

**STUDY TO ASSESS WHETHER THERE IS ANY DISCRIMINATION
IN THE AWARD AND DISTRIBUTION OF ECONOMIC
OPPORTUNITIES
IN GUYANA**

by

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LIST OF ACRONYMS

BOG	Bank of Guyana
BOG	Bank of Guyana
GOINVEST	Guyana Office for Investment
GBTI	Guyana Bank for Trade and Industry
HIES	Household Income and Expenditure Survey
IDB	Inter American Development Bank
IFI	International Financial Institutions
IMF	International Monetary Fund Household Income and Expenditure Survey
IPED	Institute of Private Enterprise Development
LEAP	Linden Economic Advancement Programme
LEAF	Linden Economic Advancement Fund
NGO	Non Governmental Organisation
PNC/R	People's National Congress/ Reform
PPP/C	People's Progressive Party/ Civic
USAID	United States Agency for International Development
VYC	Volunteer Youth Corp

STUDY OVERVIEW

This study assesses whether there exists any discrimination in state, private sector or NGO sponsored economic opportunities. This study also determines whether there is a perception of discrimination within the varying ethnic communities in the Guyanese society with a view towards determining whether there is any discordance between perception and reality regarding the questions of discrimination and inequality in the named area. Finally, this study scrutinizes the activities, procedures and processes used in the administration and distribution of economic opportunities and makes recommendations regarding the enhancement of these to generate increased transparency, which would consequently address the perceptions of discrimination and inequality.

BACKGROUND TO STUDY

Mirroring the correlation between the public investment in and performance of the sectors dominated by the African community and the accession to power of the African dominated PNC after 1966, there has been a correlation between state investment in and the performance of the sectors dominated by the East Indian community and the accession to power of the Indian dominated PPP after 1992. Members of the East Indian community are heavily concentrated in agriculture, hunting, forestry and the various service trades while the heaviest concentration of the African community is in the public service and mining and quarrying. By 1998, the sugar industry witnessed a 65 percent expansion, rice saw a 154 percent expansion, forestry 186 percent and distribution and services saw a 42 percent growth. Much of the growth in the agricultural and service sectors C.Y. Thomas (1998) notes occurred after 1991. Growth overall in the Guyana economy was largely negligible or negative after 1998 but the manufacturing, services and construction industries had reasonable to strong growth between 2003 - 2006. The African dominated public service witnessed no growth but rather a dramatic and debilitating decline which continued into 2006 as the Bank of Guyana Annual Report indicates while mining and quarrying saw a 52 percent expansion onto 1998 (Thomas 1998). Public investment in sugar production continued to expand in the new century while public investment in bauxite was minimal. New investment by Chinese and Russian firms, along with Omai, however gave a fillip to this sector that had traditionally been an African labour preserve however, none of these companies has created jobs on the scale previously witnessed in Linden and Kwakwani and both locations remain depressed with high unemployment despite the operation of the EU funded Linden Economic Advancement Fund.

With regard to the decline in the public service, in 1980, approximately 80 percent of the labour force was employed as wage earners with the majority employed in the public sector after the government nationalised the 'commanding heights' of the economy. The percentage of the labour force that was self-employed was 18 and the majority of these were farmers, professionals and businessmen in the towns and, the informal sector was virtually non-existent. Wage employment however fell to approximately 50 percent of the labour force by 1992 and although all sectors were affected since they were either directly owned or under the guidance of state institutions under the

nationalisation programme, it was the public sector which was most severely affected since there was a decrease in employment by 40 per cent. The section of the public service most affected was that employed by central government which saw a 60 per cent reduction in employment. Since Afro-Guyanese had relied primarily on wage labour, especially in the public sector and in central government, that group was severely affected by the retrenchment in the government sector. Moreover, the prospects of those who remained in the public sector were also low as despite notable yearly inflation, devaluation and increased cost of living, the government was obligated under the IMF/World Bank stabilisation and austerity programme to decrease government spending and therefore froze wage levels or gave very minimal wage increases which resulted in a decline of similar proportions in public sector wages during the same period (Thomas 1998).

The last conducted Household Income and Expenditure Survey (HIES) 1992-1993 revealed that Africans, largely urban and reliant on salaried employment along with those in the mixed group had a similar incidence of poverty at around 28 percent. East Indians who were largely rural, agricultural based and self employed farmers were significantly lower at 22 per cent, while the Amerindians, who were concentrated in interior regions, had the highest incidence at 56 per cent.

This ethnic differentiation between the three major ethnic groups in Guyana occurs in both a geographic and sectoral context and is a legacy of the colonial administration of the society for three centuries. Upon the departure of the British colonial authorities in 1966, the newly independent Guyanese state was confronted with a legacy of inequality and conflict in the social, political and economic spheres. There existed an ethnically inclined distribution of inherited economic roles in the society and political divisions were virtually to the point of ethnic polarization.

Almost three decades of electoral manipulation after independence under the PNC regime to some extent hid the true nature of the ethno/political divide as the regime claimed multiethnic support under the banner of national unity. While an electoral façade sought to maintain a semblance of democracy, the government from the beginning of the 1970s, officially announced that Guyana no longer embraced unbridled capitalism but instead was adopting a strategy of cooperative socialism. This strategy witnessed the state replacing the private sector as the main producers and owners of over 80% of the economic activities in the country and initially disproportionately benefited the

African middle class who dominated the civil and public sectors and resulted in insistent charges of ethnic discrimination, particularly from within the East Indian community. Productive crises in the three main export sectors emerged and were exacerbated by the emergence of a catastrophic balance of payments crisis in the late 1970s that raised the prospect of state collapse by the mid 1980s. Ultimately, the Guyana government was forced to approach the Bretton Woods institutions, which refused to offer unqualified credit support unless the Guyana government shifted its economic posture from a socialist back to a capitalist one. By the early 1990s, access to international credit was also linked to state restructuring under a 'good governance' programme (Ifill 2007).

Thereafter, Guyana was transformed into a free market liberal democracy. The international financial institutions (IFIs) have overseen the remodeling of the Guyanese state to one in which the political directorate, having scaled back its participation and intervention in the economy is conversely, facilitating export oriented and private enterprise led development. Currently, multinational companies manage or own once again all the major productive industries in Guyana, including the bauxite, gold and diamond, timber and sugar industries. Foreign and domestic investments have experienced a resurgence after a slow period during the mid 1990s, with over US\$43.6 million invested in the bauxite, gold and diamond, timber and sugar industries in 2002 and, representing a seven-fold jump over investments in 2004 and 2002, and a four-fold increase over investments in 2003, US 340 million was invested in 141 projects in 2005, with one-third involving foreign capital investment from investors in Asia, the Caribbean and North America in several sectors including agriculture, seafood and aquaculture, mining and wood products (see GOINVEST 2005). As the Government observed in the Progress Report of the Guyana Poverty Reduction Strategy (2004), it had implemented numerous strategies to create the 'necessary conditions for private sector investment' and growth in the long term by adopting 'prudent policies' aimed at improving economic fundamentals such as restructuring and modernising the sugar and the bauxite industries, widening the tax base, employing expenditure controls, continued privatisation of public companies leading to the state's complete withdrawal from the financial sector, and further technical work aimed at modernising the public sector.

This study explores this new private sector thrust to determine whether all ethnic groups were given fair and equal access to economic opportunities and awards. The economic and political transformation that started in the late 1980s with its private enterprise, majoritarian electoral disposition, has arguably privileged the East Indian community which had by the mid 20th century replaced the Portuguese as the dominant group in the private sector and, which also dominated numerically. This perception of East Indian political and economic dominance has been accompanied by charges of discrimination, marginalisation and inequity especially from the African Guyanese community, and has also been accompanied by intensified ethnic contestation and conflict that has at times been violently manifested. Despite the enactment of legislation geared towards eliminating racial and ethnic discrimination including the Racial Hostility Act (1964), the Prevention of Discrimination Act (1997), or Article 149 of the Constitution of Guyana Arts. 2 (1) (d), 4 and 6, there is an enduring perception among some sections of the African Guyanese population that the PPP government both represents and privileges its constituency which is acquired largely on ethnic considerations when distributing economic awards and opportunities.

The socio-cultural distinctions between the ethnic groups, in particular Africans and Indians when combined with competitive politics appear to generate destructive repercussions. One way to eliminate or minimize the effects of these repercussions would be to ensure that all groups perceive that their economic interests are being advanced within the governance sphere. This study would frontally address the perception of discrimination and inequity in this new economic paradigm.

Historic Incidences of State and Private Sponsored Discrimination during the Colonial Era

Historically, there have been recorded instances of economic discrimination against all ethnic groups in Guyana by the dominant European colonial elite. This economic discrimination however was most notable against the African population during the mid to latter half of the 19th century. Correspondingly, there have been instances of economic privileging of specific ethnic groups in the interest of an overall colonial agenda. The Portuguese businessmen were privileged economically by the colonial state and the credit institutions that existed during the mid to late 19th century (Moore 1987, Adamson 1970, Adamson 1972).

The African endeavour to create an autonomous independent existence in villages they bought after emancipation was derailed partially by the denial of Africans' proposals to secure credit from the banks at reasonable rates of interests, or grants from the government to acquire the needed machinery to address some environmental constraints.

In this regard, the Africans faced discrimination from the banks and the government (Moore 1998). Moreover, the planters and the government either owned or controlled the remainder of the considerable lands in the colony and they therefore had the power to determine how much, in which locations and at what prices Africans could acquire lands. They increasingly therefore offered lands to the Africans that were unsuited to economic activity and even the prices of the uneconomic lands rose steadily until it was out of the reach of the majority of the prospective African buyers.

Ultimately the efforts by Africans to establish a satisfactory cash crop economy were derailed and they were instead restricted to subsistence farming. The village system had nonetheless become significant in two respects: as a stable foundation for spreading out into other sectors of the economy. It provided an option and additional resource base that served to shield the worker and his or her dependents from the uncertain demand for unskilled and semi-skilled workers on the plantation (Hintzen 1994) and as a visible resistance symbol and a concrete attempt at local level political independence.

Deliberate economic discrimination against Africans was experienced on another level. By 1841 Africans were progressively moving into the business sector through huckstering. Their determination to resist the European determined ethnic division of labour that relegated them to the plantation was finally met with rapid and decisive counter-resistance from the plantocracy and colonial state. The latter saw their interests as coinciding with those of the planters and therefore extended extensive political support. Apart from limiting access to credit and land, colonial officials employed other restrictive measures, including compelling ex-slaves to pay onerous taxes and licenses. Articles of common consumption were taxed and this represented an indirect tax burden on the Africans. The colonial administration also imposed taxes in the form of licences which were required for huckstering, portering, shop keeping, also for cabs, mules and donkey carts and boats. (Moore 1998, Moore 1987, Adamson 1970).

