

Employment trends in the Region and the issue of job creation

Implication for Youth employment and Employability

Reynold Simons, Senior
Specialist Employment and
Labour Market Policies, ILO Sub-
Regional Office for the Caribbean



Overview

- Recent Employment trends and the focus on the Global crisis
- Long term trends
- Implications for Youth Employment policies

Recent Employment Trends



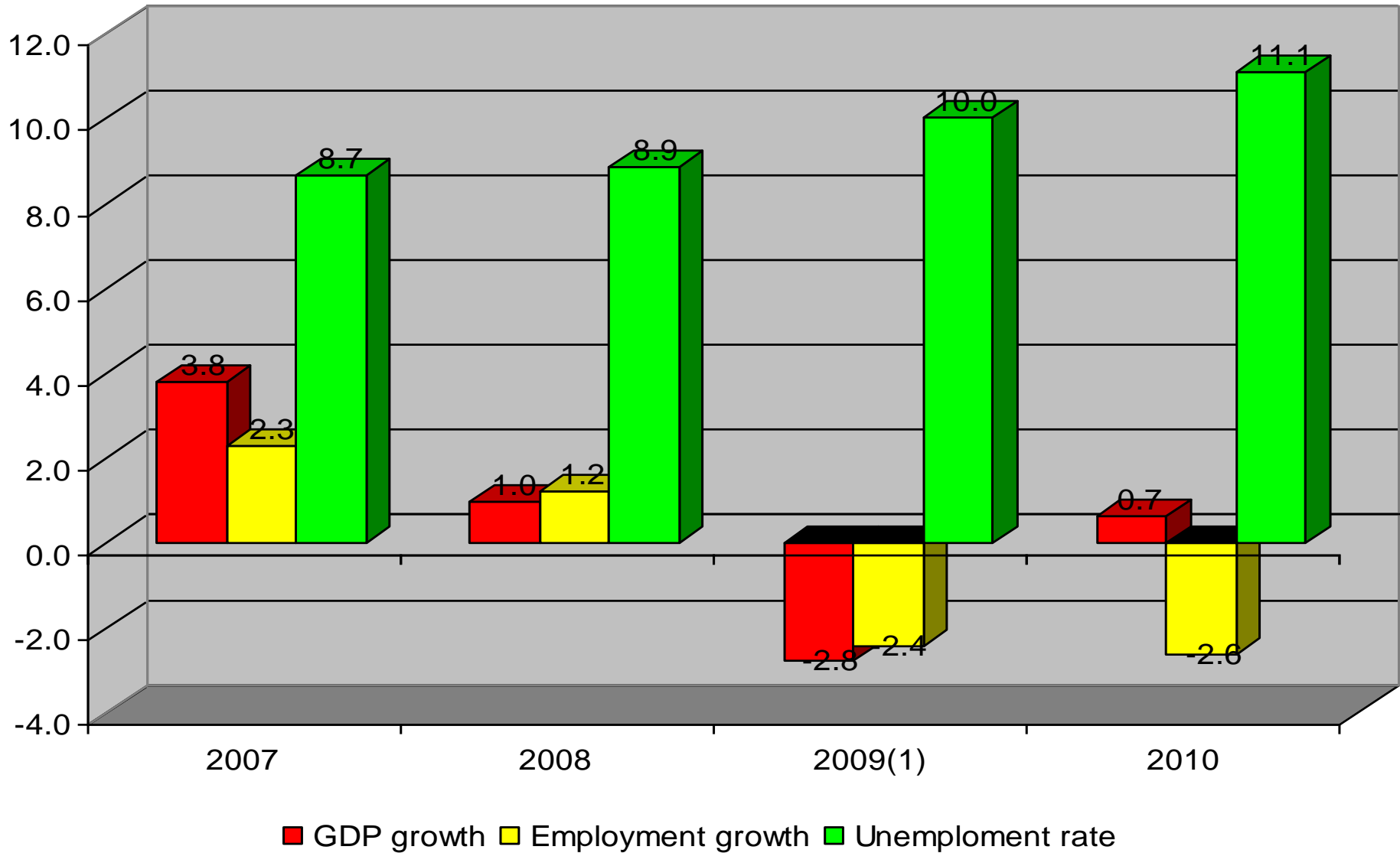
- Rising unemployment
- Slow down in employment growth
- Outlook



