

RESPONDING TO GLOBALIZATION:

**A DECENT WORK AGENDA
FOR THE CARIBBEAN
IN THE CONTEXT OF
REGIONAL INTEGRATION**

Background paper

Tripartite Caribbean Employment Forum
Barbados, 10-12 October 2006

International Labour Office

Copyright © International Labour Organization 2006
First published 2006

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered in the United Kingdom with the Copyright Licensing Agency, 90 Tottenham Court Road, London W1T 4LP [Fax: (+44) (0)20 7631 5500; email: cla@cla.co.uk], in the United States with the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923 [Fax: (+1) (978) 750 4470; email: info@copyright.com] or in other countries with associated Reproduction Rights Organizations, may make photocopies in accordance with the licences issued to them for this purpose.

Responding to globalization: A Decent Work Agenda for the Caribbean in the context of regional integration
Port of Spain, International Labour Office, 2006

ISBN: 92-2-119351-9 & 978-92-2-119351-7 (print)
92-2-119352-7 & 978-92-2-119352-4 (web pdf)

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Table of contents

I.	Introduction	1
II.	Growth performance: Challenges and opportunities	2
III.	Employment and labour market outcomes: Emerging issues	6
	Employment Trends.....	8
IV.	Job creation through enterprise development and enhancing employability and training.....	11
	Skills and Training	12
V.	Social Protection	14
	Social Security	14
	Occupational Safety and Health.....	15
	HIV/AIDS and the workplace	15
VI.	Social dialogue	16
	Rights at work	18
VII.	The Way Forward: proposed follow-up	18
	Employment Promotion	19
	Rights at work	21
	Social dialogue	22
	Social Protection	22
ANNEX.....		25
	I.. An integrated Decent Work Agenda for the Caribbean.....	26
	II. A Decent Work Agenda for the Hemisphere.....	27

I. Introduction

1. Caribbean countries, like other countries in the developing world, have had to respond to an increasingly competitive and liberalized world, in which productivity levels have to rise and broad-based job-creating growth must be sustained. In all countries of the region,¹ achieving higher rates of growth in order to raise both incomes and social conditions is a challenge facing governments, workers' and employers' organizations, which demands sound policy-making, improved labour market institutions and programmes, and effective social dialogue.

2. The countries in the Caribbean have long had their own social and economic model reflecting the small size of the land mass and population of most countries and territories, high levels of out-migration and close ties with many developed countries. Certainly, globalization is nothing new to the Caribbean and furthermore the process of liberalization within the common external tariff of the Caribbean Community (CARICOM) Single Market and Economy (CSME) is widely accepted. Consequently, it is all the more important to use appropriate macroeconomic and labour market instruments to solve the region's employment problems and create more and better jobs.

3. The purpose of the Tripartite Caribbean Employment Forum is to debate and demonstrate how the decent work approach, based largely as it is on the appropriate implementation of ILO Conventions, together with efforts to find a job-creating macro- and micro-economic framework, can advance the development agenda in a globalizing world.² The high-road approach to broad-based growth postulates that productivity improvements will only come when the creation of more and better jobs for workers and jobseekers is given the same attention as economic gains. This, in turn, requires well-functioning labour markets and labour market institutions operating within a context of social partnership.

4. Broadly, the objectives of decent work are: to give effect to principles and rights at the workplace and in the labour market; to accelerate growth and generate jobs by promoting and managing change in a socially-acceptable manner, realizing that decent work itself is a productive factor; to improve the effectiveness of social protection as a means of increasing equity and making change acceptable; and, throughout, promoting social dialogue for participatory socio-economic and sustainable development.³

¹ The Caribbean subregion consists of 13 independent states and eight non-metropolitan territories (Anguilla, Montserrat, Bermuda, the British Virgin Islands, the Cayman Islands, the Turks and Caicos Islands, Aruba and the Netherlands Antilles). The independent states are Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Kitts and Nevis, and Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

²For a statement of these principles see ILO: *Implementing the Global Employment Agenda: Employment strategies in support of decent work, Vision document*, (Geneva, 2006).

³ ILO: *Decent work*, Report of the Director-General, International Labour Conference, 87th Session, Geneva, 1999.

II. Growth performance: Challenges and opportunities

5. Basic indicators for the economic performance of 13 countries and two territories are given in table 1. This shows the extreme variation in per capita income, in the range of 1:20 between **Guyana** and **Aruba**. Per capita incomes fall into two groups - either \$9,000 and above, or \$4,500 and below. No country falls between these two groups. The lower income group includes the three relatively populous mainland countries (**Belize**, **Guyana** and **Suriname**) and **Jamaica**. It therefore encompasses most of the region's population. During the period 2000-2004, most countries, except **Belize** and **Trinidad and Tobago**, experienced modest growth. In recent times, the data show that there is no significant difference in growth rates between lower- and higher-income countries and income gaps have neither widened nor decreased appreciably. The size of population does not appear to have any significance for growth rates, rather growth appears to be driven by country-specific factors such as the structure of production and policy choices.

Table 1: Economic indicators

Countries and Territories	Nominal GDP per capita in US\$ (2004)	Total population (thousands) (2004)	Real GDP growth (average 2000-04) %	Consumer Price Index inflation (average for 2000-2004)	Total Investment as a percent of GDP (2000-2003)
Antigua and Barbuda	11,270	71	3.4	0.1	50.1
Bahamas, The	17,833	321	1.8	2.0	21.9
Barbados	10,300	273	1.3	1.7	17.0
Belize	3,939	263	7.2	1.9	24.0
Dominica	3,780	72	-0.5	1.3	25.4
Grenada	4,205	104	1.3	1.9	45.7
Guyana	1,043	754	0.6	5.0	37.6
Jamaica	3,224	2,691	1.6	9.6	29.4
Saint Kitts and Nevis	9,523	42	2.5	2.1	50.3
Saint Lucia	4,320	177	0.5	1.6	24.3
Saint Vincent and the Grenadines	3,791	107	2.9	1.1	30.3
Suriname	2,287	484	3.5	29.2	23.4
Trinidad and Tobago	9,337	1,287	7.5	4.1	18.5
Aruba	21,200	96	1.1	3.3	23.2
Netherlands Antilles	17,032	181	0.2	2.1	26.0

Source: National data, IMF country reports, UNCTAD FDI database and World Bank *World Economic Indicators*

6. Growth in relatively small countries like those of the Caribbean tends to be more volatile than in larger countries because their production structure is more concentrated on particular industries such as tourism or commodities. In addition, in the region the effects of natural disasters are more devastating and can easily set back growth for years. Changes in the terms of trade affect countries differently. Thus, currently traded prices of fuels and minerals are high, benefiting, for example,

Trinidad and Tobago and **Suriname**, whereas prices of agricultural exports are less firm and, with the withdrawal of privileged access to European Union (EU) markets, will become weaker. The overall volatility of growth rates, however, eased somewhat in the 1990s compared to earlier years. No doubt the increasing role of services in the region is partly responsible. However, the challenge is to move towards higher value-added and productive services, and to raise productivity in the hotel and tourism sector.

7. Available data indicate that in natural resource-based economies, productivity has been rising particularly in the industries controlled by multinational enterprises. The driving forces behind these increases have been ongoing investment in capital goods and reorganizing labour (flexibility). In tourism-based economies such as **Barbados**, employment growth outstripped GDP growth which is a clear indication of falling labour productivity at the level of the total economy. Tourist arrivals have grown substantially but if tourist expenditure per employed person does not keep pace, this will have a negative impact on labour productivity of this crucial sector.

8. A current major issue of concern is the general decline in productivity and the erosion of competitiveness. Rising unit labour costs in **Jamaica** have caused concern, but in **Trinidad and Tobago** unit labour costs for the total economy have remained remarkably stable since the early nineties, after devaluation in the late 1980s. However, wage increases have recently grown in **Trinidad and Tobago** in response to inflationary pressures and the windfall income from the energy sector. In the tourism-driven economies there is a slight upward trend in real wages that has recently accelerated in some countries. For example, in **Barbados**, rising unit labour costs will have to be marked by rising productivity.

9. In the agricultural sector there has been a long-term trend of low productivity growth or no growth. CARICOM countries have traditionally exported primary agricultural products to Europe. The region's export structure shows that the vast majority of exports from CARICOM to the EU still comprise primary products. Over the last decade, exports to Europe declined significantly. Available data indicate that the 10.9 per cent of CARICOM's exports to the EU in 2004, as a proportion of its total world exports, was the lowest over the period 1995-2004. This historical low performance of exporting to the EU can be attributed to the erosion of preferential access to markets for agricultural products. Banana exports to Europe, for example, declined by more than 50 per cent for most countries in CARICOM which export bananas, largely as a result of the ongoing banana dispute between Latin American producers and EU/African, Caribbean and Pacific (ACP) countries.