As far as the planters were concerned, any African business endeavour represented a meaningless misuse of precious labour and they were consequently determined to prevent the emergence and growth of any. One instance occurred with a Creole charcoal manufacturer, who was fairly successful and who was being emulated by a number of other creoles. He was charged and incarcerated for operating without a licence (see The Royal Gazette, Tuesday 2nd March and Tuesday 8th October 1839).

The economic discrimination against Africans was quite visible in several proposals designed to drive Africans and creoles out of their growing business ventures so that they could return to 'their' labour sector. The proposal that was eventually implemented with great success however was the use of the Portuguese to undermine and retard Creole business activities on the Coast. The planter-merchant-Portuguese conspiracy for the economic suffocation of the Africans to prevent them from succeeding in the huckster trade and compel them to rely to the plantations for their sustenance was uncovered in 1843 in the Royal Gazette in two articles. The first noted "Perhaps the secret of their [the Portuguese] has been that they have risen upon the ruin of others chiefly through the instrumentality of the Merchants, of four or five years back, who assisted them, at a very critical period, to take into their hands nearly the whole retail or huckster trade of the colony, in preference to the small native traders, who by the coalition were very nearly driven out of the market entirely, and have ever since been craftily kept wholly it may be said, out of it" (The Royal Gazette, Tuesday 26 September 1843).

The articles further observed that the merchants were biased towards the Portuguese and gave them easy credit terms, whereas they refused to extend credit or extended very burdensome credit to the African business rivals. However it was the planters who guaranteed African economic strangulation through the use of their authority and control in the Court of Policy and the Combined Court. The governing apparatus was designed to facilitate European dominance and within a relatively short time, it was noted that the objectives of the dominant European group were satisfied since the Portuguese took advantage of the easy credit facilities to undersell all rivals and, along with their established international trading links, they were swiftly able to monopolise the entire retail trade in the colony (The Royal Gazette Tuesday 3rd October 1843).

This deliberate discrimination against African entrepreneurial activity through the use of Portuguese immigrants caused conflict between the two groups and this culminated in the 1856 Angel Gabriel Riots. Moreover it drew attention to the perceived cultural and phenotypical differences between the two groups. Resentful of the state support given to the Portuguese which was denied them, which they recognised had been designed to displace their efforts at economic independence and in anger and protest, Africans looted Portuguese shops and business enterprises. Conflict between the Africans and Portuguese over similar concerns of state prejudice against Africans in their interactions with the two groups broke out again in 1889 (Menezes 2000). The inter-ethnic conflict between the Portuguese and the Africans during the latter half of the 19th century was a direct consequence of the colonial state's strategies to use the Portuguese immigrants to displace Africans in the burgeoning commercial sector and restrict Africans to particular sectors and economic activities within the local economy. To do so, real and contrived differences between Africans and Portuguese were deliberately highlighted and racial antagonism deliberately engendered by the British who then used these conflicts to maintain their hegemony.

Another instance of privileging an ethnic group occurred with the Chinese workers who were imported into the colony from 1853 until the late early 1880s with several periods of stoppages. Reminiscent of the Portuguese, the Chinese departed the plantation fields immediately after their contracts had concluded and by the end of the 19th century, had joined the Portuguese in dominating the commercial sector in British Guiana. Like the Portuguese also, the Chinese had been identified by the colonial authorities as well suited for the business sector and they consequently received assistance from the ruling elite for their business and professional activities and also received help for the creation of an exclusive Chinese settlement called Hopetown in 1865, which was located up the Demerara River and from where they produced agricultural products, burnt coals, shingles which they then sold to neighbouring plantations or in the town (Ruhomon 1947, Braithwaite 1998).

Like the Portuguese and the Chinese, the East Indian immigrants received support from the colonial administration in establishing economic ventures. Commencing in the 1870s the colonial authorities introduced a number of land settlement initiatives to entice East Indians to settle in the colony at the conclusion of their contracts, rather than claim their return passage to India. Return passage rights

were exchanged for 2 acre parcels of farming land and a half acre residential lot. Colonial authorities also funded drainage and irrigation systems on the new Indian village settlements and supported individual attempts to buy land. In addition, Indians were also successful in securing land on lease-held arrangements from the sugar plantations. These initiatives by both the colonial government and plantation owners were intended to create an appealing and feasible environment in order to induce the Indian population to remain in the colony rather than return to India. Rice farming was the area in which Indians concentrated their farming activities since there was a relatively large available local market. Moreover, the planters convinced the Indian farmers to cultivate the rice crop in the periods when labour requirements on the estates were low. Consequently by 1919, there were 61,200 acres of rice under cultivation mainly by East Indian farmers (Hintzen 1994). Contrasting the official response to the economic endeavours of the Africans, East Indian, Portuguese and Chinese immigrants economic ventures were supported, not because the colonial authorities necessarily preferred these groups since through all the strategies employed, the aims were the same – to retain the ethnic group in the labour sector the British determined them best suited in order to ensure adequate labour existed to serve the needs of the plantation economy and the European capitalist class.

In the pre independence period, another charge of state generated discrimination and bias was made. The initiatives of the Jagan-led PPP government after electoral victories in 1957 and 1961 over the Burnham-led PPP (subsequently PNC), particularly in the agriculture and education sector, exacerbated the fears of Africans that the Indian dominated PPP government was intent on privileging its ethnic constituency in order to allow its penetration of the African dominated public service, while simultaneously consolidating Indian dominance in the agricultural sector. During the PPP reign in the mid to late 1950s, it was revealed in the ICJ (1965) report that in the land settlement agricultural schemes, lands were allocated by the state to 3,854 Indians as compared to 550 Africans and that the state was investing heavily rural development.

The Post Independence State and Discrimination

Charges of discrimination and bias continued in the post independence period. This time they were directed against the African dominated PNC government mainly by the East Indian population. The

main factor that influenced or impacted the potential for bias on the part of the state in the award of economic opportunities in the post independence era was the continuing division of labour in Guyana along largely ethnic lines. The adoption of a socialist policy in the mid 1970s, leading to the nationalisation of all the major sectors placed industries directly under state control. This meant that in addition to the international capitalists who had owned the two main industries, bauxite and sugar, the domestic capitalists, that is, the Indian, Portuguese and Chinese that dominated the retail sector and the rice industries, had been effectively cut off from expanding or even participating in the domestic economy. On the other hand, the adoption of a cooperative socialist policy by an African dominated PNC satisfied the economic and labour needs of a significant segment the African population, particularly the African upper and lower middle classes, who since in the 20th century had come to dominate the public sector. All levels of the largely African public sector workers benefited from the upsurge in state participation in the economy which saw the growth and emergence of substantial numbers of government owned or managed industries, in addition to an upsurge in the number of government ministries and corporations.

Indebtedness, uncreditworthiness and the consequent recourse to economic reorganisation of the economy under the guidance of the international financial and developmental institutions that commenced in 1989, resulted in the dominance of the private sector over the public sector and the replacement of the African middle class by a largely Indian commercial class that dominated the propertied and retail sectors. After 1992, insistent allegations have been made that investment in and funding of sectors by the government which in turn creates economic opportunities for citizens have been skewed towards sectors and industries in which Indo Guyanese are concentrated more than those sectors in which Afro or Indigenous Guyanese dominate. One trade union leader has labeled the government's policy 'economic genocide' against Africans (Stabroek News June 18, 2002), a charge which the PPP denies.

This perception of ethnic discrimination is compounded by evidence of persistent and in some instances large differentials in economic outcomes among ethnic groups in Guyana and by the ethnic dimension to regional residence, occupation and poverty in Guyana (as revealed through the HIES 1992-1993, 1997 Labour Survey and 2002 Census). Africans, who were concentrated in the urban areas and who relied on salaried employment which was dramatically reduced after the

commencement of structural adjustment programmes, along with those in the mixed group had a similar incidence of poverty at around 28 percent. East Indians who were largely rural, agricultural based and self employed farmers were significantly lower at 22 per cent, while the Amerindians, who were concentrated in interior regions had the highest incidence at 56 per cent.

This supplanting of African dominance in the labour and economic spheres was mirrored in the political sphere when the Indian dominated PPP won the 1992 general elections and formed the government, with upper and middle class Indians replacing middle class Africans as the country's privileged political elite. Further, the continuation of the liberalisation programme under the guidance of the IFIs meant a continuation of the process of contraction in the sectors historically dominated by Africans under the Jagan administration, which has led to further ethnic tension and conflict as sections of African Guyanese have been inclined to call upon ethnicity as an anchor to gain control the state and governance structures since it is largely believed that the group in control has the power to distribute wealth to its members and supporters.

DEFINING ETHNIC DISCRIMINATION

Ethnicity is generally acknowledged to be an evolving social-cognitive construct in which ethnic categories reflect one's own or one's ancestors' physical features and accompanying characteristics that have gained socially significant meaning. Ralph Premdas offers another useful definition of ethnicity, which this study utilises as "collective group consciousness ... common identity ... putative commonalities ... symbolic solidarity" (quoted in Karran 2000, 6).

Meanwhile, the concept of ethnic discrimination, as defined from a social scientific perspective includes both legal definitions of discrimination and other aspects that surpass legal concepts. The definition of ethnic discrimination adopted by this study comprises two elements: (1) differential treatment on the basis of ethnicity that results in disadvantages to an ethnic group and (2) treatment on the basis of inadequately justified factors other than ethnicity that similarly results in disadvantages to an ethnic group (differential effect).

Each element is premised on attitude and action that disadvantages one ethnic group over another, nonetheless the two elements differ over the rationale for the treatment although the end result under both scenarios is the same, that is, disadvantages to one or more ethnic group.

The first aspect of the definition noted above [differential treatment discrimination] occurs when an individual from one ethnic group is treated worse than a correspondingly situated individual of another ethnic group and consequently suffers adversely or negatively. This definition of discrimination in effect refers to unequal treatment because of ethnicity. This type of discrimination is generally illegal. In the case of Guyana, the majority of the UN's core human rights treaties have been ratified including the International Convention on the Elimination of all Forms of Racial Discrimination in 1977, and, the latter can be directly applied in the domestic court system. The Racial Hostility Act 1964 and the Prevention of Discrimination Act 1997 also make illegal acts of discrimination on the basis of ethnicity.

The second aspect of the definition of ethnic discrimination [differential effect discrimination] incorporates instances where treatment is premised based on poorly justified reasons apart from

ethnicity but which still has negative ethnic repercussions and results in differential racial effects. Legally, this second component might not strictly be considered as discrimination because of the difficulty in establishing intent. In Guyana, the constitution does not specifically decree unlawful unequal impact discrimination.

Thus the definition embraced by this study incorporates the very important legal definitions of ethnic discrimination, however, this study subscribes to the notion that for social scientific purposes, measuring discrimination should not be restricted to the legal definitions but should also incorporate a series of behaviors and processes that are either not clearly illegal or not banned due to difficulties in measuring or obtaining proof of discrimination since legally permissible governmental and private sector actions can have discriminatory effect.

