# EDUCATION AND ECONOMIC DEVELOPMENT IN ST. KITTS AND NEVIS: A CONTEMPORARY LOOK

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Thirty years ago I presented a thesis at Illinois State University entitled "The Role of Education in the Economic Development of the State of St. Kitts-Nevis and Anguilla." A stepwise linear regression analysis was used to test the hypothesis that changes in the level of economic growth and development in the State of St. Kitts-Nevis-Anguilla are related to the changes in the previous levels of educational development. The statistical evidence indicated that it seemed possible to support the hypothesis. On a procedural basis, one of my four conclusions was that "all *phases* of educational development should be improved, augmented, and balanced among the various categories (primary, secondary, university), *ceteris paribus*."

We revisit that procedural point, thirty years later, and seek to underscore the salience of improving all phases of the educational process. We rest our case on the benefits of the new technology. We contend that in the new technology, the educational process could be enhanced. The educational process could be enhanced such that the positive economies of scale from the new technology will move the state of St. Kitts and Nevis along a continuum that will permit its citizens to benefit from the largesse of the technology. The largesse of the new technology will also enable the citizens of the state of St. Kitts and Nevis to be part and parcel of the new wealth effect attendant with the new technology. We are mindful of the fact that the new technology comes with a price. We are mindful of the fact that access to the new technology is of seminal importance. We will amplify these points later.

Somewhere around 1994, the policy makers in St. Kitts and Nevis started to consider new developments in the manner in which the educational process was viewed. This was a long delayed look, in my view, from a seminal piece of work done by the late Fitzroy Bryant who, back in 1966, had introduced a bill in the House of Assembly that sought to introduce a new philosophy of education. Around 1996, a new Budget Process Manual was prepared deriving from the Budget Reform Project of the Eastern Caribbean Economic Management Program (ECEMP). The document detailed instructions for developing the various stages of the Government Budget. From around 1996, therefore, the government started to focus on development with specific, clearly defined targets, goals and objectives in focus. The Government's Estimates were reorganized to enable the policy makers to view each ministry in terms of a "mission statement", "key responsibilities", and "key results". [Patricia Westcott, ***Budget Process Manual***, St. Kitts and Nevis Government, February 1996].

The Year 2000 mission statement of the Ministry of Education, Labour and Social Security is:

> *To provide for all citizens and residents, a comprehensive course of life long education to enable individuals to develop and achieve their full potential, in order to allow them to make a meaningful contribution to National Development. To foster and safeguard without prejudice amicable employment relationships between employers and employees, endeavoring to promote general welfare, industrial peace and harmony within the federation*. (***Estimates***, 2000, p. 210).

The first "key responsibility" was the formulation, implementation and administration of an Educational Policy in order to enhance the delivery of education to all levels, abilities and ages. Among the many "key results" that were anticipated was the possibility that the use of computer technology in the teaching of mathematics and English Language will be introduced at the Primary Level. (***Estimates***, 2000, page 214). A second anticipated "key result" was the provision of training in computer technology for primary education teachers.

These ideas are useful in my view since education in this context of the process that has links to the labor market and ultimately to economic development. In formal educational systems, such as the old approach to which many educational systems are still wedded, the preparation of students for the world of work is the important objective of the educational system. It has been long established that from an individual's welfare and a societal welfare, returns in the labor market are a seminal goal of the investment in education. The thrust in the educational policy in St. Kitts and Nevis is that public policy must address the inequities in the labor market. From a nominal perspective, Table One presents some selected data on the expenditure on education and the associated complement of workers. There we note that there has been a dramatic increased in the educational budget from

1976 to the present. Note, too, the ten-fold increase in the nominal budget, and the increase in the budget to worker ratio.

TABLE ONE

Expenditures on Education, 1976-2000

| YEAR | WORKERS | BUDGET |
|---|---|---|
| 1976 | 699 | $3.84 million |
| 1977 | 707 | $4.02 |
| 1986 | 517 | $8.97 |
| 1987 | 518 | $10.06 |
| 1992 | 477 | $11.96 |
| 1993 | 480 | $12.35 |
| 1994 | 480 | $14.89 |
| 1999 | 687 | $31.91 |
| 2000 | 690 | $34.73 |

Source: ***St. Christopher and Nevis Estimates***, ***1976-2000.***

On average, the expenditure on education, as exemplified by what was devoted to educational development, seeks to establish the fact that there is a link between educational attainment and labor market outcomes. From Labour market theory and empirical work, one may surmise that labor markets returns are very pronounced from investing in education. The labor market participation rate tends to increase with an increase in education. This is a manifestation of the thesis we noted some thirty years ago in St. Kitts Nevis and Anguilla. Of signal importance, too, is the fact that the unemployment rate tends to fall as the education rate increases. In a relationship manner, there is an inverse relationship between education and the unemployment rate. Last, but not least, earnings tend to increase with an increase in education.