10. In the case of sugar, the EU proposed major reforms that include: cutting the guaranteed price of white sugar by more than 36 per cent between 2006/07 to 2010/2011; compensation to farmers on average for 62 per cent of the price cut by a decoupled payment; the replacement of the interventionist price by a replacement price; and an assistance plan for ACP countries amounting to €40 million in 2006. While the new plan removes some uncertainty, it is still expected to affect adversely sugar exporters such as **Barbados, Belize, Guyana, Jamaica, Saint Kitts and Nevis** and **Trinidad and Tobago**. In the case of service exports, while there has been some improvement in tourism, declining competitiveness and slow adjustment to industry demands exacerbated by a lack of resources to market key destinations, constitute a challenge for the region. Apart from the loss of preferential access to EU markets, the new rules of international trade dictate reciprocity in trade along with lower tariffs and taxes. This could contribute to improving the environment for trade and investment but it will put pressure on countries to develop internationally-competitive products.

Additionally, trade liberalization is often associated with loss of fiscal revenues and will require that countries find alternative sources of tax income to finance economic and social development.

11. In a bid to offset the impact of this loss of privileged market access and to raise productivity, there has been enterprise restructuring (e.g. Caroni 1975 in **Trinidad and Tobago**, Surland for bananas in **Suriname**), investment in machinery and equipment, and increased reliance on small farmers. These farmers, of course, need agricultural support packages if they are not to face undue risks. In some countries the response has been simply to close the industry (e.g. sugar in **Saint Kitts and Nevis**) while others seek new markets, (e.g. rice exports to Brazil) or reduce production costs (e.g. sugar in **Guyana**).

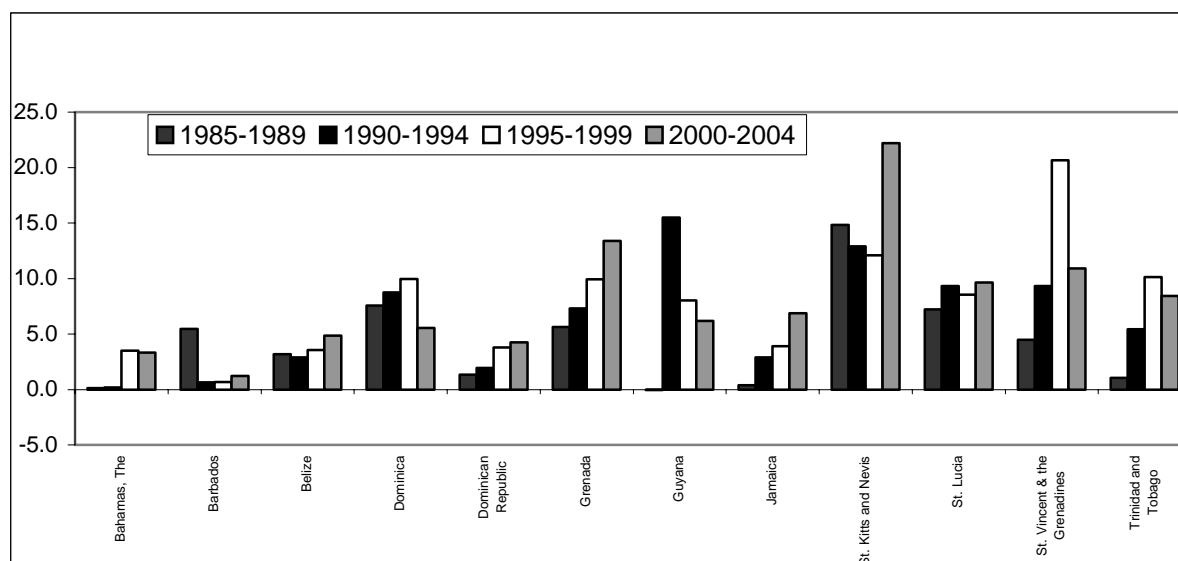
12. Divestment and restructuring are being carried out in other state-controlled sectors (e.g. bauxite in **Guyana**). The challenge is to implement socially-acceptable restructuring strategies in order to ensure equity and the protection of displaced workers. Basic severance packages need to be settled early and supported by each country's tripartite institutions and relevant labour market programmes. There appears to be a need for acceptable severance packages for workers who have been made redundant. This is likely to stimulate the search for socially-acceptable solutions to economic restructuring.

13. Foreign direct investment (FDI) remains critical to the expansion of small Caribbean economies and employment. Total FDI rose from US\$419 million in 1970 to US\$22 billion around 1990, representing average annual growth of 171 per cent. Since 1999, FDI has fallen somewhat in line with world trends. In 2004, FDI inflows to CARICOM economies increased by only 9 per cent (to \$2,470 million) compared with the increases of 26 per cent (to \$2,260 million) and 44 per cent increase in inflows to Latin America and the Caribbean in 2003. CARICOM's share of global FDI inflows continues to be a meagre 0.2 per cent on average or just about 1 per cent of inflows to developing countries as a group. As figure 1 shows, FDI as a ratio of GDP has increased in some countries and territories but declined in others. **Bermuda, Cayman Islands and Trinidad and Tobago** have been more successful in attracting FDI over the period 1970-2003, largely because they have either vibrant international business and financial services or abundant natural resources, particularly oil and other petroleum products.

14. In other Caribbean countries, FDI inflows have been less impressive over the period, and have been directed mainly to tourism and related activities, as well as to mining and manufacturing, where foreign investors would have benefited from market protection, as well as fiscal and other incentives. The sizeable divergence of FDI inflows between the major recipients and the others could also be due to the considerably higher returns in the financial services and petroleum industries compared with the traditional sectors, which are constrained by high production costs, small saturated markets, and loss of preferential market access.

15. Data on public investment in recent years are sparse and suggest wide variations; any increase in public investment is constrained by public sector indebtedness. Levels of public sector debt jumped quite substantially from the mid-1990s to the early 2000s. Some Caribbean countries became among

Figure 1: FDI to GDP ratio (averages), 1985-2002



Source: WDI, Online (September 2006)

the world's most indebted, far exceeding the commonly accepted prudential public debt limit of 60 per cent of GDP. Indeed, recently 14 out of 15 Caribbean countries were among the 30 most indebted developing countries.⁴ The genesis of the debt no doubt varied but generally reflected a desire to raise the low growth rates of the early 1990s. Debt permitted additional spending, but was not a substitute for taxation. The spending increase was on both capital and current items and no doubt added to economic growth and employment-generating potential.

16. Fiscal deficits and the current debt inevitably have implications for future development. Some government policymakers argue that the potentially adverse consequences of government debt are outweighed by the immediate need to maintain economic momentum and take advantage of development opportunities. Sustainability computations show that these debts are non-sustainable and stabilization would require significant tax increases or expenditure cuts. The reduction of the current level of debt may simply not be a feasible option as it may result in output and employment losses and jeopardize the chances of recovery. **Antigua and Barbuda, Belize, Dominica, Guyana, Jamaica and Saint Kitts and Nevis** are among the most indebted economies.⁵

17. In light of the foregoing, Caribbean countries need to take major policy decisions, individually and collectively, in order to adapt to the unfolding realities of rapid liberalization and global competition. Such policies need to address forcefully both the economic and social challenges so as to sustain and improve economic growth and promote full and productive employment and decent work.

⁴ World Bank : *A time to choose : Caribbean development in the 21st century*. Washington D.C., 2005

⁵ UNECLAC: *Growth, Debt and Finance in the Caribbean*, LC/CAR/L.71, 2005.

III. Employment and labour market outcomes: Emerging issues

18. Although the Caribbean has experienced modest growth since 2000, there has not been a concomitant increase in employment. Open unemployment rates remain in double-digit figures for the region as a whole. This is despite considerable out-migration. As table 2 shows, the open unemployment rate in the region is on average more than 10 per cent. It is particularly high in **Saint Vincent and the Grenadines, Saint Lucia, Grenada and Dominica**. Rates have usually been higher for women than for men, often substantially so. By and large however, the gap has been falling over the last decade which suggests a faster rate of job creation or more effective job search by women than men. Unemployment in **Trinidad and Tobago** has fallen in recent years. This has been helped by the wide coverage of the Unemployment Relief Programme and the Community-based Environmental Protection and Enhancement Programme. The former benefited some 120,000 persons and the latter some 50,000 in 2005.

19. Unemployment rates are determined largely by labour force participation rates (LFPR) and the rate of growth of employment. The LFPR during 1995-2006 increased slightly, from 60.7 per cent to 61.5 per cent, largely due to an increase in female LFPR.⁶ However, they are still low compared to the world and Latin America (both around 66 per cent). The employment-population ratio for the same period reflects an increase for the total workforce, again, due largely to an increasing trend in women's employment.