In examining the question of economic discrimination in Guyana, the three major ethnic groups identified in the 2002 Guyana census, the East Indians, Africans and the Indigenous Peoples along with the Mixed group were primarily targeted for examination largely because of their size, constituting 43.2, 30.2, 9.2 and 17.9% respectively of the population with the other three identified ethnic groups, the Chinese, Portuguese and other European together comprising less than one percent of the total population. However, due to limited time for this study, it was not possible to catalogue specifically the experiences of each ethnic group and thus the question ethnic discrimination in the economic sphere will be generally discussed although this study acknowledges that there are differences in experiences of discrimination among ethnic groups. Additionally, this study acknowledges that in a small society like Guyana, associational choice would not necessarily fit the definition of discrimination although it might result in adverse effects on different ethnic outcomes. This study is mainly preoccupied with the issue of ethnic discrimination specifically as it relates to contracts, financing or access to markets in the economic sector. While equal access ought to be available to all ethnic groups, this might be offset by associational choices. Once those choices are made on the bases of individual partiality and not group-dictated exclusionary policies or practices, it is not generally regarded as discriminatory. Consistently applied over time however this practice can result in discriminatory effects.

The definition of discrimination adopted by this study is based on actions and practices. In other words, it does not include bigoted and stereotypical attitudes and beliefs. Although discriminatory actions might stem from bigotry and stereotyping, bigotry is not necessarily a consequence of differential treatment or differential effect. Further, although discriminatory practices in many contexts are illegal, it is however not illegal to have bigoted and stereotypical attitudes and beliefs.

THEORIES OF DISCRIMINATION

This study theoretically identifies four types of discrimination. Three types relate to behaviors and actions of individuals and organizations and are intentional discrimination, subtle discrimination, and statistical profiling. One type relates to discriminatory practices rooted in an organizational culture. Generally ethnic discrimination is conceptualised by most people as direct, open hostility toward members of another ethnic group. Discrimination however entails direct behavior (including the denial of financing or economic awards) along with subtle and instinctive behaviours that create an uncomfortable and intimidating environment (including adopting a hostile posture or using a hostile tone). Moreover, discrimination against an individual may stem from general assumptions about a specific ethnic group that are presumed to characterise that individual and that is referred to as statistical discrimination or profiling. Finally, institutional procedures as against individual actions might result in discrimination.

For instance, there is a stereotype that Africans in Guyana are poor at business. There are reports of loan officers at the commercial banks either directly or indirectly alluding to this stereotype when assessing a proposal made by African Guyanese and being reluctant to take a risk that he/she might be willing to take with an individual of Indian or Portuguese descent. Loan officers have been reported to have communicated bias by using behaviors such as scheduling short interviews or not focusing their entire attention on the proposal being made but multitasking. This type of behaviour can be viewed as nonverbal hostility and can negatively affect the performance of the applicants.

Another factor influencing behaviour is acquaintance with a lending officer or senior personnel of the institution awarding economic opportunities and awards. In some instances, even in the absence of acquaintance knowledge of the lender, there is the theory of choosing the security of one's own ethnic group (referred to as the "ingroup" in social psychological terms) over another ethnic group (the "outgroup") (Johnson and Stafford, 1998).

Choosing to interact with on an economic level or support one's own group and avoiding another members of another ethnic group may seem harmless on an individual case by case basis however when combined across situations, this practice can result over time in exclusion and discrimination

and is just as damaging as direct acts of discrimination and is especially problematic in circumstances in which social networking is important, such as access to educational or economic opportunities (Black, 1995; Bowlus and Eckstein, 2002)

In Guyana, open racial or ethnic hostility is currently viewed as abhorrent however many individuals still have prejudicial attitudes, which is not surprising considering our relatively recent history of open ethnic hostility and prejudice. As noted earlier, there is no automatic connection between prejudicial attitudes and discriminatory action that results in negative impacts, nonetheless, if such attitudes persist, they can lead to unconscious and subtle types of ethnic discrimination and supplant direct prejudice.

Subtle prejudice is theoretically categorized in the literature as a group of largely unconscious opinions and associations that impact the views and actions of members of the ingroup toward members of the outgroup. Although the members of the ingroup may have good intentions, their ethnically prejudiced cognitive categories and associations may endure resulting in a modern, subtle type of prejudice that is not readily discernible and therefore does not conflict with public abhorrence of ethnic discrimination (Dovidio and Gaertner, 1986).

The millisecond reactions of individuals in the ingroup to the members of the outgroup can include negative stereotypic associations, fear and anxiety responses in the brain and discriminatory behavioral impulses. The primary impact of subtle prejudice appears to be to privilege the ingroup instead of causing direct disadvantage to the outgroup. In other words, the discrimination is more a function of greater liking for the ingroup as against greater disliking for the outgroup. Studies have shown that ingroup members instinctively reward the ingroup, distributing discretionary funds and assets to their ethnic kind and consequently comparatively disadvantaging the outgroup. Other studies have also shown that people also instinctively perceive their own ethnic kind positively, while magnifying and identifying the outgroup's alleged defects which are then used to rationalise discrimination or privilege. Although subtle, these ambiguous rewards and attributions constitute another manifestation of discrimination.

All forms of subtle prejudice – whether indirect, automatic, ambiguous or ambivalent - present hindrances to equal treatment. Further, subtle prejudice is far more difficult to record than overt forms of prejudice, and its impacts on discriminatory behavior are harder to ascertain. This does not infer that subtle is equivalent to trivial or inconsequential since subtle prejudice can have serious negative effects. Another subtle yet insidious form of discrimination is statistical discrimination or profiling, which properly defined refers to situations of discrimination on the basis of beliefs that reflect the actual distributions of characteristics of different groups. Even though such discrimination could be viewed as economically rational, it is illegal in such situations as hiring because it uses group characteristics to make decisions about individuals. The preceding refers to discrimination by individuals, there is also discrimination that has become part of organizational processes.

Generally, organizations mirror the prejudices of the people who function within them. Organizational mores often develop out of past histories that cannot be easily reformed, and these mores on the surface may seem quite objective. If these processes however operate in a manner that results in differential ethnic treatment or generates differential ethnic outcomes, the consequences can be discriminatory. An entrenched institutional process as described above is generally termed *structural discrimination* (Sidanius and Pratto, 1999).

For instance, studies in the United States have indicated that although banks and other lending institutions employ a number of seemingly neutral criteria with regard to mortgage approvals, it largely results in a greater number of refusals for lower-income individuals primarily from African American communities than for Caucasian applicants with similar qualifications. These studies have further revealed that presumably neutral rules are frequently applied selectively. For example, credit history transgressions are minimized as out of character for Caucasian mortgage applicants, while similar transgressions are frequently applied to disqualify African Americans and Latinos (Squires and Velez, 1988).

Another practice of word-of-mouth recommendations has been reportedly applied in the Guyana lending institutions. Although this practice on the surface is ethnically neutral, in practice it often translates into employees of specific ethnic groups recommending their friends and neighbors, and

thus new borrowers reflect the ethnic make-up of the firm. Consequently, the ethnic make-up of lending institutions, which is outside the ambit of this study, could be a factor in determining economic award disbursements. Ensuring that all groups are visibly represented in the ethnic make-up of institutions is important for another reason and that is, bank officials have reported that potential borrowers frequently request someone of their ethnic background to process their applications since they reportedly feel more comfortable in revealing sensitive financial and personal information to their own kind. Consequently, persons might be less inclined to pursue potential economic opportunities if they feel uncomfortable with the public face of the lending institutions. In such circumstances, while these practices do not necessarily involve deliberate discrimination, the effect might nonetheless be the exclusion of specific ethnic groups.

In many instances, it is difficult to detangle institutional procedures that generate ethnic discrimination since the majority of individuals in decision making capacities in these institutions will insist that they did not deliberately discriminate. Nonetheless, it is clear that although organizational processes might be neutral and fair on the surface, they might nonetheless operate in ways that can be considered discriminatory. While large and consistent ethnic differentials do not always point to direct evidence of discrimination, these might still offer insight on where the likely problems are located and which processes require greater scrutiny.

RESEARCH QUESTIONS, METHODOLOGY AND METHODS

This section of the study now shifts its attention from a descriptive analysis of existing differentials and will address methods of inferential analysis, to determine the context in which an ethnic disparity may be the result of, either entirely or partially, ethnic discrimination. Within the context of the preceding discussion on defining and measuring ethnic discrimination, this section of the study details the key methodological issues beginning with an outline and expansion of the research aims and questions. Next the mixed methods approach used to address the research aims and questions will be identified, and the use of this data collection approach will be justified. Third, the research methods chosen for data collection will be described, and details will be supplied concerning the planning and implementation of the said methods. Fourth, the issues of validity and reliability are addressed.

Aims of Study and Research Questions

The research approach, methodology, and methods were influenced and guided by the following:

Aims:

1. To assess whether there exists any discrimination in the provision of state sponsored economic opportunities;
2. To assess whether there exists any discrimination in the provision of private sector sponsored economic opportunities, particularly as it relates to lending institutions;
3. To assess whether there exists any discrimination in the provision economic opportunities by non governmental organizations (NGOs);
4. To determine whether there is a perception of discrimination in the award of economic opportunities in the varying ethnic communities in the Guyanese society;
5. To determine whether there is any dissonance between the perception and the reality regarding the questions of discrimination and inequality in the named area;
6. To evaluate the 'activities, procedures and processes' used to determine eligibility for economic opportunities by state agencies, private sector organizations and NGOs;

7. To make recommendations regarding the enhancement of the 'activities, procedures and processes' in provision of economic activities to promote increased transparency and address the perceptions in some ethnic communities of discrimination and inequality.

Research Questions:

1. Is there any clearly identifiable ethnic group or groups that suffers from economic discrimination and inequality?
2. What factors influence ethnic communities' views in Guyana about discrimination and inequality in the provision of economic opportunities and resources?
3. Is there a connection between ethnic communities accessing economic opportunities and their awareness or lack thereof of said opportunities?
4. How effective are the strategies used to advertise economic opportunities and do these strategies either identify or target communities on an ethnic basis?

METHODOLOGY

It is crucial to first state that no one method allows researchers to address all of the research aims and questions noted above. This study therefore addresses these aims using a combination of data collection methods which facilitates both a comprehensive, broad-based understanding (macro-level) and a narrower focus on processes (micro-level), that is, through a judicious blend of quantitative and qualitative data collection methods, i.e. a mixed methods approach (Creswell, 2003). One caveat however, is that as a consequence of the time constraint of the study, a more comprehensive usage of all the methods used in this study would have led to greater conclusiveness regarding the study's findings.

The combined usage of quantitative and qualitative methods to conduct social scientific research has been increasing in recent times. It must be noted though that this approach to doing research has attracted criticism, largely based on the presumed incompatibility of the accompanying worldviews as they are arguably premised on differing paradigms or belief systems (Tashakkori & Teddlie 1998). This criticism argues that quantitative methods are premised upon a positivist approach, whereas qualitative methods are premised upon a constructivist approach. Essentially, positivism subscribes to the notion that *ontologically*... an objective reality guided by immutable natural laws exists, and *epistemologically* ... it is both possible and necessary that in scientific research that the observer stand *outside* the arena of the observed. Constructivism on the other hand embraces a relativist as against a realist ontology, and rests on a monistic and subjective instead of a dualistic, objective epistemology (Guba & Lincoln, 1989).

