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DECENT WORK IN CARIBBEAN SMALL ISLAND DEVELOPING STATES

INTRODUCTION

Caribbean Small Island Developing States (SIDS) have committed to a Decent Work Agenda (DWA) with four strategic objectives. ILO's assistance to member States in achieving decent work objectives is implemented through Decent Work Country Programmes (DWCP) developed in collaboration with ILO constituents. The DWCP promote decent work as a key component of national development strategies and define the priorities and targets within national development frameworks. They aim to tackle major decent work deficits through the implementation of results-based programmes developed under each of the strategic objectives.

The implementation programmes are not uniform among Caribbean SIDS, reflecting differences in economic circumstances, government sector capacity and the relative importance attached to the individual strategic priorities.

Four strategic objectives of the ILO

- Creating decent and productive jobs;
- Guaranteeing rights at work;
- Extending social protection;
- Promoting social dialogue.

It has been said that “employment is the bedrock of a modern, functioning economy” (*Esther Byer-Suckoo, Minister of Labour, Barbados*). While true in its essential description of the place of labour markets and labour incomes in Caribbean SIDS, to be truly comprehensive the concept of employment must be extended to incorporate self-employment in both formal and informal sectors of the economies. From this definitional perspective, work for one's self has no less significance than work for others, especially in an environment in which self-employment is promoted as one of the solutions to high levels of paid employment.

CONEXT

Caribbean SIDS are to be found in the high and medium human development categories in the United Nations Human Development Index. This means that on a national basis many of the conditions required for residents to have decent standards of living and work have been satisfied. However, all the

Caribbean SIDS are so seriously challenged by disparities in income and wealth that many residents exist at much lower standards of living and work in sub-standard conditions.

The countries are also exposed to natural hazards and events such as tropical storms, floods, earthquakes and volcanic eruptions. For example, it has been reported by Rasmussen (2006) that the member countries of the Eastern Caribbean Currency Union are among the 10 most disaster prone countries in the world when frequency of occurrence is standardized for geographical size or population size. Given very slow progress in natural hazard risk management and mitigation in the Caribbean, natural disasters result in frequent losses of human lives, economic assets, including houses and durable consumer goods, current means of production and employment and labour incomes. In aggregate, economic losses can be as much as 1.3% of annual Gross Domestic Product. Poor households, which correlate closely with low incomes work and unemployment, are the most vulnerable to property destruction and decreased labour incomes resulting from natural disasters.

Environmental degradation and unplanned population settlements in areas with high risk of natural hazard destruction, e.g. river beds, un-terraced hillside slopes and low lying coastal areas, are two of the challenges not sufficiently addressed by Caribbean SIDS. Employment prospects are fundamentally affected by economic growth. This is so for the employed as well as for the self-employed. Income drives the demand for goods and services which then generates demand for labour services. Job loss instead of job creation is characteristic of economic stagnation and recession. The recent economic growth performance of Caribbean SIDS has been poor. Partly due to the global economic recession in 2008-2009 and the slow, hesitant recovery since then, average annual economic growth rates in the

Caribbean between 2009 and 2013 are in the negative range of 0.3% - 6.0% in six island economies and positive 0.4% - 2.8% in five others. A first order policy objective for the DWA in the Caribbean must therefore be to achieve sustainable economic growth. The strategic focus includes revitalizing and strengthening key export industries such as tourism, energy, minerals and agriculture, improving productivity in non-tradable goods and services, economic diversification and increasing investment in economic and social infrastructure.

The scope for aggressive, economic stimulus activity by governments is severely limited by diminished fiscal capacity and high levels of government debt. Stagnation and contraction in the overall economy and depressed conditions in the vital tourism sector in particular have weakened fiscal revenue generation by reducing tax bases in the business and household sectors. While governments borrowed initially from regional and sub-regional development banks, multilateral financial institutions and to a lesser extent from commercial creditors to finance short-term stimulus and employment maintenance programs, levels of debt soon approached unsustainability in terms of the share of fiscal revenues which had to be allocated to debt service and to the share of foreign exchange earnings and reserves being similarly being pre-empted. By 2010, three of the Caribbean SIDS had gross public debt in excess of 100% of gross domestic product; in another four SIDS, the debt to GDP ratio was between 66-78%; and in only three countries did it fall below 50%. In reflection of the quite obvious higher levels of credit risks in public sector debt portfolios, international credit rating agencies downgraded the debt status of several Caribbean countries and the Caribbean Development Bank and international creditors reduced net lending to Caribbean SIDS.