20. Labour force participation rates are generally higher for men than women. However, the participation rates of women in rural areas and in the agricultural sector may be understated or may not be adequately reflected in the data. Women in the Caribbean are generally more likely than men to be unemployed. This is of serious concern given the high rate of female-headed households, and therefore, extensive reliance of women on paid work to support children. Their difficulty in securing paid work makes them dependent. Further, the relatively higher female unemployment rates in the Caribbean have likely contributed to the higher emigration of women. A number of reasons have been advanced for female unemployment; they include family responsibility, and their role as caregiver. This may cause women to limit the scope of their job search. Studies have shown that women have a higher probability of being unemployed for a longer period (12 months or more) than men (6 months or less). Limited skills, low educational levels as well as gender-based discrimination may interact to account for women's unemployment. The challenge is to devise labour market policies and social security provisions that enhance women's access to work and contribute to achieving a balance between work and family responsibilities.

21. Open unemployment rates may not always reflect the nature of poverty in an economy, since the latter may be closely linked to the notion of the working poor. The number of working poor depends on where the poverty line is drawn and on the different demographic characteristics of poor and non-poor households. Countries set their own poverty lines, at a higher income level than the widely used level of "one or two US dollars per person per day" which is of limited relevance to the Caribbean. According to recent data, for example, 3 per cent of working members of households in **The Bahamas** are poor, 10 per cent in **Barbados**, 25 per cent in **Dominica** and around 20 per cent in

⁶ILO Trends Team, <http://www.ilo.org/public/English/employment/strat/wrest.htm>

Table 3: Unemployment Rates for Selected Caribbean Countries, 1991-2005

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Bahamas															
Both Sexes		14.8	13.1	13.3	11.1	11.5	9.8	7.8	7.8	6.9	9.1	10.8	10.2	10.2	
Male		13.8	12.9	12.6	10.3	8.6	8.3	5.7	6.0	6.8	8.8	10.7	9.4	9.4	
Female		15.8	13.4	14.1	12.0	14.7	11.3	9.8	9.7	7.1	9.4	9.3	11.0	11.0	
Barbados															
Both Sexes	17.3	23.0	24.3	21.9	19.7	15.6	14.5	12.3	10.4	9.4	9.9	10.3	11.0	9.8	
Male	13.2	20.2	21.3	17.6	16.5	12.4	11.3	8.4	7.7	7.5	8.0	8.7	9.6	9.0	
Female	21.9	26.1	27.6	26.4	23.0	18.9	17.8	16.4	13.3	11.4	11.9	12.1	12.6	10.6	
Belize															
Both Sexes			9.8	9.0	12.5	13.8	12.7	14.3	12.8	11.4	10.0	11.2	14.8	13.1	
Male			7.9	6.8	9.9	11.7	8.9	10.6	9.0	7.6	6.1	8.1	9.5	9.0	
Female			13.8	13.5	17.9	18.6	20.3	21.3	20.3	19.3	18.2	18.1	26.2	21.2	
Jamaica															
Both Sexes	15.4	15.7	16.3	15.4	16.2	16.0	16.5	15.5	15.7	15.5	15.0	15.1	11.4	11.7	11.3
Male	9.4	9.5	10.9	9.5	10.8	10.0	10.6	10.0	10.0	10.2	10.2	10.6	7.8	7.9	7.6
Female	22.2	22.8	22.4	21.8	22.5	23.0	23.5	22.1	22.4	22.3	21.0	20.6	16.0	16.4	15.8
Trinidad and Tobago															
Both sexes	18.5	19.6	19.8	18.4	17.2	16.2	15.0	14.2	13.1	12.1	10.9	10.4	10.5	9.2	9.2
Male	15.8	17.1	17.7	16.1	15.1	13.2	12.3	11.3	10.9	10.2	8.7	7.8	8.3	7.8	7.5
Female	22.2	24.1	23.0	21.8	19.5	21.0	18.6	18.8	16.4	15.1	13.9	14.5	13.8	11.2	11.5

Source: ILO Subregional Office

Grenada. Usually the working members of poor households are unskilled or semi-skilled men, in “elementary” occupations. They are most likely to be working in agriculture, construction, trade or basic services. By and large they work fewer hours than workers in non-poor households. Poor households are on average likely to include both more adults and more children, than non-poor households. These findings suggest that households with many children are more likely to be poor. Moreover, poverty is likely to persist over generations.

22. The intractable unemployment problem is characterized by high youth unemployment not unlike that of other regions of the world. It is worth noting that young people have accounted for a significant share of the unemployed across the region since the early 1990s. Unemployment among youth is sometimes twice or three times higher than the national average. In general, a young person requires more time to find a job than an unemployed adult. Moreover, given the economic restructuring that is under way, this is likely to be of even greater concern. Table 3 shows that double-digit youth unemployment rates were registered for every country including **Trinidad and Tobago**, which introduced the greatest number of training programmes for youth.

Table 3: Unemployment Rates (various years)

	Youth (15-24 years)				Adult Unemployment			Youth as Share of Unemployed		
	Year	All	Male	Female	All	Male	Female	All	Male	Female
Antigua & Barbuda	1991	13.0%	13.1%	12.8%	4.2%	4.0%	4.4%	47.0%	47.5%	46.0%
Barbados	2000	19.4%	18.0%	21.3%	9.3%	7.4%	11.5%	36.1%	46.3%	29.1%
Belize	2000	32.9%	22.4%	49.4%	20.3%	13.1%	33.3%	50.9%	50.8%	51.0%
Dominica	2001	25.8%	26.0%	25.6%	11.0%	11.9%	9.5%	39.8%	36.1%	47.1%
Grenada	1998	31.5%	25.4%	39.4%	15.2%	10.5%	21.2%	49.0%	56.9%	43.8%
Guyana	1992	21.1%	17.2%	27.7%	9.1%	6.2%	14.3%	66.9%	72.0%	62.3%
Jamaica	2002	30.8%	23.5%	39.7%	15.1%	10.6%	20.6%	47.9%	52.5%	45.0%
St. Lucia	2000	36.1%	40.4%	32.2%	16.5%	12.6%	20.8%	49.5%	57.6%	43.9%
St. Vincent & the Grenadines	2001	39.4%	39.8%	38.7%	21.1%	22.6%	18.6%	45.3%	43.5%	48.9%
Trinidad & Tobago	2001	22.5%	19.1%	28.0%	10.8%	8.6%	14.4%	44.3%	46.8%	42.0%

Source: ILO

23. The incidence of child labour in the Caribbean is not high. Studies conducted by the ILO/CIDA Regional Child Labour Project have recorded children scavenging on dump sites, working around saw mills, in domestic service, in commercial sexual exploitation and engaged in urban street work.⁷ Deficiencies in educational facilities and services as well as weak enforcement and supervisory mechanisms explain to some extent the persistent pockets of child labour. Household poverty remains a root cause, and drop-out rates from primary education are high in many poor areas. The ILO/CIDA Regional Child Labour Project collaborated with the tripartite partners to prevent and eliminate the worst forms of child labour through awareness-raising programmes, removal of children from work, school placements and policy development and implementation (**The Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago**).

Employment Trends

24. Over the past decade, the employment-population ratio registered a small increase in the region. Employment growth has, however, not been sufficient to bring down the high unemployment rates in many countries of the region. The employment elasticities for the ten Caribbean countries for which data are available reveal both commonalities and differences. First, with the exception of **Barbados**, total employment elasticities for the Caribbean countries are between 0 and 1, indicating that output growth has been driven both by increasing employment and improvements in labour productivity. **Trinidad and Tobago** witnessed robust GDP growth over the period with two-thirds of growth attributed to employment gains, with approximately one-third coming from improved labour productivity. **Jamaica** experienced a very low rate of economic growth, together with a relatively low employment elasticity. Not surprisingly, the country's unemployment rate stood above 11 per cent throughout the period. In all countries except **Jamaica**, employment elasticities corresponding

⁷ Canadian International Development Agency

to females were higher than those for males, indicating that employment among females has tended to grow relatively faster than among males.

Table 4. Employment elasticities in selected CARICOM countries

	Total	Female	Male	Average annual GDP growth rate
Bahamas	0.89	1.13	0.67	2.3
Barbados	1.29	1.48	1.13	2.1
Guyana	0.36	0.53	0.27	3.3
Jamaica	0.30	0.28	0.31	0.9
Suriname	0.58	0.88	0.44	1.8
Trinidad and Tobago	0.67	0.82	0.57	4.7

Source: ILO Trends Team estimates.

