



USAID
FROM THE AMERICAN PEOPLE

YOUTH WORKFORCE DEVELOPMENT ASSESSMENT

FOR USAID / BARBADOS & THE EASTERN CARIBBEAN

**ST. LUCIA
GRENADA
ST. KITTS & NEVIS
ANTIGUA & BARBUDA**

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Best Practices for Promoting Trade-Led Equitable Growth in the LAC Region
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ACRONYMS

ABDB	Antigua and Barbuda Development Bank
ABHTI	Antigua and Barbuda Hospitality Training Institute
ABICE	Antigua and Barbuda Institute of Continuing Education
ABIIT	Antigua and Barbuda International Institute of Technology
ACP	African, Caribbean, Pacific States
ADP	Adolescent Development Program
AVEC	Advanced Vocational Education Centre
BEEP	Basic Education Enhancement Project
BELFund	James Belgrave Micro Enterprise Development Limited
BGWU	Bank and General Workers Union
BTC	Boys Training Center
CANTA	Caribbean Association of National Training Authorities
CAP	Community Achievers Programme
CARE	Center for Adolescent Renewal and Education
CARIBCERT	Caribbean professional certification program
CARICOM	Caribbean Community
CCSET	Caribbean Center for Sports Education and Training
CCSLC	Caribbean Certificate of Secondary Level Competence
CFBC	Clarence Fitzroy Bryant College
CHTA	Caribbean Hotel and Tourism Association
CIDA	Canadian International Development Agency
CIWU	Commercial and Industrial Workers Union
CSME	CARICOM Since Market Economy
CVQ	Caribbean Vocational Qualification
CXC	Caribbean Examinations Council
CYEP	Caribbean Youth Empowerment Program
DCA	Development Credit Authority
EC	Eastern Caribbean
EFE	A Spanish media outlet
EU	European Union
FAO	Food and Agriculture Organization
FND	Foundation of National Development
GARD	Gilbert Agricultural and Rural Development
GCTVET	Grenada Council for Technical and Vocational Education and Training
GDP	Gross domestic product
GHTA	Grenada Hotel and Tourism Association
GMMIWU	Grenada Maritime Manual and Intellectual Workers Union
GRENCASE	Grenada Citizen Advise and Small Business Agency
GRENCODA	Grenada Community Development Agency
GUT	Grenada Union of Teachers
HEART	Human Employment and Resource Training
HIV	Human Immune-deficiency Virus
HOPE	Holistic Opportunities for Personal Empowerment
HR	Human Resources

HVAC	Heating, Ventilation, and Air Conditioning
ICDL	International Computer Driving License
ICT	Information and communication technologies
ILO	International Labor Organization
IT	Information technology
JA	Junior Achievement Program
JFF	Jobs for the Future
MCITP	Microsoft Certified IT Professional
MIC	Metal Industries Company Ltd.
MOE	Ministry of Education
NDC	National Development Corporation
NEDD	National Enterprise Development Division
NELU	National Enrichment and Learning Unit
NEST	National Economic and Social Transformation
NewLo	New Life Labor Organization
NGO	Non-governmental organization
NIC	National Insurance Corporation
NIS	National Insurance Scheme
NRDF	National Research Development Foundation
NSDC	National Skills Development Center
NSTP	National Skills Training Programme
NTA	National Training Authority
NVQ	National Vocational Qualifications
OECD	Organization for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
OJT	On the Job Training
OMS-SLS	Office of the Ministry of State—Sports, Local Government, and Special Projects, Ministry of Education, Youth, Sports, and Gender Affairs
OPSR	Office of Private Sector Relations
QA	Quality Assurance
RISE	Resource Information Support Education
SALCC	Sir Arthur Lewis Community College
SEDU	Small Enterprise Development Unit
SIDF	Sugar Industry Diversification Foundation
SJCCU	St. John’s Cooperative Credit Union
SKN	St. Kitts and Nevis
SLDB	St. Lucia Development Bank
SLHTA	St. Lucia Hotel and Tourism Association
SSDF	Saint Lucia Social Development Fund
STAVEP	Strengthening of Technical and Vocational Education Project
STDs	Sexually transmitted disease
SWWU	Seamen and Waterfront Workers Union
TAMCC	T.A. Marryshow Community College
TAWU	Technical and Allied Workers Union
TODA	Taxi Owners and Drivers Association
TVET	Technical-Vocational Education and Training

UNDP	United Nations Development Program
USAID	United States Agency for International Development
YEEF	Youth Enterprise Equity Fund
YES	Youth Empowerment through Skills

EXECUTIVE SUMMARY

Shared Challenges and Opportunities

Young people in Antigua and Barbuda, Grenada, St. Kitts and Nevis, and St. Lucia share striking challenges and opportunities as they prepare themselves for finding a job and building a career. While some of these challenges have been common to generations in the region, youth in the OECS countries face a very different situation than did their parents. Their challenges include:

- Global market forces that have decimated the traditional agricultural employment of the past while simultaneously boosting new employment in tourism, technology and services that did not exist 30 years ago;
- Record levels of youth unemployment heightened by the global economic downturn;
- New skills demands for the service industries that require them to build “soft skills” such as learning to learn, self discipline, communication and conflict resolution;
- Larger numbers of youth gaining access to secondary education with greater academic and social needs, and a larger number dropping out of school;
- Stigmas toward career and technical education that discourage them from entering technical trades even when those provide strong job opportunities;
- A greater demand for tertiary education as more youth graduate from secondary school coupled with a low supply of, and low private investment in, tertiary education, thwarting their plans to attend university and enter a well-paid profession;
- A greater need for entrepreneurship despite little support, training or financing for youth to engage in entrepreneurship and contribute to job creation.

In addition to these forces, support systems to help prepare youth for the transition to work are weak. Most notably:

- There are very few robust connections between education institutions and private sector employers despite expressed willingness to collaborate;
- Institutions and students alike lack critical information to make training decisions;
- Financing and supporting institutions for youth enterprise are scarce.

Despite the constraints facing young people who are joining the workforce in these four countries, there are also several positive factors that present opportunities for youth workforce development. In brief, those opportunities include:

- The introduction of region-wide training certifications that encourage more industry-oriented training, additional quality assurance, linkages between educators and businesses, and more regional employment options for young people;
- Renewed emphasis on entrepreneurship for local job creation;
- Significant institutional leaders who are passionate about, and organizing innovations for, at-risk youth;
- Growth industries such as tourism and other services that are relatively open to youth.

Key Challenges & Recommendations to Meet Them

Taking the four country assessments into account, the team identified eight key challenges for youth workforce development across the countries, and suggests critical recommendations for addressing those challenges.

1. Connect Educators and Employers

Challenge: There are very few robust connections between education institutions and private sector employers despite the fact that business and education leaders express a willingness to collaborate.

Recommendation: USAID should support or establish mechanisms to facilitate public, private and educational institutions' dialogue and the implementation of improvements that meet the needs of private sector employers. A USAID "Labor Market Responsiveness" project could be established in partnership with Jamaica HEART Trust and others to provide program design models, labor market information, staff training, and technical assistance that help training institutions and schools take a market-driven approach to preparing youth for job opportunities.

2. Scale up Soft Skills

Challenge: Service sector employers identify "soft skills" and attitude as the critical requirement that institutions are not addressing for young workers.

Recommendation: Spread and improve the delivery of effective soft skills and employability education in secondary schools and vocational training centers. Implement key elements of proven soft skills programs such as the Center for Adolescent Renewal and Education (CARE) Adolescent Development Program (ADP) for secondary and skills training institutions.

3. Provide Information for Decision-Making

Challenge: Institutions and students lack critical information necessary for making effective decisions about training, such as information about employment trends, skills demands, and the employment outcomes of graduates.

Recommendations: USAID should support formal studies to determine labor market demands and to build the capacity of the Statistics and Labor Departments to collect and distribute labor market data to key decision makers and career guidance systems.

4. Make School Work for More Youth

Challenge: With the introduction of universal secondary education, increased numbers of students arrive at secondary school off-track, with relatively lower literacy and numeracy skills than previously. Lower-end secondary schools lack critical design features to

address the academic and social needs of students, leading to behavioral problems, delinquency and increased drop outs.

Recommendations

- Promote literacy and numeracy programs for at-risk youth in secondary schools, as well as interactive training methods that engage those students in learning, and concentrate resources on schools with students in the most need.
- For the largest long-term gains, USAID should also invest in primary and early childhood education, where the returns to basic education are highest over time.

5. Grow Opportunities for Young Entrepreneurs

Challenge: Youth find few opportunities to develop business skills that match their circumstances, creative ideas and viable markets.

Recommendations

- Support youth entrepreneurial development through entrepreneurship education and counseling and financial literacy programs with special focus on developing and emerging economic sectors.
- Conduct sector studies on potential opportunities for entrepreneurship and market these opportunities to young people. Support the development of emerging and growth sectors with potential for youth involvement.

6. Extend Microfinance to Youth

Challenge: The expansion of youth-targeted microfinance is constrained by high interest rates, poor repayment culture, lack of available capital for on-lending, weak institutional capacity and the perception that youth are high-risk borrowers.

Recommendations

- Develop institutional capacity among lenders for youth lending and support newer initiatives such as the national youth equity fund in St. Lucia. Introduce alternative models that will stimulate lending such as a savings-led approach using the ‘susu’ culture, increasing membership with cooperatives or credit unions, and new forms of collateral, including cash-flow based lending.
- Assist microfinance institutions to further link finance and vocational training opportunities as well as mentorship programs for youth microfinance clients. Support financial literacy and savings programs as a first step toward enabling youth to become responsible borrowers.
- Consider a targeted USAID Development Credit Authority (DCA) loan guarantee to assist microfinance institutions to expand their lending.

7. Elevate Career Education

Challenge: Vocational education is stigmatized as ‘second class’ among students, parents and employers. This discourages youth who are currently involved as well as academically successful students who are considering vocational training.

Recommendations

- Integrate skills development institutions and programs within the formal education system to improve quality and reduce attached stigmas.
- Develop youth community service structures that assist young people to contribute to their communities and gain respect, employability skills, and credits for self development.
- Implement a public awareness and education campaign that enlightens youth and parents with regards to technical training in order to de-stigmatize vocational training and technical careers.

8. Expand Pathways to Higher Education

Challenge: There are tight bottlenecks constraining the ability of young people to pursue tertiary education that could prepare them for the knowledge economy and inspire them to remain and succeed in school.

Recommendation: Explore the feasibility of new or expanded paths to tertiary education and support the growth of bridging institutions, as well as private financing.

In summary, these recommendations and challenges emerge from an analysis of the key factors influencing youth employment and training in the countries assessed. They also emerge from the thoughtful suggestions of the many stakeholders interviewed in the rapid assessment process. While some of these recommendations, such as expanding pathways to higher education and investing in primary school education, may extend beyond the original vision of the assessment, the team views them as priorities that need to be addressed in the long term, whether with USAID assistance or with that of other local and international partners.

INTRODUCTION

Purpose of the Assessment

The purpose of this assessment is to provide information and strategic options for youth workforce development to USAID/Barbados and the Eastern Caribbean. The research and report were designed to inform the mission in developing its 2011-2015 strategy to support the countries of the Eastern Caribbean to become more competitive and improve their quality of life, particularly among young people.

The report aimed to fill three key information gaps that could contribute to the Mission's strategic planning: **(i) a mapping of NGOs or other non-state actors providing workforce development training to at-risk youth or second chance education opportunities; (ii) the current role of the private sector in the workforce development process; and (iii) a mapping of entities providing finance opportunities to support youth microenterprise development.** The assessment also provides analysis of the research collected and offers strategic options that can inform the design and implementation phase of USAID's strategy.

The assessment is divided into three primary sections. Section I, The OECS Regional Background, provides the recent regional context for youth workforce development, including regional industry trends, employment and demographic trends, and key education and skills development trends affecting the region. It also includes an analysis of shared challenges and opportunities among the four countries studied, and an overview of microfinance in the OECS.

Section II, Individual Country Workforce Analyses, provides an analysis of youth workforce development in each of the four countries assessed: St. Lucia, Grenada, St. Kitts and Nevis, and Antigua and Barbuda. For each country, the assessment provides an analysis of the Local Economic Context, including potential employment demand, as well as the level of employer engagement in training for the workplace and overall workforce and youth trends affecting the labor market. The individual country assessments then present a brief assessment of each country's strategies surrounding employment, skills development, labor market information systems and microfinance for youth, followed by a set of recommendations and opportunities for USAID assistance.

The bottom line of the report, found in Section III, Recommended Goals and Potential Strategies, draws on these individual country assessments, as well as the OECS regional background to identify challenges, opportunities and recommended options to address them. In this section, we present eight key challenges facing youth in the labor market, along with eight strategies that USAID and its partners could implement in order to tackle those key challenges.

Finally, in the Annexes of this report, we provide the lists of Interview Contacts Made in each country, summaries of the institutions that provide training and career education in

each country, and a bibliography of resources used in the assessment.

Assessment Approach

The primary assessment team included four US workforce experts, and three experts from the Eastern Caribbean. Robert Holm, of Jobs for the Future (JFF) led the overall and US assessment team, which included Cassius Johnson, also of JFF, and Andrew Lewis and Roe Raz of Chemonics International. Deborah Hackshaw led the Caribbean team, including Michael Freeland in Antigua and Clifton Nedd in Grenada.

The team began the assessment research in May, 2010, through secondary research from key literature and web resources (see bibliography), analysis of labor market data where available, and initial briefings with USAID and other key stakeholders. The heart of the assessment was over 115 in-person interviews with the leaders of key private sector organizations, workforce development institutions, training providers, colleges, secondary schools, government ministries and institutions, foundations, international and regional donors, and selected financial institutions in six countries – the US, Barbados, St. Lucia, St. Kitts and Nevis, Grenada, and Antigua and Barbuda. These field interviews were conducted during a two-week visit by the full team from June 6 through June 19, 2010, and follow-up interviews by Deborah Hackshaw over the following two weeks.

The team worked with USAID Barbados and the Eastern Caribbean as well as the USAID/Washington Bureau for Latin America and the Caribbean to design the initial scope of work and to adjust the final plans during a team briefing at the outset of the country visits in June. Following the site interviews, the assessment team debriefed initial findings and recommendations with the USAID offices, identified promising strategies for further development, and prepared the first draft of the report in July for USAID review. This final version reflects that review and additional research conducted in August 2010

SECTION 1. OECS REGIONAL BACKGROUND

Recent Regional Context

The economic prospects of young people in the Organization of Eastern Caribbean States (OECS) countries are highly influenced by the region's unique economic context. That context is one of small, transitioning, resource-constrained, middle-income countries whose economic opportunities have much to do with their geography and relationships in the global economy. Recent trade liberalization and the loss of preferential market access for bananas and sugar to the European markets, for example, has massively impacted their economies and employment. At the same time, their natural comparative advantage in tourism has provided an important engine for employment growth and foreign exchange. Global economic forces have pushed the countries to embark on economic diversification programs with mixed results.

The OECS also continues to face social and economic development issues, such as: rising levels of crime among youth; poor education performance; low skills development; adverse demographic trends (aging population and brain drain); energy dependence; and high unemployment, particularly among youth. These challenges and declining productivity have negatively impacted on competitiveness of the traditional sectors of the economy.