Underlying these perspectives, concepts such as ontology (the nature of reality) and epistemology (what represents authoritative and acceptable knowledge about the social world) are conceptualised differently in quantitative and qualitative approaches to research. Critics of the mixed method approach therefore argue that any decision to 'mix' quantitative and qualitative approaches would necessitate a researcher simultaneously embracing two inconsistent worldviews on how to produce and generate knowledge in the social world.

There are those however, who argue that research in practice does not fit neatly into this alleged theoretical incompatibility of the two research approaches and they therefore reject the either/or dichotomy, arguing that not only is it unsustainable in practice, but that it also ought to be *secondary* to pragmatic considerations. The argument continues that moreover, current scholars with positivist and constructivist inclinations concur at the most basic level about the impossibility of certainty, and this brings the approaches epistemologically closer together than was previously the case, and the disagreements that exist at this level are now related to issues of degree and emphasis, as distinct from the issue of incompatible. This latter perspective is utilised to conduct this study.

It must be recognised that this research in subscribing to this compatibility study regarding the paradigms is not suggesting that quantitative and qualitative approaches be collapsed into one paradigm and this study further recognises that distinctions exist between the two approaches. This research is convinced however that the distinctions are not as rigid as is sometimes argued and that results in the availability of a range of options in research approaches. This study is further convinced that as it relates to the purpose and context of the research questions and process of this study on the question of discrimination in economic opportunities and awards in Guyana, that there are significant benefits to combining quantitative and qualitative research methods.

Varying features of quantitative and qualitative research approaches present different advantages and disadvantages to this study. For instance, the questionnaire was administered to an overall sample of 230 residents. This fairly large sample size has the potential advantage of offering a broader appreciation of general concerns or patterns that might impact ethnic groups, and thereby highlight issues that deserve further exploration. In addition, this quantitative strategy could potentially indicate that the data acquired in some ways represent the opinions of the national population from which it is drawn. Moreover, in this study the questionnaire includes a large number of qualitative (i.e. open) questions, thus allowing respondents to expand if they so desired on issues that are important to them. The latter qualitative aspect of the questionnaire provided invaluable information which was then used to frame questions for the interviews conducted with the leadership of the various institutions that provide economic opportunities. Since the interviews were conducted with a much smaller purposive group, these provided invaluable data which contextualised, provided depth or challenged some of the responses in the questionnaire. Moreover,

since the interviews with the leadership were more flexible and open in structure, it allowed for internal assessment of the charges of discrimination that might have been leveled at the institutions they manage. It must be noted here however, that there was a marked reluctance on the part of the majority of institutions contacted for an interview to facilitate such and instead written responses were preferred which did not offer opportunities for clarifications and elaborations. Even in those instances where responses were given, these were often of a defensive nature even after the exploratory as distinct from a condemnatory nature of the project was clearly explained. Further, the closer examination of the management of those institutions providing economic opportunities indicates that it is not possible to make statistical generalizations because of the small number of interviews and the manner in which the interviewees was chosen. In effect, the advantages of one approach are frequently the inherent disadvantages of the other and this study's utilisation of the mixed methods approach presented the opportunity to unearth a more holistic synergic appreciation of the question of economic discrimination in Guyana. In other words, use of the mixed methods research approach in this study was premised more on pragmatic than theoretical considerations, as it is convinced that a perceptive and ethical mixture of the two research approaches could potentially minimize the weaknesses and maximize the strengths in both.

Study Methods

Within the mixed method research approach, the study used a number of methods to collect data to both address the research aims and provide answers to the research questions. The main methods employed were securing various statistical and documentary data; interviews with the management of lending institutions and other institutions providing economic opportunities; interviews with a number of businessmen from the Indian, African and Portuguese communities and; questionnaire surveys of citizens from the varying ethnic communities and from the administrative regions in Guyana.

Documentary Analysis

Collecting documentary data for the study was instrumental in providing a historical context within which the current analysis could be made. Such data facilitated the assessment of specific concerns

present prior to the study and also provides in some regard, a longitudinal dimension to the study. This is crucial to understanding the context within which previous and current claims of economic discrimination are made. The colonial historical context point to the deliberately generated competition between the groups by the colonial power structure and the deliberate encouragement and financial support extended to specific ethnic groups in their economic ventures, most particularly the Portuguese and the deliberate stifling of another, most notably the Africans. The more recent historical context refers the minimisation of private enterprise under cooperative socialism in the first decade after independence which saw the minimisation of certain business sectors which the Portuguese and East Indians had dominated since the mid to late 19th century, and, the reversal of the roles of the state and private sectors in Guyana since 1989 and the emergence and increasing influence of the NGO sector in Guyana..

The institutions from which documentary evidence was sought included Guyana Office for Investment, Institute of Private Enterprise Development, Linden Economic Advancement Programme, Linden Economic Development Fund, Bank of Guyana, Guyana Bank for Trade and Industry, Citizen's Bank, Republic Bank Guyana Limited, Scotiabank, Hand in Hand Trust Inc., Bank of Baroda (Guyana Inc.), Demerara Bank, the IMF Guyana Office, the IDB Guyana Office, the World Bank Guyana Office, Volunteer Youth Corp, Red Thread, St. Francis Community Developers and USAID. A more comprehensive document search was deemed necessary by this researcher but was ultimately not completed as audit and review of documents were not permitted by any institution contacted and this constitutes a deficiency in this study. Documentary evidences were obtained in hard copy or from the websites of the institutions since the latter that responded indicated that all the data and information that could be made public are on their websites online. At this point it is important to underscore that refusal to allow scrutiny of their systems and data was reportedly based on the nature and activities of the institutions approached. Some of the information requested was regarded by the majority of institutions as private information and they were therefore unwilling to release same, particularly as it relates to current financial information and data on their clients. Nonetheless, the documents obtained did relate to a variety of data, such as distribution of lending by sector and the overall lending portfolio and also did provide an insight into the lending priorities of the bank and the strategies used to advertise their lending opportunities. Significantly, what the documents collected revealed was that there was no inclusion in institutional

databases except in one instance of an analysis of lending by ethnic group and gender and the institution that noted this background information on their clientele was the Institute of Private Enterprise Development (IPED). In other words, the lack of availability of documentary evidence regarding the ethnic breakdown of loan disbursement which generates economic opportunities means that no definitive statement can be made unless a longer term, more intensive study that successfully accesses specific data is conducted concerning the question of discrimination on ethnic consideration. However, the data obtained from the financial institutions in combination with the data emanating from the 2002 census, which identifies the ethnic division of labour or the ethnic labour and sectoral predisposition, does allow for causal inferences to be drawn regarding the connection between sectors receiving loan disbursements and the probable ethnic recipients. However, the strength of this connection could be regarded as tenuous because the information contained in the 2002 census might have since changed. These documentary data nonetheless form the basis for addressing both the research aims and enquiries regarding the question of discrimination in the provision of economic opportunities.

Statistical data that inform the questions of ethnicity and lending also constituted a major aspect of the documentary evidence. Aspects of statistical modeling and estimation will be applied to the documentary evidence observed and causal inferences will be drawn. However, it is crucial to note that although statistical models can identify associations between ethnicity and different outcomes, merely identifying an association however, is not equivalent to determining the extent of ethnic discrimination or its part in effecting differential outcomes by ethnicity. One difficulty with this method is that document data often include only a small number of variables and therefore may exclude characteristics that are partially responsible for generating the conditions under which discrimination happens.

Questionnaires

The random administration of questionnaires was intended to obtain a broad appreciation of the perception in the varying ethnic communities regarding the provision and distribution of economic opportunities and resources. This is important towards identifying whether any perception exists in the varying ethnic communities regarding discrimination. Further, the questionnaire was designed

to ascertain the awareness among the varying ethnic communities of the possible sources of economic financing and whether these sources had been accessed and to what outcome. Awareness of these broad ethno-community impressions on the allocation of economic opportunities is crucial to any effort to addressing discrimination since the mere perception and belief of discrimination or likely discrimination acts as a deterrent to members of specific ethno communities approaching these institutions. Specifically, the first section of the questionnaire identifies the ethnicity and gender of the respondent, the region in which the respondent lives, and the age of the respondent. These personal details are important in satisfying the criteria that the ethnic distribution of the opinion poll which totaled 230 largely corresponds with the ethnic distribution of the population as a whole. Consequently, 94 or 43.2% of the respondents are Guyanese of East Indian descent; 73 or 30.2% are Guyanese of African descent; 23 or just over 9% are Guyanese from the Indigenous community; 40 or 16.7% are Guyanese of mixed ancestry.

The questionnaires were administered in person by the principal researcher and one assistant in regions 1, 2, 3, 4, 5, 6, 9, 10 and focused on ascertaining opinion regarding the following main themes:

- information related to citizen's knowledge regarding the economic opportunities provided by either the state, private or non governmental institutions;
- information related to citizen's perception of the regional distribution of the economic resources
- information related to citizens' perception of the ethnic distribution of economic resources and opportunities;
- information related to effectiveness of the market strategies of used by institutions providing economic opportunities.

Interviews:

Interviews were included in the study design in order to explain, clarify or test the information gathered from citizens via the questionnaires from the perspective of the institutions providing economic resources. The interview schedule was semi-structured with open-ended questions. A

number of prepared questions/areas were identified as areas for clarification and probing and the semi-structured nature of the interview was designed to elicit responses to these and other issue areas deemed significant by the management of the public, private and NGO funding institutions. The interviews were deliberately scheduled after both the document data and the questionnaires had been completed to ensure that all issue areas raised through both activities were addressed.

Interviews were solicited from the leading Private Sector, NGO and State institutions that offer or facilitate funding that facilitates the development of economic opportunities within varying regions and among the varying ethnic groups in Guyana. Interviews were held either in person or on the telephone with the following individuals: Dr. Leslie Chin, Chief Executive Officer, IPED; Mr. Sergio Varas-Olea, Representative, IDB Guyana Office; Mrs. Simone Wilkinson, Manager, Citizens Bank Guyana Incorporated; Mrs. Patricia Plumber, Manager, Commercial Credit, Republic Bank (Guyana) Limited; National Procurement and Tenderboard Administration.

Interviews were not granted but written responses were received from the following institutions: Guyana Bank for Trade & Industry Ltd and GOINVEST. Interviews were not granted nor were written responses forthcoming from the following institutions: Red Thread Women's Development Programme; St. Francis Community Developers; Youth Entrepreneurship Programme, Volunteer Youth Corp (VYC); IMF Guyana Mission; Office of the World Bank; United States Agency for International Development and; Demerara Bank

Validity and Reliability Considerations

Validity and reliability considerations were accounted for through the inclusion of various data collection methods and respondent sources. The conclusions of the study are imparted in an integrated manner that reinforces and accentuates the multi-dimensional nature of research methodology employed. The data collected are cross-referenced so as to give a complete appreciation of the current circumstances. In addition, essentially the same and/or similar questions were posed in both the survey and interviews at different points and, the interviews included a number of similar questions that were asked in the questionnaire in an effort to create a sort of stability of 'findings' over data collection methods.