In the traditional type of labor market and educational interaction, the labor force participation of women was below that of men. The average earnings were below those of men. On average, males outstrip females in terms of earnings as those earnings relate to education, globally speaking. On a narrow basis, it seems that there are a number of institutional rigidities that force women to accept lower wages and salaries than men. This tends to be true even if the men and the women are doing substantively the same job.

Labor force participation is being used in the generally acceptable context of those who are 25 to 64 years of age, inclusive, and who are actively seeking a job, or who are actually in the labor force. The social imperatives of a country, the cultural norms and mores, as well as other structural barriers all affect the labor force participation rates of men and men differently. The case is clear that , if we keep structural barriers constant, the labor force participation rate will tend to increase with the level of education. The evidence is not conclusively established in our part of the world, but anecdotal evidence and empirical evidence from the Organization for Economic Co-operation and Development, note that the higher the educational level, the higher the labor force participation rate. Likewise, the higher the University education in a country, the higher the labor force participation rate. [OECD, Center for education Research and Innovation, Innovation Indicators Project, 1995. http://nces.ed.gov/pubs/eiip]

The unemployment rate, defined as the proportion of the adult population between the ages of 25 and 64 years old who are not working, but who are actively seeking employment, is an important policy plan of all

governments. St. Kitts and Nevis like all governments around the world and certainly here in the Caribbean put the eradication or minimization of unemployment as one of their principal tools of survival. Formal education has been acknowledged as the path out of unemployment. In the 1970's there was once a phenomenon where there were educated unemployed. Suffice to say, however, with the advance of technology a two-pronged phenomenon can develop. On one prong the advance in technology can reduce the unemployment for the educated; on the other prong, the less-educated person may be at a distinct disadvantage, may be exposed to vulnerabilities, and may be affected by what is now called the "digital divide."

Finally, the labor market evaluation of the economic contribution of an individual to society is related to one's earnings and to one's socioeconomic status. Studies that have looked at education, sex and or gender and annual wages and salaries are very clear: the more you are educated, the greater are your chances of educational advancement. Were these factors not tainted with interference from men, the labor market would have worked perfectly. But, be that as it may, the new dispensation deriving from technology now commands a possibility that these structural rigidities could be erased or at least be minimized, and that women and people in our part of the world could benefit from technological advance in the new management of knowledge. This, therefore, is the focus of our presentation. The focus is best illustrated by what is now euphemistically called the University on line, "knowledge management", the "dot.com education" and other euphoric types of names. Our perspective is a straightforward one. Countries such as those of ours in the Caribbean generally, and microstate economies such as St. Kitts and Nevis, specifically, can benefit from the tremendous economies of scale associated with technology and education. To the end that the technology and the appropriate technology is harnessed, the wealth effect that seems now to be engulfing the so-called developed world will perforce engulf our world. And even if all and sundry do not benefit from the Gates syndrome, namely wealth in abundance at the individual level, the societal impact of the technology will have a synergistic impact on the entire economy. In this respect, the educational development will have marked positive impact on economic development.

## Opening the Bandwidth

Today it is possible for a busy person to log onto the Internet by a desktop computer, a laptop computer on a palm-held computer and read his assignments, submit his assignment and even obtain a degree online. To the educational purists this may be sacrilege. They may say like some professors at the University of Washington, USA, who, echoing what seems like a 1960's flower child mantra***, "Hell no, we won't go-online."*** [See Frank Mills, "The emergence of Nontraditional Higher Education", (Commencement address, Berne University, St. Kitts, July 18, 1998, p. 11); also see Woody, T., "Academics Rebel Against an Online Future" @ //cnn.com:80/June 1998.] This Old World view of education, if adopted by our policy makers and educational leaders in the region, could permanently band us to the technological dunghill. That is a luxury that we can ill afford. Many so-called upstart schools started courses on line. Today, traditional schools are offering courses, programs and degrees online by themselves or by partnering with Internet providers. Oxford, Harvard, Stanford, Columbia, Duke and New York University, among others, now offer web-based courses. New York University, through its affiliate **NYUonline**, separates its on campus classes from its online classes. There are also Jones International University, Southern Regional Electronic Campus and the Western Governors University. They all offer courses online. Today the professor can supplement his lecture, expand his lecture or be creative with lecture by lecturing on the Internet, sending material by e-mail, or sending students to get what now seems as the obligatory CD-ROMs. Jones University and Western Governors University do not own any University buildings, or any libraries. There is no permanent faculty. Yet they are able to complete with the Harvard's, and Stanford's on the Internet.