In 2009, after years of modest economic growth, the OECS experienced a deceleration, and in some places outright decline, due to the global financial and economic crisis that caused a reduction in tourist arrivals, contraction of financing for foreign tourism investment projects and a fall in private sector remittances and bank liquidity. The Eastern Caribbean Central Bank has projected a further contraction in economic activity of about 2.4% in 2010.

The establishment of the CARICOM Single Market and Economy (CSME) and the recent signing of the OECS Economic Union treaty present challenges and opportunities for the OECS. With this transformation, there is greater pressure on the islands to achieve greater competitiveness to take advantage of the expanded regional market. For the OECS to stimulate growth and improve competitiveness, both regional and national governing bodies must take appropriate policy actions to take advantage of the benefits of CSME, OECS economic union, and other emerging economic opportunities. For example, as trade barriers are removed, harmonization of qualifications and certifications of workers must be effected to ensure the feasibility of cross-border commuting. This is one of the few opportunities to make important changes on a regional basis, particularly starting in Grenada and St. Lucia, where National Training Authorities based on the Jamaica HEART Trust have gained a foothold. This opportunity is addressed in the first recommendation at the end of this report.

Regional Industry Trends

Despite numerous regional efforts to improve the quality and efficiency of banana production in the Windward Islands and sugar production in St. Kitts and Nevis, the countries continued to experience financial losses due to the low productivity and inefficient farming strategies that were exposed with the loss of preferential trade access to the EU. This resulted in the demise of the agricultural sector, and was particularly devastating to the small island economies where agriculture was the largest employer and source of foreign exchange.

In light of the foregoing and, taking advantage of the countries' natural resources of sun, sea, sand and biodiversity, the governments' focused on developing the services sector, particularly tourism, as the major engine for economic growth. Though the services sector centers on tourism, it also includes information and communication technologies (ICT), offshore financial sector activity, and offshore education, all of which create opportunities for employment and improving the standard of living in the region. The services sector is now the lead sector in the OECS and the most important source of growth for the sub-region.

The tourism industry continues to develop with the associated construction activity as foreign investors build new tourism residential developments in the islands. It should be noted that the hotel stock in most of the islands has not expanded significantly over the past twenty years. New niche markets in community, cultural, and eco-tourism, target a different type of tourist who requires specific amenities, facilities and ancillary services that are not necessarily available in the islands. Specialized skilled labor is needed in many of these projects but too frequently, this is imported. This niche tourism market provides a wealth of opportunities for creating employment among the youth who have the required skill sets. However, because the governments have failed to identify or meet the needs this sub-sector, many skills demands go unmet in the islands. As an additional consequence of the skills gap, local contractors in construction and businesses have not been able to take full advantage of the growth opportunities.

The development of the manufacturing sector has been plagued with difficulties due to the high cost of production, small economies of scale, low productivity and poor availability of skilled labor. This is further exacerbated by poor production practices, low levels of technology use and inefficient utilization of machinery, among other reasons. This has made it difficult for the struggling manufacturing sector to compete with imports.

With the liberalization of the telecommunications industry, the ICT sector has grown but further expansion will be challenging. Despite outsourcing companies' interest in establishing call centers and data entry operations in the islands, this sector has not yet developed as envisioned. This is mainly due to high internet costs, a workforce that lacks adequate computer and communication skills and lack of physical office space to house the operations. Governments have undertaken initiatives to attract outsourcing companies. For example, Antigua and Barbuda has invested in training over 400 persons in medical transcription with the view to attracting outsourcing companies. This sector does have growth potential given that the country is English-speaking and in a favorable

geographic location, including a similarity in time zone to the United States. On another level, it has the potential to attract young entrepreneurs interested in graphic design and web development. There is a market for those services as companies seek to market themselves and do business on the internet.

Fishing is an often neglected sector in the OECS, but this industry presents real opportunities to promote economic growth. By their geographic nature, the islands possess certain natural resources, such as fish, in abundance. There is a growing demand for fish in the local and tourism market. Although this sector is plagued with challenges ranging from cultural to financial, it has potential for growth if the mindset and techniques of the fisherman can be updated and youth are encouraged to participate.

Agri-business also has potential for growth but faces many constraints to development including the negative perception of agriculture. Various agricultural diversification programs have been implemented with the assistance of donor agencies to promote linkages with the tourism sector but success has been marginal. Like fishing, interventions are needed to effect cultural changes, develop marketing capabilities, support financial assistance and build farming and management skills and practices. Again, targeting the young might prove to be more viable. However, there is always the resource constraint associated with the availability of land for young farmers who do not own property.

As the OECS transitions from predominantly agriculturally-based economies to service-based economies, they face numerous challenges that governments, businesses, educational institutions, and the public are struggling to meet. One of the major challenges has been the poor labor mobility from agriculture to services, due in part to the lack of qualified persons to fill positions requiring specific skills and the general mismatch of existing skills to those demanded by the labor market.

Regional Employment and Demographic Trends

Birth rates and population growth in the OECS has been slow at least since the 1980s. So while their populations are younger than most OECD countries, the Eastern Caribbean countries are also experiencing an aging population. The aging population, along with some of the highest emigration rates in the world, suggests that future improvements in the skills supply in the OECS countries will have to include the enhancement of existing workers' skills and not be able to rely solely on the entry of large numbers of young educated workers. While this does not detract from the fact that alarming numbers of youth are without work, the population trends at least have not compounded the economic problem.

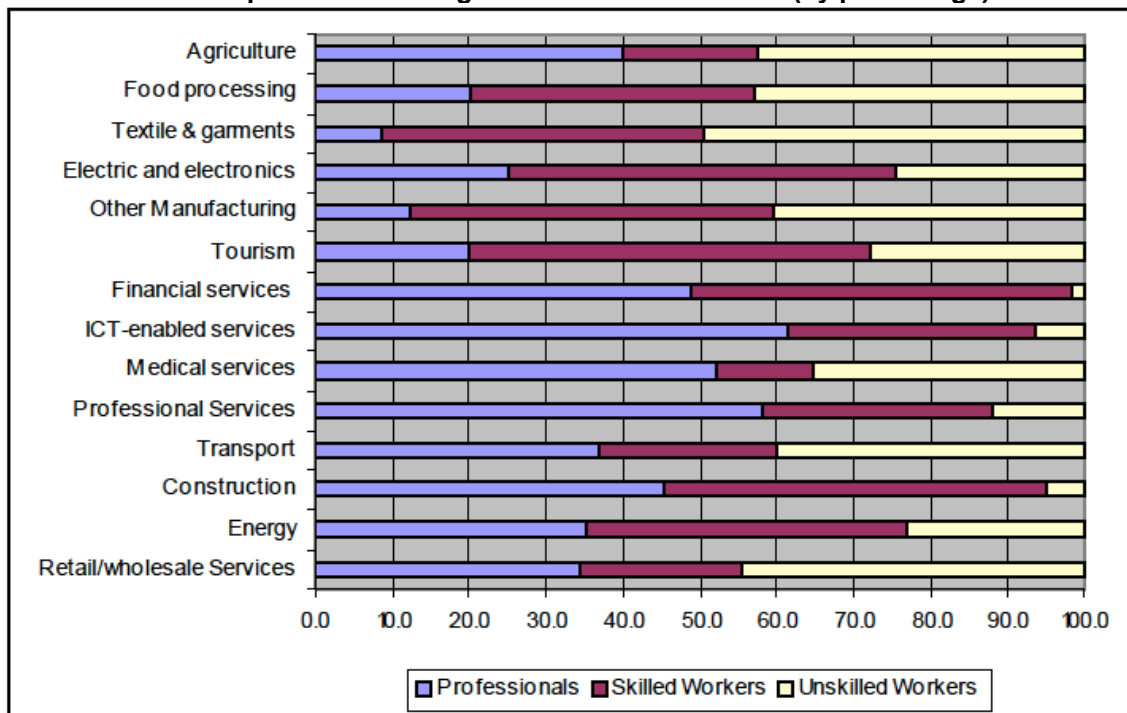
While recent youth employment data is not available for three of the four countries studied here, it is clear that the global recession has had a particularly hard impact on young people's employment in the OECS, as around the world. In countries where there is stronger data, such as St. Lucia, the data show small improvements in youth unemployment between the 1990s and mid 2000s, particularly for young women and

even small (4% point) gains for young men under 20 years old. Unfortunately, these gains have been all but erased during the recent economic crisis, rising as high as 62% for young men under 20 and jumping by 17% points for young men 20-24 years old, as well as those 25 to 34 years old. While St. Lucia has had relatively high unemployment compared to OECS countries, the direction of the shifts is likely shared across the OECS. From the standpoint of youth unemployment, it is fortunate that population growth in the region is slow, particularly because it reduces pressure on the still-very-high youth unemployment rate experienced in the region.

Regional Education and Skills Development

The effort to extend universal secondary education across OECS countries is arguably the most important trend in education over the last decade. If the quality and relevance of that education for the economy are ensured, it should pay substantial long-term benefits for the region. The benefits of expanded access to education are particularly important because of the region’s rapid shift in skills needs since the 1990s. The large-scale movement of employment away from agriculture and into services has greatly increased the need for skilled workers and professionals. One survey of foreign investors across the Caribbean highlights that greater demand for skilled workers and professionals in service industries compared to agriculture and manufacturing as shown below.

Table 1. Skills Composition of Foreign Firms in the Caribbean (by percentage)



Source: Nuamah, Camille et al., World Bank. "OECS: Towards a New Agenda for Growth." 2005.

According to OECS firms, this increase in demand for skilled workers has created shortages that are an important constraint to improving competitiveness in the region. In a survey of export firms undertaken by the OECS Export Development Unit, the education level of labor was ranked as the biggest problem. And a diagnostic focused on the

investment climate in Grenada similarly identified the shortage of skilled labor as the number one constraint by firms there in 2004.¹

Despite the important expansion of secondary education in the OECS countries, low numbers of graduates and poor skills outcomes as measured by Caribbean Examinations Council (CXC) are contributing to the skills gaps. This is further exacerbated by the high outflows of migrant workers and the low supply of tertiary education and training by both public and private providers and by firms in the OECS.²

The low supply of seats in tertiary education shows up in a comparison of the numbers who graduate from secondary school and those who enter post secondary education. In one study of Eastern Caribbean education, approximately 55 percent of a cohort completed secondary school but only 11 percent of the cohort entered post secondary education.³ The high returns to tertiary education in the region fuel young people's demand; however, there seems to be an inadequate supply.

Very low levels of private financing for post-secondary education is also likely contributing to low tertiary enrollment in the OECS countries, as they rely almost exclusively on public financing in this area. In the OECS countries, public investment in tertiary education is 0.8% of GDP, while private investment is 0.1%. By comparison, OECD countries average 1.0% of GDP in public investment and 0.8% in private investment, an eightfold difference in private investment.

Regional Collaboration on Labor and Workforce Development

In the field of workforce development, another critical trend has been underway in the Caribbean. The Caribbean Vocational Qualification (CVQ) system, which was based on the Jamaica: Heart Trust / National Training Authority (NTA), has begun to provide a widely shared model for industry-vetted curriculum and the certification of skilled workers around the region. As part of this movement, the Caribbean Association of National Training Authorities (CANTA) has been established and endorsed by CARICOM as the implementation arm for regional Technical-Vocational Education and Training (TVET) initiatives. Though they are strongest in the founding countries of Jamaica, Barbados and Trinidad & Tobago, fledgling NTAs have been established in most countries, and the CVQs are gaining popularity and use in education and skills training programs throughout the OECS. Those standards approved by CARICOM allow for portability across the Region.

Overview of Microfinance in the OECS

The OECS region lacks a vibrant microfinance industry that caters to the needs of the poor and youth. The industry in each island is dominated by one or two players with the

¹ Nuamah, Camille et al., World Bank. "OECS: Towards a New Agenda for Growth." 2005.

² Nuamah, Camille et al., World Bank. "OECS: Towards a New Agenda for Growth." 2005.

³ World Bank. "School and Work in the Eastern Caribbean – Does the Education System Adequately Prepare Youth for the Global Economy?" 2008.

exception of St. Lucia where there are at least four microfinance institutions in the market. The microfinance industry is comprised of government agencies and non-government organizations and credit unions with very few, if any, private institutions. These NGOs and government agencies were created to fill the gap created by the commercial banks that are averse to lending to business start-ups, particularly in non-traditional sectors and particularly to youth and persons with no collateral. The credit unions have grown in importance over the years in filling the void left by the banks and those microfinance institutions that exist. Credit unions play a major role in rural communities where there is apprehension about banks, which are often intimidating to youth and the poor.

The microfinance institutions have experienced slow loan portfolio growth and high delinquency rates, particularly among the government-owned or sponsored institutions such as the National Research and Development Foundation in St. Lucia and the National Development Foundations in Grenada and Antigua and Barbuda.

Despite their willingness to expand their portfolio and work to lower delinquency rates, the institutions are unable to expand because of the lack of financial resources. Since they are not savings institutions, they rely on government funding or low cost loans to on-lend. In St. Kitts and Nevis, because of its poor fiscal situation, the Foundation of National Development (FND) had to rebrand and reorganize itself as a credit union in order to accept savings. However, the weakness of the new FND Cooperative Credit Union is that it has restricted its membership to clients (entrepreneurs) of the previous institution and their families.

The common themes outlined above present both challenges and opportunities for USAID to improve youth employment in the OECS countries. Before detailing the assessment team's recommendations, the following section provides an analysis of each country's specific circumstances, challenges, opportunities and institutions addressing youth skills, entrepreneurship and jobs.

Shared Challenges and Opportunities Among the Four Countries

Challenges. The trends and challenges of the OECS countries described above set a shared context for the four countries assessed in this report. Those challenges include:

- Global market forces that have decimated traditional agricultural employment while simultaneously boosting new employment in tourism and other services;
- The emergence of skills demands that require new responses from training and education systems, particularly in “soft skills” central to the service industries;
- Challenges to the growth of other important industries, such as ICT, construction, agriculture and fishing;
- A crisis in youth unemployment exacerbated by the global economic downturn;
- The extension of universal secondary education to youth with greater academic and social needs, coupled with increasing drop-out rates;

- Slow population growth that increases the need to improve the skills of the existing workforce;
- A low supply of, and low private investment in, tertiary education that thwarts the preparation of young people for a higher skills-based economy; and
- Scarce financing for youth entrepreneurs and small businesses.

Nearly all of those regional challenges emerged in our interviews with stakeholders in St. Lucia, St. Kitts & Nevis, Antigua and Barbuda, and Grenada. The impact of those challenges in these countries is detailed in Section 4 of this report, “Recommended Goals and Potential Strategies for USAID.” Four of those are the result of more internal traditions and forces. Namely:

- There are very few robust connections between education institutions and private sector employers despite expressed willingness to collaborate;
- Institutions and students alike lack critical information to make decisions about training;
- There is little support, training or financing for youth to engage in entrepreneurship and contribute to job creation;
- Career and technical education is stigmatized among students, parents and employers, denying a whole set of career opportunities to intelligent young people.