QUESTIONNAIRE REPORT ON THE PERCEPTION OF DISCRIMINATION AMONG VARYING ETHNIC COMMUNITIES

Questionnaire Methodology

The random administration of questionnaires was intended to obtain a broad appreciation of the perception in the varying ethnic communities regarding the provision and distribution of economic opportunities and resources. Further, the questionnaire was designed to ascertain the awareness among the varying ethnic communities of the possible sources of economic financing and whether these sources had been accessed and to what outcome. Awareness of these broad ethno-community impressions on the allocation of economic opportunities is crucial to any effort intending to address discrimination as perception and belief of discrimination or likely discrimination act as deterrents to members of specific ethno communities seeking financing from these institutions (see Appendix 3).

The questionnaires were administered in person by the principal researcher and one research assistant to respondents from all 10 administrative regions, and identified respondents by ethnicity, gender, region and age. Respondents were chosen randomly to approximately correspond with the geographic, ethnic and gender distribution nationally. The age criteria did not correspond to the national distribution since a significant percentage of citizens are below the age of 15 and the 15 to 44 age group constituted the greatest number of respondents in this study.

The sample distribution of the opinion poll totaled 230 of which 94 or approximately 43% are Guyanese of East Indian descent; 73 or about 30% are Guyanese of African descent; 23 or approximately 9% is Indigenous Guyanese; 40 or 16.7% are Guyanese of mixed ancestry. The views that were obtained comprised 113 males and 117 females, representing 49.1 and 50.9% of the sample respectively. The majority of those surveyed 161 or 70% were between the ages of 15 and 44. This age group was deliberately selected as the largest group since this represents the prime labour age, followed by the 45 to 54 age group at 20 % which numbered 46, then the 55 to 64 age group (or which represented 8% (or 18 persons) and finally the 64 to 70 age group which represented 2% (or 5 persons) of the total views surveyed. The ethnic/regional distribution of the

sample was as follows: 41 of the 73 African respondents were taken from region 4, 9 from region 6; 10 from region 10 and 8 from region 3 and; 2 from region 8; 2 from region 7 and; 1 from region 2. Meanwhile, 34 of the 94 Indian respondents were polled in region 4; 26 from region 6; 20 from region 3; 8 from region 5; and 6 from region 2. For the Mixed group, 19 persons were polled from region 4; 6 from region 10; 5 from region 3; 3 from region 1 and; 3 from region 2; 2 from region 6; 1 each from regions 7 and 9. For the indigenous population, 5 were taken from region 1; 4 taken from region 2; 6 from region 8; and 7 from region 9 and; 1 from region 10.

Questionnaire Findings

Generally, there is a lack of awareness among all ethnic groups regarding any government or state provision of economic opportunities. Those who indicated knowledge of government sponsored provisions, numbering 114 emanated largely from regions 4, 5 and 6 and 98 of these incorrectly identified IPED as a government rather than NGO entity. A remainder largely from region 4 identified Guyana Youth Business Trust and SIMAP. This lack of awareness might be related to the withdrawal of the state from the major economic sectors since 1989. This lack of awareness however was most acute among the Indigenous population since apart from four respondents who incorrectly identified IPED and two others who identified Guyana Micro Project Programme, no other respondent had any knowledge of a government entity that sponsors economic opportunities.

There is also a significant lack of awareness of any NGO entity offering economic opportunities, again particularly among the indigenous community since none out of the 23 respondents claimed to have knowledge of the existence and activities of these. Four of these however, did have knowledge of one such entity, that is, IPED, but they were unaware of its categorisation as a NGO. Overall, 105 persons or 45.7% knew at least one NGO. 98 respondents out of 230 or 43% had knowledge of IPED, but they were also under the assumption that it was a state rather than NGO sponsor of economic opportunities, while 10 respondents from the region 10 area identified LEAF with 3 out of the 10 identifying both.

There is greater awareness among respondents from all ethnic groups of private sector institutions, more specifically commercial banks that offer financing for economic ventures but again the level

of awareness among the Indigenous population was the lowest. 11 out of 23 Indigenous respondents identified at least one commercial bank with 7 identifying GBTI. This knowledge might be related to the recent opening of a branch of this bank in the Lethem area. Four respondents identified Republic Bank and Scotia Bank and one identified Citizen's Bank. In region four, there was widespread knowledge among the Africans, Indians and mixed group of the private sector institutions that offer opportunities for financing economic ventures, with the majority having knowledge of at least two.

Overall, the lending institutions that are most well known include IPED, Scotia Bank, GBTI and Republic Bank Guyana Ltd. The overwhelming response from respondents concerning whether they had either applied or borrowed any monies from either the private, public or NGO sectors was negative (193 out of 230 or almost 84%) and 185 or 80% of respondents or did not know anyone who had borrowed from any lending institution. Not inconsistent with their lack of knowledge, not one Indigenous respondent had ever borrowed to finance any economic venture or had ever been the recipient of a grant from the state or an NGO. Among the small number of borrowers who had applied for a loan to finance a business, the overwhelming majority (30 out of 37) can be categorised as having applied for small and medium sized loans, that is, between G \$100 000 and \$500 000 and the vast majority applied to the commercial banks (29 out of 37) while 8 applied to IPED.

For the 18 who applied and were unsuccessful in acquiring the loans, the majority 10 believed that their refusal was due to lack of collateral. 5 believed it was due to the lack of a solid business plan - 5 while 3 respondents attributed this to discrimination on an ethnic basis. 13 of the 18 refusals were to Afro Guyanese, 4 to Indo Guyanese and 1 to a respondent of mixed heritage.

Indian Guyanese far more than African, Mixed or Indigenous Guyanese believe that the state, private sector and NGO sector act in a fair manner in their provision of economic opportunities. 80 out of 94 Indian respondents believed that the state acts in a fair manner, the corresponding figure for African respondents was 15 out of 73 while for the mixed group the figure was 10 out of 40 and for Indigenous respondents, the figure was 6 out of 23. The majority of East Indians do not believe that any one group benefits more than the others in the provision of economic rewards (only 5 out

of 94 believed that one group benefited the most with four out of the five identifying East Indians as benefiting most because of their business acumen and willingness to take risks and one identifying Africans as benefiting most because of their political connections. This perception is not shared by Africans or Indigenous respondents who believe that Indian Guyanese derive the most benefits. 66 out of 73 African respondents and 14 out of 23 Indigenous respondents identified East Indians as benefiting the most. The remaining respondents had no response to the question. For the mixed group, the figure was 29 out of 40. The primary reasons offered (some respondents identified more than one) for Indians benefiting most were their political and government connections (39); their business acumen and willingness to take risks (28); discrimination (24); their history in economic ventures (11).

The general consensus among respondents from all ethnic groups (157 out of 230) was that Indigenous Guyanese derive the least benefits from either state, NGO or private sector opportunities and awards. All Indigenous respondents, that is, 23 believed that they benefited the least while 50 out of 73 African respondents believed that the Indigenous group benefited the least with 20 out of this group also identifying African Guyanese as benefiting the least. 57 out of 94 Indian respondents and 27 out of 40 respondents of mixed ethnicity believed that Indigenous Guyanese benefited the least. Only among the African and mixed respondents were African Guyanese identified as benefiting the least with 36 African respondents identifying Africans as benefiting the least (20 of these also identified the Indigenous group) and 13 mixed respondents identified African Guyanese as benefiting the least from either state, NGO or private sector sponsored economic opportunities. The main reasons offered for Indigenous Guyanese benefiting the least were discrimination, geographic isolation of their communities, information on opportunities reaching after the time frame for application had expired and lack of collateral. Meanwhile the main reasons offered for Africans benefiting the least by respondents were political victimization, discrimination and racism.

What is instructive to note is that although the vast majority of respondents had not borrowed or did not know anyone who borrowed from either a state, private or non governmental sector organization, the dominant perception among the African, Indigenous and mixed respondents was nonetheless that there existed discrimination and bias against Indigenous and to a lesser extent,

African populations and privilege was extended towards East Indians. It is possible that this perception inhibits approaches to these institutions.

Finally, the survey revealed that the vast majority of the African, Indian and mixed respondents who were aware of economic opportunities received information from the television (175 or 76%) and to a lesser extent, the newspaper (65 or 28%) then the radio (22 or 10%). Some respondents from the urban areas in regions 4 and 6 identified more than one with the television being the dominant response in regions 4, 6 and 10. The only response offered by the indigenous respondents was word of mouth as all 23 identified same as the means by which they receive information on potential economic opportunities and awards. This prevalent use of the television, radio and newspaper by the state, NGO and private sector institutions to advertise their provision of economic opportunities and awards might account for the lack of or inadequate knowledge displayed by indigenous respondents.

ASSESSMENT OF THE AWARD AND DISTRIBUTION OF ECONOMIC OPPORTUNITIES BY THE STATE SECTOR

In Guyana, discrimination on the basis of ethnicity or race is illegal and no evidence of direct discrimination was detected in the economic sphere on the part of the state/government. Further no evidence was detected of a stated or expressed philosophy of ethnic discrimination emanating from the government. In other words, no evidence was found of a direct, systematic and deliberate strategy on the part of the state to disadvantage any of the minority ethnic groups. In fact, the state has legislated and adopted a number of measures intended to guard against such discrimination and this can be seen in the ratification of most of the main human rights treaties of the UN including the International Convention on the Elimination of all Forms of Racial Discrimination in 1977, and several other domestic legislations including the Racial Hostility Act 1964 and the Prevention of Discrimination Act 1997 which also make illegal acts of discrimination on the basis of ethnicity.

Moreover, the capacity of the state to engage in large scale discrimination has been curtailed with the dramatic reduction in its direct involvement in productive enterprises as its role at this historical juncture has been redefined from that adopted between 1970 and 1988 and is currently largely to create a facilitating environment for the development and growth of the private sector which is then expected to spur economic development. The state however has appeared to privilege one sector, specifically the agricultural sector and one industry, specifically the sugar industry through direct investment and intervention despite securing international management of the sugar industry and despite the negative reaction of the international funding agencies. The agricultural sector and the sugar industry are predominantly staffed by the ethnic constituency of the governing party and consequently, this gives the perception of bias and privilege being granted to this ethnic group, the Indo Guyanese. Undoubtedly, a strong case can be made for placing emphasis on the agricultural sector since the question of food security is a critical one in the Caribbean region as a whole but the case is weaker for sustaining the sugar industry in its present form and even expanding production in the face of the elimination of preferential terms by its major market in Europe.