Rising Unemployment

- Short term spike in unemployment rates as a result of the global crisis
- Youth:
 - Unemployment rates up
 - Participation rates down

GDP, Employment growth and the Unemployment rate in the CARICOM countries in the Caribbean 2007 to 2010 (excl. Haiti)



Country	GDP growth %				Employment growth			
	2007	2008	2009 ⁽¹⁾	2010 ⁽²⁾	2007	2008	2009	2010
Antigua & Barbuda	6.9	2.8	-6.5	-1.5	-	-	-	
Bahamas ⁽²⁾	4.5	-1.7	-3.9	-0.5	3.0	2.0	-9.8	
Barbados	3.6	0.5	-4.8	-0.4	1.4	-0.5	-2.9	-0.3
Belize	1.2	3.9	-1.7	2.0	9.4	2.4	-	
Dominica	1.8	3.2	1.1	2.0	-	-	-	
Grenada	4.5	0.3	-4.0	0.0	-	-	-	
Guyana	5.4	3.0	4.7	4.0	-	-	-	
Jamaica	1.5	-0.9	-3.2	-0.2	2.6	0.9	-2.7	-2.7
St. Kitts and Nevis	2.9	2.5	-2.0	0.0	-	-	-	
St. Lucia	1.7	2.0	-2.5	-0.4	1.7	2.5	-0.7	
St. Vincent & the Grenadines	7.0	-0.5	-1.1	2.1	-	-	-	
Suriname	5.3	6.0	1.5	3.5	3.6	1.5		
Trinidad and Tobago ⁽⁴⁾	5.5	2.3	-3.4	2.0	0.3	1.7	-0.9	-2.8
Total ⁽³⁾	3.8	1.0	-2.8	0.7	2.3	1.2	-2.4	-2.6

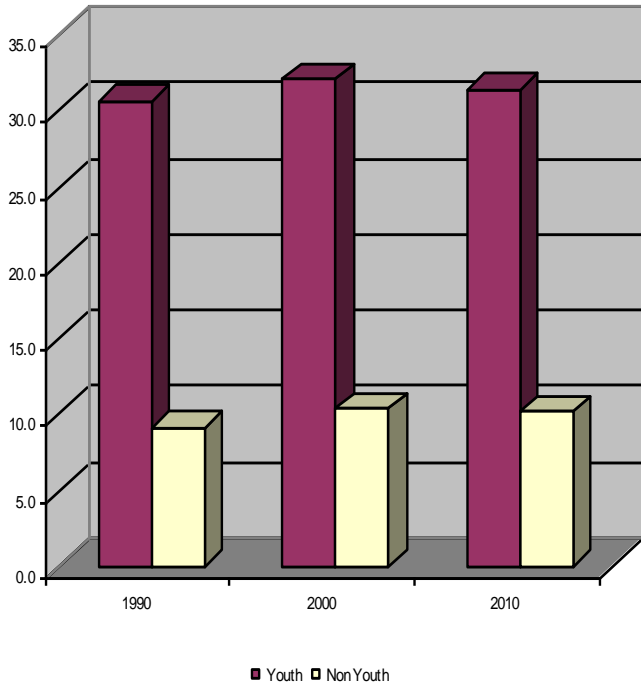
Country	Unemployment rate			
	2007	2008	2009	2010
Antigua and Barbuda:	3.7			
Bahamas ⁽²⁾	7.9	8.7	14.2	
Barbados	7.4	8.1	10.1	10.6
Belize	8.5	8.2		
Dominica	-	-	-	
Grenada	-	24.2	-	
Guyana	-	-	-	
Jamaica	9.7	10.6	11.5	12.3
St. Kitts and Nevis	-	-	6.0	
St. Lucia	14.0	15.7	17.9	
St. Vincent & the Grenadines	-	18.4	-	
Suriname	10.7	9.3		
Trinidad and Tobago ⁽⁴⁾	5.5	4.6	5.1	5.8
Total ⁽³⁾	8.7	8.9	10.0	11.1