Opportunities. For all of the bad news facing young people who are joining the workforce in these four countries, there are several positive trends, initiatives and sources of leadership that present opportunities to improve the situation. In brief, those bright spots include:

The introduction of region-wide training certifications. The process of adopting CVQ technical training curriculum and emphasis on Caribbean-wide certifications presents an opportunity for more industry-oriented training as well as additional systems for quality assurance. Accreditation of training institutions creates incentives to better manage education institutions to produce training that is relevant to the marketplace. The certification provides a vehicle and incentives for training providers to maintain linkages to businesses and to keep training up to date. And the regional CVQ increases labor mobility and thus employment options for young people.

Renewed emphasis on entrepreneurship for local job creation. A consensus about the need for entrepreneurship and small enterprise development has strengthened because of the downturn in employment in tourism and other export-oriented industries. This presents opportunities on at least three levels: self employment for skilled young people; service to small businesses that need better skilled workers for growth; and organizations that help small firms better serve the needs of international firms and new tourism markets.

Leadership for youth employment. Significant institutional leaders are passionate about, and organizing innovations for, at-risk youth. In St. Lucia, non-profit organizations as well as the Ministry of Social Transformation and the Ministry of National Security and

Home Affairs have clear proposals for addressing the development of at-risk youth. In Grenada, the NTA has significantly built capacity to engage employers and implement the CVQ and the Ministry of Youth Empowerment and Sports runs a national portfolio of programs that targets a range of interventions for disconnected youth. In St. Kitts and Nevis, the Ministry of Youth and Ministry of Education as well as the Ministry of Social Development are seeking to address the youth at risk population and giving schools license to innovate in that arena. The Antigua and Barbuda Investment Authority and the Office of Sports, Local Government, and Special Projects in the Ministry of Education are also recognizing the challenges facing youth and implementing innovative programs to address them.

Growth industries that are relatively open to youth. The OECS' growth industries of tourism and other services are creating economic opportunities that are relatively open to young people. Youth are typically well-represented in the tourism industry and new services, including personal services and ICT. In addition, efforts to strengthen the underdeveloped tourism value chain and recent industry trends toward boutique and community tourism could lead to job growth and self-employment opportunities. These trends also extend the benefits of the tourism industry to more rural youth. Market-based mechanisms to link local agriculture products to the tourism sector and help local farmers to raise quality, consistency, delivery and health standards of products are also within reach.

SECTION II. INDIVIDUAL COUNTRY WORKFORCE ANALYSES

A. St. Lucia

Local Economic Context

St. Lucia is a small island economy with a population of 173,000 as of 2009. The overall unemployment rate in St. Lucia has been among the highest of the OECS countries in recent years, ranging between 13% and 20%. The decline in the banana industry, once the largest employer and source of foreign exchange, has contributed significantly to high unemployment. This was further exacerbated by the recent global recession which negatively impacted on the current lead sector, tourism, and its related activities. Youth are experiencing the worst of the recent decline, with an unemployment rate of around 59% for those less than 20 years of age.⁴ The overall gains against youth unemployment experienced between 1994 and 2008 have more or less been erased, particularly for young men, whose joblessness reached as high as 62% for those under 20 years of age in 2009.

Government interventions, with the assistance of the donor community, have yielded positive results over the years in diversifying the economy, but there are important gaps which have resulted in limited private sector growth and a disconnect between the private sector's demand for skills and those that youth possess. As a result, St. Lucia is faced with poorly skilled labor, a mismatch of skills and jobs, and high unemployment among youth, all of which has contributed to increased crime and lower security levels on the island.

Yet St. Lucia has a number of assets, opportunities and local champions which USAID might support in the fight to help young people contribute and earn a good living. Shifts in the occupational make-up of the economy, the introduction of universal secondary education, and some successful experiments to prepare young people for work pave the way for change that USAID could help the country create.

What is the current distribution of employment by industry and occupation?

For a full picture of the “current” economic context, it is useful to have a snapshot of both before and after the recent economic crisis. Overall, St. Lucia's employed labor force reached a peak of 73,290 persons in the first quarter of 2008, but has fallen by a percentage point since the downturn. According to the most recent data, St. Lucia's employment distribution is dominated by: 1) public administration and social security; 2) wholesale and retail trade; 3) hotels and restaurants; and 4) the construction industry. These four industries accounted for 51% of employment according to the latest data, summarized below.

⁴ St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm> Website updated in 2007, but the Statistics Department provided equivalent data through 2009.

Table 2. Employed Persons by Industry Group, 2007 - 2009

	2007		2009		% Change
		Share		Share	
TOTAL	71,030		70,280		-1%
Agriculture, Hunting and Forestry	7,090	10%	5,843	8%	-18%
Fishing	1260	2%	932*	1%	-26%
Manufacturing	4,790	7%	3,859	5%	-19%
Electricity, Gas & Water Supply	360	1%	491	1%	36%
Construction	9,350	13%	7,695	11%	-18%
Wholesale & Retail Trade etc.	10180	14%	9,414	13%	-8%
Hotels & Restaurants	8,160	11%	8,807	13%	8%
Transport, Storage & Communications	3570	5%	3,959	6%	11%
Financial Intermediation	1830	3%	1,456	2%	-20%
Real Estate, Renting & Business Activities	2990	4%	2,816	4%	-6%
Public Administration & Social Security	9470	13%	10,141	14%	7%
Education	1020	1%	1,385	2%	36%
Health & Social Work	1010	1%	508	1%	-50%
Other Community, Social & Personal Services	1890	3%	3,599	5%	90%
Households w/ Employed Persons	2100	3%	2,285	3%	9%
Other	270	0%	248	0%	-8%
Not Reported	5690	8%	7,268	10%	28%

* Average quarterly fishing employment 2005-2009, used because of wide variation in quarterly employment.

Source: St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm> ⁵

What industries are growing, declining or emerging? Why?

Over the past decade, St. Lucia's economy has experienced significant changes in terms of the importance of key economic sectors. Agriculture and manufacturing have declined steadily over the long-term while services, led by tourism and construction, have increased. Nonetheless, the government continues to promote a diversified economy based on services, agriculture, manufacturing and fishing.

As expected, St. Lucia Statistics Department data show the largest long-term decline in employment occurred in the agriculture sector, which was the largest employer in 1996 with almost double the number of employees in the next largest industry. In contrast, it had fallen to the sixth largest employer, at 8% of employment by 2009. This has been largely attributed to the loss of preferential treatment in the European markets and the government's failed attempts to improve the competitiveness of the banana industry. Between 2000 and 2009, that trend continued, with a 50% decline in agriculture, hunting and forestry employment and a 42% decline in manufacturing.

⁵ St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm> Website updated in 2007, but the Statistics Department provided equivalent data through 2009.

As tourism became the lead sector and the engine of growth, it was able to attract significant investment, particularly foreign direct investment, to increase the room capacity and facilities on the island. However, the construction industry has suffered the largest decline since the recent economic downturn, with 1,665 jobs lost. This was due to the large number of tourism development projects that were halted as a result of the credit crunch.

Table 3. Employed Persons by Industry Group, 2000 - 2009

	2000		2009		% Change
TOTAL	64,370	Share	70,280	Share	8%
Agriculture, Hunting and Forestry	11,670	18%	5,843	8%	-50%
Fishing	900	1%	932*	1%	4%
Manufacturing	6,610	10%	3,859	5%	-42%
Electricity, Gas & Water Supply	530	1%	491	1%	-7%
Construction	6,460	10%	7,695	11%	19%
Wholesale & Retail Trade etc.	11,090	17%	9,414	13%	-15%
Hotels & Restaurants	6,140	10%	8,807	13%	43%
Transport, Storage & Communications	4,540	7%	3,959	6%	-13%
Financial Intermediation	870	1%	1,456	2%	67%
Real Estate, Renting & Business Activities	1,450	2%	2,816	4%	94%
Public Administration & Social Security	8,180	13%	10,141	14%	24%
Education	1,390	2%	1,385	2%	0%
Health & Social Work	450	1%	508	1%	13%
Other Community, Social, Personal Services	1,130	2%	3,599	5%	218%
Households w/ Employed Persons	1,390	2%	2,285	3%	64%
Other	210	0%	248	0%	18%
Not Reported	1,370	2%	7,268	10%	431%

* Average quarterly fishing employment for 2005-2009, used because of wide variation in quarterly reporting. Source: St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm>⁶

The largest absolute gains in employment between 2000 and 2009 have been in Hotels and Restaurants (2,667), Public Administration (1,961), Real Estate, Renting and Business Activities (1,366), and Construction (1,235). While starting at a small base of 1,130 jobs, employment in Other Community, Social & Personal Services industries grew at the fastest rate in both of the periods examined, nearly doubling in the past two years, and tripling over the past decade. It should be noted that employment in Real Estate, Renting and Business activities has been heavily influenced by intermittent factors, such as accommodation incentives for the 2007 Cricket World Cup.

⁶ Note: Website last updated in 2007, but Statistics Department provided 2009 data for the first Quarter.

Over the past decade, agriculture lost the largest number of jobs by far (5,827), followed by the manufacturing industry (2,751). Wholesale and Retail Trade also lost significant jobs (1,676) with most being lost during the recent economic crisis. Otherwise, trade employment has fluctuated around 11,000 jobs throughout the decade.

Despite the recent economic crisis, the large employment in Public Administration and in Hotels and Restaurants continued to grow, representing 14% and 13% shares of St. Lucia's employment respectively at the beginning of 2009.⁷

What occupation and skills demands are growing, declining or emerging?

Services Sector. The emergence of services as the main economic sector has created a very different set of skills demands from those of 20 years ago in St. Lucia. As noted above, St. Lucia's biggest gains in employment have been in tourism-related industries, such as hotels and restaurants. But employment has also grown in other services, such as public administration, real estate and related activities, and other community, social & personal services. The services sector has also been bolstered by the emergence of offshore education, ICT, and the creative industries.

Tourism. In a benchmarking study commissioned by the St. Lucia Hotel and Tourism Association eighteen months ago, food service, food and beverage preparation and front office occupations were identified as the fields in highest demand among St Lucia's hotels. Specific occupations within those groups were cooks and restaurant managers as well as reservations and customer service representatives. This was repeated in interviews with individual employers who identified chefs, bakers and other skilled food and beverage workers as in-demand. We also heard from training providers that the cruise-line industry had the most difficulty finding cooks, bakers and butchers as employees.

In a separate survey of one quarter of the hotels in St. Lucia, hoteliers assessed skills as lacking at all levels - from room attendants to management. Overall, they reported four key areas in which to target skills enhancement: (i) soft skills; (ii) the ability to learn; (iii) entrepreneurship skills or self initiative, and (iv) professional skills, in particular management and chefs' skills.⁸

These skills demands were echoed in most of the private sector employer interviews we conducted in St. Lucia, as well as the other countries assessed. Soft skills and the ability to learn were cited by hotel and restaurant owners we spoke with, as well as manufacturers and private training providers. Among the "soft skills" that employer interviewees most mentioned, they cited "attitude" most often, along with work ethic and punctuality, communication skills and sales skills. The Tourism Association study also

⁷ Ministry of Finance, Economic Affairs & National Development. St. Lucia Social & Economic Review 2009. <http://www.stlucia.gov.lc/docs/EconomicReview2009.pdf>

⁸ World Bank. Project Appraisal Document On A Proposed Credit To St. Lucia For The OECS Skills For Inclusive Growth Project, April, 2007. For further information and analyzes see *Towards a New Agenda for Growth- OECS*,

highlighted attitudinal competencies as the primary skill in demand across the board, and rated these as more important than technical skills.

The government is also investing in Community Tourism as part of this sector strategy, including over EC\$10.5 million in the Dennery and Mabouya communities over the next two years, an EC\$200,000 subvention to the Southern Tourism Development Corporation, and a revised incentive regime to encourage quality improvement in the restaurant sector.

Agriculture. Although the mono-crop agricultural industry has declined, there are still opportunities for diversification into commercial farming of fresh produce and livestock to meet the demands of the local and the tourism market (and other export markets), but work must be done to change the negative perception of agriculture which stems back to the colonial times. The young must see the value of agriculture and the potential to make money as the demand is apparent in light of the huge import bill. This will require government intervention to address the time lag for payments by major purchasers such as the hotels and supermarkets, better access to finance and better repayment terms to take into account the growing and harvest seasons, when no money is made, and the socio-economic circumstances of the traditional farmers. There is also the issue of availability of land for farming as many young agriculturalists graduate each year with no plot of land to utilize their skills. Despite past declines, the Prime Minister notes that the agriculture sector continues to play an important role in the socio-economic development of the country and supports a number of initiatives outlined in the “Country Strategies” section.

Fishing. The fishing industry is another traditional economic sector that has the potential to employ youth if they see the economic benefits. As one interviewee mentioned, there is no fisherman that the young can emulate. Despite large daily takings, older fishermen are seen to be typically poor because of lifestyle and low saving rates. There is large demand for fish by both the locals and the hotel and restaurant sector, but poor consistency of supply hinders growth, as does the lack of modern technology in use among traditional fisherman. With the launch of the St. Lucia Fisher Folk Cooperative Society Limited in June 2010, there is renewed emphasis on developing this sector, and the government is now targeting youth. It is believed that this is an avenue to promote youth entrepreneurship and generate employment, particularly in rural and depressed areas. The intention is to encourage young persons to purchase bigger boats for overnight fishing and increase demand for certified boat captains, engineers, crew, and refrigeration experts.

Construction. Despite recent losses in employment, tourism related construction maintains potential as a growing sector. The shift from all-inclusive style hotels and hotel resorts to developing tourist residential resorts with marinas, golf courses, and other amenities has created some demand for construction services. Unfortunately, foreign companies who bring skilled crews are often hired as contractors, while those hired in-country tend to be low-level laborers. A notable exception was in the period leading up to the Cricket World Cup 2007 when government granted duty free concessions and

incentives to persons to build accommodations for the anticipated increase in stay-over tourists. This offer was taken up by locals who tended to employ local contractors. Although the recent financial crisis stopped the majority of construction developments, it is expected that, as these developments resume, the industry will absorb the unemployed once more, particularly men.

Yachting. This new type of tourism development on the island has also created potential to develop a sub-sector of the tourism industry - the yachting industry and its ancillary services. This has been promoted with the expansion of Rodney Bay Marina Limited and the anticipated growth in the number of marinas around the island. The ARC race which has held its finish line in St. Lucia for the past twenty years has contributed to this sector as well.

The government is also aiming to develop the Yachting and Cruise Tourism Sectors by exploring partnerships with investors and building a national growth strategy for yachting, which it estimates creates 3,500 jobs and brings EC\$30 Million into the economy.

ICT. ICT is recognized by some interviewees as a potential growth sector, particularly with the liberalization of the telecommunications industry. The increase in players in the sector opened up the mobile phone market, cable television network, etc. However, Cable and Wireless Limited, also known as LIME, owns all land lines and internet cables and therefore controls internet prices. Despite concerted efforts to attract ICT companies (data entry, call centers, etc.), which were expected to absorb young school leavers, there has been limited success due to cost of internet usage. This sector does have growth potential given that the country is English-speaking and in a favorable geographic location, including a similarity in time zone to the United States. However, school leavers often lack the required level of computer literacy and communication skills. In addition, ICT companies have found that there is no suitable office space to accommodate their type of business.