The state does have considerable capacity nonetheless to influence and discriminate in what was determined to be the fastest growing sectors by the 2005 Bank of Guyana Annual Report, namely

the construction and services sectors through the distribution and award of contracts for consultancy, works and goods. The state has enacted procurement legislation (Procurement Act 2003) and regulations that on the surface guard against such discrimination and no evidence can be found of intent to engage in deliberate and direct discrimination against any ethnic group in the award of contracts.

However, what can be detected in the award of contracts for consultancy, works and goods are instances where treatment is premised on reasons apart from ethnicity but which still has negative ethnic repercussions and results in differential racial effects. Legally, this second component might not strictly be considered as discrimination because as noted earlier there is difficulty in establishing intent and further, in Guyana, the constitution does not specifically decree unlawful unequal impact discrimination. A notable majority of contracts disbursed through the National Procurement and Tenderboard Administration that were tendered publicly under national competitive bidding have reported gone to contractors of East Indian descent. Reasons have been offered why this situation exists including the fact that the majority of businessmen in Guyana are of East Indian descent, that track records of contractors are taken into consideration when assessing the bids and, that East Indian contractors might have been more qualified or had the lowest competitive bid and that contractors of other ethnicities failed to apply for the contracts. Having said that, there is no evidence that contractors of any other descent suffered discrimination since tenders are opened publicly and there has not been any reported and investigated instance of discrimination. In these circumstances, it is difficult to determine whether discrimination played a role in the awards. What is not difficult to detect however, is that there seems to be ethnic repercussions and differential racial results when the overall effects of the national procurement process for award of consultancies, works and goods are analysed.

Undoubtedly, the public procurement and tendering procedure has flaws in its structure that can lead to instances of discrimination. While the national process is a fairly transparent one, the National Procurement and Tenderboard Administration only oversees procurement and tender procedures for awards exceeding G 15 million dollars. Further, ultimately, the procurement entity, generally a state institution, selects the preferred contractor and final approval comes from a Cabinet Committee, thus giving the government final control over the disbursement of these awards. In

other words, the system has not expressly prohibited interference and or abuse including ethnic discrimination through collusion prior to the submission of bids and interference by the cabinet. Since neither the Public Procurement Commission nor the Bid Process Committee are operational, investigation of ethnic and other abuses and sanctioning violators are not occurring at the present time.

Additionally, awards for contracts amounting to less than 15 million dollars are managed by the tender boards of the various ministries or the procurement agencies. Even greater scope exists here for abuse. The time frame for this study did not allow for an exhaustive review of all the ministries and state institutions' award of contracts. Moreover, as occurred in the review of the National Procurement and Tenderboard Administration, data regarding the ethnic background of the owners of some contracting companies is unavailable and therefore conclusive statements cannot be made. Nonetheless, there were some allegations that ought to be investigated. The tender boards at some Ministries for instance have been accused of applying shopping procedures by splitting the work or goods required to ensure that each separate contract falls under 800 000 dollars. This means that they can directly approach three favoured companies or individuals for quotations and avoid tendering and excessive scrutiny of the criteria used for their awards. In such circumstances, the question of associational choice is generally key in determining awards. While the preceding practices do not necessarily infer that there is direct evidence of ethnic discrimination, these do provide insight on the problems areas and the processes that need greater clarification and transparency. It is moreover at this and at the community or neighbourhood level where there is greatest opportunity for diversified ethnic representation and equity in the disbursement of economic opportunities and awards. It is at these levels also that there is greatest opportunity for discrimination to go undetected since they deal with small awards (in the case of the community level - under G 1.5 million dollars) and these attract even less national scrutiny. Again, the time frame for this study was too short to undertake a comprehensive review of the disbursement of awards at the community level.

Attempt was made to elicit information from GOINVEST, another state entity that facilitates private (both local and international) investment however the response received directed the researcher to the internet website which has no relevant information to this study's research

questions. Subsequent attempts to contact the institution went unanswered. This represents however another area for greater scrutiny since public charges have been made by potential local investors that they have not been given the support received by other investors. Whether this allegation can be substantiated and if so, whether such support is premised on ethnic or political party affiliation considerations or merely associational choice which just happens to coincide with similar ethnic backgrounds, is an area for further study.

ASSESSMENT OF THE AWARD AND DISTRIBUTION OF ECONOMIC OPPORTUNITIES BY THE PRIVATE SECTOR

In the private sector, and specifically at the lending and financing institutions, responses were only forthcoming from Republic Bank, Citizen's Bank, Guyana Bank for Trade and Industry and Scotia Bank. The latter promised a full written response but this was not received and no institution permitted an audit or review of its documents although general references were made in the interviews about their processes and criteria. Moreover, all of the institutions that responded indicated that ethnicity is not a criterion that is used to determine the allocation of economic resources and none included in their database, an assessment of the ethnic background of their loan recipients. Consequently, no evidence of direct discrimination or bias on the part of the domestic financial institutions could be determined. The unavailability of documentary evidence that details the numbers of loans disbursed inclusive of the ethnic breakdown of said loan disbursement means that no definitive statement on the question of ethnic differentials and possible economic discrimination against particular ethnicities can be made unless a longer term, more intensive study is undertaken.

However, the data obtained from the financial institutions combined with that obtained from the 2002 census and 1997 Labour Force Survey, which identifies the ethnic division of labour or the ethnic labour and sectoral predisposition, suggests that a significant portion of loan portfolios over the past 5 years has gone to the agricultural sector, then the services and distribution sector. If past survey statistics hold true, then that would suggest that a larger percentage of these loans would have gone to Indo Guyanese, since this group dominates the agricultural sector, including the rice industry and the services sector. Further, several banks have agricultural loan portfolio, including GBTI with a rice loan portfolio. Inferences can be made here again that possibly, the majority of loans disbursed under these portfolios, would be received by Indo Guyanese who as noted earlier, dominate the sector.

GBTI has recently acquired the tender to manage a European Union 6.5 million Euros (G\$1.65B) financial facility to enhance the productive capacity and sustainability of the rice industry. This facility, which commenced in early 2007, will result in economic support and resources being

awarded to rice farmers, rice millers and supporting industries. This will further enhance this bank's focus on the rice industry, which by the end of 2006 had already accounted for 1.4B or 14 percent of the bank's lending portfolio. This was second only to the distribution sub-sector which accounted for \$2.3B (24%). The construction sector was next with \$1.1B (12%) followed by timber and sawmilling which accounted for \$720M (7%), then entertainment (including hotels) accounting for \$590M (6%)

Similarly, although details of Demerara Bank's percentage of loan disbursement by sector were not available to the researcher, the bank has identified its priority in terms of commercial and corporate lending facilities as agricultural credit, trade financing and, industrial and manufacturing credit. Hand in Hand Trust Inc. has a similar stated agriculture and agro industrial based focus in terms of its lending priorities which is indicated clearly in its mission statement. Again, no details concerning the specific number of loans disbursed and the ethnic breakdown of these loan disbursements were available from this financial institution.

No information was acquired on the one regional bank and the two international banks in Guyana, namely, Republic Bank, Scotia Bank and Bank of Baroda regarding their specific sectoral priority in Guyana. However, what is recognized is that there is some degree of oversight internationally and this potentially acts as a safeguard against deliberate forms of discrimination.

It is important to recognize however that apart from identifying specific industries, GBTI has also identified regions for investment. To this end, GBTI has established a branch at Lethem from August 2006. This diversification in terms of location is expected to have a positive impact on the ability of Indigenous residents in region 9, who constitute almost 90 percent of the area's population, to have access to economic resources for varying purposes. It would be instructive for the bank to use innovative strategies to market their processes and lending facilities to these communities and to keep records of the numbers of Indigenous clients who secure financing from the facility.

There is no stated policy in any lending institution of discrimination or preference in relation to lending to any ethnic group, but there is evidence to suggest that in this sector, discrimination

manifests itself in subtle discrimination, statistical profiling and discrimination that is rooted in an organisational culture. Reports have been made that suggest varying personnel in the banking sector exude subtle attitudes and employ subtle actions that create a hostile environment. This type of discrimination is largely directed against an individual based on certain assumptions about the ethnic group to which the individual belongs. Lending officers and other senior personnel of institutions facilitating economic opportunities and awards have also been reported as preferring to interact with or support their own ethnic group. As organizations generally reflect the prejudices of the persons who function within them, if these prejudiced attitudes and dispositions are perpetuated over time, the consequence could be structural discrimination. Sufficient scrutiny was however not allowed by these private sector institutions to ascertain whether such an entrenched institutional process of discrimination has occurred.

Another practice that appears to be prevalent in the private sector lending institutions is word-of-mouth recommendation and even though this might seem ethnically neutral, it frequently results in employees of particular ethnic groups recommending their family and members of their social network, and over time, borrowers can reflect the ethnic make-up of the firm. In effect, the ethnic background of loan officers is a factor in determining economic award disbursements. Consequently, all ethnic groups should be visibly represented in these institutions. This need for visible representation of all groups is made even more acute because potential borrowers often express preference for their applications to be processed by someone of a similar ethnic background and if there are no employees of their ethnic background functioning as loan officers, this can act as a hindrance to specific groups approaching these lending institutions. These circumstances noted above are not necessarily the outcome of a deliberate strategy of discrimination, but they might nevertheless result in differential ethnic treatment and/or the exclusion of specific ethnic groups.

There is no concrete evidence that can be used to establish the extent of these practices such as associational choices and word-of-mouth recommendations and there was no evidence to conclude that the majority of individuals in decision making capacities in the private sector lending agencies deliberately discriminate against any ethnic group. On the surface, the organizational processes seem neutral and fair. Since data on the ethnic breakdown of their loan portfolio have not been collected by any of the institutions under review, it is impossible to say whether their portfolios

reveal large and consistent ethnic differentials or to further assess whether these indicate some level of discrimination. It is nonetheless important to underscore that certain individualized behaviours can over time impact an organizational culture and have consequences of exclusion and discrimination and although these subtle forms of discrimination are very difficult to definitively detect and record, their effects can be equally damaging as the direct forms of discrimination.

ASSESSMENT OF THE AWARD AND DISTRIBUTION OF ECONOMIC OPPORTUNITIES BY THE NGO SECTOR

Only three NGOs responded to approaches made by the researcher, namely (LEAP) LEAF, IDB and IPED. The latter two institutions however are probably the two key NGOs in their respective categories in the country and their experiences and practices are instructive for the rest of the sector. The IDB is Guyana's largest development partner and creditor. As an international NGO, the IDB is governed by laws and regulations regarding transparency and non-discrimination and although the IDB does not disburse loans to individuals, it has reported in its oversight capacity that in the last four years only one charge of ethnic discrimination was reported and investigated and was found to have no merit. Moreover, allegations of discrimination are reported directly to the head office of the IDB in Washington and not to the Guyana Resident Representative and this provides some assurance that the allegations will be investigated by an independent individual(s). The IDB however, acknowledges the consistent statistical reports that indicate Indigenous Guyanese who reside in hinterland communities experience the greatest levels of poverty and inequality within the Guyanese society and have undertaken programmes that prioritise these groups. This is not necessarily perceived as bias however, but more as a sort of affirmative action strategy to enable the disadvantaged group to 'catch up'. The IDB criteria for funding large projects in Guyana do restrict participation by some groups, and even in some instances all local contractors who are unable to satisfy demands related to prior experience, asset and specialist base.

