



GLOBAL
CHOICES

UN Conference on
Small Island Developing States

Apia, Samoa
1-4 September

2014

PROMOTING CLOSER ECONOMIC INTEGRATION FOR FULL EMPLOYMENT AND DECENT WORK IN THE CARIBBEAN

SUMMARY OF ILO SIDE EVENT

OBJECTIVE

To debate the future of economic integration in the Caribbean, its likely impact on the labour market, and to explore how partnership between government, private sector and the labour movement can contribute to better labour market outcomes for the region.

PANELISTS

- Facilitator: Mr Gilbert Hounbo, ILO Deputy Director-General;
- Mr Winston Dookeran, Honorable Minister of Foreign Affairs for Trinidad and Tobago;
- Mr David Massiah, Caribbean Congress of Labour;
- Mr Wayne Chen, President of Caribbean Employers' Confederation;
- Mr Zhu Min, Deputy Managing Director of IMF (closing comments).

FOUR KEY THEMES

1. Financial organizations like IMF need to re-diagnose the systematic issues facing the Caribbean and change their windows of support.

Minister Dookeran highlighted in his presentation the need to *change the diagnostics of economic shocks* – economic shocks have been misdiagnosed by financial organizations as a ‘temporary phenomenon’ and thus the remedy is always of a temporary nature, resulting in a cycle of IMF interventions in Caribbean countries. However, navigating external shocks has been a constant theme in the region’s history. *There is also an issue of a mismatch between public deficits and private surpluses (particularly the financial sector).* For example, a recent World Bank study found that the financial sector in the Caribbean is 3.5 times the GDP of these countries. He also noted that there is a serious issue of outgoing capital *flow to other regions, rather than the opposite*. Minister Dookeran noted that in order to address this issue, banking and financial organizations need to develop a more development-oriented approach and facilitate greater involvement of civil society and private sector.

2. The labour movement needs to be involved in the process of economic integration in the region, alongside the private sector and government. All partners need to work together to achieve outcomes.

Each of the speakers, **Minister Dookeran, Mr Chen and Mr Massiah** highlighted the need for partnership between government, private sector and the labour movement (tripartism). **Mr Massiah** noted the importance not only of national tripartite social dialogue but also *the importance of regional tripartite social dialogue*, including through the CARICOM regional plan for 2015-2020. **Mr Chen** explained that there is no longer a fraught relationship between private sector and labour movement and that between these sectors, as well as government, there is now a vested interest in *sustainable and sustained enterprises, which are the growth engine of all Caribbean economies*. He noted that to produce an even more effective partnership, the speed and quality of policy decision-making needs to be improved. Currently, government moves too slowly relative to the changes in the regional and global economy—policies and laws take years to be implemented. A short political horizon also means that there is an inherent inefficiency in how policies are made – there need to be new responses and evidence-based long-term policy making, not just policy-making based on political agendas and electoral promises.

3. Caribbean countries must produce a skilled and adaptable workforce in order to withstand economic shocks

Mr Chen noted that whilst it is not possible to predict exogenous shocks to the economy, by *creating workers and enterprises that are adaptable to shocks* and changes in the global economy, the region can be more

stable and prosperous. Communication, language, numeracy and technological skills are critical to this goal. Building a knowledge economy is a stated objective of all Caribbean countries but education systems are out of sync with the needs of a modern economy. Many education systems produce a small number of intellectual elites but the large majority of the population is still equipped with skills more suitable to an extractive economy rather than a knowledge economy.

4. The future of economic integration in the Caribbean needs to be re-thought

Minister Dookeran noted that it could be argued that integration in the Caribbean has reached its limits and thus it is necessary to reassess whether economic convergence should still serve as a model for the future may be misguided. **Mr Zhu** also noted the next stage of integration should be integration of labour markets and the movement of people, particularly skilled workers. He also noted that economic development does not always result in increase in jobs. He called for a renewed partnership with the social partners to face the challenges of the labour market and made a special reference to social dialogue and other industrial relations tools.

INTERVENTIONS

Professor Sankat, Vice Chancellor of the University of the West Indies (UWI)

- There needs to be greater involvement by the private sector in training workers. One successful model is in Australia through the partnership between Carnival (a cruise ship company) and Pacific Island countries to provide on-the-job training to workers. There needs to be a financial commitment by the private sector to the

training of workers that should affect the on-going education reform in the Caribbean and the universities in particular.

- There needs to be greater support to regional universities and less duplication of studies by national universities. Countries are often tempted to bolster nationalism by expanding national universities however this comes at cost of duplication with the regional university. Focus of national universities should be complementary to the UWI to ensure a diversity of skills and professions (including vocational training). Duplication of courses will lead to a decrease in the importance of regional universities and a flow of students to other regions to study.

Rianna Gonzales, Caribbean Youth Environment Network, National Delegate for Trinidad and Tobago

- There needs to be greater support to training in technology, entrepreneurship and innovation for young people in the Caribbean as this is where future jobs are likely to be found.

PARTNERSHIPS

Proposal by Minister of Foreign Affairs, Trinidad and Tobago for partnership between ILO and the Diplomatic Academy in Trinidad and Tobago

Minister Dookeran highlighted the importance of the ILO in moving beyond technical and analytical work to political advocacy. He proposed that the ILO creates a module on labour diplomacy with the Diplomatic Academy of West Indies based in Trinidad and Tobago to enable greater engagement of social partners in political processes.

Proposal by Caribbean Employers' Confederation, Caribbean Congress of Labour for partnership between employers, workers and national training associations to align skills to the demand from the labour market.

Mr Chen noted the importance of a certification framework for on-the-job training. He referred positively to the 'HEART/NTA' initiative in the Caribbean, which is working on such a certification framework. It is important to recognize that learning occurs not only in an institutional setting, but also through the transfer of knowledge in a workplace. He proposed that an assessment of the skills development be made with NTA agencies to evaluate the effectiveness of these training programmes to increase their accessibility to the labour market needs and demands. Mr Massiah indicated that with CEC, the CCL would continue to work to enhance the effects of the newly proposed regional social dialogue mechanism. The latter could complement and reinforce the various national initiatives of tripartite dialogue taking place at the national level.

GENERAL NOTE

Host: International Labour Organization

Date and time: Monday 1 September 2014

Time and place: 3:00-4:30pm, CR 5

Note taker: Sophia Kagan, Labour Migration Technical Officer

In attendance: 50 participants