Some interviewees indicated that there was a lack of ICT skills, in terms of basic computer competency as well as in programming and other advanced skills. Training provided by employment-oriented private sector firms is sometimes an indicator of skills demand because of the specialized nature of the training offered. In this regard, reputable IT training firms such as the Creative Technology Systems Limited, offers ICDL, MCITP, CompTIA A+, NETWORK+ and CXC IT courses.

Manufacturing. Manufacturing continues to decline in importance as an economic sector. Despite the huge investment in industrial estates that were built to attract manufacturing concerns in the 1970s and 1980s, it never really took off. Unlike St. Kitts and Nevis which focused on light manufacturing, St. Lucia sought to attract the apparel industry. This proved to be the most footloose as factories closed overnight to move to cheaper locations leaving hundreds of persons unemployed. The development of the manufacturing sector has been thwarted by the high cost of production, small economies of scale, low productivity and poor availability of skilled labor. It is hoped that these

manufacturers will take advantage of the Caribbean Single Market Economy and the European Partnership Agreements, among others, to penetrate larger markets. A National Export Development Strategy, spearheaded by the St. Lucia Chamber of Commerce, was developed a few years ago, but it did not receive the institutional support expected from the government, and some on the island feel that this strategy might be outdated.

What other important economic trends are affecting the labor market? (e.g., trade, wages, unions, temporary employment)

International trade has had powerful effects on the labor market of St. Lucia. It is well understood that the loss of preferential treatment for bananas in Europe has driven the steep decline in the country's agricultural employment. While the declines are less steep in the manufacturing sector, it has also become more difficult to remain competitive in manufacturing in St. Lucia. On the other side of the ledger, the increase in tourism and related sectors (including construction) as a share of GDP in the country has provided substantial job growth, albeit subject to a variety of global market forces.

A less noted impact of these changes is on male unemployment versus female unemployment. This is because, in addition to the new educational and soft skills required of all workers, there are very different gender biases in the growth sectors. For instance, figures for hotels and restaurants -- the sector with the most job creation from 2000 to 2009 -- show that employment is skewed towards women by a factor of two women to every one man employed. The gender bias is even more prominent in the opposite direction for the construction sector, which hires six men to every one woman employed.⁹ In the current economic downturn, in which construction was a major job-loser, that creates a disproportionate growth in unemployment for men. This only exacerbates male unemployment, as they were already heavily represented in the decline of agriculture, outnumbering women in the sector by 2 to 1 in the 1990s and 2.3 to 1 in the 2000s.

Informal economy employment. In St. Lucia, researchers have recently provided an uncommon glimpse into the labor market dynamics of the informal economy. While informal sector employment is not a USAID goal for youth, it is often part of the range of opportunities available to them, particularly for those without formal education or vocational certification. In addition, the formalization of businesses will provide a vehicle for business growth and employment generation through better access to finance, contracts and other business opportunities.

The International Labor Organization (ILO) conducted a study with the help of the St. Lucia Statistics Department to better understand this typically un-quantified sector. Observations most relevant are:

- Approximately 8,300 St. Lucians earn their livelihood in the informal economy;

⁹ St. Catherine, Edwin. Trends in the Labor Market 2004-2006. St. Lucia Government Statistics Office. http://www.stats.gov.lc/na_main/Labour%20Market%20Trends_2005.htm

- More than 50 percent of the informal businesses employ only one person (the owner) and roughly 90 percent employ less than 4 employees;
- A large share of informal sector economy workers have low educational attainment;
- However, only 17 percent of the informal enterprise operators indicated that their “main reason for engaging in this business” was they “could not get salaried work”;
- Most informal sector business operators established themselves in businesses for which they have the skills, for reasons of employment or “family/business culture” and roughly four out of ten informal sector enterprise operators engaged in business because they “want to be their own boss”;
- The majority of the informal sector enterprises in Saint Lucia are older than 20 years (62 percent established before 2000). Only 11.4 percent were established three years prior to the survey (2008) and only 3.9 percent in 2007;
- At most one in three informal sector enterprise operators expressed a need for support with enterprise development or microfinance. However, there is a need to disaggregate this group by type of informal sector unit.¹⁰

Employer Engagement

What shortages and problems are employers experiencing?

Tourism Sector. As mentioned in the previous section, attitudinal competencies and “soft skills” are considered a major problem among employers, whether in the service sectors or other industries. As the aforementioned survey of St. Lucia hotels indicated, such skills are found lacking at all levels in that industry - from room attendants to management. Employers in the survey categorized the related skills problems into four areas: (i) soft skills; (ii) the ability to learn; (iii) entrepreneurship skills or self initiative, and (iv) professional skills.¹¹ Again, these skills issues were reiterated by other employers interviewed, including an hotelier and manufacturer who most emphatically cited “attitude” as a problem, along with poor work ethic and punctuality, communication skills and sales skills. In terms of occupational shortages, the tourism association identified the greatest needs in food and beverage preparation and front office workers, while the cruise-line industry would add butchers to that list.

Manufacturing. The St. Lucia Manufacturers Association cited problems finding qualified welders and machine operators, particularly computer-operated machine operators. They also highlighted the need for regional certification of skilled workers to facilitate the free movement of labor throughout the islands under the CSME. This would meet cross-cutting occupational demand and contribute to business growth as the companies increase their regional market penetration utilizing their qualified human assets. It should make it easier for their skilled employees to obtain work permits in the islands. Most interviewees mentioned the growing need for workers to have regionally recognized certifications to upgrade the skills and improve standards. Training providers

¹⁰ Simons, Reynold. Informal Employment and the Informal Sector in Saint Lucia, PowerPoint Presentation, ILO Sub-regional Office for the Caribbean, September 2009.

¹¹ World Bank. Project Appraisal Document On A Proposed Credit To St. Lucia For The OECS Skills For Inclusive Growth Project, April 5, 2007.

also cited this need for regional qualification in terms of opportunities for the workers themselves.

In a survey of 24 export firms undertaken for the OECS Export Development Unit, the education level of labor was ranked as the biggest problem.¹² Businesses complain that they are forced to hire staff with little or no skills and to spend thousands of dollars in training in both technical and life skills. The higher labor mobility offered by the CSME provides increased access to skilled labor from other countries and more ability to do business there. But it also presents problems in that high labor mobility is a disincentive to private training, as employers worry that that money is wasted on workers with little or no loyalty to the company, and as the potential for poaching of skilled employees increases.

What do employers say they need from young workers?

The most outstanding requirement employers relayed in terms of young workers was the right “attitude.” Though they used the term “attitude” most often, they talked about this in terms of soft skills, work ethic, punctuality, dress and grooming, communication and life skills. In most cases, employers stated that their candidate selection process primarily centered on the attitude displayed in the interview. They typically saw their challenge not as finding someone who is fully trained, but someone who is trainable. This was also reflected in the Tourism Association study cited above, which highlighted attitudinal competencies as the primary skill in demand across the board, for young and older workers alike, and rated attitudinal competencies as more important than technical skills.

This is corroborated in part by the employers who identified the local training group CARE (Centre for Adolescent Renewal and Education) as a preferred provider of young workers. Even though CARE’s primary constituency was students who had difficulty in mainstream education, employers saw their graduates as having the attitude, discipline and openness to learning that they sought. Two employers mentioned that, in contrast, they had difficulty with graduates of Sir Arthur Lewis Community College, because those students felt “they already knew it all” and had unrealistic expectations of starting in management positions.

What are they doing to develop young workers?

While employer participation in youth workforce development does not appear to be widespread, St. Lucia has at least two private sector organizations that are promoting such workforce training initiatives, and several individual employers we spoke with are participating in some kind of internship program or training for their own young workers. In addition, some businesses are now participating in TVET-organized forums to give feedback on TVET curriculum.

¹² Madsen, Bent. “End of Project Evaluation of the OECS/EDU Export Capability Enhancement Program,” GFA Management. Hamburg, Germany. 2004.

The St. Lucia Chamber of Commerce is the most active private sector organization in youth workforce development on the island. For instance, it initiated and continues to support St. Lucia's **Junior Achievement (JA) program**. At its height, the program ran in all 26 high schools, serving approximately 30 youth per school, and in 48 primary schools. Private sector businesses funded nearly all of the \$150,000 per year program and provided mentoring and workplace exposure experiences to participating youth. The Executive Director of the Chamber holds that the program is "trying to do too much with too little" and that though JA does have a secondary school program, it is focused too heavily on primary schools,.

The former President of the Chamber, now Minister of Home Affairs and National Security, Honorable Guy Mayers, believes that the primary motivation for employers' participation in JA was the development of a better caliber of young employee. The Chamber requested that members give preferential hiring consideration to youth who indicate JA participation.

The **St. Lucia Youth Business Trust** is a new initiative of the Chamber, started in April of this year. The Trust offers a program to assist young persons to develop the skills, attitudes and access to resources they need to become successful entrepreneurs. It provides start-up capital, business mentoring, networking, advisory and marketing support services to young St. Lucian entrepreneurs. The program is a private sector initiative in partnership with the voluntary sector, some foreign embassies, with a small administrative support from the St. Lucian government. Large donations have come from the private sector, including First Caribbean Bank, which provided EC\$40,000 (EC) and one firm which provided EC\$50,000 in cash to provide to four entrepreneurs.

The Executive Director of the Chamber participates in post-secondary education through involvement on the boards of the National Skills Development Center (NSDC) and Sir Arthur Lewis Community College (SALCC). At SALCC, the Chamber has made occasional interventions, for instance when a Chamber member lost a contract because it lacked qualified, CARICOM-certified welders. When the Chamber found that SALCC faculty members were not prepared to conduct the needed training, the Chamber turned to Metal Industries Company Ltd. (MIC), the largest technical vocational training institute in Trinidad and Tobago. The Chamber hired MIC to provide a training of trainers to Sir Arthur Lewis instructors and invited a consultant to evaluate welders after the training. The consultant found that none of the 20 was above Level II¹³ in the Caribbean Vocational Qualification (CVQ) scheme, including the instructors.

The St. Lucia Hotel and Tourism Association (SLHTA), one of the largest private sector membership organizations in St. Lucia, provides training for its members, as well as lobbying, policy advocacy and networking opportunities. The SLHTA is one of eleven Caribbean associations implementing the CARIBCERT occupational training and certification program, which the Caribbean Hotel and Tourism Association (CHTA) developed and owns. CARIBCERT is a set of industry-validated occupational standards

¹³ At Level II in the CVQ, a worker is skilled, capable of working unsupervised, and prepared for post-secondary training.

and assessment (certification) tools for 47 different tourism occupations in food and beverage service, front operations, housekeeping and food preparation.¹⁴ SLTHA members participated in the program pilot in 2006, and the program met with such demand that it was fully launched in September 2009 with the assistance of the Canadian firm, Thrive Group International. The SLHTA conducts train-the-trainer workshops for member employers using certified master trainers. Individuals and hotels pay for the training, but smaller operators cannot afford to pay for the training.

The initial group of countries implementing the CARIBCERT program in 2006 included the Bahamas, Jamaica, St. Maarten, Curacao and the Dominican Republic. Since then, Antigua, St. Lucia, Grenada and the Cayman Islands have signed MOU's and others are under consideration in Aruba, St. Kitts & Nevis and Belize.¹⁵

What are the gaps and opportunities to engage employers?

While the examples of employer participation above are promising, there is a generally low level of formal private sector participation in the design of training institution programs. This is a significant gap and opportunity to make training institutions more relevant to employer needs and to better prepare students for employment.

Gaps:

- Many employers and training institutions lack traditions, experience and models for engaging with one another for youth skills. The HR Committee of the Chamber of Commerce, for instance, focuses mainly on labor codes and firm level training (rather than community or industry-wide training).
- As a result, private sector employers are very underrepresented on the boards of training and education institutions.
- Where there is private sector engagement, only a small number of business leaders represent private sector employers, leaving those leaders overcommitted and the community overly dependent on a few voices.
- The Executive Director of the St. Lucia Chamber of Commerce noted the lack of organized mechanisms that promote linkages between employers and education and training institutions. He also noted that the education system sees the private sector primarily as a source of funds rather than as a partner for program design. There is little action as a result of the small degree of collaboration that does exist – e.g. nothing to show for private sector representation on various boards.
- Education system incentives are aligned with academic preparation for the CXC at the expense of preparation for employment. Little support for work-based learning is in place to help employers and training institutions develop and manage internships, apprenticeships, mentoring and other work-exposure for youth.

¹⁴ Caribbean News Digital. A Closer, More Comprehensive Look at CHTA's CARIBCERT. 2009. <http://www.caribbeannewsdigital.com/en/News%2814682%29.html>

¹⁵ Caribbean News Digital. A Closer, More Comprehensive Look at CHTA's CARIBCERT. 2009. <http://www.caribbeannewsdigital.com/en/News%2814682%29.html>

Opportunities:

- Some key champions from employer and training institutions welcomed the idea of increased and improved employer participation in program design and governance. Both the Chamber and NSDC's Directors saw this as a very important step in making training institutions' governance more responsive to the market, and lamented the currently low participation beyond the Chamber.
- The interest in, and initiation of, TVET and CVQ initiatives in the Ministry of Education and across the spectrum of training institutions, has legitimized the introduction of industry-vetted curriculum.
- Other Caribbean countries are providing models for how to engage employers, as well as tools from which to base engagement, such as the previously industry approved standards and curriculum.
- The Chamber's leadership and experience with the JA programs provides a high-energy advocate with strong experience and contacts for business engagement in the education system. This should be extended to secondary schools.
- The positive reaction of employers to the results of CARE's Adolescent Development Program provides a model for other institutions to address the central complaint of employers about young workers – attitude. This program has support in both the public and private sectors, providing opportunity for replication.

Workforce and Youth Trends

What is the age, gender and education distribution of the workforce? How is that changing?

In 2009, 7% of the St. Lucia labor force was under 20 years old, down from 10% in 1995. Workers who were 20 to 24 years old made up 13% of the workforce, also 3% points down from 1995. As the table below suggests, the age distribution has moved upward, making the largest growth among workers who were 45 to 54 years old.