This suggests that the new technology is powerfully endowed with leveling the educational playing field.

Some businesses recognize this potential, and no doubt recognize the business possibility, the likely rates of returns on their investment, and the rest. Hence, businesses are now partnering with educational institutions to exploit the educational-technology link. (See Tod Newcombe, "Virtual Universities" ***Government Technology***, volume 12, Issue 10, August 1999, p. 20).

The partnering of educational institutional institutions and technology companies is now gracing the educational horizons on a big scale. The educational leaders of higher education recognize that when they partner with Internet Service Providers or any technology provider for that matter, they are accessing technology, they are leveraging themselves, they are harnessing new technology. The businesses recognize that they are enhancing shareholder value, and they are tapping into the reservoir of professors who may be sitting down with a vast array of intellectual property rights that are not fully exploited.

This partnering has been advanced even further, in recent times. Companies once used to give away computers, or

try to cover the face of the educational landscape with their type of computers. Apple computer wanted to have an Apple in every school. Now what companies are doing is establishing strategic alliances with schools to engage in joint research and to take technology boldly on the frontiers of education and technology. It is this cutting edge of education that I am convinced will power up our economies in a new way, along a new path and into a new continuum that goes beyond the bricks and mortar. In this "clicks and mortar" economy where knowledge is king and where the mouse is not a rodent, our countries stand a chance of benefiting from some of the enhancing power of the new technology.

One of the most ambitious and certainly far-reaching partnerships of this type of link was the October 1999 link of Massachusetts Institute of technology and Microsoft. The unveiling of the MIT Microsoft "I-Campus" is a:

> *Project to create and demonstrate technologies that can produce revolutionary technology-enabled teaching models and educational tools. (MIT and Microsoft) plan to focus on methods and technologies that could set the pace for University education for the next ten years.*
>
> *The MIT-Microsoft alliance will help create knowledge and information-based services that can improve higher education worldwide, said MIT President, Charles Vest*. [MIT Opens Its Gates, Government Technology, vol. 13, Issue 2, February 2000, p. 38].

A second example of the sharing of information and technology from the educational and business sphere is the many biotech companies and the increasing links in the world of ***tele-medicine***. These days may Executives are finding easy to do continuing education in medicine on the Internet.

## Why Should We Heed the New Pedagogical Approach?

We should take heed of the new pedagogical approach to education because first, we have no choice, and second, if we fail to accord notice to the new thrust we will be left behind. This new technology can seal the vacuum that exists among many of our countries in the region as far as our town and countries are concern. Distance education that was once feared, as a result of its many hidden costs, is getting to the stage that economies of scale are now identifiable. The new technology lends itself to a coupling of education to technology, and a twinning of the benefits of education and economic development. The MIT-Microsoft link is, in a fundamental way, oriented to developing materials that would subscribe to one common open standard. This suggests that source codes for programs and new massaging of ideas that are buried under layers of intellectual property rights, will not longer be a problem. Source codes will be now widely disseminated, in the truest form of a perfectly competitive market. It is this form of perfect competition in education that strongly suggests to me that we have to access that type of technology, we have to get on the bandwagon for innovation, and we have to get on the cutting edge of change.

To date there are some regional efforts of Universities offering courses online. In my case, at the University of the Virgin Islands, I have offered *Introduction to Microeconomics and Macroeconomics* between our two campuses. My method falls under the umbrella of "synchronous classes". I recreate the classroom experience by meeting regularly in a class on St. Croix, and occasionally onsite on St. Thomas. My lecturers are delivered through the medium of a two-way closed circuit microwave system. St. Croix is 50 miles to the south of St. Thomas. Other members of the University have also presented courses using this method. My presentation, particularly those dealing with the stock market, and World Bank issues, are normally done with regular internet links, and the simultaneous downloading of data. The students on the host campus see me in person, the students on the satellite campus see me, hear me, can interact and can see all of my graphs and charts in a virtual university space.

Within recent times classes have been offered, also, in an ***asynchronous*** manner. This method allows anyone with PC and browser software to access the course material from anywhere, anytime. Some restrictions are applied. You have to have a student ID to get all of the material. In the asynchronous method, lecture notes and other material could be stored on the hard drive of a Web server. Students will then use their ID, or password, to access the syllabus, and other material. In some instances, you are able to access the syllabuses without a pasword.