The financial sector in Caribbean SIDS escaped the major crises experienced in the USA and Europe. However, because of the domestic economic downturn as well as higher levels of non-performing loans in the commercial banking industry, credit supply contracted and bank liquidity increased. This means that behaviour in the financial sector is not contributing to easing the economic recession.

DECENT WORK CHALLENGES IN THE CARIBBEAN

Job Creation and Employment

Perhaps the most significant challenge to the DWA in the Caribbean is the creation of employment in economic circumstances where it is difficult even to retain employment. Labour force participation rates are fairly high even though there has been a fall since the start of the economic crisis in 2009. For example, labour force participation rates are 62% in Trinidad and Tobago and 73% in the Bahamas. An expanded effort to expand tertiary education enrolment would have also lowered labour participation rates in all the countries. Unemployment statistics are not uniformly or comprehensively available but for four of the five countries which have produced estimates for 2012 or 2013 unemployment rates range between 11% and 27%. Trinidad and Tobago is the exception with an unemployment rate of 4%. The incidence of unemployment is much higher among youths, i.e. 15-24 years old. Typically, about 26-38% of youths were unemployed in 2012.

Education and Training

Official policy has placed much emphasis on education and training as a critical instrumentality for improving opportunities for employment in knowledge economies. The policies encompass expansion of tertiary

Decent Work challenges in the Caribbean

- Job Creation and Employment
- Education and Training
- Labour Market Gender Differences
- Fiscal Constraints on Provision of Social Security
- Migrant Workers
- Millennium Development Goals
- Crime and Security
- Human Trafficking
- Caribbean Decent Work Strategic Focus

education and training and technical and vocational education and training. More progress has been made with tertiary education through expansion of enrolment at regional and national universities and colleges than in technical and vocational education and training where in most cases new public sector investment is at an early stage. In addition, there are a few initiatives at promoting capacity for enterprise formation and development through new and expanded programmes in business and entrepreneurship education and training. The intention of these latter initiatives is not only to create jobs by strengthening businesses but also to expand the cadre of self-employed persons in the formal sector.

Labour Market Gender Differences

There are gender differences in Caribbean labour. The female proportion of the population with at least secondary education is greater than males and judging from graduation statistics from the University of the West Indies the female proportion of university graduates is larger than the male proportion. Gender differences show up as well in labour force participation and unemployment rates. The female labour force participation rate is lower than the male labour force participation rate, minimally so in Barbados but greatly (72.5% vs. 51.20%) in the case of Trinidad and Tobago.

Nonetheless, the incidence of unemployment among females is higher than among males, minimally in the Bahamas but substantially in Jamaica and Trinidad and Tobago. It is sometimes claimed that females are also more likely to experience job loss than males but no statistics are available for validating this claim. There is also not available a good enough body of data to investigate gender disparities in wages. However, information from the Trinidad and Tobago labour force surveys and the UWI tracer surveys of university graduates provide some indications that there are substantial pay differentials for equivalently qualified men and women in the same job and industry categories of work.

Fiscal Constraints on Provision of Social Security

Fiscal capacity limitations have reduced the ability of Caribbean governments to provide social protection at the levels warranted by higher levels of unemployment and falling labour incomes. Social security schemes have not expanded their coverage and benefits have not been revised except in a few countries, particularly the Bahamas and Trinidad and Tobago. On the contrary, governments in their efforts to achieve fiscal balance in the face of weak revenue performance have been reducing subsidies and transfer payments in the social sector.

In situations of high and rising unemployment co-existent with inadequate social protection, there is likely to be pressure on unemployed workers to accept jobs on conditions which are in conflict with decent work criteria particularly those pertaining to fair pay, work place safety and health and termination and leave benefits. There is thus a relationship between the adequacy of social protection and the enforceability of legislated labour standards and workers rights.

Migrant Workers

Migrant workers present a peculiar set of challenges. Several Caribbean SIDS have

encouraged temporary migration to Canada, the USA and the United Kingdom under schemes catering for farm workers, nurses and teachers. The Canadian Seasonal Agricultural Workers Program which started in 1996 receives approximately 18000 migrants from the Caribbean and Mexico. Under the terms of the Program, employers are contractually required to provide clean living accommodation which satisfy the health and housing standards of the host province; provide a meal break not less than 30 minutes duration and two 10 minutes rest periods daily; observe an average minimum work week of 40 hours with one day's rest after six consecutive work days; and pay a wage rate equal to the greater of (a) the rate established by law in the host province or (b) the rate determined by the Canadian Department of Human Resources and Skills Development for the type of agricultural work carried out by the worker or (c) the rate being paid by the employer to his/her regular seasonal work force performing the same type of work. Both the Canadian government and the sending country government are supposed to monitor performance under the Program. Complaints about non-compliance are sometimes made by workers. The complaints include longer than contracted working hours with overtime or holiday pay, denial of breaks, no safety and protective equipment, clothing and training, prohibition of collective bargaining, pay discrimination between migrant and domestic workers, and sub-standard housing.