While youth as a share of the labor force has recently fallen, the St. Lucia Statistics Department reports that a “demographic transition” is approaching which will likely increase the share of youth, and therefore the level of unemployment in the country. The expected “demographic transition” is based on data on births showing a “baby boom” period from 1985 to 1995, when births averaged approximately 4,000 per year, and an examination of the unemployment rate amongst the young, ages 15 to 24, who were born during the end of the “baby boom” period.¹⁶ The Statistics Department notes that for the past five years the average number of births has been approximately 2,500. However the numbers of young persons entering the labor market will remain at about 3,500 to 4,000 for several years to come and there will be continued pressure in the labor market due to this demographic phenomena.¹⁷

¹⁶ St. Catherine, Edwin. Trends in the Labor Market 2004-2006. St. Lucia Government Statistics Office. http://www.stats.gov.lc/na_main/Labour%20Market%20Trends_2005.htm

¹⁷ St. Catherine, Edwin. Trends in the Labor Market 2004-2006. St. Lucia Government Statistics Office. http://www.stats.gov.lc/na_main/Labour%20Market%20Trends_2005.htm

Table 4. Labor Force by Age and Sex

AGE GROUP	1995	2009		1995	2009	Change in %
TOTAL BOTH SEXES	65,940	86,850		100%	100%	0%
15-19 Years	6,330	5,820		10%	7%	-3%
20-24 "	10,730	11,650		16%	13%	-3%
25-34 "	20,580	20,430		31%	24%	-8%
35-44 "	13,810	21,020		21%	24%	3%
45-54 "	8,300	15,860		13%	18%	6%
55-64 "	3,290	8,900		5%	10%	5%
Over 65 Years	2,900	2,930		4%	3%	-1%
TOTAL MALE	35,540	46,750		54%	54%	0%
15-19 Years	3,150	2,840		5%	3%	-2%
20-24 "	5,350	5,950		8%	7%	-1%
25-34 "	10,910	10,920		17%	13%	-4%
35-44 "	7,300	10,650		11%	12%	1%
TOTAL FEMALE	30,400	40,100		46%	46%	0%
15-19 Years	3,180	2,980		5%	3%	-1%
20-24 "	5,380	5,700		8%	7%	-2%
25-34 "	9,670	9,510		15%	11%	-4%
35-44 "	6,510	10,370		10%	12%	2%

Source: St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm>

Efforts to increase participation in education, including the advent of universal secondary education, have had a substantial impact in St. Lucia. Between 1994 and 2009, the percentage of those over 15 who have completed secondary school increased from 15% to 26% of the adult population. Young men saw smaller gains in secondary school completion than women, with men's rising from 12% to 22% in the period, compared to women's rise from 17% to 30%. At the same time, men's increases in tertiary completion were on par with women, on average rising from 3-5% in 1994 to 7-8% in 2009.

Table 5. Educational Attainment (Population over 15 years)

	1994		2009	
	Total	Distrib.	Total	Distrib
TOTAL BOTH SEXES	93,070	100%	134,590	100%
None	4,850	5%	6,230	5%
Complete Primary	49,160	53%	57,690	43%
Incomplete Primary	8,760	9%	6,820	5%
Complete Secondary	13,900	15%	34,820	26%
Incomplete Secondary	9,470	10%	9,140	7%

Tertiary	3,690	4%	10,090	7%
University	1,480	2%	3,420	3%
MALES				
None	2,410	6%	2,800	4%
Complete Primary	24,310	56%	30,360	46%
Incomplete Primary	4,880	11%	4,130	6%
Complete Secondary	5,380	12%	14,460	22%
Incomplete Secondary	3,310	8%	3,970	6%
Tertiary	1,430	3%	4,350	7%
University	950	2%	2,210	3%
FEMALES				
None	2,440	5%	3,430	5%
Complete Primary	24,850	50%	27,330	40%
Incomplete Primary	3,880	8%	2,690	4%
Complete Secondary	8,520	17%	20,360	30%
Incomplete Secondary	6,160	12%	5,170	7%
Tertiary	2,260	5%	5,740	8%
University	530	1%	1,210	2%

Source: St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm>

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

The global recession has had a particularly hard impact on young people's employment in St. Lucia. Comparing unemployment in 1995 with the last quarter of 2009, which is the latest available, one can see that the gains made until 2008 were largely erased, particularly for young men. While unemployment has risen to 20% across the board between 1995 and the last quarter of 2009, that for young people has reached as high as 62% among young men under 20 years of age. Youth unemployment overall has increased 10-12% percentage points, though for young women under 20, the situation has actually improved slightly, falling from 60% to 57%, potentially because of their overrepresentation in the growth service industries. However the level is still among the highest. The Statistics Department identified 7,190 unemployed youth between 15 and 24 years old in the last quarter of 2009.

Where the most troubling decline in employment is occurring, is among young men, even those up to 34. As the table below summarizes, unemployment for young men under 20 grew by 23%, reaching 62% in that category. Young men 20-24 and men 25-34 fared little better, with a 17% point increase.

While youth employment trends at the end of 2009 were very bleak, the situation before the recession was less so. Comparing 1995 with the first quarter of 2008, just before the recession, St. Lucia had actually made some reductions in youth unemployment, and unemployment overall. Young women made gains of 11% points at both the under 20

and 20-24 year old categories and even the youngest age group of men experienced a reduction in unemployment of 4%.

Table 6. Unemployment Rates by Age and Sex

AGE GROUP	1995	2008 Q1	Increase '95 to '08	2009 Q4	Increase '95 to '09
TOTAL BOTH SEXES	16.50 %	14.60%	-2.00%	20.50%	3.90%
15-19 Years	50%	40%	-9%	59%	10%
20-24 "	24%	20%	-5%	36%	12%
25-34 "	14%	13%	-1%	24%	10%
35-44 "	9%	13%	4%	15%	6%
45-54 "	5%	10%	5%	11%	5%
55-64 "	14%	7%	-6%	12%	-2%
Over 65 Years	2%	5%	2%	4%	2%
Not Stated		0%	0%	0%	0%
TOTAL MALE	11%	12%	1%	20%	9%
15-19 Years	39%	35%	-4%	62%	23%
20-24 "	20%	21%	1%	37%	17%
25-34 "	9%	9%	1%	26%	17%
35-44 "	4%	8%	3%	10%	6%
45-54 "	4%	7%	2%	11%	6%
55-64 "	6%	6%	0%	10%	5%
Over 65 Years	3%	4%	1%	0%	-3%
Not Stated		0%	0%	0%	0%
TOTAL FEMALE	23%	18%	-5%	21%	-2%
15-19 Years	60%	49%	-11%	57%	-3%
20-24 "	29%	18%	-11%	34%	6%
25-34 "	21%	17%	-4%	22%	1%
35-44 "	14%	19%	5%	20%	6%
45-54 "	7%	14%	7%	11%	4%
55-64 "	25%	9%	-16%	13%	-12%
Over 65 Years	0%	5%	5%	12%	12%
Not Stated		0%	0%	0%	0%

Source: St. Lucia Central Statistics Office: <http://www.stats.gov.lc/main3.htm>

What are the needs of youth in preparing for employment?

In most economies, youth unemployment is typically two to three times larger than adult unemployment, in part because of employers' preference for experienced workers. High

youth unemployment in St. Lucia is likely exacerbated by at least the following four additional factors: low labor market relevance of schooling; little assistance and knowledge about the transition from school to work; fewer low-skilled positions in the economy due to a slowdown in traditional industry; and the existence of a high reservation wage¹⁸ due to out-migration and opportunities in the informal economy.¹⁹

To address these issues, youth in St. Lucia need increased access to the following:

- Strong basic education
- Support for remedial learning
- Practical, employment-oriented training that responds to job opportunities
- Career guidance
- Job search assistance
- Entrepreneurial opportunities guidance
- Other social supports needed to prepare for work and succeed in training

Well-informed youth organizers and training providers hold that St. Lucia's youth are increasingly engaged in serious high-risk behaviors (e.g., early and unsafe sex, risky recreation, substance abuse, gang violence) that threaten their individual health and survival. Those threats include unwanted and teen pregnancy, HIV/AIDS, complications from abortion, and increasing conflict with a justice system that has few programs to adequately rehabilitate them into society. These same youth organizers and training providers note youth's need for connection to positive adult role models, effective family, community and state supports, and readily accessible government and private sector avenues for career advancement and employment, as well as opportunities for meaningful service and participation in their communities.²⁰

What challenges do different segments of the disconnected youth populations face? (e.g. at-risk, out of school, those in gangs, those in the justice system)

Unfortunately, nearly all populations of young people in St. Lucia face the challenges and needs listed above, whether they are struggling to stay in school, have recently dropped out, or have participated in the labor market for several years. Within the school system, the total number of secondary school leavers (dropouts plus overseas transfers) has been increasing — in one recent year (2005 to 2006), this number nearly doubled, increasing from 165 to 315.²¹ And young males in particular have been falling behind their female counterparts in test scores as well as school completion.

¹⁸ 'Reservation wage' is the lowest wage rate at which a worker would be willing to accept a particular type of job. In this case, the reservation wage is thought to be heightened by more lucrative opportunities elsewhere.

¹⁹ World Bank. Project Appraisal Document On A Proposed Credit In The Amount Of SDR 2.4 Million to St. Lucia For The OECS Skills For Inclusive Growth Project, April, 2007.

²⁰ RISE, Inc. A National Youth Service for Saint Lucia - A Vision of RISE Inc. September 2008.

²¹ RISE, Inc. A National Youth Service for Saint Lucia - A Vision of RISE Inc. September 2008.

For rural youth, the common youth challenges also tend to be intensified. This is particularly true around the lack of access to training facilities, exposure to varied career options, networks for job hunting and opportunities for employment generally. While there are youth serving institutions in some rural communities, transportation costs remain high, particularly given the high cost of fuel on the island.

Youth crime and violence has gained high-visibility in St. Lucia, as across the Caribbean. Though little accurate data is available on how many young people are involved in the judicial and prison systems, increasing numbers of them are reportedly coming into conflict with the law. Youth serving institutions such as RISE and CARE report that not only has violence grown in recent decades, but youth are also disproportionately represented in this trend, both as victims and as perpetrators. Moreover, violent crimes are being committed at younger ages.²² While interviewees report that gang activity is less well-organized in St. Lucia than in the U.S. or Latin America, smaller, neighborhood based gangs are common, and their admiration for the visible internationally-syndicated gangs makes young people vulnerable to this lifestyle.

For those involved in the justice system, most do not have access to programs that can adequately rehabilitate them into society. Boys Training Center, the primary juvenile detention facility, suffers from a lack of resources and staff training. It also suffers from structural problems in that it must house juvenile offenders alongside children who were victims of neglect and abuse and have been placed in the center for protection.

Labor Market Information Systems

What data is and isn't being collected on industry job growth, occupations and skills needs?

The St. Lucia Government Statistics office appeared to be the most effective statistics department with the best resources among the four countries studied in this assessment and is reportedly the only one doing regular labor market surveys. The Director, Mr. Edwin St. Catherine, has been involved in numerous data capacity building initiatives regionally, and has recently provided mentoring to other OECS countries, notably Grenada, as part of the latest ILO/OECS effort to improve labor force surveys.

The St. Lucia Statistics Department collects Census Information, Poverty Indicators, Demographic and Educational Statistics, an Analysis of Trade, Age and Gender Statistics, Price Statistics, Earnings Statistics, Business and Labor surveys. As highlighted in the occupational demand section of the report, the Department has also participated with the ILO Sub-regional office to conduct an Informal Sector Survey in 2008.

The Department's Labor Force Statistics include over 70 tables comparing industry growth, occupational groupings, age, gender, income, unemployment, geography (by District), educational attainment, job search method, and other valuable data on a

²² RISE, Inc. A National Youth Service for Saint Lucia - A Vision of RISE Inc. September 2008.

quarterly or bi-annual basis before 2000. Much of this series is available on the website for the periods 1997 to 2006. Wage survey data appears to be collected only as recently as 2003, and a salary survey only as recently as 1999 as far as we can observe on the web. However, during our June 2010 interview, the Department was able to share spreadsheets with most of the other labor data going back to 1994 and as recent as the 4th Quarter of 2009.

Although the Department reports data on twelve ILO defined occupational groups, more detailed information would be needed to identify individual occupations. This is critical for putting labor market information to use in training program decisions, for instance, one of the occupational groupings currently used is “technicians.” However the data does not distinguish medical technicians, HVAC technicians, electrical technicians or others within the technicians group.

So, the St. Lucia Statistics Department has the basic statistics models in place, has been collecting it on a regular basis (though 2001 appears missing in many cases), but has not conducted some of its surveys very recently. The department primarily uses mail surveys with a cadre of enumerators who are critical to data collection in part because of the nature of the postal system in St. Lucia, where many residences do not have standard addresses.

How is the labor market information distributed and to whom?

While the Ministry of Finance often requests the labor market and other data developed by the Statistics Department (the Department is under the Ministry of Finance), there seems to be little distribution of the data to other potential users. In addition, the department does not have resources dedicated to producing user-friendly reports on industry or occupational demand that might be considered by training and education providers as they make program planning decisions.

The website does provide access to a wide variety of data on occupations; however, it has not been updated with the last 2-3 years of data on the labor force. For those doing current research, a request must be made to the department for that data. However, the Department was willing to freely share the more up-to-date data in person.

Given the relative quality and comprehensiveness of data that St. Lucia collects, it is in a good position to consider improving the distribution and packaging of data so that it can be more readily used by training and education providers in planning their programs.

How do institutions and students use labor market information for career and training decisions?

With the exception of the NSDC and CARE, the assessment team found little or no use of labor market information in programming decisions among training providers. The NSDC showed the use of labor market data through its participation in the World Bank funded OESC Skills for Inclusive Growth project, which required that research. And

CARE has recently conducted its own survey of employer skills needs and potential private sector hiring over the next 3 years. This is a very positive step in the right direction for a training and education provider. More assistance is needed, however, in that the CARE survey appears to focus on CARE's existing areas of study, rather than potential new demands.

Based on the results of USAID's Rapid Youth Assessment in the Eastern Caribbean, it appears that little job search assistance or career guidance is available to young people either inside or outside of the formal education system. Key informants and youth in that study described a narrow band of industries and corresponding jobs for youth (i.e., tourism, retail, construction, teaching, farming), with very little awareness of job opportunities in emerging industries. And only a small number of young people could articulate specific steps needed to achieve their career goals.²³

Finally, it was reported that a very small percentage of job vacancies could be found in the newspapers (3-4% by one account) or online. Private sector on-line job boards are only narrowly used and tend to be targeted at higher-end management positions. Among the job sites reviewed, only one had more than two postings for St. Lucia, StLucia-jobs.com. Following are the sites reviewed and search results:

- Stlucia-jobs.com – 4 Jobs listed – Education, Administrative, Retail sales
- CaribbeabJobs.com – 2 jobs listed, Senior Management
- Caribbeanwork.com – Leads to the above – 2 jobs
- Mystluciajobs.com – No jobs listed
- Jobslucia.com – No jobs listed

What gaps and opportunities exist for improving information systems?

The relatively strong labor market intelligence capacity of the Statistics Department provides opportunities to increase the comprehensiveness, timeliness and usability of labor market information for training and workforce planning. The Department is currently working with the ILO Sub-regional office in Trinidad to improve its labor force survey capacity and has received effective capacity building assistance from multiple donors over the years. This has included work with the US Department of Labor and Bureau of Labor Statistics and more recent assistance from the EU to update computing equipment, conduct staff development, and provide technical assistance on the latest data processing methods.

Opportunities to improve the systems are outlined in the recommendations section of this country report.

Country Strategies

²³ Stern, Barry and Balestino, Ramon. Rapid Youth Assessment In The Eastern Caribbean. EDC. 2008.

What are the country's economic development goals, initiatives, successes and challenges?

The St. Lucia government's primary goal in 2010, and for the medium term, is to stimulate and nurture an economic recovery with positive job growth. This includes supporting sectors likely to provide lasting job growth, building partnerships with the private sector, labor and civil society, creating a sustainable fiscal framework in the midst of stimulus spending, and building resistance to economic and environmental shocks.²⁴ Below are a number of current and proposed strategies summarized by the Prime Minister in his April 2010 budget speech.