25. According to the Food and Agriculture Organization (FAO), agriculture employs 17 per cent of the Caribbean labour force. The figure for **Jamaica** in 2002 was 20 per cent and it was higher in **Belize**, **Guyana** and **Suriname**. In general, the contribution of agriculture to GDP is relatively low, even though the sector accounts for a significant share of employment. However, this sector has been declining in some countries and stagnating in others, in recent years. Data for 2003 show that agriculture in **Belize** and **Trinidad and Tobago** registered annual growth rates of between 2 and 4 per cent, while for **Jamaica** the growth rate was 5 per cent. Despite the steady decline in employment in agriculture, the sector remains a significant employer and income generator for rural populations.

26. In general, manufacturing has not been a major employer in the region except in the cases of **Belize** and **Trinidad and Tobago**. Where the sector is significant, it is linked to another sector (e.g. agriculture and agro-processing in **Belize** and **Jamaica**; petroleum and petroleum products in **Trinidad and Tobago**). In the case of mining, the driving factors behind falling employment are technological innovation, advanced production techniques and restructuring strategies such as outsourcing and flexible employment relations.

27. Financial services and tourism have been the dominant activities in the service sector, although there has been some decline in traditional tourism. Employment in tourism and its share in total employment are rising throughout the region. In the tourism economies, wholesale and retail, hotels and restaurants, transport and communication and other services (financial and business services) have registered employment growth. This has had a cushioning effect on job loss in other sectors. However, the region needs to move towards higher value-added activities within the service sector, including high-end niches in the tourism sector, personal services sector and information and communication technologies (ICT).

28. The public sector remains a significant employer. In **Antigua and Barbuda**, it is estimated that the central government employs some 40 per cent of the labour force. In **Jamaica** and in **Trinidad and Tobago** the shares were 13 per cent (2002) and 10 per cent (2004) respectively. In the case of **Suriname**, the government and public enterprises together account for 60 per cent of formal employment. However, the sector has great difficulty retaining qualified and skilled personnel who often move to the private sector or migrate. Creating an efficient public sector would require

attractive compensation and training packages. Moreover, in times of budgetary constraints, the recruitment and retraining of workers are adversely affected. Restructuring in the public sector would require appropriate severance and retraining packages which can be determined through a process of social dialogue.

29. The size of the informal economy varies across countries and this has important implications for employment, incomes and social protection. Conventionally, the labour force in the informal economy has been proxied by the share of own-account and unpaid family workers (excluding those in professional self-employed occupations). With the exception of **Barbados** and **Jamaica**, none of the Caribbean countries have included the informal economy in their national statistical programme of regular (household) surveys. The informal economy is a major source of employment. For example in **Jamaica**, it accounted for an estimated 57 per cent of total employment in 2004. Informal economy activities may be characterized as generally small-scale, requiring few skills and little capital. Generally, operators in the informal economy do not pay consumption and payroll taxes and social security contributions. The informal economy is considered as a source of employment and income for many who cannot find employment in the formal economy, or access to credit to establish formal businesses. However, it is characterized by decent work deficits – a critical policy issue that needs to be addressed.

30. Emerging labour market trends are giving rise to concern not only about the quantity but also the quality of employment. For example, the move towards longer hours of work and shift work. In **Trinidad and Tobago**, the share of the labour force working more than 41 hours per week grew from 22 to 34 per cent between 1991 and 2000. Non-standard employment with flexible working hours and fixed-term contracts has expanded in a number of sectors including retailing, the private security industry and in subcontracting enterprises providing ancillary services (e.g. to the energy industry). This is a growing phenomenon. Trade unions have reported that over the last decade, there is a trend towards changing workers with regular and permanent contracts of employment to fixed-term and short-term contracts both in the public and private sectors. This has serious implications for rights at work, the quality of employment and social protection. The demands of competitiveness and the search for labour market flexibility are posing challenges to labour market regulation and institutions. In response, Caribbean countries, through social dialogue, must restructure and devise suitable regulatory frameworks and labour market institutions that would ensure decent work and that would endure in the changing labour market environment.

31. The Caribbean region has the highest emigration rates in the world. A large number of these migrants are women and a significant share of all migrants from the Caribbean go to the United States. According to data from the US Census Bureau for 1965-2000, 50% of all migrants leaving 11 English-speaking Caribbean countries went to the US. The Caribbean has lost more than 50 per cent of its labour force with tertiary level education and more than 30 per cent of those with secondary education. On average more than half of all migrants have tertiary level education. For instance, Mishra has noted that the tertiary-educated labour force in **Jamaica** and **Guyana** has been reduced by 85 per cent and 89 per cent respectively due to emigration to industrialized countries.⁸ Almost all Caribbean nations are among the top 20 countries in the world with the highest tertiary-educated migration rates. The sheer proportion suggests that emigration can have large impacts on local labour markets and on the welfare of those who stay behind. This is by and large consistent with the argument that changes in domestic labour supply and wages due to emigration lead to a net welfare

⁸ Prachi Mishra: *Emigration and Brain Drain: Evidence from the Caribbean*, IMF Working Paper WP/06/25, 2006.

reduction (termed an “emigration loss”) for producers and workers in the countries of origin. The brain drain contributes to a significant loss of skilled workers. It is argued that the loss in the stock of human capital lowers productivity and economic growth which are necessary for increasing incomes and providing attractive job opportunities. The education and health sectors have been hard hit. In **Trinidad and Tobago** the shortage of health care professionals is such that workers are being recruited from the Philippines, Cuba and Nigeria.

32. Intra-regional migration is also significant. For example, migrants accounted for more than one-third of the populations in **Anguilla, Antigua and Barbuda, Aruba, British Virgin Islands and Cayman Islands** in 2000. Available statistics show that CARICOM nationals make up more than 50 per cent of all flows within the region.

33. Nevertheless emigration has some positive impacts on source countries. One of the most important measurable “benefits” is remittances. The Caribbean is the world’s largest recipient of remittances, as a share of GDP. This constituted about 13 percent of the region’s GDP in 2002. Social and economic policies in the Caribbean must be reviewed in a bid to stem the flow of extra-regional migration. The creation of the CARICOM Single Market and Economy (CSME) may offset the extra-regional flow as it provides for the free movement of certain categories of workers within the region.

IV. Job creation through enterprise development and enhancing employability and training

34. Many observers and policy analysts have drawn attention to the critical need to boost employment by supporting the creation and growth of micro, small and medium enterprises (MSMEs). Most enterprises in the region are small, and many have never applied for a loan from a financial institution -- the usual path to business expansion. Few countries have legislation targeted to small and medium enterprises and this makes it difficult to offer them specific incentives. An appropriate policy framework is required to provide adequate infrastructure; access to affordable financing, new technologies, technical and business advisory services as well as markets; and entrepreneurial training.

35. A number of Caribbean countries (e.g. **Barbados, Jamaica, Saint Lucia, and Trinidad and Tobago**) have taken steps to provide incentives and enact legislation to facilitate the establishment of business. For example, in the World Bank’s *Doing Business in 2006* Survey, **Jamaica** ranked 43rd out of 155 countries in “Ease of Doing Business”, and 10th in “Starting a Business”.⁹ In some Caribbean countries, there are small enterprise development units or companies to assist small and medium enterprises. Employers’ organizations and chambers of commerce also provide support in the form of advocacy, entrepreneurial training, as well as consultancy and information services. However, these institutions can also help in other ways, such as establishing forward and backward linkages between large and small businesses.

⁹ World Bank: *Doing Business in 2006 - Creating Job*, 2006. www.doingbusiness.org

36. Between 70 and 85 per cent of private enterprises in the Caribbean are in the small and medium-sized categories.¹⁰ They operate in both the formal and informal economies. Integrating unregistered enterprises into the formal economy is critical for the development of a vibrant private sector. Therefore, constraints to the establishment and expansion of registered enterprises need to be removed so that they can enhance opportunities for decent work.¹¹

Skills and Training

37. As Caribbean economies seek to become predominantly service-oriented and to attain world class levels of competitiveness, the educational and occupational profile of the workforce will need to change radically. Sustainability of the economic transformation will depend on the trainability of the workforce, which can be developed through lifelong learning policies and practices. In an attempt to respond to these challenges, several Caribbean countries are reassessing their capacity to identify and achieve human capital development objectives, assure quality in education and skills training, and provide broad and equitable access for people from different economic and social backgrounds, including the unemployed and retrenched workers. Legislative measures and institutional mechanisms are also being put in place. The recent introduction of new vocational training legislation such as the Technical and Vocational Education and Training Act in **Guyana** (2004) and the setting up of national training agencies such as the National Training Agency in **Trinidad and Tobago** (1999) gives further impetus to the reforms that are necessary. Other initiatives being introduced include the use of internationally-benchmarked occupational competency standards and the development of assessment mechanisms for certification, including the certification of skills acquired informally, such as **Trinidad and Tobago's** Prior Learning Assessment Recognition. On a regional level, the Caribbean Association of National Training Agencies (CANTA) was created in 2003 to establish and govern a Regional Training and Certification System. It adopted a standards-driven and competence-based approach to skills training and certification. The aim is to enhance portability of skills and the free movement of certified skilled workers within the CARICOM Single Market and Economy (CSME) and develop an employable and competitive regional workforce.