The Managed Migration Programs for nurses are variously structured among Caribbean SIDS but with the focus seemingly more on the "compensation" the governments negotiate in return for their export of locally trained nurses than on the conditions of service under which the migrant nurses are intended to work. A commonly held view, nonetheless, is that the financial conditions and scope for professional satisfaction and advancement are far superior to those obtaining in the Caribbean.

Teachers, especially primary and secondary school teachers, are a part of the extra-

regional outflow of Caribbean migrant workers. The flows have been spasmodic, responding more to short-term shortages in the destinations, and negotiated on an individual basis with little direct involvement of Caribbean governments. Not much is known about the terms of such contracts but occasionally there are complaints about unsatisfactory experiences.

Migration for work within the Caribbean presents an entirely distinct set of challenges. First of all, much of it consists of undocumented workers, i.e. persons who arrive for some ostensible purpose other than work but in effect join the domestic labour force. Many of these workers operate in the informal employment sector or in small establishments where compliance with labour standards is very difficult to monitor and effectuate. Second, even for documented workers, there are the unresolved issues of portability of pensions and social security benefits and recognition of contingent rights. Third, Caribbean governments display strong policy ambivalence on the integration of Caribbean labour markets. The consequence of these three factors is that the domestic labour market in the main host countries might be quite variegated with respect to the application of the decent work principles adopted by all governments.

Millennium Development Goals

Data presented in a recent assessment by the Caribbean Development Bank of its Borrowing Member Countries point to the conclusion that the Millennium Development Goals which seemed well within reach for Caribbean countries in 2015 are now a considerable challenge. The MDG set a target of not more than 27% of the population below the poverty line in 2015. The Caribbean baseline value in 2006 was 54%. The proportion decreased slightly to 53.8 in 2009 but then rose to 55% in 2010 and 2011 before decreasing to 54 % in 2012. This Caribbean-wide situation conceals the fact of substantial progress towards poverty elimination in several countries where the poverty proportion is less than the MDG

target as well as the fact that there are some countries with acutely high levels of poverty. A related MDG poverty target is the proportion of the population below the indigence line. The target is 17.5%. The base line value in 2006 was 35%. The Caribbean status in 2012 was 32.6, down from 35.4% in 2009. The conclusion to be drawn from the experience of the period since 2009 is that not much progress has been made in achieving the MDG poverty targets.

There are three MDG targets in relation to educational opportunity. One is primary school net enrolment rates for males and females. Another is net enrolment rates for males and females in secondary education. The third is the ratio of girls to boys in primary and secondary education. The targets for primary enrolment are an identical 75% which is slightly above the base line value of 94%. The record for 2009-2011 is one of slippage below the base line value. The targets for secondary enrolment are 80% for females and 77% for men. The base line value for females is 73% while that for males is 68%. By 2011, Caribbean SIDS as a group had surpassed the MDG targets for secondary school enrolment. The targets for the ratio of females to males in primary and secondary education were the same or below the baseline values in the Caribbean. While there has been some slippage subsequently, those targets continue to be achieved or surpassed.

Access to utility services has an important bearing on the quality of life of workers in their places of residence and in their work places. The two MDGs on this matter are the proportions of the urban and rural populations with access to improved water supply and the proportions of the urban and rural populations with access to improved sanitation services. In each instance, the Caribbean base line values in 2007 were substantially below the MDG targets. In respect of water, the MDG targets are 94% for the urban population and 92.5% for the rural population compared to base line values of 85% and 88% respectively. Considerable progress since 2009 has been reported with the proportions reaching 96.9%

and 91.7% for urban and rural populations respectively in 2012. Substantial gaps between base line values and the MDG targets also existed with respect to the access to the improved sanitation goal. Base line values were 76% and 73% for urban and rural populations while the targets are 88% and 86.5%. By 2012, the numbers indicate that the Caribbean as a group had achieved the MDG targets. However, such a conclusion needs to be tempered by observations of unreliability of water supply and sanitation services in many areas in several Caribbean SIDS.

The final set of MDG targets pertains to environmental sustainability and climate change. They seek to set a standard of preparedness by countries for ensuring environmental sustainability and adjusting to climate change. The goal with respect to environmental sustainability is couched in terms of the number of countries with national plans and strategies for the environment while the goal with respect to climate change is couched in terms of the number of countries with climate change response strategies. Most Caribbean countries satisfied the environmental sustainability test from as early as 2007 but few of them had formulated climate change response strategies even as late as 2012. One should be mindful moreover that implementation of plans and policies are a recurring weakness in the Caribbean.