In terms of sector initiatives, the government identifies tourism as the main engine of economic growth for St. Lucia. It will continue to work closely with local businesses and foreign investors to raise productivity, expand the supply of hotel accommodations (from 5,000 to 10,000 rooms) and improve the relevant airport and road infrastructure. In addition to reviewing current incentive programs to help revitalize stalled tourism projects, the government is also working to increase airline service to St. Lucia, attracting two new low-cost airlines in 2009 and helping passenger capacity to rebound from its fall since 2007.

The government is investing in community tourism as part of this sector strategy, including over EC\$10.5 million in the Dennery and Mabouya communities over the next two years, an EC\$200,000 subvention to the Southern Tourism Development Corporation, and a revised incentive regime to encourage quality improvement in the restaurant sector. It is also aiming to develop the yachting and cruise tourism sectors by exploring partnerships with investors and building a national growth strategy for yachting, which it estimates creates 3,500 jobs and brings EC\$30 million into the economy.

Sectoral strategies are also proposed for the financial services sector, construction sector, agriculture sector, and manufacturing and commerce sectors. In the financial services sector, the government is partnering with the Caribbean Financial Action Task Force, the Eastern Caribbean Central Bank, and other regulatory agencies to ensure that the country remains attractive for companies in this sector. In construction, government spending of EC\$66 Million on road rehabilitation contributed to as much as 30% of the construction sector last year, and a number of other public construction projects helped boost this ailing sector.

Despite the past decline, the Prime Minister notes that the agriculture sector continues to play an important role in the socio-economic development of the country. The overall strategy is to promote investments in competitiveness, diversification of agricultural products, and broader social and economic resilience for affected communities. This includes support for the promotion of domestic produce, agro-enterprise development,

²⁴ Prime Minister Stephenson King. Budget Address for the Financial Year 2010/2011, *The Road to Recovery: Engineering Growth, Engendering Social Cohesion and Building Resistance to External Shocks*. April 2010.

and technology adaptation efforts. The 2010/2011 Budget speech highlighted a number of initiatives championed by the Ministry of Agriculture, including:

- Enhanced partnerships between leading economic sectors under an Agro-Eco Tourism Program, valued at €4.3 million and aimed at rural communities (pilot in Dennery/Mabouya) to increase consumption of domestically produced food;
- An Agro-enterprise Development program to promote entrepreneurship (especially among youth), encourage linkages between the agro-processing, craft and tourism sectors and enhance agricultural competitiveness and market opportunities;
- A Technology Adaptation project aimed at improvement of agricultural production and productivity and at strengthening of plant health services;
- A Non-Traditional Crops effort to diversify the agricultural sector and generate employment in 4 key sub-sectors -- cocoa, pineapple, cut flowers, and cassava;
- Banana Commercialization and Agricultural Diversification Programme in which the European Union is pledging support for the banana industry under a new financing instrument called the Banana Adjustment Measures Program;
- A new National Marketing Infrastructure (Clearinghouse Cul-de-Sac) establishes an EC\$3.5 million Agricultural Marketing and Distribution Facility to replace the Saint Lucia Marketing Board and provide a one-stop service centre for enterprises engaged in the production, manufacturing and sale of non-banana agricultural commodities;
- Productivity Enhancement for Beausejour Agriculture Station will move into a second phase to effectively service the agriculture community with emphasis on the livestock sub-sector at an estimated cost of EC\$2 million;
- An Agricultural Diagnostic Facility to address the needs of productive sectors (agro-processing, tourism) funded at approximately EC\$3.5 million;
- State of the Art Meat Processing Facility financed by the Government of Taiwan at EC\$12.5 million in Vieux Fort, which will enhance livestock producers' ability to supply hotels, supermarkets and community-based distribution outlets; and
- The establishment of an agro-processing plant, expected to “create 32 direct jobs, increase foreign exports earnings by 10% and generate \$2 to \$3 million annually.” The Taiwanese government has pledged EC\$1.5 million for the facility and the Food and Agriculture Organization has agreed to provide the necessary equipment and training. The total cost of the project is approximately EC\$3.5 Million.

The most relevant part of the manufacturing and commerce strategy for this assessment is the launch of the Youth Enterprise Equity Fund for which the government has committed EC\$5 million to be administered by the St. Lucia Development Bank, although the YEEF goes beyond the manufacturing and commerce sectors.

The National Development Corporation (NDC), the economic development agency with responsibility for investment promotion, has identified six sectors in which it believes St. Lucia has competitive strengths and comparative advantage for foreign direct investment. The strategy outlined in the NDC's 2008 Annual Report targets foreign investments in niche sectors within the following industries:

1. Tourism

2. Creative Industries
3. Education
4. ICT
5. Business Process Outsourcing
6. Agro-Processing

In targeting these sectors the NDC's goals are to perform opportunity analyses of industry sectors, develop value propositions for investors and engage with target companies and investors to build supply contracts between foreign investors and Saint Lucian companies.²⁵ Though these goals are set, it appears that the NDC focuses largely on land development and leasing due to capacity constraints.

What are the skills development goals, initiatives, successes and challenges?

In the area of Educational reform, the Prime Minister articulated six strategic priorities and interventions for the coming fiscal year:

- Conceptualize and change the nature, form and content of primary and secondary education to provide students with the essential foundations for lifelong learning;
- Reconstruct, modernize and maintain schools and resource centers;
- Strengthen and expand welfare and support services and safety nets for children with special needs;
- Expand the use of ICT in teaching, learning and research processes, and ensure that all students leaving school are computer literate;
- Conduct research and development activities in collaboration with other agencies to establish a Labor Market Information System that would inform subject offerings and their relevance to national and regional priorities; and
- Pursue concessionary financing from international donors for the education programs relating to these interventions.

In the area of skills training capacity, Prime Minister highlighted several other key projects that are relevant to the youth workforce assessment:

- Phase One of the OECS Skills for Inclusive Growth project, which aims to increase the employability of youth through private sector driven training, and to strengthen training policy and institutional training capacity. Government has devoted just under EC\$1 million to this project.
- The Education Enhancement through Information and Communications Technology Program to improve the learning and teaching process in schools, with appropriate linkages to surrounding communities. It is also designed to provide skills to increase competitiveness in the job market through the employment of ICT. EC\$3.6 million in the budget is dedicated for this purpose.

²⁵ National Development Corporation (NDC) NDC Annual Report 2008. 2009.

- The Basic Education Enhancement Project (BEEP), which will target 3 secondary schools and 5 primary schools for rehabilitation, extension, curriculum strengthening and capacity building. Approximately 1,300 teaching staff gain training in key academic and non-academic subjects, such, as early childhood screening and diagnosis, multi-grade teaching methods, classroom management, differentiated instruction, student assessment, multi-media teaching methodology and technology in education. The Curriculum Materials and Development Unit will also be strengthened, and approximately 210 education officers, principals and vice-principals will receive management training. Government has allocated EC\$4.0 million for this project this year.
- Upgrading Sir Arthur Lewis Community College (SALCC) to a University – while continuing with plans to upgrade SALCC to a full university, the government will build current capacity in the areas of management, curriculum and academic development, student services and infrastructure development.

What are the youth strategies, especially for disconnected youth? What have been the successes and challenges?

The Prime Minister highlighted four strategies for youth development and employment in his 2010/2011 Budget address. He enumerated these as examples of a “Social Re-Engineering” strategy to stem social decay and build social cohesion, that includes a “Social Reform Council” to help harmonize various reform efforts, from Health reform to Education to Public Sector reform. These include:

- The Holistic Opportunities for Personal Empowerment (HOPE) programs executed by the St. Lucia Social Development Fund;
- A Youth Development Program to create partnerships and synergies for mobilizing resources for youth in the areas of entrepreneurship, arts and entertainment facilities, skills training;
- The implementation of a National Youth Service Program;
- Commencement of work on a modern Juvenile Rehabilitation Center for boys and girls, with EC\$8.3 Million allocated in the current budget; and
- Two new sports facilities for local and international sporting events.

Analysis of existing programs and disconnected youth outcomes

How well do existing programs meet the needs of employers?

Few training or education institutions in St. Lucia are fully meeting the needs summarized in the Employer Engagement section of this assessment. However, some institutions, such as CARE, are meeting the ubiquitous employer requests for young workers who have a positive work attitude, self discipline, communication and customer service skills and an eagerness to learn. Though CARE’s size does not allow it to meet much of the demand, other institutions, such as NSDC and the Ministry of Education’s TVET program have begun to adopt effective practices such as CARE’s Adolescent

Development Program. With the broader use of such tools, the institutions may be able to teach the behavioral and attitudinal competencies that employers seek.

Preliminary adoption of the regional CVQs based on the HEART-Jamaica Trust model also has potential to build capacity for industry-vetted technical skills -- the other half of the employer needs equation. NSDC is using the CVQ standards and adapting them to local needs, in some cases with the help of employers. TVET and the Ministry of Education are “very on-board” with regional curriculum standards and aim eventually to satisfy the CVQ framework and have convened employers around select industry sector needs. The TVET leadership is a member of the Caribbean National Training Authorities (CANTA) and recommends the creation of an NTA within the Ministry of Education, but a strong NTA has not been established yet.

Despite these bright spots, most training and education providers have little private sector participation on institutional boards and in curriculum development. Opportunities for collaboration, such as internships and apprenticeships are practiced to a limited degree but are not typically well-organized, and technical and vocational courses are often designed based on demand from students, rather than meeting the specific needs of employers. In fact, at least one employer commented that it is common for education institutions to primarily see employers as a source of donations, rather than partners in St. Lucia.

How well do existing programs meet the challenges of youth, such as those laid out in the Rapid Youth Assessment?

Educational System. As noted earlier, youth unemployment in St. Lucia is exacerbated by institutional and market factors, including low labor market relevance of schooling, little assistance with the transition from school to work, fewer low-skilled positions in traditional industries, and high reservation wage due to out-migration and informal economy opportunities.²⁶ In addition, there are numerous socio-emotional challenges for young people during times typically filled with upheavals and transitions in their relationships to their families and communities.

To address these issues, youth in St. Lucia need increased access to basic education, remedial learning supports, career guidance, job search assistance and other social supports to succeed in training and work, including: learning strategies, mental and physical health services, HIV prevention services, crime and drug prevention services, and a host of supports ideally provided by caring adult role models.

So how well are St. Lucia institutions meeting these needs? While secondary schools are adapting to the large influx of under-prepared youth since the institution of universal secondary education, most lack the critical school design features to address their academic and social needs, including numeracy, literacy and employability skills training. Some secondary institutions are experimenting with alternatives for young

²⁶ World Bank. Project Appraisal Document On A Proposed Credit In The Amount Of Sdr 2.4 Million (Us\$3.5 Million Equivalent) To St. Lucia For The OECS Skills For Inclusive Growth Project, April, 2007.

people with such needs, including adaptation of the ADP program or combining academic and vocational training. However, most public schools are under pressure to prepare as many capable students as possible to pass the CXC exams, and have few resources to provide parallel learning experiences for those who have already fallen behind.

Outside of the public school system, there are a handful of institutions and programs that either provide a “second chance “ at training and education, or allow those who have succeeded academically to go on to more career-oriented training. Below is a matrix of those institutions, mapped according to the target youth populations they serve.

Table 7. Matrix of Institutions Mapped, St. Lucia

St. Lucia Institution/ Program	Incomplete Secondary*	In School At Risk**	Employed	High Performer	Entrepreneur	Youth Offender	Trainees per year - Capacity
CARE	X	X					300
NSDC/Skills for Inclusive Growth	X						1,800
SALCC			X	X			3,000
Monroe University			X	X			400
Boys Training Center						X	40
Upton Gardens						X	20
SSDF / HOPE Program	X						800/1,000
Tudor Inc.			X				
Chamber/JA		X			X		600
Sandals	X						150

* Completed 3 or less CXCs

** The term “In-school at-risk” generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness increase the likelihood that the youth will drop out of school and not participate in the labor market.

MICROFINANCE OPPORTUNITIES

What is the availability of credit to support business start-up or expansion by youth?

Youth have several available channels to access finance in St. Lucia. The spectrum of options includes government-owned and operated lenders (BELfund), a statutory corporation (St. Lucia Development Bank), a government subsidized organization (National Research and Development Foundation), a few private entities (Caribbean Microfinance and some of the credit unions such as Laborie Cooperative Credit Union), and a newer government-owned equity fund (Youth Enterprise Equity Fund). BELfund is the one entity that is most willing to lend to youth and accommodating of their circumstances. They do not require collateral and complement their lending program with training opportunities. For a brief overview of these institutions, please see the table

below; for detailed information refer to the Institution Summaries section at the end of this document.

While a few lenders indicated that they require additional capital if they are to expand lending to youth, several others are able to meet current demand for loans with their existing funds. Thus, it appears that the availability of capital for on-lending is not a major constraint for youth lending in St. Lucia at the present time. However, additional funds for on-lending would probably be required if lending to youth were significantly expanded.

Table 8. Overview of Microfinance Institutions/Funds for Enterprise Development in St. Lucia

	Loans	Profile	Youth lending activities
1	James Belgrave Micro Enterprise Development Limited (BELFund)	<ul style="list-style-type: none"> • Government owned and operated under Ministry of Social Transformation • 375 active clients • Offer business training in tandem with loans 	<ul style="list-style-type: none"> • About 50% of their borrowers are young people
2	National Research and Development Foundation (NRDF)	<ul style="list-style-type: none"> • Initially capitalized by the government • Currently run independently and no longer receives direct government support • Offer trainings to borrowers and other paying clients • 300 active clients 	<ul style="list-style-type: none"> • No deliberate effort to target youth • Interested in expanding lending to youth if additional capital for on-lending can be secured at reasonable interest rates
3	St. Lucia Development Bank (SLDB)	<ul style="list-style-type: none"> • Statutory corporation established in 2009 • Mandate to support entrepreneurship, economic, and social development • 200 active loans, of which about 20 percent are small • Manages Youth Entrepreneurship Equity Fund 	<ul style="list-style-type: none"> • Limited • Willing to lend to youth
4	Caribbean Microfinance	<ul style="list-style-type: none"> • Privately owned commercial microfinance lender • Lending practices are more targeted toward established businesses rather than micro/small enterprises • About 810 active clients 	<ul style="list-style-type: none"> • Reluctant to lend to youth and start-ups in current economic environment • Need technical and financial assistance if they are to expand to youth demographic
5	Laborie Cooperative Credit Union	<ul style="list-style-type: none"> • About 9,000 active members • Provides banking services to agriculture and fishing cooperatives • Business loans account for 8 percent of total loan portfolio 	<ul style="list-style-type: none"> • Currently have few youth borrowers • Beginning membership mobilization targeted at youth • Very liquid and looking for viable business proposals
6	Youth Enterprise Equity Fund (YEEF)	<ul style="list-style-type: none"> • Statutory venture capital fund managed by SLDB • Provides equity financing for seven years • Currently in start-up phase but contemplating about 20 clients • Provide training to clients through SLDB and BELFund 	<ul style="list-style-type: none"> • Entirely focused on young entrepreneurs between ages of 18 and 35

What obstacles prevent the growth of the microfinance sector supporting youth?

The expansion of youth-targeted microfinance is constrained by high interest rates, poor repayment culture, weaknesses in institutional and human resource capacity, and lack of available capital for on-lending among some of the lenders. Despite receiving government support, the lenders reported that interest rates remain too high for youth to afford. Effective annualized interest rates ranged from 10 percent at the low end to 24 percent. For example, BELfund is able to offer loans with interest rates that are below those required to sustain a commercial institution and far lower than most microfinance rates in Latin America and the Caribbean, because it is government run and funded. Nevertheless, BELFund observed that some youth were reluctant to borrow despite the subsidized rates they are able to offer.

