

**“The Trade in the Highly Skilled – the Case of the Commonwealth
Caribbean”**

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by

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ABSTRACT:

This paper examines the trade in skills brought about through recruitment and migration from the Caribbean and the impact and effect of this trade on development. In exploring the aspects of the trade which are most vulnerable - health care workers/nurses, teachers, - the writer looks at aspects of this trade including wage differentials, qualifications recognition, parity and transferability, remittances and well as Commonwealth efforts in promoting ethical recruitment of the highly skilled. The paper closes urging Caribbean governments to deploy efforts to reduce forced migration and to develop strategies to leverage the competitive advantage of the Caribbean human resource.

I would like to thank the ICPS and Prof. Peter Clegg in particular for this opportunity to speak about the trade in skills in the small states of the Caribbean. My presentation will draw heavily on a paper presented recently to a Commonwealth Secretariat-supported conference in "Labour Mobility in Small States" organized by the University of the West Indies in the Caribbean earlier this year. I will speak to three main points:

- First, the trade in skills brought about through recruitment and migration – be it temporary or permanent - from the Caribbean
- The impact and effect of this trade in skills/ human capital on development (and I think this is both timely and appropriate given the Global Forum examining the nexus between Migration and Development which concluded in Belgium yesterday)
- Some strategies for the consideration of Commonwealth large countries and Small States in general and Caribbean Small States in particular.

First defining trade in skills or human capital. There is a view that trade in skills is no different to trade in sugar, bananas or tomatoes. I do not support this view. There is a market for the goods, products, services, hence a buyer and a supplier. Trade simply involves the exchange of the goods and services for some form of compensation, monetary or otherwise. Human resources and human capital cannot be treated like bananas or tomatoes.

The international trade in skills involves the movement of human resources, usually from one location to another – rural to urban, island to island, continent to continent. Over the centuries we have seen slave trades of various kinds, we have seen the movement of indentured workers – such as the Chinese workers who built the San Francisco railway, the Asian servants who came to the Caribbean to work on sugar estates post-emancipation, and indeed even the Commonwealth regiments who were recruited to support the British armies in combat in the two World Wars of the last century.

The distinction is that today the trade in skills has evolved into one which offers opportunities to highly skilled persons to exercise their right to free movement in search for career enrichment. The flip side to this may be, at the same time, the depletion of human capital of small countries in particular, human capital which has been created through health and education outlay supported through the revenue of their tax payers. The trade in skills may involve "the buyers" - universities, schools and hospitals - seeking skills abroad to develop a dynamic professional staff, but it can also involve unscrupulous recruiters who seduce the unwitting to undertake positions without providing them with full information about these positions. Such recruiters have been termed "merchants of labour" and it is exceedingly important to distinguish between the ethical recruiters and the rest, in

this trade in skills. Migration – either temporary or permanent – has become a major part of the trade in the highly skilled, certainly for the Commonwealth Caribbean.

There can be no argument that large scale migration by the poor, the unemployed, and the un-skilled from large and impoverished countries such as some in Asia, Africa and Latin America to find work in richer countries is a good thing, particularly when prospects of employment are limited or unavailable in their countries. In the early 1900s when many Caribbean nationals went to work on the Panama Canal, despite the deplorable working conditions, it was understood that they were taking these risks in search of a better life. In the 1940s and 1950s when in a second major post-war wave many Caribbean people migrated to greener pastures in the United Kingdom, the departure of unskilled and unemployed – albeit to London Underground and Transport jobs which no one else could be found to do at that time - did not constitute large scale human capital loss or depletion. In fact at that time one was glad that unable to offer our Caribbean citizen jobs and employment for a better life, they could find it elsewhere, which many did. It is a good thing if men and women can find work in another country and in so doing assist their families and communities back home. The trade in skills in the Caribbean has also brought about the seasonal farm workers programme where temporary skills are made available to farms in Florida, California and further afield for harvesting of crops, similar in concept to the GATS Mode 4, for the highly skilled. I have noted recently tremendous expansion in the training of Caribbean hotel workers who are then recruited to work in hotels and cruise ships in North America and other Caribbean islands, usually on a seasonal basis as well.