38. The reform of vocational education and training systems requires a greater role for all the stakeholders. The national tripartite training councils and boards should be strengthened and receive more government support. The experience of the National Vocational Education and Training Council in **Barbados** and of the tripartite Board of Industrial Training in **Guyana** demonstrates that their functions can range from advisory services to the direct provision of short-term courses for national target groups. Partnership with industry is also essential for approving and validating internationally-benchmarked occupational standards and curricula. Enterprise expenditure on training is encouraged in **Jamaica** and **Barbados** through tax rebates or credits associated with the training levy. The training levy in **Barbados** is assessed on company payrolls at the rate of 1 per cent while a 3 per cent tax is applied in **Jamaica**. In the latter, funds accrue in the first instance to the Human Employment and Resource Training (HEART) organization and in the former to the Employment and Training Fund.

¹⁰ ILO: *Small enterprise development in the Caribbean*, (Port-of-Spain, 2000).

¹¹ UNDP: *Unleashing Entrepreneurship*, Report to the Secretary-General of the United Nations, 2004.

39. There is need for relevant and timely labour market information to ensure that training courses and programmes are responsive to the demands of the existing and emerging sectors of the labour market. In this area, employers' and workers' organizations and different government entities involved in data collection, have a significant role to play; it is also important to have a coordinated and coherent approach to data collection, handling and dissemination.

40. The ILO Project for the development of a Caribbean Labour Market Information System (CLMIS), funded by the US Government from September 2001 to October 2004, aimed to achieve "more effective labour, employment and labour market policies in the Caribbean that are responsive to the new challenges of regional and hemispheric integration and globalization by generating reliable, timely and internationally-comparable labour market information (LMI) at the national, regional and international levels". Since the closure of the Project there have been persistent calls by constituents for the upgrading of labour market information systems (LMIS), for sustained action by national actors to have lasting results, and for resources to support national initiatives in this area.

OUTPUTS OF THE CARIBBEAN LABOUR MARKET INFORMATION SYSTEM (CLMIS) PROJECT	
Activities	Country
The update of <i>National Classifications of Occupations (NCO)</i>	Barbados, Jamaica and Trinidad and Tobago
The establishment of <i>LMI Plans</i>	Bahamas, Barbados, the Netherlands Antilles, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago
The establishment of a <i>Labour Force Survey (LFS)</i>	Saint Kitts and Nevis
The enhancement of <i>Labour Force Survey</i>	Barbados, Grenada, Jamaica and the Netherlands Antilles
The establishment of <i>Occupational Wage Surveys (OWS)</i>	Barbados, the Cayman Islands, Dominica, Guyana, Antigua and Barbuda, Jamaica (survey design), Netherlands Antilles, and Trinidad and Tobago (survey design)
The enhancement of <i>Occupational Wage Surveys</i>	Saint Lucia and the Bahamas
An evaluation of the potential of <i>National Insurance Schemes (NIS)</i> to serve as a source of LMI	The Bahamas, Dominica, Grenada, Guyana, Saint Lucia, Saint Vincent and the Grenadines, and the Netherlands Antilles
The establishment of country specific <i>Labour Market Information Libraries (LMIL)</i>	Barbados, Grenada, Jamaica, Netherlands Antilles, Saint Lucia, and Trinidad and Tobago

Source: ILO Subregional Office for the Caribbean

V. Social Protection

41. Social protection assumes even greater importance in the region, in the wake of increased enterprise and sectoral restructuring and the spread of non-standard employment. Social protection is a wider concept than that of social security. It embraces many aspects of labour market regulation as well as issues of savings, pension contributions, and unemployment and disability benefits. Workers in the informal economy and those in non-standard forms of employment, face disadvantages because of the limited coverage of existing social security systems. The inadequate scope of legislation coupled with weak enforcement contributes to growing economic insecurity and social exclusion.

Social Security

42. All CARICOM Member States have integrated national insurance schemes (e.g. old age, maternity, disability). Social security schemes providing income protection, especially in old age, cover some 40-50 per cent of the Caribbean labour force, thus usually spreading beyond those in formal paid employment. In the **Netherlands Antilles and Suriname**, there are universal old-age pension schemes. Other contingencies covered usually include sickness and disability. Only **Barbados** has a scheme for unemployment benefits. Health care is separate from social security and is funded centrally. However, rising health care costs – up to 13 per cent of GDP in the **Netherlands Antilles** – are prompting a number of countries to encourage private health insurance.

43. A common feature of contributory pension schemes in many Caribbean countries is that they have surplus funds. This is a consequence of the present age structure of the labour force with very low old-age dependency. Receipts from current workers can amount to 15 per cent of the payroll, although it is generally between 10 and 12 per cent. Receipts may double the amount paid out and are on average around 2 per cent of GDP. The pension schemes of Caribbean countries with low dependency ratios have accumulated reserve funds of about 19 per cent of regional GDP. In some countries, the reserves amount to 30 per cent of GDP.

44. Life expectancy in the Caribbean is increasing. **Barbados** and **Trinidad and Tobago** are already faced with ageing populations. This coupled with a reduction in fertility rates, will have important social consequences. Social security schemes will have to face the situation in which an increasingly large proportion of retired persons will have to be supported. Contributions to these schemes are decreasing as a result of high levels of unemployment, an expanding informal economy, emigration and an increase in non-standard employment.

45. A challenge for social security systems is to contribute to the smooth functioning not only of individual labour markets but that of the single market and economy. They need to be fully attuned to the demands of a flexible labour market and thus to the consequences of serial job holding and frequent job changing, especially by young people. The movement of skilled people within the Caribbean is already facilitated by the 1997 CARICOM Agreement on Social Security. This Agreement, which is based on ILO Conventions, stipulates that insured workers are subject exclusively to the legislation of one contracting party, generally that of the State where they are employed, irrespective of nationality. Thirteen states have accepted the Agreement; the Dutch-speaking countries are not members because of the particularities of their pension systems.

Moreover, the Agreement does not provide for the harmonization of social security systems (any more than any European Union directive does) leaving open the risk of abuse (“social dumping”).

46. In the future three issues must be considered if social security schemes are to contribute to the income protection expected of a decent work strategy. First, demographic changes (e.g. the ageing population) will upset the balance between receipts and payments. Second, the introduction of unemployment benefits, where they do not already exist, must be considered. In cases of enterprise restructuring, care should be taken not to make excessive use of severance packages with an early retirement component in the context of an ageing population. Other options should be considered. Third, coverage must be extended to more of the self-employed in the formal economy, workers in higher income brackets, workers in the informal economy, and workers in non-standard employment. Fourth, certain countries need to harmonize the non-contributory and contributory schemes in order to provide an incentive for joining contributory schemes. In devising such schemes, it is important to ensure that the levels of contributions remain affordable to both employers and workers. Social security is an essential component for designing and implementing decent work and poverty reduction strategies.

Occupational Safety and Health

47. Occupational safety and health (OSH) is an area where considerable decent work deficits have been identified. These have been attributed to the growth of the informal economy, rapid industrialization in certain countries, inadequate legislation, weak enforcement and lack of capacity to raise awareness and develop systems which would foster a culture of safety. At the 2005 workshop on ‘the Development of a Strategic Approach to Occupational Safety and Health in Caribbean Countries’ convened by the ILO, there were repeated calls to ratify the ILO Occupational Safety and Health Convention (No.155). To date only two countries in the subregion have done so (**Antigua and Barbuda** and **Belize**). However, it is worth noting that CARICOM has model legislation in this area, which has influenced the new OSH legislation in certain countries (**The Bahamas, Barbados, Guyana, Suriname** and **Trinidad and Tobago**). Draft legislation is under discussion in **Jamaica**. Certain high-risk industries and sectors (e.g. mining, agriculture and construction) have given rise to particular concern among constituents. MSMEs, in both the formal and informal economies, pose particular challenges by virtue of their limited capacity as well as the labour inspection and advisory services that exist.