Public and quasi-public lending institutions currently dominate the micro and small business loan market. These institutions have not always pursued delinquent borrowers, and there is the perception that government-financed loans are in fact grants. This has contributed to the poor repayment culture that is present in St. Lucia which makes it difficult to offer market-based, sustainable microfinance services.

Nearly across the board, the lenders reported that their staff had not received updated training in many years. Training needs included modern microfinance methodologies, underwriting, portfolio management, and risk management. In several cases, the lenders were short-staffed and needed additional personnel if they hoped to effectively monitor loans.

The need for additional capital appeared to be a constraint among only a few of the lending institutions. NRDF currently faces significant financial difficulties stemming from previous lending operations, which are the result of losses suffered due to high delinquency rates. Caribbean Microfinance has not historically lent to youth or start-up businesses but also would require additional capital for on-lending as well as extensive training if they are to expand their portfolio. BELFund currently has enough capital to meet existing demand and the St. Lucia Development Bank, credit unions, and the Youth Equity Fund all appear to be well capitalized. Many of the lenders expressed initial interest in a loan guarantee program such as the one offered by DCA. However, there are restrictions on providing guarantees to sovereign entities, which may preclude its utilization among some of the lenders. For those lenders that are eligible and interested, DCA will require further investigation to approve a guarantee including economic viability analysis and financial viability analysis.

There are few regulatory barriers to the expansion of financing to youth. Commercial banks, are generally reluctant to accept non-traditional forms of collateral such as inventory or accounts receivables. This restricts lending to the youth who do not possess land. This gap has been filled by microfinance institutions who will accept other forms of collateral, including a signed contract for services. As the legal system is based on the Anglo-Saxon model, seizure and sale of property is somewhat easier than under the Napoleonic model used in Latin America. Usury laws do not cap interest rates.

To what extent are microfinance opportunities linked to youth training and small business assistance?

BELfund and SLDB through the YEEF are the only major youth lenders that link lending to training opportunities. The Small Enterprise Development Unit at the Ministry of Trade and Industry is mandated to provide training to potential as well as existing entrepreneurs. They assist them in registering and incorporating their business, developing business plans for financial institutions and provide small business management training. SEDU often works in close collaboration with the microfinance institutions. BELfund offers two week training sessions in entrepreneurial development and small business enterprise management. YEEF provides business management training and marketing alongside equity financing. The Center for Adolescent Renewal and Education (CARE), National Skills Development Center (NSDC) and Sir Arthur Lewis Community College will conduct pre-screening and recommend students to YEEF. SEDU and BELfund have agreed to partner with YEEF to provide the trainers for their investees. The Office of Private Sector Relations (OPSR) is developing a database of mentors as part of its mentoring program which will support YEEF.

NRDF also offers extensive training opportunities. However, NRDF is not currently lending intensively to youth. They have small business courses in management, accounting, and marketing as well as vocational classes in the hospitality industry, manicure/pedicure, hairdressing, cake-making, pastry, bread-making, food and beverage management.

Summary and Recommendations

What are the key workforce development gaps and opportunities for intervention?

Schools, post-secondary institutions, second chance programs, economic developers, employers, families and community leaders all have a role in preparing young people for work. The critical gaps in workforce development for youth at risk in St. Lucia include:

Schools

- Secondary schools lack critical school design features, and teachers lack support to address the academic and social needs of the large numbers of off-track students who lack numeracy, literacy and employability skills.
- Public schools lack incentives and support for vocational career education.
- Many primary schools lack the resources to build literacy and numeracy skills for their youth.

Employers

- The employer community relies heavily on one or two representatives to champion their issues in training and education.
- Beyond that, private sector participation on institutional boards and in curriculum development is minimal and ad hoc in most cases.

Intermediaries

- Little tradition or technical support exists for linking employers and educators to identify and respond to labor market needs.

Who are the potential champions and sources of leadership for youth workforce development?

A small group of respected organizations and individuals in St. Lucia is driving a promising set of strategies for youth development. The core group of those organizations -- RISE, NSDC, and CARE -- is teaming on initiatives to improve training and education systems, and involving other respected institutions, such as SSDF, to put important pieces in place for change. They also have a relatively sophisticated approach to organizing for change, and are well connected with existing structures in the Ministry of Social Transformation and Ministry of Education. Those champions include:

- Dr. Karleen Mason, CARE
- Dr. Stephen King, RISE
- Ms. Selma St. Prix, NSDC

Two other champions appear to be acting independently from the first group but have very dynamic track records as well as energy and ideas for interventions with youth employment. While Honorable Guy Mayers is currently serving as Minister of Home Affairs and Security, he championed the development of the JA program as past President of the St. Lucia Chamber of Commerce. The other critical champion is Brian Louisy, who has been the Executive Director for almost twenty years, and is leading the Chamber's current initiatives on training, education and entrepreneurship.

Preliminary Recommendations -- How might USAID make the most positive impact for at-risk youth in St. Lucia?

1. Fund an "Institute for Labor Market Responsiveness" to help education and training institutions engage with employers and build capacity to respond to the needs of employers and the economy. The Institute would provide secondary and post-secondary educational institutions, as well as skills development centers, with program design models, labor market information, staff training and technical assistance to help them implement programs that respond to job opportunities in the labor market.

Institute services would include:

- Building capacity of education institutions to maintain formal connections to employers at an operational level (e.g., engaging employers in training program designs);
- Building capacity of institutions to analyze and apply labor market information to make program decisions and to conduct their own employer needs/satisfaction surveys;

- Developing internships, cooperative education and other work-based learning partnerships with employers;
- Designing and implementing effective employability/life/soft skills training for youth;
- Delivering career guidance tools for youth making career training decisions;
- Raising funds and sustaining training capacity, including innovative use of employer and community resources;
- Implementing tracer studies to track employment outcomes; and
- Other initiatives determined by institutions and employer partners.

Such an USAID-backed institute would provide local capacity building and implementation support for the larger regional frameworks that the NTAs, CARICOM, and CIDA are coordinating. The fledgling NTAs are tasked with adapting the employer-endorsed Caribbean Vocational Qualification standards to the local labor market and with certifying curriculum and training institutions. USAID would help by building providers' capacity to implement NTA standards and curriculum effectively.

2. For the Institute above to provide fact-based advice in meeting labor market needs, USAID and its partners would need to support the development and distribution of basic labor market information. This would be needed to inform economic and workforce leaders, training providers, counselors, youth and parents about labor demand, career opportunities and the key steps to preparing oneself for those careers. Potential interventions include:
 - Assist the Department to create a regular labor market report that training and education providers can easily use to shape their programs, such as “top ten industries / top twenty occupations / hottest paying jobs” reports and other user-friendly information geared to shaping vocational programs and career guidance for young people;
 - Provide technical assistance to help the Statistics Department and National Insurance Corporation (NIC) collaborate to tap the potentially rich and timely data source available in the NIC, especially for more specific occupational data;
 - Develop tools to conduct tracer studies that track graduates of various educational institutions, programs and initiatives, potentially using the NIC data;
 - Adapt US web-based career guidance tools to provide East Caribbean youth, parents and counselors with up-to-date information about career opportunities, wages and requirements for education and experience;
 - Develop the capability of local Statistics/Labor Department to carry out specialized labor market surveys and analysis as needed.
3. Fund the quality introduction of the CARE Adolescent Development Program (ADP) for three groups of youth: secondary students in Form 1; school leavers who have not passed the 4 CXC minimum to “graduate;” and youth participating in long-term (6 months +) community projects such as SSDF's HOPE program.

- Select pilot programs in secondary schools, NSDC and the HOPE program, and support CARE to train instructors dedicated to the ADP program.
4. Implement high quality entrepreneurship education and financial literacy programs to support microfinance for youth, encouraging saving as a key component of entrepreneurship and preparing youth to become effective business owners and responsible borrowers. Use the Small Enterprise Development Unit (SEDU) and the Chamber of Commerce’s Youth Business Trust to select, train, and support young entrepreneurs. Provide targeted institutional support to select lenders, assisting them to better orient operational practices and lending methodologies to youth lending.

B. Grenada

Local Economic Context

What is the current distribution of employment by industry and occupation?

Grenada’s small economy of 110,000 people is dependent on tourism, remittances, foreign direct investment and agriculture which are susceptible to downturns in other economies, particular those of the United States and the United Kingdom. Because data on the distribution of employment is not readily available in Grenada, the overall performance of its top industries must be used as a proxy. Numbers released by the Ministry of Education in early 2010 estimate that economic activity in Grenada contracted by 7.7 percent in 2009 after having grown by 2.2 percent in 2008. This represented a decline in all economic sectors except agriculture and banking and insurance.²⁷

Table 9. 2009 Increase/Decline in Economic Activity by Sector

Construction	-52.4%
Hotels and restaurants	-20.8%
Whole sale and retail trade	-17.9%
Transport services	-12.3%
Manufacturing	-11.8%
Government services	-3.8%
Communications	-2.9%
Agriculture	9.3%
Banking and insurance	8.6

The little direct labor data and information that is available has been collected on an ad hoc basis, mostly by non-governmental players whose efforts to understand the labor market were conducted in order to inform their investment strategies in the country. For example, there are at least two estimates for unemployment rate in 2008. The Grenada Competiveness Review estimated it at 13%. The Minister of Education quotes the estimate from the Poverty Assessment Survey that puts the level of unemployment in

²⁷ Burke, V. Nazim, Minister of Finance, Planning, Economy, Energy and Cooperatives. 2010 Budget Statement to the House of Representatives. January 15, 2010. Online available: http://www.gov.gd/egov/docs/budget_speech/budget2010.pdf

July 2008 at 24.9%, having reached a high of 40% after Hurricane Ivan. The most recent attainable youth unemployment rate was estimated at 32% in 1998, double the global average.²⁸ In his budget speech, the Minister expressed grave concern at the government's current estimated rate of unemployment of 30%.

What industries are growing, declining or emerging? Why?

In the last six years, the economy of Grenada began to re-emerge from Hurricanes Ivan and Emily in 2004 and 2005. However, the current global economic recession has slowed growth before the country could fully recover from the natural disasters. Today, the agriculture sector is slowly regaining strength, as construction continues to level off and the hotel and related industries continue to decline. With these forces in mind, the Minister has identified five economic sectors that hold the greatest potential for Grenada. They include health and education services; tourism and hospitality services; energy development; agri-business; and ICT. Later, the national strategy is explained in further detail.

Tourism. Over the medium term, Grenada has benefited from the growth of many new investments in the region, particularly in tourism. The opening and reopening of hotels and the building of a new cruise ship terminal has resulted in increases in the number of both stay-over tourists and cruise ship passengers. For a time, it became the re-emerging sector in the country with year-to-year increases as a percentage of the total GDP in the range of 2% annually. Even so, the growth has come to a near halt as foreign tourism development and the number of tourists has declined significantly due to the global economic recession.²⁹

Today, incomplete construction on new developments stands as a reminder of economic growth and job creation that has not yet fully materialized. Cab drivers complained that this tourist season was even slower than expected. Restaurant owners noted the slower season as reflected in their sales figures and the fact that they did little hiring of new employees. Instead, they retained current staff and cut hours. One hotel and tourism leader expressed surprise that some establishments remain open for business. Figures from the OECS suggest that the declining trend began in 2006 when cruise ship arrivals went down by almost 60,000 visitors, and tourist stay-overs, while up in 2006, still had not reached the pre-hurricane high.³⁰ The Ministry of Finance has gone so far as to offer 50% relief on general consumption tax in exchange for keeping workers in an effort to prevent the loss of jobs in the hospitality sector.³¹

²⁸ Ibid.

²⁹ Project Appraisal Document on a Proposed Credit in the Amount of SDR 2.10 Million to Grenada for OECS Skills for Inclusive Growth Project. The World Bank. Report No. 43942-GD. December 16, 2008.

³⁰ http://www.oecs.org/component/docman/cat_view/127-trade-economics-statistics/129-statistics?orderby=dmdatecounter&asc=DESC

³¹ Burke, V. Nazim, Minister of Finance, Planning, Economy, Energy and Cooperatives. 2010 Budget Statement to the House of Representatives. January 15, 2010. Online available: http://www.gov.gd/egov/docs/budget_speech/budget2010.pdf pp. 19.

Construction. After Hurricane Ivan, Grenada experienced consistent growth driven by activities aimed at rebuilding and repairing the damage to the nation's infrastructure and resources. Reports after Ivan show that 90% of homes and hotel rooms were damaged. An estimated 40% of the homes were uninhabitable.³² Despite initial high rates of unemployment, job growth was bolstered by hiring in the construction and transportation sectors. International development aid funded badly needed repairs and construction of homes and infrastructure. The growth in all of types of construction spurred growth in related sectors, including electricity, water, transport, real estate and housing, communications, and banks and insurance. Currently, construction has drifted back toward normal levels as rebuilding from the hurricane has been completed.

Agriculture. Hurricanes Ivan and Emily also significantly damaged agricultural employment in the country, particularly in mainstay crops such as nutmeg, banana, and sugar cane.³³ Further complicating matters, several of the major crops require years to grow before they are plentiful. For example, nutmeg the country's major crop—an image of a nutmeg adorns the national flag—takes up to nine years before the first harvest. Grenada also suffered from the impact of the loss of preferential trade regime in European markets for bananas. As a result the economy and labor market were crippled. Unemployment increased in the period immediately after the hurricane in large part because the agriculture sector struggled to recover and retain its strength to carry the national economy.

Health and Education Services. The presence St. George's University, including an international Medical School (accredited in all 50 US states) an international Veterinary School and a Nursing School, provides Grenada with an uncommon opportunity in the export of education and employment in supportive services. Services to the University and its international students, as well as the longer-run potential for spin-offs in research, medical technology and education support, are likely prompting the Prime Minister's identification of this sector as a growth target. While development of this sector is beyond the scope of this rapid assessment, the services economy surrounding the University could be considered in the upcoming youth opportunity survey.

What occupation and skills demands are growing, declining or emerging?

Like other Eastern Caribbean nations, Grenada is shifting to a more service-oriented economy that, among other factors, requires a new modus operandi, new technology and a higher-skilled workforce. According to a report published in August 2007 by the World Bank, private and public services now account for almost four-fifths of the economy.