What was once the domain and reservation of the Mathematics and Science departments is now literally in the grasp of those who which to use the system. It must be noted, however, that teaching online requires a different level of discipline; it requires a new modus operandum that transcends the old talking head approach to traditional teaching.

This is a world of the virtual University. Some people claim that these virtual universities are nothing more than

"digital diploma mills" (See Tod Newcome, 1999, p.20). That may be so. But what is of salience to us in this presentation is the fact that virtual universities are using technology to deliver courses and degrees to a larger number of people who would not have been able to leave their home front for ivory towers of academic excellence. In this regard, we in this part of the world, could benefit if our educational institutions begin to offer what are called "competency-based" courses. Just last week I was evaluating the presentations of a large transport corporation in the region. Four regional managers made presentations using Power Point. Then they asked me why isn't my University presenting classes to fill the niche in the economy? My answer was that my University officials need to be bolder. Businesses need to understand the management of transport. Businesses need to get a short course in Power Point; people need to know how to balance their check books, using Quicken, for example; people need to know something about the interstices of the stock market. In the traditional educational institutions, these things have to go through the Curriculum committee where members fight for their turf, and where guerilla warfare is not on uncommon if a particular class seems to overlap two departments. It is our suggestion that we in this part of the world have to move beyond these turf wars. We have to meet businesses; we have to begin to partner with businesses.

We who are in the traditional academia, and we who interface with the policy makers, we who shape decision-makers, have a task to convince the stakeholders concerned that the new technology will help all of us and will help us tremendously. We all live in a region where size as first articulated in the work of the late Caribbean economist, William Demas, pertained to economic issues. But in these small states of the Caribbean, and especially the microstates of the Eastern Caribbean, like St. Kitts and Nevis, the question of smallness is also linked to isolation as that isolation represents spatial, political, and cultural isolation, and an isolation that is attendant with the praxis of insularity. Hence in a state, such as St. Kitts and Nevis, a person who lives in Sandy Point or Nevis could feel that he or she suffers from different levels of isolation as that isolation relates to the power structure that resides in Basseterre, the capital. A person who lives in Tobago may feel that he or she is totally isolated from Trinidad. This suggests that my notion about access to the new technology has to be viewed in light of access rights, and utilization rights. By access rights, I mean the ability of the regional states to access the technology from the so-called developed world at costs that will not unnecessarily strain the educational budgets. Utilization rights refer the ability of the federal or national state to make the technology sufficiently pervasive to all and sundry from the point of view of scale of use and scope of use. By scale we mean the ability of the federal or national government to provide technology to as many users who express interest. By scope we mean the orientation of the government to view technology as a ***sine qua non*** for development, and hence to provide the technology for all and sundry.

In this light, there is a role for the private sector and other non-governmental stakeholders. Here in St. Kitts, the role of the private sector in sponsoring Saturday morning classes for some primary school students. The work the TDC and others are doing in this regard must be noted. This type of development is in line with what I call the all and sundry provision of technology. Here mention must be made of Dr. Clive Ottley's Leyton Microcomputer Service, which is an Internet Café service. People who do not have the wherewithal to buy a computer, and to have Internet access, can go to that service at a central location and have access to the Internet for a fee. What this could lead to is a situation where educational dissemination could be enhanced, and a larger number of persons could benefit from technological innovation.

A recent international action in this area of cooperation between the private sector and a quasi-public sector was the action of the International Finance Corporation IFC), a member of the World Bank Group linking up with Japan's Softbank Corporation. The two groups have joined in a $520 million initiative to spawn start-up Internet companies in 100 countries. The objective of the venture, notes James D. Wolfensohn, President of the World Bank, is to deal with the "digital divide." The digital divide," he notes, "is one of the greatest impediments to development, and it is growing exponentially." Wolfensohn notes:

> *With this initiative by the IFC and Softbank, we are taking a lead in the effort to close the gap. This investment will accelerate the inclusion of developing countries in the information revolution. It will transfer technology from the rich countries to the developing world. Fostering sustainable new local businesses will promote prosperity and reduce poverty. And it will, I hope, encourage others to follow with their own investments and initiatives to establish technology and information centers all around the world. ["Softbank and IFC Attacking the Digital Divide", Upfront,* **Impact***, The IFC Review of Private Investment in Developing Countries, volume 4, no. 1, Winter, 2000, pp. 2-3].*

It is one thing to have the technology; it is another thing if people are not using the technology. In my interviews with some people in St. Kitts, it was generally noted that computers are gradually moving form the realm of a luxury good to a necessity. The biggest problem is the development of a comfort zone for people. Many persons are still technophobes. As one person noted, the locals are not using the service, as they ought to be using it,

compared to how persons not from the region are using the Internet service. Here I wish to emphasize, again, that the role of the private sector is pivotal in the spread of the new technology.