IPED has emerged as the foremost investor in micro and small enterprises in Guyana and it is actually the only lending institution that provides financing for economic ventures that has in its database since 2005, the ethnic identity its borrowers although, like the other financial institutions, its stated policy is to not use ethnicity as a criterion when determining awards. Statistics reveal that between 2005 and 2006, 3922 loans out of a total of 10738 were disbursed to African Guyanese which represented 36.5%. East Indians received 5856 loans between 2005 and 2006 which represented 54.5%, while Indigenous Guyanese received 466 loans during the same period, representing 4.3% of total disbursed loans. Guyanese of mixed heritage received a total of 413 loans which represented 3.8 percent of the total for the years 2005-2006. IPED's data reveals that rural areas and Indo Guyanese receive the greatest benefits, significantly more than their comparative

percentage of the population from IPED. Of the three main groups, only Indigenous populations received loans that were less than their corresponding percentage of the population. Again, these statistics are not necessarily indicative of bias on the part of the organisation since additional statistics provided by IPED reveal that since 2001 a mere 17 proposals were rejected and only 4 in 2005-2006. Of the four rejected, three were African applicants and one applicant was Indian. These statistics might be indicative of lack of awareness of the organisation, belief that the interest rates were too high or that excessive collateral would be demanded. Nonetheless, these statistics do point to ethnic differentials that other reports signal are present in the other lending arenas of the society and these differentials appear to favour Indian Guyanese and markedly disadvantage Indigenous Guyanese and to a lesser extent African Guyanese. Consequently, this is an area for further research and consistent monitoring over time to determine the reasons for the differentials and what strategies could be employed to ensure greater equity among the varying ethnic groups in the disbursement of financing and awards for economic ventures.

There is one concern with the data generated by IPED regarding the ethnicity of their loan recipients and that is the latter did not identify their own ethnic origin. This was identified by loan officers, largely out of the desire to not create a sense of unease among loan recipients. However, this strategy can and probably has generated incorrect data particularly among those persons who consider themselves of mixed heritage and are partially African since some in all likelihood were identified as African. This assumption is made on the basis of the low number of mixed ethnicity loan recipients as compared to their overall percentage (17.9) of the Guyanese population as identified in the 2002 census.

Despite this concern which can be easily remedied in subsequent data collection exercises, the analyses of its loan portfolio by ethnicity, as distinct from using ethnicity to determine lending is an extremely commendable and courageous practice by IPED and importantly it signals the organisation's willingness to open itself to independent scrutiny and it is recommended that this practice be employed by other lending institutions.

The specific conditions under which LEAP and LEAF's were established and their location in region 10 means that potentially, their clientele will be predominantly from the African and

Indigenous communities. The latter however, has been underserved by the Fund, largely because of a difficulty that arose in the management of the fund and the television and print methods used to market their services that are more suited to urban communities. There is no data generated by the Fund that details the ethnic composition of the loan disbursements however there is great suspicion on the part of Linden residents that persons from outside the community are the recipients of the medium to large loans to undertake economic ventures within the communities. A significant number of Africans interviewed in Linden reported great dissatisfaction with the programme arguing that it is cosmetic and contributes little to the overall rehabilitation of the village which had traditionally relied on bauxite production and export. The majority of persons borrowed to establish small retail outlets but the poor purchasing power in the village means that their commodities are not being sold leading to defaulting on loans. The establishment of the Fund is a positive development but for a community accustomed to wage labour, there is the need for the stimulation of an entrepreneurial culture and training in the development and management of successful economic activities.

ANALYSIS OF THE ACTIVITIES, PROCEDURES AND PROCESSES USED BY THE STATE, PRIVATE SECTOR AND NGO SECTOR IN THE ADMINISTRATION AND DISTRIBUTION OF ECONOMIC OPPORTUNITIES

As noted previously, access was not given to documents from any of the institutions contacted for this researcher to definitively pronounce on the procedures and processes used to administer and distribute economic resources by the state, private and non governmental sectors. A general assessment will nonetheless be offered that is derived from the responses in the interviews conducted and review of annual reports and promotional material.

The main criteria that appeared necessary for access to economic resources from any institution is collateral and other instruments offering some level of guarantee. This is particularly pertinent for the private financial institutions that are profit making entities. While commercial banks offer some unsecured loans, these are generally offered to wage employees of a certain standing and generally attract a higher rate of interest. Workers in the informal sector or those that are self-employed are generally excluded from accessing these unsecured loans. Moreover, these unsecured loans are more often than not offered for household and other private rather than commercial or profit making purposes. With 40% (22% being men and 66% being women) of persons of working age not engaged in any economic activity (Census 2002), this means that for a significant segment of the population, resident within all ethnic communities, but most acutely among the Indigenous population, this form of economic financing is outside of their reach.

For secured loans, collateral is usually demanded and depending on the size of the loan, immovable or transported collateral is usually required. Inevitably again, this excludes a significant portion of all ethnic communities, most acutely though the Indigenous population whose titles for lands are granted on a community rather than individual basis. With the housing drive currently ongoing and the allocation of house lots to increasing numbers of individuals, this means that many persons will now increasingly be able to secure loans. Measures ought to be taken however to ensure that unscrupulous lenders do not encourage landowners to borrow to finance unfeasible economic enterprises as a guise for seizing lands offered as security as these ventures fail.

NGOs operating on a non profit basis and embracing a developmental human based methodology are generally more willing than private institutions operating on a for profit basis utilizing a capitalist methodology. Thus NGO institutions such as IPED, although they also require collateral for economic financing, they nonetheless are willing to accept non traditional forms of security including household items once the institution has adjudged the venture to be potentially profitable.

The state is not heavily involved in funding economic ventures per se. Nonetheless it finances either singly or in conjunction with international agencies various projects and programmes generally of a developmental nature. It moreover generally awards contracts to complete these projects and programmes. As noted in a previous section, the National Procurement and Tenderboard Administration only has oversight for procurement and tender procedures for awards exceeding 15 million dollars and tenders are opened publicly. This gives some degree of transparency to the process. All aspects of the procurement and tender processes are not as open and transparent however as it is the procurement entity, generally a state institution that selects the preferred contractor and it is the government through a Cabinet Committee that gives ultimate approval or refuses approval over the disbursement of these awards. This latter aspect of the system lacks the degree of transparency as the NPTA process and can be abused. Further, the processes and management of public tenders and procurement is not as effective as it could be because neither the Public Procurement Commission nor the Bid Process Committee is currently operational. Moreover, awards for contracts amounting to less than 15 million dollars are managed by the tender boards of the various ministries or the procurement agencies at the community or neighbourhood level and these processes do not attract the degree of scrutiny of the larger contracts and therefore the scope for abuse within these systems is even greater.

One factor that influences whether members of varying communities access economic resources is the method used to advertise the available opportunities since without awareness and knowledge it would be impossible for persons to take advantage of said opportunities. Evidence suggests that the preferred means of advertising currently used by the NGO and private financial institutions under review is through the visual appeal of the television. The apparent preferred means used by the state is the newspaper. This however means that whole ethnic communities, more particularly, the Indigenous communities and those rural areas that have not yet received electrification are

unreached by the former method and even by the latter method since by the time they receive the newspapers, the information may no longer be timely or may offer them inadequate time to prepare their proposal. Further, it is imperative that these institutions advertise not only in the popular central Georgetown area. Use must be made of the varying television stations that serve particular communities. One recommended strategy which admittedly serves the small and micro nature of their operation is seen through the effective people oriented strategy that IPED has utilized resulting in 41.2% of their clients being acquired from officers conducting house to house outreach strategies, another 36% being referred to by clients and associates and; 12% and 1.9% were made aware of IPED's activities through the television and radio respectively. It is this strategy that has resulted in IPED serving all ethnic communities within Guyana in creating and sustaining employment (see Appendix 1 and 11).

Further, the recent decision by the state to cease publishing advertisements in one of the popular daily newspapers for what it stated as economic reasons means that an additional source of information is cut off particularly since the varying newspapers arguably have their own ethno and/or class constituency. All efforts should be made to ensure that all state funded economic opportunities are as widely publicized as possible to ensure that all groups, particularly those in hard to reach locations have as best an opportunity as possible to view these. Efforts should also be made to utilize village and town halls when possible to advertise these opportunities, especially those that specifically concern the particular village, thereby giving locals an opportunity to bid for projects in their communities.

RECOMMENDATIONS

- While the strides made in increasing transparency in state allocation of economic resources are acknowledged, there is need for greater transparency within the tender and procurement of consultancies, goods and works as the current system is vulnerable to abuse which can result in ethnic discrimination. This can be achieved by establishing greater **national** scrutiny and oversight over all disbursements and not just those over 15 million dollars. In other words, all efforts should be made to ensure that the bidding process is fair and not distorted to give preference to specific contractors. Consultants and contractors from African and Indigenous communities who do not by themselves satisfy criteria for award of contracts should be urged to collaborate and form joint ventures and greater effort should be made to encourage said contractors to bid for small contracts or sub contracts. This would address the widespread practice of using labour from outside ethnic communities to undertake projects which has generated much discontent and anger particularly if there is widespread unemployment in these communities. Ultimately, the desirable outcome should be fairness and equity in the disbursement of publicly funded contracts to all ethnic communities, whether at the level of the contractor or at the level of the labourer.
- The government would be advised to make use of all sources of disseminating information on opportunities, whether television (with pro and anti government stances), newspaper (inclusive of opposition newspapers), village or town halls or centres and radio. Privately owned institutions have greater discretion to be selective in using its advertising dollar, they should nonetheless also be encouraged to advertise as widely as possible. Public funds on the contrary should be used to reach the entire public, inclusive of all ethnicities and classes. It is necessary to make good use of all sections of the media because once ethnic communities are unaware of opportunities, it means they are unable to apply for same and this can ultimately result in ethnic exclusion.
- There is insufficient disaggregated statistical data on the current economic situation of the varying ethnic groups in Guyana and such data would have served as one indicator of ethnic accessibility to available economic resources. This study was therefore forced to rely

on survey statistics that were generated some eight to fifteen years ago. With Guyana's high migration rate, this means that there is a significant possibility that circumstances may have changed. To be able to conduct reliable and verifiable social scientific research, there is the need for the implementation of various programmes by state bodies such as the Statistical Bureau to generate data recording and collection that point to the distribution of resources and opportunities among ethnic groups.