HIV/AIDS and the workplace

48. Workers living with HIV and their families are more likely to feel the adverse consequences of inadequate social protection where systems set up for workers’ protection as well as private life and health insurance systems, may withdraw or deny coverage based on the worker’s HIV status. Moreover, HIV positive workers may experience other forms of the decent work deficits such as being denied employment or being dismissed due to their HIV status. Underlying this reaction is the stigma associated with the virus. Despite some success in the response to the epidemic, notably in **Barbados** and **The Bahamas**, the Caribbean is still the second most affected region in the world with an overall adult prevalence of 1.6 per cent. The prevalence in some countries (**The Bahamas, Belize, Guyana, Suriname** and **Trinidad and Tobago**) range between 2 and 3 per cent of adults 15-49 years of age. A prevalence of 2-3 per cent threatens to have an adverse impact on the quality and quantity of the human capital of the region with implications for future viability of enterprises and competitiveness of national economies. While there have been some very good initiatives targeted at

the workforce in the region by the Pan Caribbean Partnership against HIV/AIDS (PANCAP), ILO, governments and national employers' and workers' organizations in the region, much more needs to be done.

HIV/AIDS WORKPLACE INITIATIVES	
Social Partner	Examples of Initiatives
Government of Barbados and Social Partners	Code of Practice on HIV/AIDS and Other Life Threatening Illnesses in the Workplace (Protocol IV, 2001-2004)
Barbados Employers' Confederation (BEC)	Awareness-raising materials: <i>Dealing with HIV/AIDS in the Workplace</i> (1995) and <i>HIV/AIDS Discrimination in the Workplace is wrong</i> (2004)
Jamaica Employers' Federation (JEF) and the Jamaica Confederation of Trade Unions (JCTU)	JEF/JCTU Memorandum of Understanding for action against HIV/AIDS (2003).
Banking, Insurance and General Workers' Union (BIGWU) in Trinidad and Tobago	Collective agreements that contain clauses committing to the development of HIV/AIDS Workplace Policies
Government of Belize	National tripartite policy on HIV/AIDS and the world of work, based on the ILO Code of Practice (2005)
ILO/USDOL	HIV/AIDS Workplace Education Programme: Barbados, Belize, Guyana, Jamaica, Trinidad and Tobago
ILO/ Organization of Petroleum Exporting Countries (OPEC)	HIV/AIDS Workplace Education Programme to be implemented in Suriname
ILO/UNESCO and Social Partners	HIV/AIDS Workplace Policy for the Education Sector in the Caribbean (2006)

ILO Subregional Office for the Caribbean

VI. Social dialogue

49. Even though social dialogue has been a part of the Caribbean industrial relations culture for decades, it is yet to be consistently embraced for dealing with issues at the workplace and in social and economic decision-making processes. Since the late 90s, the subregion has seen a number of efforts to move from social dialogue only in the field of industrial relations to social partnerships in other areas. In April 1995, the CARICOM Declaration of Labour and Industrial Relations Principles was adopted. That was followed by the adoption of the CARICOM Charter for Civil Society in 1997. This Charter provides for, *inter alia*, a role for the social partners in decision-making processes and constitutes one of the foundations for participatory democracy.

50. When social partnership is discussed in the subregion, **Barbados** is often the most frequently cited. Drawing on the experiences of Ireland and the Province of Ontario, the **Barbados** initiative was taken in response to a national economic crisis and had positive economic and social impacts. Since the signing of the first Protocol in 1993, the coverage of the four subsequent Protocols has expanded from macroeconomic objectives to encompass the responsibilities and obligations of the social partners in national development. There are other examples of efforts to foster tripartite consultations. In **The Bahamas**, the tripartite forum, TRIFOR, has received political endorsement at

the highest level. In **Jamaica**, through bilateral and tripartite processes, Memoranda of Understanding have been signed in major industries (bauxite, banana, water, shipping and public services) with some success in the areas of productivity, cost containment and avoidance of redundancies. **Suriname** has had a functioning tripartite economic and social council since 2004. In **Trinidad and Tobago**, the tripartite constituents work closely within the 144 Tripartite Committee on matters related to the ratification of and reporting on international labour standards. Within these institutions, Labour Ministries play the role of facilitator in negotiations. However, the experiences with these arrangements have been mixed and the social partners continue to call for increased participation in national economic and social decision-making.

51. In an attempt to strengthen dialogue at the level of the enterprise, the ILO, through its Programme for the Promotion of Management-Labour Cooperation (PROMALCO), developed tools and guidelines for joint problem-solving and building cooperation based on trust and openness. The Project was regional in scope and laid the basis for possible application at the sectoral and national levels.

52. Employers' organizations have been strengthening their capacities to play a constructive role in social dialogue. For example, national employers' organizations in all 13 ILO member States have been involved in initiatives for the ratification and application of international labour standards. Other key areas in which they have been active are: occupational safety and health; disaster management; gender equality; corporate social responsibility; HIV/AIDS; skills for employability; productivity improvement; and SME development. In the area of small enterprise development national employers' organizations have been, *inter alia*, lobbying for SME-specific legislation; forging alliances with small business associations (e.g. Young Entrepreneurs in **Jamaica**); organizing entrepreneurial training programmes with displaced sugar workers; and conducting studies on avenues for supporting the informal economy to meet decent work standards.

53. Despite some encouraging developments in the area of social dialogue, some constraints persist in realizing wider social dialogue and social partnerships at the enterprise and national levels (e.g. follow-up to the Compact 2000 in **Trinidad and Tobago**; the multipartite committee in **Grenada**; and the Draft Bipartite Protocol in **Guyana**).

54. The role of government in tripartism is pivotal. Yet Ministries of Labour are not systematically involved in all stages of policy- and decision-making on matters with obvious labour market implications (e.g. financial, trade, investment and sectoral restructuring issues). Over the years, diagnostic studies of Labour Ministries in general and in particular labour administration departments, in a number of CARICOM countries, reveal the factors that account for their limited influence in the making and implementation of economic and social policies. Some of the more frequently cited constraints include: severe shortages of human and financial resources; high staff turnover; and limited skills and competencies. There is an overwhelming focus on dealing with industrial disputes and crises as opposed to providing advice and support in preventing disputes, building consensus and trust, and strengthening dialogue on larger policy issues. In many assemblies, governments have joined in calls to strengthen the capacity of Labour Ministries and to give priority to those issues that fall within their competence.

Rights at work

55. Fundamental principles and rights at work and international labour standards are essential for people-centred development and achieving a fair globalization. The rights enshrined in the ILO core Conventions establish the minimum requirements for the social floor of decent work. When it comes to the ratification of ILO fundamental Conventions, the subregion as a group has a favourable record. The experience is, however, mixed when it comes to fulfilling other aspects of their obligations after ratification. A number of Caribbean countries have difficulty amending legislation and undertaking institutional and policy reforms that are necessary to give effect to ratified Conventions. They also face constraints in fulfilling their constitutional obligation to report on the application of these standards. The record has not been better with respect to countries which have to report on the observance of fundamental principles and rights at work under the follow-up to the 1998 ILO Declaration on the Fundamental Principles and Rights at Work.

56. With respect to the application of standards, the difficulties experienced include: lack of coverage of certain categories of workers by the labour legislation (e.g. contract workers and workers in the informal economy); non-participation of the representative social partner in reporting processes; protracted processes for the recognition and certification of workers' organizations; the absence of a labour code, legislation which may be outdated or not in conformity with ratified instruments; and weak monitoring and enforcement. Furthermore, there are calls for appropriate legislation on issues such as sexual harassment, and discrimination in both the public and private sectors based on race, disability and gender. In this area, there is a lack of adequate information which can serve as a basis for policy-making, advocacy and influencing legislation. Deeper regional integration raises considerations that reinforce the need to focus on human rights and rights at work.

VII. The Way Forward: proposed follow-up

57. The implementation of conclusions and commitments coming out of the Forum will determine the success of this event. The “follow-up” proposed below not only addresses the major challenges and issues raised in the paper, but are strongly informed by national tripartite consultations which were held in the run-up to the Forum. These consultations revisited issues that were addressed at the 2003 *World Commission on the Social Dimension of Globalization Caribbean Dialogue* and also in past meetings of Caribbean Labour Ministers. That participatory process made it possible for constituents to identify promising developments that could help to promote decent work in their respective countries, as well as to draw attention to new and long-standing areas of concern that could militate against the achievement of decent work. Not surprisingly, at the national tripartite consultations, constituents called for concrete follow-up to redress the decent work deficits they identified. Notably, there were recommendations for the establishment and strengthening of tripartite bodies, and appeals for accountability, but the level of detail that characterized the discussions on challenges for achieving decent work was not the same when it came to the modalities for follow-up action. A discussion in this regard at the Forum, and thereafter, at the national level, would therefore seem necessary; so too would a post-Forum tripartite prioritization exercise, for developing decent work country programmes based on a few priorities identified in national development plans.¹²

¹² ILO: *Decent work in the Americas: An agenda for the Hemisphere, 2006-2015*, Report of the Director General for the Sixteenth American Regional Meeting, Brasilia, May 2006, p. 76 , page 75, ILO, 2006.

