bureaucratic inefficiencies. Waiting months for approvals is common, and evidently, knowing the right person at the relevant entity can speed up the process. Red tape strangles business, particularly that of MSMEs which may lack the resources to dedicate staff and time to lengthy applications and renewals. It should also be recognized that delays affect government revenue collection, which in turn affects and discourage compliance. As we may remember, in 2023, the Ministry of Energy and Energy Industries fined 57 companies for illegal quarrying, shutting down 44 entirely. While this was deemed necessary to safeguard workers' protection and government revenues from taxation, there are other considerations. It has been argued that due to the excessive bureaucracy, individual and companies try to find ways around the obstacles, thus inevitably ignoring compliance and engaging in illegal and dangerous activities.

What can be done to alleviate these issues? Firstly,

prioritising digital transformation and strengthening institutional capacity: digital systems will not work if there are not enough trained people to operate them. Agencies need well-resourced teams who can process applications efficiently, provide meaningful support when businesses run into problems, and use the technology to speed things up. Secondly, improving transparency and accountability: publishing timelines, costs, and requirements will allow businesses to plan and prepare. In addition, introducing performance monitoring and evaluation can improve not only transparency, but accountability as well. For example, if an approval is supposed to take 30 days but consistently takes 90, the agency should be held accountable. There needs to be responsibility and accountability for unwarranted delays. Transparency builds trust and reduces opportunities for corruption and other illegal and unsafe activities. Bureaucracy remains a major obstacle to productivity, particularly in mining and quarrying. When businesses have to wait for months for approvals it discourages future investment and puts a strain on current operations. Reducing bureaucracy is an economic strategy essential for maximizing productivity in Trinidad and Tobago. Streamlining procedures can attract investment, encourage compliance, and boost productivity across the economy.