



*Marc Hollingsworth, Media Support International*

### **The Mismatch of Skills and Jobs in the Caribbean**

Every year the University of the West Indies finds it necessary to launch a public campaign to solicit applications for university study, on social media, in newspapers and on billboards. School leavers are urged to improve their career prospects by availing themselves of a university education. This is something that would not have been necessary before the turn of the century. Back then, the power of higher education to lift individuals and households to improved standards of living was very evident; the types of jobs open to those with a university degree involved higher levels of skill and were much better remunerated than the jobs for which those without a degree could apply.

Today that is no longer the case, for a majority of subjects and disciplines. There is a distressingly large percentage of each year's graduating class from all of the region's universities who will not find employment which requires the level of knowledge and skill they acquired during their years of study. They will have no option but to accept jobs which are not as fulfilling or remunerative as they had been led to expect.

Over time, this has had an adverse impact on the productivity of the Caribbean labour force. Firms in the private sector are reluctant to hire over-qualified staff who will need to move on when more suitable employment becomes available, at home or abroad. Many graduates therefore end up competing for public sector jobs. In government departments and public institutions which recruit over-qualified tertiary graduates, these employees are demotivated, and they block the career prospects of non-graduates whose productivity might arguably be higher, because their jobs are a match for their expectations.

Opportunities for postgraduate study abroad are also hard to come by nowadays. When I graduated from UWI Mona in 1967, persons who earned a First Class degree in any discipline were assured of a scholarship for graduate study at a university somewhere in a Commonwealth country. Our lecturers and professors worked actively with us to secure scholarships, with the help of their networks of associates in leading universities in the UK, Canada, Australia and elsewhere. Today even the most accomplished university graduates have little individual support or guidance on post-graduate options. To make matters more difficult, the value of scholarships available for study in the Caribbean's traditional overseas university partners has not kept pace with tuition and living costs. At the moment, the scholarships which provide the most complete coverage of university study at undergraduate and postgraduate levels are those offered by the Government of China.

This imbalance between skills and job availability at the top end of the market will not have escaped the notice of young people looking at their career prospects. The more stories we hear of graduates in information technology going several years in a vain search for employment, economics graduates working as nail technicians, and graduates in psychology working at supermarket check-out counters, the less inclined will young people be to undertake university studies; and the more frequently we hear of outstanding public servants overlooked for promotion in favour of less experienced juniors with university degrees, the more applications the University can expect from those whose only interest is in obtaining their ticket to promotion.

There is also an imbalance in the low-income segment of the labour market caused by a number of factors, including the universal use of modern technology, the degree of informality in this segment, and the prevalence of migrant workers in search of jobs.

There are no truly unskilled jobs in a modern economy. Powered tools, cellphones and tablets, and other specialized instruments are used in all activities and services; there are measurements to be done, payments to be made and accounted for, regulations to be followed, and other requirements and tasks which only those with a sound primary education will be able to manage well. All too often, persons applying for low-wage work do not have a sound primary education, and employers who depend on low-wage and casual labour are plagued by low productivity as a result. To escape the consequences of unproductive local labour the employer may turn to immigrants, through formal or informal channels. The fact that much of the trading in the low-wage sector is provided on informal markets makes this easy to do.

There are discrepancies in wages among Caribbean countries and with our neighbors in Latin America which make migration attractive for low wage earners. A Jamaican who makes the average wage in the food vending sector in Barbados earns enough to purchase consumer durables back home that they would not have been able to afford on a food vendor's wages in Jamaica. Prolonged hardships in Venezuela have provided Trinidadians with more affordable labour for such services as babysitting and shop assistance.

The net result is that the low-wage segment of the labour market is characterized by low productivity, a high degree of informality, rapid job turnover, and high levels of underemployment and temporary employment.

Overall, the labour markets in Caribbean countries are in a state of flux, characterised by imbalances in the supply and demand for highly skilled workers as well as those with lesser levels of skill.

Government policies will have to adapt to this reality, sooner or later. At lower wage levels the proportion of informal activity will continue to grow unless immigration policies are eased. With respect to education, strategic policies are needed to redress the skills imbalance. At lower wage levels, the goal must be to provide 100% of the able-bodied labour force with a sound primary education. At the higher skill levels, the strategy should aim to equip every certified individual with networks, support and finance to take advantage of the best opportunities to employ their skills, wherever in the world that might take them. These measures are not a solution to the imbalances in labour markets, but they are essential components in the overall development strategies for the small open economies of the Caribbean.

*My Economic Letters may be found under "[Commentary](#)" at [DeLisleWorrell.com](http://DeLisleWorrell.com). I welcome your comments.*