58. This Forum is taking place against the backdrop of recent regional, hemispheric and international initiatives to put Decent Work on the international development agenda. This has some advantages. The Declarations, Plans of Action and resolutions provide the foundation for situating the work to be done in the region in the broader context.¹³ For example, the ‘Decade of Promoting Decent Work in the Americas’ (2006-2015) that was launched at the ILO’s XVI Americas Regional Meeting¹⁴ identified “five challenges” which mirrored the concerns of the Caribbean. They are:

- i. ensuring that economic growth promotes decent work;
- ii. the effective application of fundamental principles and rights at work;
- iii. building confidence in democracy and social dialogue;
- iv. extending and strengthening social protection systems; and,
- v. enhancing social and labour inclusion;

59. The following is a summary of some main observations and proposals for addressing these concerns in the Caribbean.

Employment Promotion

60. Economic and social challenges in the Caribbean, especially at a time of globalization and change, go hand in hand. Creating an environment conducive to growth, full and productive employment and decent work need to take centre-stage in the development strategies in the region. In this respect, outstanding employment issues include: bringing more jobseekers into employment and raising income levels for existing workers; upgrading conditions of work and social security and ensuring the application of rights at work; bringing the unemployed, whether first-time jobseekers or

¹³See the following reference documents:

- (i) The Fourth Summit of the Americas: *Declaration of Mar del Plata* ‘Creating jobs to fight poverty and strengthen democratic governance’, 5 November 2005, Mar del Plata, Argentina and the *Plan of Action of Mar del Plata* adopted on the same date;
- (ii) XVI Inter-American Conference of Ministers of Labour: *Declaration of Mexico* ‘People and their work at the heart of globalization’, adopted on 27 September 2005; and the *Plan of Action of Mexico* adopted on the same date;
- (iii) UN General Assembly: Resolution on 2005 World Summit Outcome (follow up to the outcome of the Millennium Summit) (A/60/L.1) adopted on 15 September 2005;
- (iv) ILO: *Conclusions of the Sixteenth Americas Regional Meeting*, 2-5 May 2006, Brasilia (ARM Conclusions);
- (v) UN: *Draft Ministerial Declaration of the high-level segment of the substantive session of 2006 of the Economic and Social Council*, 3-5 July 2006, Geneva, Switzerland;
- (vi) *Declaration of Vienna*, IV EU-Latin America and the Caribbean Summit, 12 May 2006, Vienna, Austria.
- (vii) Commission of the European Communities: *Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world*, 24 May 2006, Brussels (COM (2006) 249))

¹⁴ ILO: *Conclusions of the Sixteenth Americas Regional Meeting*, AmRM/XVI/D.4, 2-5 May 2006 Brasilia; UN: *Declaration of the High-Level Segment Meeting of UN Economic and Social Council (ECOSOC)*, June 2006, Geneva

displaced workers, or discouraged workers, into satisfactory jobs; assisting intra-regional migration and exploiting the opportunities offered by the CSME and preparing for increased harmonization in the social and employment fields.

61. Macroeconomic policies should incorporate employment objectives and set employment targets instead of treating employment as a residual. Such objectives need not conflict with policies to preserve the external balance, maintain exchange rate stability and keep inflation under control. These policy objectives themselves may require intensive social consultation to be achieved. The loss of privileged access to EU markets in agricultural products needs to be overcome by diversification, by upgrading the tourism sector and by exploiting domestic demand for agricultural products.

62. Enterprise development, particularly the promotion of small and medium enterprises is of central importance in the region's efforts to foster growth and promote employment. Promoting such enterprises would require a coordinated approach in planning for the SME sector. The consultations revealed overriding concerns with integrating the burgeoning number of unregistered enterprises into the formal economy, facilitating the creation and growth of MSMEs, and encouraging linkages between them and multinational enterprises. The following action was advocated:

- i. Business development institutions must either be developed or upgraded to support entrepreneurs. Entrepreneurial training, national productivity councils and business services should be strengthened in order to encourage local entrepreneurship, including among young persons and women. Formal procedures for registering enterprises and doing business must be streamlined and made affordable to facilitate the passage from the informal to the formal economy. The development of industrial clusters and cooperatives should be integral to this process, especially in small economies.
- ii. Investment in infrastructure is essential to the development of enterprises in all sectors, and especially outside urban areas. Public-private partnerships in this area would need to be explored especially in countries which have burdensome public debt.
- iii. The tenets of corporate social responsibility need to be made better known and observed in the process of restructuring with resultant workforce reductions in both the public and private sectors. Retraining, career counselling and job placement services, and adequate social protection for displaced workers must be the subject of tripartite consultations and action.

63. Training is essential for building up productive investment and enhancing skills competitiveness. The issue is not one of anticipating the skill needs of new investors but of ensuring the adaptability of the labour force in terms of acquired skills. It is also important that entrepreneurs should have justified confidence in the validity of the certificates given out by the training system and earned by the graduates of that system.

64. Action to help the young open unemployed must in fact have three elements: sustained economic growth; good preparation for the world of work; and removal of the obstacles to their hiring

caused by uncertainty about their performance. Particular attention needs to be paid to the jobseeking problems of young women.

65. Reducing the decent work deficits in the informal sector and improving its conditions of work (and indeed conditions of work overall), is a challenge for all the tripartite partners. Action is needed on many levels. Where non-standard employment leads to a neglect of rights at work, non-payment of social security contributions and unfair dismissal (for example) there is likely to be scope for the more thorough application of existing labour market and social security regulations. Where circumstances appear to call into question the validity and applicability of existing law, then concerted efforts are needed to give priority to its adaptation and possibly clarification.

Rights at work

66. The general view was that despite the impressive record of ratifications of fundamental Conventions by Caribbean countries, there is, on the whole, a lack of awareness of and respect for fundamental principles and rights (FPRs) at work. The same could be said about the application of ratified ILO instruments (i.e. both fundamental and other Conventions). The following measures were recommended:

- i. Information on FPRs, ratified ILO Conventions, and national labour legislation, must be made available in concise “user-friendly format” and disseminated to the general public, decision-makers in the public and private sectors, workers’ and employers’ organizations, workplaces and foreign investors. The messages in the promotional material must highlight the importance of FPRs and labour standards for human rights, social inclusion, corporate social responsibility and long-term social and economic development.
- ii. National law and practice have to be brought into line with ratified international labour Conventions. Where necessary, outdated legislation must be amended through a process of systematic and meaningful tripartite consultations, with a view to making it more responsive to developments in the labour market and society. Where labour codes and legislation are lacking to give effect to the provisions of ratified ILO Conventions, they must be introduced. Coverage must be extended to labour market actors currently operating outside the scope of the labour laws (e.g. subcontractors, workers in non-standard employment, including contract workers, migrant workers, workers in export processing/free trade zones, and unorganized workers in all sectors).
- iii. Monitoring and enforcement mechanisms must be strengthened. This will require an increase in the budgets and staff of labour ministries, and the introduction of more dissuasive sanctions for violations of labour laws. Greater collaboration must be encouraged with institutions that can play a role in promoting the application of standards. There is need for institutionalized arrangements for the involvement of the social partners in initiatives to raise awareness of labour laws, provide advice to employers and workers, and monitor the application of labour standards at the workplace.
- iv. In a bid to create a “level playing field” in the emerging CSME labour markets, the harmonization of labour legislation is strongly advocated, as is the use of the CARICOM Model Legislation in those key areas for which it already exists (e.g.

termination of employment; registration, status and recognition of trade unions and employers' organizations; equality of opportunity and non-discrimination in employment; and occupational safety and health and the working environment.)

Social dialogue

67. There is considerable disappointment with existing bipartite, tripartite and multipartite entities that were set up for the purpose of consultation and decision-making on social, labour and economic matters. The general view is that they must be revitalized, have a representative composition and become active in crucial areas of policy- and decision-making. The following action is advocated:

- i. Members of bipartite, tripartite and multipartite entities constituted for the purpose of social dialogue, must be truly representative of the groups whose interests they are supposed to defend. The choice of members must be transparent and objective.
- ii. Where such entities do already exist, they should become more active. Where they have not yet been constituted, efforts should be made to do so.
- iii. They should serve as fora for discussing labour policies and draft legislation; and the preparation of reports on the fulfilment of international obligations (e.g. application of ratified international labour Conventions and UN instruments). These bodies should also be involved in the planning and implementation of measures to set up and upgrade labour market institutions.
- iv. They should serve as channels through which stakeholder groups can make known to key decision-makers, their views on matters relating to trade, investment, as well as financial and sectoral reform policies. They should be consulted on social and economic development issues, and make inputs into proposals for regional and international negotiations in the social and economic fields.
- v. Measures are needed to raise public awareness and that of government decision-makers about the role that social partners can and must play in national development. Action is also required to build trust between employers' and workers' organizations as well as between umbrella trade union organizations, and also to enhance consultations and the sharing of information.