Over the last twenty to twenty-five years and even more so today, however, it has not been the unskilled and unemployed that we are losing from the Caribbean so much as entire graduating classes of doctors, nurses, teachers and special educators in one fell swoop. We have young people specifically entering the medicine, health and education professions not because they have a love for this kind of work but because this is their ticket to migrate, made easy through the special facilities allowed in Canada, the UK and the US to encourage skilled migration.

The relaxation or modification of immigrations laws and policies to facilitate the movement of the highly skilled has been identified among Commonwealth industrialized countries - Canada and the United Kingdom in particular - but is also noted with Australia and New Zealand, for example.

Commonwealth industrialized members – Australia, New Zealand, United Kingdom and Canada - are among the leaders in this migration merry-go round

in which their skilled migrants – usually young new graduates – seek work abroad and then return after a sojourn leading to “Brain Circulation” and constituting “Brain Gain” to the source country. Such brain circulation and brain gain is not happening to any great extent in the Commonwealth Caribbean among our highly skilled and from the evidence being gathered, not to any great extent in the other 20 Commonwealth small states in Africa, and the Pacific.

In the Caribbean over recent decades 70 percent of the work-force which has received tertiary education has migrated to industrialized countries. Guyana, Grenada, Jamaica, St Vincent and the Grenadines have the highest tertiary emigration rates in the region followed by Haiti, Trinidad and Tobago, and St Kitts and Nevis. (Mishra, 2006)¹. There is recognition that even with the high level of remittances coming into the Caribbean through formal channels, we have a net loss in human capital among the highly skilled which cannot be replaced by remittances. (Schiff, World Bank 2005 and Mishra, IMF, 2006)

Historically, when highly skilled people from small states migrate it is a decision taken usually by mid-level professionals and the decision is not based on the desire to see a little of the world before returning home. It is a decision often made for good. Here is how it works: Canada, for example, loses its trained nurses to the USA, so Canada recruits from South Africa who then turns around and recruits from its nearby African neighbours and from as far afield as Cuba. New Zealand whose health personnel are recruited by the United Kingdom then recruits from the Pacific Islands. A similar picture applies for teachers. Our most recent data revealed that New Zealand actively recruits teachers from the UK and Ireland. The UK then replenishes its teaching stock with South Africa’s teachers who can find teaching positions in the UK upon graduation, without teaching experience. Canada welcomes South African teachers as well as those from the UK and Australia. This is the big country market of the trade in skills and this Skills Migration Carousel is no doubt working very well for them.

Skills shortfalls: When there is a shortfall in one of these industrialized countries, then developing countries of Africa, the Caribbean and the Pacific small states are used as the means of filling the gap. Little consideration is being given to the impact of this recruitment on the human capital needs and development of the developing country or small state. As the Minister of Education of Cayman stated at the meeting from which the Savannah Accord, the pre-cursor to the Teacher Protocol emerged, “the loss of one teacher from my school system has an impact as great probably as the loss of 15 from the system of a large country”. We must also not forget that when that qualified doctor, nurse or teacher migrates they

¹ Mishra, Prachi in “Emigration and Brain Drain: Evidence from the Caribbean” publ. IMF Western Hemisphere Department, (January 2006)

take with them (i) the capital outlay that went into their education from primary school through university (ii) the future taxes which their income would have generated (iii) the skills which could make a great difference to health, education and welfare of many people in their country.

Health care workers/nurses: The Pan-American Health Organization estimated that between 2001 - 4, more than a quarter of the 13,046 nursing positions in the Caribbean region were vacant, and whilst 1,199 new nurses graduated during that period 900 nurses left the region² in the same period. It has been stated that the flows of health workers, partly as a result of active recruitment by *developed countries*, is a symptom of a deeper-seated problems in these (developed) countries which have failed to plan and retain sufficient nurses from their own sources". (Buchan, 2006)³. As a consequence of the health care demands of our industrialized members – Canada; Australia; New Zealand and the UK – between 20 – 35 percent of their doctors, nurses, radiologists, lab technicians and public health professionals are from overseas. .