## So Where Should We Be Going In This Part of the World?

The case should be obvious. In the old Maslovian Hierarchy, the uppermost needs are self-realization needs. These are the needs to grow and develop as a people and to become all that all that we are capable of being. These are the most difficult needs to satisfy. The means of satisfying them vary from individual to individual. In this new millennium, we in small societies have to attach ourselves to the engine of growth as that growth seeks to revolutionize the development process. The private sector and the public sector have to see the new technology but as a means to an end. It is not magic White Knight in shining armor. This suggests that there are several things which countries like St. Kitts and Nevis can do to harness the technology.

First, the schools need to change their approach to learning and education. The Descartes view of "I think, therefore, I am" is a pedagogical dinosaur. The approach presupposes that we are empty vessels into which a person can pour liters of knowledge. The new technological frontier requires us, particularly in small societies, to see learning and to act our learning in an experiential mode. Hence, we have to participate, if we want to be. The old aphorism of those who can, teach, and those who cannot, learn, does not hold in its fullest dimension in the new era. The new technology is interactive experience. This is a radical departure from the way most of us teach today. We, teachers, have to leverage the Web, the Internet, through our curriculum, through our syllabus. We have to have definite goals and specific objectives. Bermuda, today, is one of the most wired countries in the Caribbean. Canada has a goal to make every classroom Internet connected by the middle of this year, 2000. When the larger and so-called developed countries get this giant step forward, we cannot be too far behind.

I have deliberately left out any extensive discussion of the cost of the new technology. That situation may be the case of one throwing out the baby and the bath water. It is my contention that in today's economy, knowledge and education are the keys to economic success. Economic development is fundamentally linked to education; there is no doubt about that. Learning in this space has to be life-long learning that radically` shifts thinking. This means that the rote learning that we are all so steeped in will have to go by the wayside, as a museum piece. In its place must be a learning process that encourages learning that is of a synthesis, an interpretive mode, and a catalytic thrust based on what is available on the interactive bandwidth of the Internet.

The public and the private sector must begin to view training as of central moment to the development process. The traditional approach to training is to see it as a cost. Training, in the new scheme of endeavors, is best profiled as an investment, not as a cost. Training cannot be left up to the public sector alone. In the USA, for example, the private sector does nearly three times the level of training as does the public sector. We have to adopt a position that supports the idea that if a national is trained in the public or private sector, provided that person stays in the country, the training is good for the country. This means that trained people can be mobile: they can move from the public sector into the private sector, and vice versa. The enabling environment that goes along with that mobility is one that we have to work on. It cannot be fixed that we stay in one dimension all of our lives. This new space we now occupy in the educational, technology, an economic development continuum requires that we interact, participate, be masters of content, be creative, and be cognitive. When we are cognitive, we are able to see and appreciate the aspects of logic, knowledge and creativity. We will have to learn to accept the unexpected, but we should still inspect before we expect.

## Conclusion

This paper was designed to look at education and economic development in a forward-looking manner. It is forwarding looking because we are of the view that the new era of technologically linked to education has greater parameters to transform our education and our economies than the traditional approach to education and development. Fundamentally, our contention is that all sectors, all stakeholders in our societies, must articulate a new view, craft a new educational architecture, and position our societies on a new landscape that is technologically friendly, economically viable, and politically expedient.

Fundamental changes have to be made in our education and education system because the new knowledge economy and the new mandate that we be creative. We have to be ahead of the curve in the diffusion of knowledge. We have to be cognizant, however, that our economies strength will be still be as strong as the weakest link. We cannot afford to let the lack of technology access be our weak link in the education, technology space. Whatever role we wish to play from a strategy point of view, namely adopting or adapting, the case still

requires that technology be center stage. And when we would have meaningfully accessed the intellectual property rights of others, we would marshal our own resources to protect our own intellectual property rights. Education was once identified as fundamental to economic development. Today that truth has assumed a new luster. We, who inhabit small societies with once perceived limited resources, should now craft strategies to boldly use technology to project our economies along new trajectories. We must be participants in the new wealth effect that is attendant with the new technology. The contemporary look of education suggests that while the dissemination of knowledge is not perfect, there is enough in the World Wide Web to enable us to make our mark on the contours of the intellectual, educational and economic landscape.

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