68. The profile of the 1997 Charter of Civil Society for the Caribbean Community must be raised, and its provisions, together with those of ILO Convention No. 144 which has been ratified by 11 Caribbean countries, must be used to reinforce the "participatory" and "people-centred" dimension of the regional integration process.

Social Protection

69. During the consultations constituents acknowledged that the ILO had been providing support to the Caribbean in this field since the 1960s.

- i. Occupational safety and health (OSH) stands out as a major preoccupation. Some countries are grappling with demands for new legislation and staff to carry out inspections and give OSH-related advice; others have to deal with the establishment of adequate institutions to support the application of new legislation. Even in the case

of the latter, the need to revisit certain provisions or recently enacted OSH legislation is beginning to surface as the issue of implementation arises.

- ii. There are calls for labour ministries to be adequately staffed to provide information and advisory services, and to inspect workplaces; and for new legislation accompanied by dissuasive fines and insurance premiums to reinforce responsible behaviour. The coverage of OSH legislation should be made comprehensive so that categories or groups of workers would not remain “unprotected”. During the consultations there was specific reference to workers in agriculture, and in unregistered enterprises, unorganized workers, contract workers, migrant workers, seasonal workers (e.g. in hospitality and tourism) and workers in the construction industry.
- iii. Employers’ and workers’ organizations have to play key roles in informing and educating their constituents and fostering a culture of safety among them. OSH was one of the areas in which social dialogue among the tripartite constituents was identified as being of critical importance, but still deficient. The need for initiatives to reach out to employers and workers outside of their membership was recognized, and there were calls for agreed methods and procedures for determining liability for occupational injuries, diseases and fatalities.
- iv. While enterprise policies on HIV/AIDS and the workplace are considered desirable, one concern that emerged has to do with the additional costs to employers for the implementation of such policies. The impact of HIV/AIDS on the productivity of the workers concerned and on the performance of the enterprise was also raised, as was the larger issue of the impact on the labour force in countries where prevalence rates are relatively high.
- v. Social security systems in many Caribbean countries need to be revised to address the changing conditions. The sound management and investment of funds are of great concern in countries where there are surpluses. In others, it is the impact of ageing populations and a growing informal economy which does not contribute to national security schemes. The non-coverage of certain categories of workers, and failure to pay contributions by certain employers and self-employed persons, are governance issues on which constituents would like concrete action by governments and the social partners.

When CARICOM celebrated its 30th anniversary in July 2003, the Heads of Government resolved to “... promote an integration strategy that will optimize the development possibilities of the region and thereby contribute to the well-being of its people”.¹⁵ Those aspirations for people-centred development resonate in a number of recent major international commitments, and most notably, in the Decent Work Agenda for the Hemisphere that was adopted in May 2006 at the ILO’s Americas Regional Meeting.

¹⁵ The Rose Hall Declaration on *Regional governance and integrated development* adopted on the occasion of the 30th anniversary of CARICOM at the twenty-fourth meeting of the Conference of Heads of Government of CARICOM, Montego Bay, Jamaica, 2-5 July 2003, Section D (2).

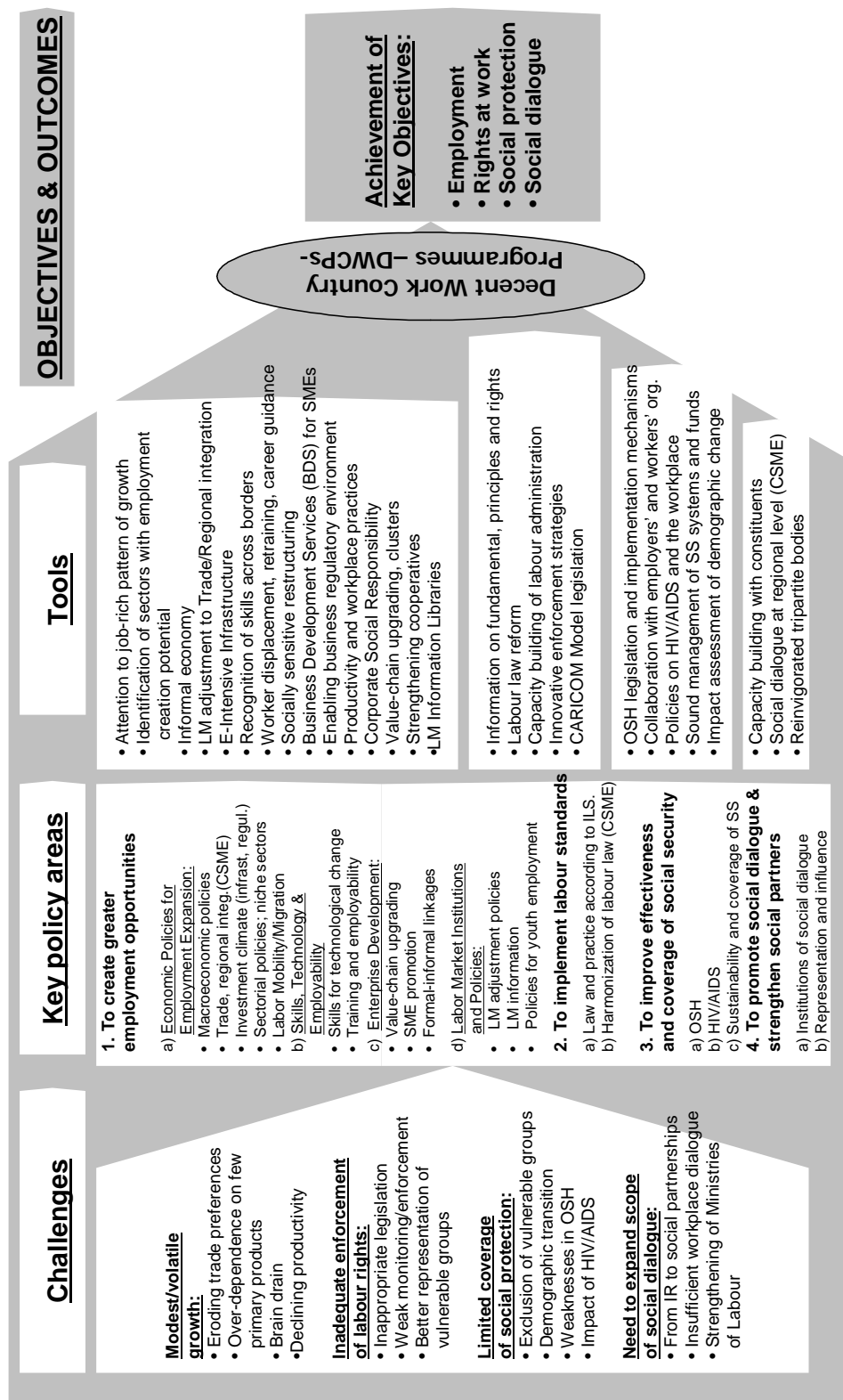
There are two facets to operationalizing decent work (DW) as a development goal. Member States must undertake to integrate rights at work, employment promotion, social protection and social dialogue in their development policies and strategies. For its part, the ILO must, in consultation with tripartite constituents, draw up ‘decent work country programmes’ (DWCPs) to be used as vehicles for supporting national development efforts. DWCPs will also provide the framework for bilateral collaboration and for contributing to country policies and programmes through the UN system of which ILO is a part.¹⁶

The Agenda for Decent Work in the Hemisphere (2006-2015) sets the stage for introducing DWCPs in the Caribbean. It opens the way for countries to make decent work a national goal. It enables ILO to channel its resources to priority areas, and to join forces with development partners to address the concerns of ordinary people and make decent work for all a reality in the Subregion.

¹⁶ For instance, under the European Consensus on Development (20 Dec. 2005) the EU undertakes to support ‘decent work’ in its external assistance programmes in the Caribbean, and to promote decent work in regional strategies, in the context of the Cotonou Agreement. See *Declaration of Vienna*, IV EU-Latin America and the Caribbean Summit, 12 May 2006, Vienna, Austria. Commission of the European Communities: *Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world*, 24 May 2006, Brussels (COM (2006) 249)); similarly, at the 2006 ECOSOC High-Level Segment, there were calls for United Nations funds, programmes and agencies and financial institutions to support efforts to mainstream the goals of full and productive employment and decent work for all in their policies, programmes and activities. See UN: *Draft Ministerial Declaration of the high-level segment of the substantive session of 2006 of the Economic and Social Council*, 3-5 July 2006, Geneva, Switzerland.

ANNEX

Annex I: An integrated Decent Work Agenda for the Caribbean



ANNEX II: A Decent Work Agenda for the Hemisphere