Teachers: Jamaica with a population of fewer than 3 million lost to the UK between 2001 – 3 nearly 1000 teachers, more than a country the size of Canada with a population of 30 million. Guyana trains 300 teachers each year and loses that number to migration overseas. Education International has stated that in industrialized countries the demographic trends of ageing populations are coinciding with limited inflows of young teachers. Over the next decade, up to 40% of teachers in industrialized countries will retire and industrialized countries have the means to address this impending shortfall, but have planned poorly and are now buying their human resources from overseas.⁴

Wage Differentials: In all this there is a global migration hierarchy based on wages which – according to Stillwell and Evans (2006)⁵ – places health personnel from small, poor developing island states of the Caribbean and the Pacific at the bottom of the global hierarchy and the situation is no less true for teachers. The writing on the wall is very clear: The Caribbean cannot pay its health personnel and teacher's wages of the level which industrialized countries can offer hence they will always be attracted by the higher wages of other countries and the Caribbean will always be at risk of losing them. Frequently when the recruiting

² Salmon, Marla E. in "Addressing the critical shortage of nurses: a case study from the Caribbean" publ. Commonwealth Health Ministers Reference Book (2006)

³ Buchan, James in presentation entitled "Migration of Health Workers: The Policy Challenges" to International Centre on Nurse Migration Symposium, February 20, 2006, Marlborough House, London.

⁴ Van der Schaaf, Wouter of Education International in report on the "Consultation on the Recruitment and Migration of the Highly Skilled (Nurses and Teachers)" publ. Commonwealth Secretariat, January 25, 2005.

⁵ Stillwell, Barbara and Evans, Tim in "Health worker migration – should we worry?" in Commonwealth Health Ministers Yearbook (2006) publ. Henley Media Group/Commonwealth Secretariat.

country wishes to save on its costs it turns to recruit from developing countries as it knows that its salaries will be a seduction. And I use the word intentionally as I have heard the complaints of teachers who rushed to be recruited abroad seduced by the greener pastures, only to find that they had to pay levels of tax – income and council tax - find accommodation, transportation and cope with a number of unexpected and unanticipated cost of living related expenses, which they had not been advised of before their arrival and which were not outlined in their contracts.

Qualifications Recognition, Parity and Transferability: There is Brain Waste: Competent teachers and nurses are prevented or restricted in benefiting fully from the compensation and benefits which they could be earning in the recruiting countries. For example, within the European Union, there is a directive regarding tertiary level qualifications which stipulates that once a graduate had obtained a degree from a European tertiary institution, they have a right to be employed and treated equally anywhere in Europe and this includes the United Kingdom⁶. The same is not true of Commonwealth teachers or nurses, however. Teachers are told that because they do not hold European qualifications and that they do not have “Qualified Teacher Status”, they cannot be paid on the same basis as a qualified teacher from Europe. Overseas nurses are also obliged to pursue a three-to-six month programme before they are permitted to carry out their professional duties in the UK, for example. Whilst they wait they are employed at levels of compensation below that of their UK counterparts with similar qualifications. This is Brain Waste, a form of devaluation of the skills and competencies of the highly skilled.

Unethical recruitment of the Highly skilled Even the skilled migrant can be subjected to exploitation when being recruited to some recruiting countries. The highly skilled have been manipulated and exploited by those who are recruiting them, be they recruitment businesses and agencies, education or health bodies, even schools and hospitals which often recruit directly. In November 2005, the General Secretary of the National Union of Teachers of the United Kingdom stated that teachers recruited by agencies to the United Kingdom had in instances been lied to by agencies, paid outside of the national wage and pay guidelines put into accommodation with homeless people and persons with mental illness, made redundant without justification and had their self-confidence and dignity eroded.⁷ There have been accounts of health personnel recruited

⁶ EU Council Directive on a General System for the Recognition of Higher Education Diplomas awarded on completion of professional education and training of at least three years duration (89/48/EC) ⁶ as well as Directives 89/49/EC⁶ and 92/51/EC⁶ which provide for “mutual recognition” hence equality of treatment in education qualifications,

⁷ Sinnott, Steve in presentation at Commonwealth Public Lecture at 15CCEM Mid-Term Review of Africa/Europe in Sierra Leone (November 2005)

from overseas being misled about their salary level, career prospects and accommodation. (Buchan, 2006)⁸