Crime and Security

High and still rising levels of crime, particularly violence against persons in their places of work, is a serious challenge to the realisation of the goals of the decent work agenda. In addition to traditional concerns about occupational safety and health, one must now be concerned about the exposure of workers to risks of injury and death contingent on armed robbery and be also concerned about the physical and air quality deterioration in the work environment as employers erect physical barriers and limit ease of entry and exit.

Human Trafficking

Human trafficking seems to be on the rise in the Caribbean. The US Department of State in its 2013 Trafficking in Persons Report places four Caribbean SIDS (Barbados, Haiti, St Lucia and Trinidad and Tobago) on its Tier 2 Watch List and three others (Antigua and Barbuda, Jamaica and St Vincent and the Grenadines) on its Tier 2 List. Several other publications identify human trafficking as a growing problem. The reports identify sex trafficking of women and children, trafficking in child labour and trafficking of adult labour as features of the Caribbean trafficking in persons. Human trafficking is contrary to principles of the decent work agenda encapsulated in labour standards and rights of work.

Caribbean Decent Work Strategic Focus

Caribbean SIDS all have job security and job creation as their highest decent work priority. It is explicitly articulated in some national planning documents and is expressed frequently in a variety of policy statements and public addresses by government leaders. The priority given to creating decent work employment opportunities derives partly from increases in unemployment stemming from the global crisis and loss of international trade competitiveness. It is also a reflection of the intransigence of long term unemployment. The policy approach of Caribbean governments to this strategic priority includes improving the employability of potential workers by enhancing their knowledge and skills set through education and training, with emphasis on technical and vocational programmes and entrepreneurial and business education. Another component of the policy approach is the fostering and encouragement of enterprise creation and economic diversification. A third less well articulated but nonetheless important element in the policy approach is provision of short term unemployment relief through government financed or administered public works and maintenance programmes.

Reviewing and updating labour legislation is another strategic decent work priority in the Caribbean. Important elements in this strategic priority are protection against child labour and policies against work place discrimination against persons with HIV and AIDS. In some cases, upgrade of the legislative and regulatory framework is combined with policies for strengthening the capacity of relevant government departments to monitor and enforce labour standards.

Social protection is another of the strategic priorities articulated by Caribbean SIDS. The final one is labour market information systems which is an area of serious deficiency. In most cases, basic labour market statistics such as labour force participation rates, employment and unemployment levels at aggregate levels, wage rates and labour earnings are not available on a timely basis or not available at all. Data disaggregated by age and sex are often lacking. This makes labour market monitoring and analysis unduly dependent on intermittent surveys, guesses, anecdotal evidence and is a handicap in sound formulation of labour market policies. Caribbean SIDS attach a great deal of importance in their decent work strategic priorities to strengthening tripartite mechanisms and fostering social dialogue in the formulation of national policies. Reference is often made to the social partnership practice and experience in Barbados as a standard of good practice.

RESPONSES: PRESENT AND

Tripartite and Social Dialogue

Deterioration of labour market conditions emanating from private sector job displacement and fiscally-induced public sector retrenchment and wage restraints have the potential for weakening confidence in social dialogue and tripartite negotiations paradoxically at the time when it is most

needed for adoption of socially acceptable economic stabilization and growth policies. It is encouraging that the response by governments, employers and worker organisations has been to press ahead with various initiatives to strengthen the capacity for negotiation and dialogue. A particularly noteworthy example is a tripartite workshop in negotiation skills for senior public officials, employer representatives and trade union leaders held in the Bahamas in March 2011. The intended outcome of the workshop is to equip all three parties with the same knowledge and tools to facilitate consensual approaches to negotiations. An example of the decent work benefits to be derived from fostering social dialogue also comes from the Bahamas where discussions led to the introduction of an unemployment relief programme. Recent events in Barbados, especially the decision to retrench 10,000 public sector employees in pursuit of fiscal balance, have generated questions about the commitment to tripartism and social dialogue. Caribbean-wide, there has also been a surge in labour disputes with both private employers and governments which is strongly indicative of the need to actively bolster trust and confidence in the tripartite and social dialogue frameworks adopted in principle as part of the decent work agenda.