Labour Force Participation rates

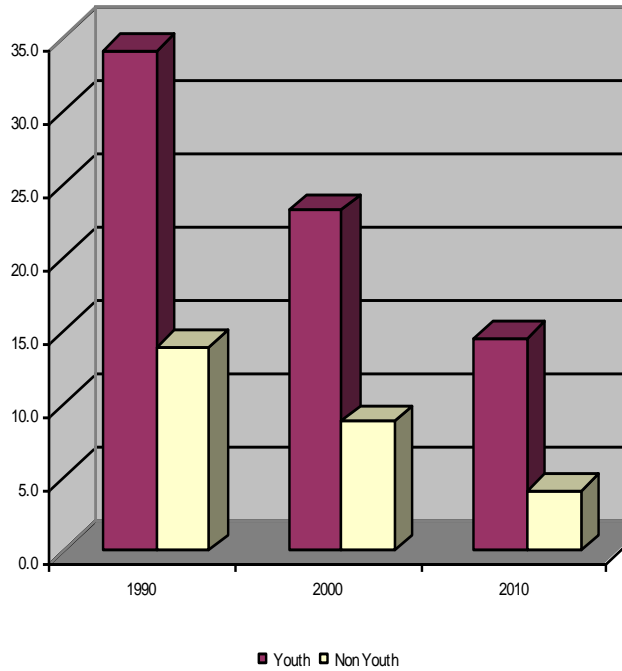
Both Sexes	Jamaica			Trinidad			Barbados		
	1990	2000	2010	1991	2000	2010	1995	2000	2009
AGE GROUP									
Youth	20.0	15.1	8.1	51.7	51.7	48.1	64.6	63.1	49.6
Non Youth	79.0	74.0	73.2	61.3	64.7	64.9	69.1	69.9	70.2



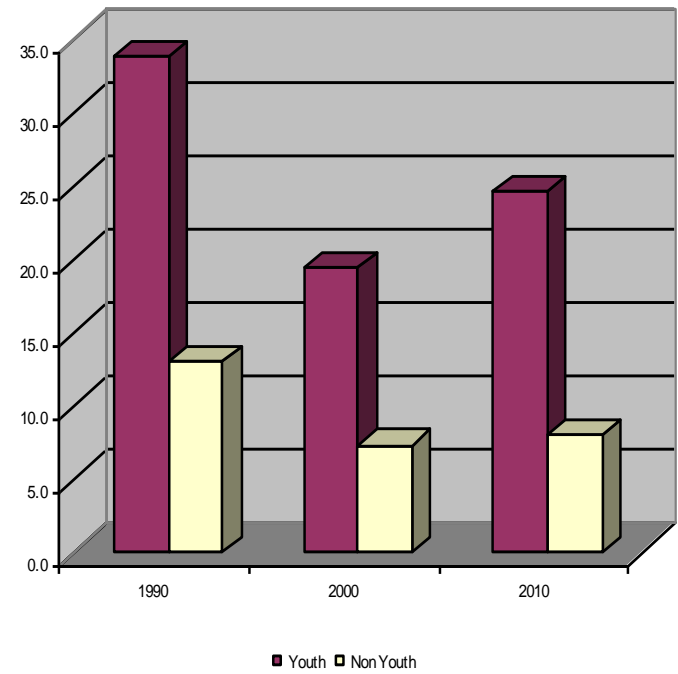
Youth and non-Youth unemployment rates in Jamaica



Youth and non-Youth unemployment rates in Trinidad and Tobago



Youth and non-Youth unemployment rates in Barbados



Unemployment Rate			
Both Sexes	Jamaica		
AGE GROUP	1990	2000	2010
Youth	30.6	32.1	31.5
Non Youth	9.1	10.4	10.2
A X Y Rate	3.4	3.1	3.1
	Trinidad		
AGE GROUP	1991	2000	2010
Youth	34.2	23.2	14.5
Non Youth	13.9	8.8	4.1
A X Y Rate	2.5	2.6	3.5
	Barbados		
AGE GROUP	1995	2000	2009
Youth	33.8	19.4	24.6
Non Youth	13.0	7.2	8.0
A X Y Rate	2.6	2.7	3.1



A cautious outlook

- Some (natural resource based) economies have recovered:
 - GDP growth depends on prices remaining high
 - Underlying challenges remain
- Tourism economies face major challenges
 - US/Europe to regain purchasing power
 - Broadening the base of the tourism industry/economy
- For economies still facing major challenges ... things may get worse before they get better:
 - Little space left for continued “stimulus policies”
 - Governments may start contractionary policies
 - International financial institutions may be less lenient than we expect
 - ILO Global Jobs Pact



■ Long term trends in demand

- Slow down of employment growth after the turn of the millennium
 - Post adjustment slow down
 - Decline in the employment intensity of GDP
 - Construction sector slowed down
 - Tourism and natural resource based economies
- ITC jobs not thriving
- Loss of agricultural jobs ... can the sector compete for labour?