- To facilitate this data recording and collection, the ERC would be advised to advocate for the voluntary and if necessary mandatory collection of information regarding the ethnic allocation of awards and resources by public and private financial institutions. Such information is consistently collected under strict privacy laws by institutions in developed societies, such as the UK and the US, allowing for the measurement of discrimination, whether on an ethnic, gendered or regional premise and the consequential devising and implementing of policies, programmes or laws if necessary to redress inequities among ethnicities. The fact that such data is not accumulated leads to speculation, rumours, allegations and charges that cannot be either proved or disproved and contributes to continued ethnic tensions in the society. Moreover, before sound policies can be devised to combat ethnic and racial discrimination and promote equity in the provision of economic opportunities, it is imperative that data be collected that accurately details and reflects the circumstances of those groups to which anti-discrimination policies are aimed. Without this data, policy can only be arrived at using an indirect method and policy makers risk overlooking the extent or the importance of the problems. Such data also allows specially commissioned nation bodies like the ERC to craft and offer policy responses for fighting ethnic discrimination in a more effective manner. Methods that can be employed to collect this data include censuses and socio-economic statistics conducted by Statistics Bureau, administrative files from schools, police service, health service, welfare departments, court statistics (that note the number of complaints, decisions passed down, etc.), record-keeping by Ombudsmen, national specialised bodies and specialised NGOs, company employees' registers, victim and national attitude

surveys and scientific investigations. This data, collected by disparate institutions should then be reported to centralised monitoring body or system which can then ensure that the problems are recorded and assessed in a consistent manner. The UK for instance has developed a comprehensive and effective data collection system, and has consequently been able to devise widespread policies aimed at combating ethnic discrimination and racism (Krizsan 2001). The UK's data collection system can be studied by the Government of Guyana as it makes provisions for collecting sensitive data in a manner that does not specifically identify the subject. An important aspect of any effort at data collection must involve members of all ethnic groups in the design, conduct and analysis of data collection from the inception of the process. The US also has an anti-discrimination framework that provides for the collection of data on the basis of ethnicity and race, but this framework is both sector and state specific. In other words, it is not as collaborative as the one in the UK. The US's Office of Management and Budget (OMB) in conjunction with the Federal Government has conceptualised and used a common language to facilitate and encourage the standardization of data on race and ethnicity for the varying population groups in the United States. This data is then used to enforce civil rights laws and monitor whether there is fair and equal access in housing, education, employment, and other sectors, especially for groups that had historically been discriminated against because of their ethnicity. The standards are used in the decennial census, which is the largest, single ethnicity data collection on program in the US. Other racial and ethnicity data are gathered on administrative forms (school registration, housing and mortgage lending applications, government contracting), and in medical and other research programmes. All data collected however is protected by Federal Standards for the classification of racial and ethnic data (see websites fedstats.gov and whitehouse.gov/omb/fedreg/ombdir).

- In the absence of legislation, the ERC should still encourage reporting of discrimination by both state and nonstate authorities in order to generate over time an administrative count of discriminatory incidents. The ERC should also conduct indepth interviews with varying

individuals and business people who have experienced discrimination to further document and create a database that can be periodically analysed. This study further recommends that the ERC commissions the conduct of periodic survey-based studies in which representative samples of randomly selected respondents detail their experiences with discrimination. These can then be compared over time to determine whether attitudes and experiences have shifted.

- Financial institutions should also be encouraged to collect data on the ethnic origin of their loan recipients. This study does not suggest in any way that ethnicity ought to be a criteria for loan disbursement, but recognises that unless data is generated by these institutions, determining whether direct discrimination exists and more so, measuring the extent of the discrimination will be impossible. In such circumstances, the only measurements of discrimination that will be possible are those subtle and difficult to measure manifestations which are not regarded as illegal even though they might have as negative an impact as direct forms of discrimination. Analyses of disbursements should be made public to address perceptions, rumours and allegations that might well be unfounded.
- The available evidences suggest that the group most at risk for discrimination in the distribution of economic resources, evidenced by their poverty levels, their isolated residential location, their lack of knowledge of the available lending institutions and the lack of sufficient institutions serving their communities, is the Indigenous population. Consequently, affirmative action types of programmes are necessary to correct this imbalance. While this imbalance is being addressed in the education and health spheres, it is critical that indigenous communities receive an equal opportunity to access resources for their economic ventures. Certain criteria that are often demanded by the financial institutions including immovable property as collateral or an official job letter translate into certain poor sections of the society, most prominently the Indigenous populations, being unable to access these resources. This situation also negatively affects certain sections of the urban African population and certain African dominated villages where the majority of persons are in the informal sector and/ or self employed and have inadequate collateral.

Specific strategies will therefore need to be devised that will allow for additional non collateralised financing for vulnerable individuals.

- Although there is a significant number of institutions that provide economic financing, knowledge of their activities and opportunities are limited. Thus there is a greater need for publicising these potential opportunities in forms other than television, radio or newspaper. IPED for instance has an innovative intensive field strategy of having their officers go from community to community and house to house to apprise residents of their financing operations. This strategy has paid dividends as an impressive and increasing number of Indigenous Guyanese have submitted proposals and received financing for their economic ventures. This type of 'on the spot' strategy or other forms of reaching out to communities would serve other financial institutions well, particularly those like banks that are traditionally viewed as having an intimidating environment. These institutions, like IPED, might also consider offering low cost or free courses on the development and management of successful economic activities. Such a strategy is not altogether altruistic since these institutions would benefit in recouping their investment with interest if the ventures they finance succeed.

APPENDIX 1

Ethnic Distribution of IPED Loans 2005- 2006

Ethnicity	2005	2006
African	1891	2031
Indigenous	191	275
Chinese	6	4
Indian	2858	2998
Portuguese	18	35
Mixed	228	185

Source: IPED

APPENDIX 11

Ethnic/ Industry Distribution by IPED Jan-Dec 2006

Sector	Ethnicity	Total
Agriculture	African	222
	Indigenous	36
	Chinese	1
	Indian	1170
	Portuguese	3
	Mixed	30
Construction	African	3
	Indian	4
	Portuguese	1
Distribution	African	972
	Indigenous	145
	Chinese	2
	Indian	952
	Portuguese	22
	Mixed	81
Fishing	African	10
	Indigenous	4
	Indian	67
	Mixed	1
Forestry	African	4
	Indigenous	15
	Indian	8
	Portuguese	2
Livestock	African	438
	Indigenous	46
	Chinese	1

	Indian	468
	Portuguese	4
	Mixed	43
Manufacturing	African	105
	Indigenous	15
	Indian	132
	Portuguese	2
	Mixed	11
Mining	African	3
	Indigenous	1
	Indian	4
	Mixed	1
Rental of Buildings	African	2
Services	African	224
	Indigenous	12
	Indian	132
	Portuguese	1
	Mixed	14
Transportation and Communication	African	45
	Indigenous	2
	Indian	56
	Mixed	3
TOTAL		5520

Source: IPED

APPENDIX 111

ETHNIC RELATIONS COMMISSION

Questionnaire to Determine the Perception of the Distribution and Award of Economic Opportunities in Guyana

REGION
AGE GROUP
ETHNICITY
GENDER

- Are you aware of any Government/state institution that provides funding for private economic opportunities?
- Which one(s)?
- Are you aware of any NGO that provides funding for private economic opportunities?
- Which one(s)?
- Are you aware of any private sector institution that provides funding for private economic opportunities?
- Which one(s)?
- Have you ever applied for a loan from any government/state agency to finance a business?
- Which one(s)?
- What kind of business venture were you hoping to finance?
- Were you successful in acquiring the loan?
- If yes, how much did you borrow? (a) under \$100 000 (b) under 500 000 (c) under 1 000 000 (d) under 3 000 000 (e) over 3 000 000
- If no, why do you believe you were unsuccessful?
.....
- Have you ever applied for a loan from any private sector agency, in particular the Banks to finance a business?
- Which one(s)?
- What kind of business venture were you hoping to finance?
- Were you successful in acquiring the loan?
- If yes, how much did you borrow? (a) under \$100 000 (b) under 500 000 (c) under 1 000 000 (d) under 3 000 000 (e) over 3 000 000
- If no, why do you believe you were unsuccessful?
.....
- Have you ever applied for a loan from any NGO to finance a business?
- Which one(s)?
- What kind of business venture were you proposing?

- Were you successful in acquiring the loan?
- If yes, how much did you borrow? (a) under \$100 000 (b) under 500 000 (c) under 1 000 000 (d) under 3 000 000 (e) over 3 000 000
- If no, why do you believe you were unsuccessful?
.....
- Do you know anyone who has secured a loan from a state agency to finance a business?
- Do you know anyone who has secured a loan from a private sector agency to finance a business?
- Do you know anyone who has secured a loan from a NGO to finance a business?
- Do you believe that the state acts in a fair manner in its provision of economic opportunities?
- Do you believe that the private sector, in particular the banks, acts in a fair manner in its provision of economic opportunities?
- Do you believe that the NGO sector acts in a fair manner in its provision of economic opportunities?
- Which ethnic group do you believe benefits the most from the award of economic opportunities in Guyana?
- Can you say why?
-
- Which ethnic group do you believe benefits the least from the award of economic opportunities in Guyana?
- Can you say why?
-
- Do you believe that there are adequate economic opportunities in your region?
- Which region/ town do you believe benefits most from economic opportunities in Guyana?
- Which region/ town do you believe benefits the least from economic opportunities in Guyana?
- How do you know when opportunities arise? Word of mouth? Radio? Television? Newspaper?

APPENDIX IV

18th May 2007
School of Education and Humanities
University of Guyana
Turkeyen
ECD

Dr. Leslie Chin
Chief Executive Officer
IPED
South Road
Bourda

Dear Dr. Chin,

I am conducting a study on behalf of the Ethnic Relations Commission (ERC) designed to address the perception among varying ethnic communities in the Guyanese society that discrimination exists in the award of economic opportunities. This study therefore aims to assess the 'activities, procedures and processes' used to determine eligibility for economic opportunities by state agencies, private sector organizations and NGOs in order to determine whether there exists any discrimination of an ethnic and/or regional basis in the provision of said opportunities. Additionally, this project will recommend strategies to enhance said activities, procedures and processes to generate increased transparency and address the perceptions of discrimination and inequality.

As an important source of private sector financing locally, I would appreciate an opportunity to interview you or a designated official and to peruse documents detailing activities, procedures and processes that guide your institution's distribution of economic opportunities. I am specifically interested in the reviewing the criteria used to determine eligibility for financing, the methods used to advertise available financing opportunities and a breakdown of the regional, sectoral and ethnic distribution of loan disbursements over the past 5 years.

I can be contacted on telephone numbers 222 3424(w), 226 0441(h), or 621 8221(c) and at .

I look forward to hearing from you.

Sincerely,

Dr. Mellissa Ifill

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ADDENDUM:

Interviews were also conducted in person with:

- Ms. Valerie Sharpe – Manager, LEAF
- Mr. Carl McAlmont – Investment Specialist, LEAP

Interview was conducted on the telephone with:

- Mr. DeJonge – National Tenderboard and Procurement Administration