Remittances: Remittances are a critical component of the trade in skills. They are the argument used by the Buyer – in this case, the recruiting country in need of the skills – to justify the purchase – through recruitment, poaching, hovering-up or rape – of the human capital from the source country. Remittances are often presented as the antidote – the panacea – for migration of the highly skilled on the basis of the argument that they have clearly made significant differences to the quality of life of many people. Children have been clothed, fed and educated with remittances, houses built, countries with balance of payments problems supported. They also have a down-side however in that they can produce a negative multiplier effect in encouraging import dependency, as they are used to purchase imports such as cars and other consumer items, can drive inflation up and do not appear to result in investment in capital-generating activities. In some states rather than raising the standard of living they are inclined to increase dependency, erode good work habits and heighten inequalities in communities. Worse still, they have been found to create envy and resentment and induce consumption spending among non-migrants (Nunn, 2005).

Commonwealth efforts for ethical recruitment of the highly skilled:

Commonwealth initiatives strongly supported by Small States governments, have yielded the International Code of Practice for the Recruitment of Health Workers (2003) and the Commonwealth Teacher Recruitment Protocol (2004). These instruments do not seek to restrict free movement of labour as many wrongly believe. They do seek to balance the rights of the highly skilled to free movement and migration against the need to prevent erosion of the development process in LDCs countries and to prevent the exploitation of scarce human resources of these countries.⁹ The Commonwealth Secretariat is becoming increasingly engaged with the International Organization on Migration, International Labour Organization, Education International, the World Health Organization as they seek to ensure that when people migrate to other countries they are properly treated, their rights are respected and they have the benefit of ethical recruitment procedures .

Forced Migration: There are skilled professionals who wish to return but who do not see that they would be returning to an environment conducive to their own development, financially, professionally or from the standpoint of their own personal security and that of their families. In the Caribbean unless there is

⁸ Buchan, James in presentation entitled “Migration of Health Workers: the Policy Challenges” to International Centre on Nurse Migration Symposium, February 20, 2006, Marlborough House, London.

⁹ In “Commonwealth Teacher Recruitment Protocol” publ. Commonwealth Secretariat (2004)

reduction in the levels of violence and crime in our societies, this will be a deterrent to returning professionals.

Leveraging our Human Resource Skills: Over the last few years, I have had the sense the current wave of departing human capital from the Caribbean is not being given either the concern or the consideration which it warrants. It may be late, but I understand that the policy and opinion-makers are waking up. The UWI has devoted two conferences over the last year to this theme. The November 2006 CARICOM Council of Ministers for Health and Social Development focussed on labour migration, and World Bank and IMF studies are giving particular scrutiny to the Caribbean situation in terms of loss in skills and human capital though labour migration

I want to conclude on this final point of leveraging the human resources of small states by referring to the work of the Washington-based Centre for Global Development who propose four strategies as policies for source countries losing their scarce skills.¹⁰ They propose four Cs – Control, Creation, Compensation and Connection. Control speaks to the policies to promote economic and political stability thereby positively encouraging retention and return of the highly skilled in the source country.. Creation proposes policies including the expansion of higher education opportunities to promote and leverage our human skill output. Compensation – always a fraught issue – urges the payment of direct compensation to governments in instances of major human capital loss and urges development aid and assistance in exchange for the loss. Connection focuses on the Diaspora and the promotion of brain circulation even on a temporary basis.

In summary governments of Commonwealth small states and specifically Ministries of Education and Health should seek special “consideration” in countries which recruit our highly skilled. They should engage in discussions which lead to (a) forms of assistance being provided by the recruiting country (b) specific professional development programmes for teachers and nurses and (c) capacity building to increase the output of the highly skilled in source countries. Small States should be leveraging our human resources to competitive advantage so that the wealthier countries who want the highly skilled which they produce , provide the means of strengthening the capacity of the poorer small state to produce more teachers and nurses by assisting source country health and teacher training institutions and mechanisms. It is now imperative that the trade in the highly skilled of Caribbean and other small states does not adversely impact the advancement and development of those states.

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¹⁰ Kapur D. and McHale J. in “Give us your brightest and your best – the Global Hunt for Talent and the Impact on the Developing World” – Center for Global Development, Washington (2005)