Long term trends in supply

- Slow down of population growth and migration especially of skilled and highly skilled still is ongoing
- Shrinking of the youth component in the population
- Decline or slow down of participation rate (growth):
 - Substantial drop for youth
 - Spike in this trend in 2010 .. May be related to the crisis
- Labour Force growth is slower than was expected projected and in some countries it actually declined



Youth and LFP

- Changing values and expectations:
 - Context middle to high income region
 - Options for migration .. Access to regional and international labour markets
 - The transformation from school-to-work
- (Un)willingness to engage in manual labour particularly agriculture
- The education and training system
 - Returns on education
 - How adequate/responsive is the Education System



Implications for Youth Employment policies

- The Global crisis may prove to have long term negative effect on Caribbean Labour Markets but ...
- Policy cannot ignore the challenges that were there before the crisis
- There is no substitute for economic growth ... labour market policies are more effective in the context of economic growth
- However, special employment programmes are necessary as part of social policy but also to avoid slide back into recession
- Design of programmes is important to:
 - Ensure temporary nature
 - Linkage with improving the social or production infra-structure
 - Reaching/involving the target groups
- Establishing a Statistical and Research programme



Labour Market and Employment Policies

■ Employment Policy

- Set of objectives or outcomes adopted in response to employment issues identified that refer to the broader macro economic policy frame work and aim at optimising the quantity and quality of employment. The instruments, incentive system and the resources adopted to achieve these outcomes are considered to be the operational aspect of the policy

■ Labour Market Policy

- Set of measures aimed at establishing or changing labour standards and/or labour market institutions with the aim to achieve desired labour market outcomes and in response to the analysis of how current labour market outcomes influence employment and productivity levels, the income distribution and investment

Labour Market and Employment Policies



■ Different levels

- “Structural policies”
 - Institutional change/capacity
 - The “incentive system”
- Integrated into the macroeconomic policies Feedback?
- Micro level: programmes targets individual employers, workers and their organisations as well as other such as jobseekers social transfer recipients

■ Multi-Faceted as it straddles

- Most or all types of economic activity and sectors as well as the policy/regulatory institutions/ministries involved
- Economic and social policies. Social policies include those related to population/migration, (social) justice (poverty), governance, social protection/insurance, education, health and gender



Formal or legal framework *(continued)*

- Existing national instruments in Your Country
 - The ILO-C122 obligations
 - The Constitution (sometimes quite detailed)
 - Specialised legislation including legal obligation to present the annual and multi-annual plans to Parliament



Employment Policy Instruments

- Policy coordination
 - Interagency communication/collaboration
 - Macro-economic and employment policies are mutual reinforcing
 - Technology and Innovation strategies (including “greening of jobs”)
- Labour Market Information System
 - Labour Statistics (system)
 - LMI dissemination
 - Labour Market Analysis and Projection (capability)
- Public Employment Services
 - PES policies
 - Regulatory role re- Private Employment Agencies



Employment Policy Instruments

- Enhancing employability: Technical, Vocational Education and Training
 - General strategies/policies
 - Short term Labour Market related
- Enterprise Development policies (SMEs, Cooperatives and Informal Economy)
- Local Economic Development (LED)
- Public Investment/Special Public Works & Employment



Designing an Employment Policy

- Evidence based policies: LMI, Analysis, Projections, Evaluation →
 - Identify Employment/Labour Market challenges or issues and the social/labour market groups involved
 - Quantify challenges/issues that demand a policy response
- Social Dialogue ... A process ... early engagement increases change to reach consensus
- Address Employment/Labour Market challenges or issues identified in tripartite context
- Policy implementation ... mutually supportive and consensus on instruments
- Joint evaluation