Labour Standards

Many countries have embarked on the review and upgrading of labour market legislation and national work place policies to satisfy the decent work protocols adopted by the ILO. The countries include Barbados, Jamaica, several members of the OECS and Trinidad and Tobago. Caribbean SIDS, especially Jamaica and Trinidad and Tobago, have been pioneering advocates of legislation to confer rights on domestic workers similar to those enjoyed by other workers and were supportive of the standard on domestic workers adopted by the ILO in June 2011.

Among the work place policies to which the Caribbean has committed are non-discrimination against persons with HIV and

AIDS and there are efforts to ensure that tripartite representatives are trained to effectively implement such policies. Caribbean countries have also ratified the ILO conventions on Child Labour and observed the World Day Against Child Labour. It is perhaps even more worthy of note that in one country (Jamaica) the trade union movement on its own initiative developed a Child Labour Policy. Exploitation of child labour, especially in small artisan enterprises, small farm agriculture, small scale mining and in informal commodity training activities seems sufficiently extensive especially when co-existent with the voluntary and involuntary entry of children into street corner sale of lowly and intermittently remunerated services seem to warrant a stronger policy response than the adoption of labour standards and laws. Policies would need to economically enable households to obviate the need for income supplementation through child labour and to provide material support linked to school attendance.

Occupational safety and health provisions are part of the labour standards. All Caribbean countries have some provisions in place but they are not uniformly applicable across the entire employment spectrum of the labour markets. In particular, informal employment and undocumented migrant workers are not covered. There are also so many breaches claimed in the context of labour disputes that the effectiveness of the provisions in both private and public spheres of work is questionable.

Labour Market Information and Administrative Capacity

Capacity to monitor labour markets and the compliance with the decent work standards is critical; no less important is administrative capacity in public sector agencies and judicial capacity in the legal system. Governmental efforts within the framework of the decent work agenda have focussed so far on establishing particularised labour market information systems (as in St Vincent and the Grenadines) and in training of Ministry of

Labour personnel (as in the case of the Bahamas and the OECS).

Labour market information systems to be fully useful must be part of a larger system of national economic, demographic and social statistics. Efforts at establishing labour market information systems must therefore be accompanied by strong, sustained efforts at rebuilding and enhancing national statistical agencies which are under-resourced, neglected and in a state of disrepair in many Caribbean SIDS. There must also be complementary policies and actions intended to improve judicial administration in the specialised industrial relations court system as well as in the more general civil and criminal courts where many work place matters come for adjudication.

Social Security

Training activities have been undertaken in support of this component of the decent work agenda. However, no less needed is comprehensive review of the collective of national social security provisions and schemes. Such a review should address adequacy of coverage, level of benefits, cost efficiency and effectiveness of the various schemes, the financing of social security, the balance to be struck between employer and beneficiary contributions, portfolio investment policies of private and public sector social security entities and the employer of last resort role of government in depressed labour market conditions.

Disaster Risk Reduction and Management

Caribbean SIDS can take advantage of several factors to intensify their efforts at disaster risk reduction and management. One factor is higher and increasing levels of community awareness in many countries. Another is the availability of international financial assistance as part of an enhanced global approach to the problems of environmental sustainability and the implications of climate change. Yet another

factor is the possibility of developing industries to provide the environment-friendly technologies. It is useful to note the several financial facilities totalling US\$40.5 million offered by the Caribbean Development Bank for community disaster risk reduction, risk management through better risk profiling and early warning systems.

Managed Migration

Despite the complaints which surface about the extra-regional migration experience and the need for closer involvement in monitoring, review and negotiation by Caribbean governments, their structured approaches may be useful guides to improving the experience of intra-Caribbean transient workers. A good starting point is recognition that temporary labour shortages of varying duration and sometimes repetitively do occur in Caribbean labour markets and that migrant workers can relieve those shortages to the benefit of host countries and sending countries. With this premise, potential host and sending countries can draw upon the specific features of the extra-regional managed migration schemes to fashion acceptable provisions about entry and exit, working conditions and wages, and social protection.

CONCLUSION

Caribbean SIDS are committed to a decent work agenda which if implemented comprehensively and effectively holds the promise of a much better quality of life for Caribbean workers and other residents. Intrinsic to its achievement is the revitalization of economic growth and the enablement of potential workers through education and training, adequate access to vital utility services such as water and sanitation, major progress in disaster risk reduction and management and the reduction of crime and insecurity to tolerable levels. Caribbean governments need to invest resources in strengthening public sector capacity of agencies central to labour market monitoring as well as broader social and economic monitoring and analysis; they also need to strengthen judicial administration and to build trust and capacity in institutions for tripartite deliberations and social dialogue. New agenda items such as child labour, human trafficking and intra-regional temporary migrant workers are deserving of focussed attention.