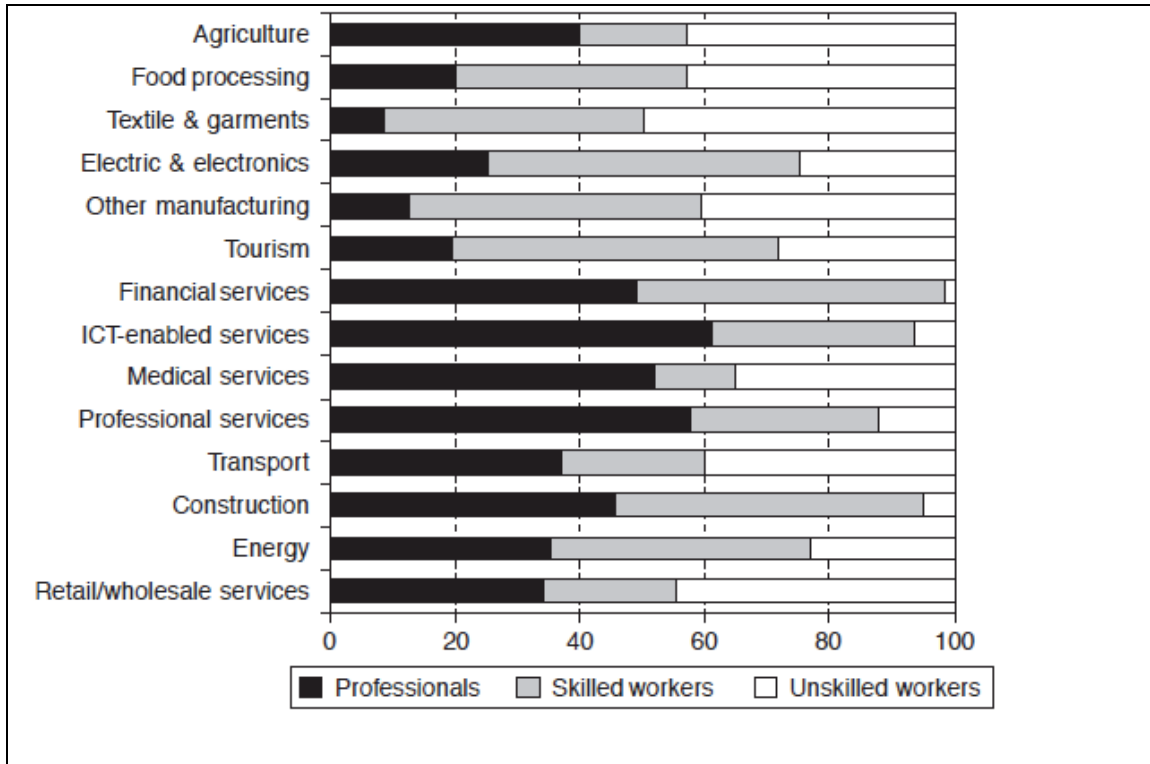
The services rely on higher skills that are not readily available among the workforce, particularly among youth. The report notes that the shortage of skilled workers is hindering competitiveness among all OECS countries. The report's survey found 41% of firms rated lack of skills in Grenada as a major or severe obstacle to investments. The

³² Yancy, Kitty Bean. "Caribbean island by island hurricane report. Cyber Driver News Network. September 16, 2010.

³³ Grenada, Hurricane Ivan Preliminary Assessment of Damages September 17, 2004. The World Bank. Online available: http://siteresources.worldbank.org/INTDISMGMT/Resources/grenada_assessment.pdf

Grenadian skill gaps are the most severe not only among all OECS countries, but all countries in Western Hemisphere which were included in the survey.³⁴ Analysis available in a World Bank Report published in 2008 shows the extent of the skills gap in Grenada. Except for the small textile and garments sector, unskilled workers are not in high demand. It is overwhelmingly the case that skilled and professional workers dominate the new jobs in the country.

Table 10. New Jobs in the Services Demand Skills



Source: Blom, Andres, Cynthia Hobbs, et. al. "School and Work. Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy.". Online available: http://siteresources.worldbank.org/INTENBREVE/Newsletters/21606395/Aug07_110_OECS_Ed_ENv2.pdf

Today's employers are looking for a very different skill set than in the past. Further, employers are looking to engage with the training institutions in the country in very different ways than traditionally done in Grenada. The Employer's Needs Assessment Survey conducted to inform the World Bank funded Skills for Inclusive Growth Project provides a snapshot of the skills demands of employers in 2008 prior to the start of the global economic recession. Of the 46 firms surveyed, 92% expected to hire new workers, with the tourism industry leading the way in anticipated new hires. The marina sector also expressed the need for additional workers, while the construction sector, consistent with other indicators, showed the least number of companies expecting to hire new workers. The number one challenge facing the majority of employers was difficulty finding adequately skilled workers.

³⁴ Blom, Andres, Cynthia Hobbs, et. al. "School and Work. Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy.". Online available: http://siteresources.worldbank.org/INTENBREVE/Newsletters/21606395/Aug07_110_OECS_Ed_ENv2.pdf

Prior to the current slowdown, employers responded to the job skills gap by increasing overtime and pay of their existing workforce. Interviews conducted for this assessment reinforce the fact that employers continue to place a premium on their best workers.

The Employer’s Needs Assessment also provides a snapshot into the actual occupation skills demands of employers. In general, employers expressed a need for specific technical skills related to their sector, but placed the strongest emphasis on soft skills. They went so far as to say that they could do technical training themselves but noted how difficult it is find individuals with who have “a good attitude and were willing to work.” Employers interviewed for this assessment consistently expressed this. The below figure provides a summary of the priority skills, mostly technical, demanded by employers in the leading sectors surveyed for the Skills for Inclusive Growth report.

Table 11. Priority Skills Demanded by Employers

Sector	Type of Company	Priority Skills in Demand
Tourist/hospitality	Hotel	1. Technical-occupation specific 2. Customer service 3. Supervisory 4. Communications 5. Computer literacy
	Restaurant	1. Management 2. Supervisory 3. Customer service 4. Culinary 5. Communications
	Tours	1. Customer service 2. Communications 3. Computer literacy 4. Marketing
	Crafts	1. Woodworking 2. Metal working 3. Painting
Agriculture	Crops	1. Equipment operation 2. Seed technology 3. Agro-research 4. Agronomy
	Fisheries	1. Fiberglass repair 2. Marine Engineering 3. Marine biology
	Agro-processing	1. Mechanical engineering 2. Microbiologist 3. Machine operation 4. Marketing
Information/communications technology	Telephone	1. Technical-occupation specific 2. Customer service 3. Management 4. Marketing
	Computers	1. Technical-occupation specific 2. Communications 3. Marketing 4. Customer service
Construction		1. Carpentry

	2. Masonry 3. Plumbing 4. Painting 5. Electrical 6. Civil engineering 7. Quantity surveying 8. CadCam design 9. Supervisory
Marina	1. Woodworking 2. Fiberglass repair 3. Engine repair 4. Marine engineering 5. Electrical repair.

Source: Skills for Inclusive Growth Project Grenada Employer's Needs Assessment Survey Prepared by Hickling Corporation. April 2008.

These skills are varied and are a departure from the narrower set of skills demanded in Grenada earlier in the decade. Even in the agriculture sector, the priority skills require higher literacy and numeracy skills before one is able to master other higher-level competencies and skills such as seed technology.

What other important economic trends are affecting the labor market? (e.g. trade, wages, unions, temporary employment)

Remittances. Grenada and the Eastern Caribbean have among the highest emigration rates in the world. Grenada has an emigration rate of 40.3%, primarily to Northern America where 56.9% of emigrants live.³⁵

Table 12. Emigrants – A Comparison

Origin of migrants	Emigration rate (%)	Major continent of destination for migrants	(%)
1. Antigua and Barbuda	45.3	Asia	47
2. Saint Kitts and Nevis	44.3	Northern America	37
3. Grenada	40.3	Northern America	57
4. Dominica	38.3	Northern America	46
6. Suriname	36	Europe	82
177. Brazil	0.5	Asia	30
181. Mongolia	0.3	Europe	41
Latin America and Caribbean	4.7	Northern America	69
World	3	Europe	33

Source: Human Development Report 2009. United Nations Development Programme. Online available: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_GRD.html

³⁵ Human Development Report 2009. United Nations Development Programme. Online available: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_GRD.html

This has significant implications for the labor market by creating high “reservation wages” that reduce motivation to work at low salary levels for those who receive them from abroad. In 2007, US\$55 million in remittances were sent to Grenada. Average remittances per person were US\$524, compared with the average for Latin America and the Caribbean of US\$114.³⁶

Gender. As in other countries experiencing the long-term shifts toward services industries and away from agriculture, Grenada’s young male and female workers are likely experiencing the gender imbalances associated with those shifts. While detailed data is not available in Grenada, the loss of agricultural and construction jobs, which tend to have disproportionate numbers of men with moderate education levels, is likely to create more unemployment for that group. If this is the case, it raises the importance of programming for youth employment related to gender.

Unionization. Unionization is still significant in Grenada, with over 25% of the labor market reportedly unionized as of 2005. The political influence of unions was significant enough to prompt employers to create the Grenada Employers Federation, which is a legal union of businesses. Grenada has eight recognized unions, including the Grenada Union of Teachers (GUT); Technical and Allied Workers' Union (TAWU); Public Workers Union; Bank and General Workers Union (BGWU); Commercial and Industrial Workers Union (CIWU); Taxi Owners and Drivers Association (TODA); Seamen and Waterfront Workers Union (SWWU); and, Grenada Maritime Manual and Intellectual Workers Union (GMMIWU).

Employer Engagement

What shortages and problems are employers experiencing?

One conclusion from the report is that individuals in the private sector have a clear sense of what type of skills they need. What is further validated from the 2008 survey and was also reflected in the interviews conducted for this assessment is that graduates from Grenadian training programs are not necessarily meeting those needs. The survey found that under one-third of the firms were satisfied with the abilities of the new graduates from the five leading training institutions. Employers expressed dissatisfaction with both technical and soft skills. Yet, just like employers in this 2008 survey, those interviewed for this assessment preferred a new worker with less training, but who had a good attitude and willingness to work.³⁷

They particularly expressed a higher likelihood of looking at graduates from TA Maryshow Community College, the country’s largest training provider, and New Life Organization. The New Life Organization has a strong personal development component to its curriculum that has a reputation for improving student personal and employability

³⁶ Ibid.

³⁷ Skills for Inclusive Growth Project Grenada Employer’s Needs Assessment Survey Prepared by Hickling Corporation. April 2008.

skills. It employs the Adolescent Development Program curriculum in its program design that is also found at CARE in St. Lucia.

What do employers say they need from young workers?

Employers do see the importance of cultivating the youth labor market. Yet they struggle to find efficient ways to engage with training institutions and expressed a degree of frustration with the quality of both interns and training graduates. As stated throughout this section of the report, employers need youth workers to demonstrate much better work attitudes and behaviors, especially as hospitality and tourism move forward as a leading sector.

The general sentiments about soft and technical skills training were especially emphasized when discussing Grenadian youth. Employers felt strongly that neither secondary education nor training institutions are doing a good job at producing students with the skills required for success on the job. Secondary school completers and non-completers go through their education experiences with very little exposure to life, employability, business or entrepreneurial skills training opportunities. Employers expressed sharp criticism of the narrow academically tracked curriculum, suggesting that pressure to get students to pass a sufficient number of CXC's stood as a disincentive to expanding the secondary school curriculum to these other areas.

What are they doing to develop young workers?

Employer engagement is occurring at two levels in Grenada. Most significantly, employers are playing a vital role in the development of standards for training programs through the Skills for Inclusive Growth Project. The Grenada National Training Agency, housed in the Ministry of Education, is leading the work with business leaders from a given field to help enumerate the core competencies that need to be mastered to establish proficiency. Private sector leaders interviewed for this assessment were very familiar with the effort and expressed strong support for this national strategy.³⁸

Employers are also engaged at the programmatic level, but only in limited ways. At the secondary school level, employers have not been engaged beyond a marginal role with the Chamber of Commerce Junior Achievement program. Where technical training programs do exist, employer outreach may occur in order to secure supply donations or an internship opportunity for a student in some cases. By and large, employers are not engaged in the design of actual programs.

The Grenada Hotel and Tourism Association

GHTA is involved in three activities that reach young workers. For several years now the organization has facilitated internship opportunities for TAMCC students and its members. It has also spoken at local training programs, including NewLo's.

³⁸ Allan Bierzynski, Managing Director, Jonas Browne & Hubbard. Personal Interview. June 16, 2010.

More significantly, GHTA is working to launch the CARIBCERT that will target those already employed. Set to begin in September, CARIBCERT is different from CVET. It is a professional certification program in 45 occupations validated by professionals across the Caribbean. This training program is administered online and will be made available to students in a computer lab. An GHTA official explained that improving the technical and work skills of current frontline workers is critical as the technology continues to change and delivering quality customer service is recognized as essential to insuring a positive “Spice Isle Experience.” The program is for two years. There is funding available to train 500 workers. After that, employers and workers will have to pay for services.³⁹

Lime & Digicel

Lime and Digicel are Grenada’s two leading cell phone providers. Each has a special interest in the youth population as a target market for its phones and services. Billboards throughout the country were visible at places where youth seemed to congregate. Advertisements featured youthful images and messages. This is also reflected in the companies’ workforce. While we did not interview anyone from either corporation, we did visit one of the stores. The youthful design of the store was complemented by the young employees behind the counters and helping customers. It was later learned that both corporations target youth to join their workforce, but they do not rely on training institutions to identify or train employees. Instead, they have developed their own training programs.

Jonas Browne & Hubbard

Hubbard’s, as it is known, is one of the two leading businesses in Grenada. It is an example of an employer that participates in the TAMCC internship program. The company gets two interns annually in its auto mechanic shop. Hubbard’s generally tries to keep at least one each year depending on position availability.⁴⁰

What are the gaps and opportunities to engage employers?

Employers expressed concerns that the most engaged training institutions, such as TAMCC and NEWLO, while effective in providing quality graduates, may not have a good understanding of employer needs. One employer expressed frustration with the timing of the internships, preferring that student internship opportunities be secured for peak tourist months. The employer felt it was unfair to both employers and employees to have them work at an establishment when neither the employer benefits from the additional help nor the interns from an intense and fast-moving work experience.

The GHTA and the Grenada Employers Federation both expressed a desire to contribute to youth training and work experience; however, they also made clear that employers could not afford to also pay stipends to trainees, as training institutions have requested.

³⁹ Cross, Pancy. Grenada Hotel and Tourism Association. Personal interview. June 18, 2010.

⁴⁰ Allan Bierzynski, Managing Director, Jonas Browne & Hubbard. Personal Interview. June 16, 2010.

Both of these examples point to a lack of communication and understanding between training institutions and employers despite shared interests in developing young people for the workforce. They suggest a need for assistance in improving communication and support for systems to sustain effective partnerships between the two groups.

Workforce and Youth Trends

What is the age, gender and education distribution of the workforce? How is it changing?

This section presents information about the size and role of the youth population in the Grenada labor market and explores barriers to youth labor market participation. Prior to proceeding, it is important to note that this assessment relies on the best labor market data available. When data was not obtainable, knowledge shared from interviews is used to provide a fuller picture of the Grenada youth labor market.

According to 2005 data from the Central Statistics Office, youth represent about 30% of the labor force.

Table 13.a Labor Force Indicators 2005

		Male	Female	Total
Labor Force	Total	25,581	21,388	46,969
	Youth			13,872
	Adult			33,097

Source: Skills for Inclusive Growth Project Grenada Employer's Needs Assessment Survey Prepared by Hickling Corporation. April 2008. pp 3

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

The most recent youth unemployment data found by the assessment team estimated it at 32%.⁴¹ Youth unemployment figures reaching this high is concerning for a country where youth, defined as individuals under 30 years old, make up half of the country's population.⁴²

Table 13.b Labor Force Indicators 2005

		Male	Female	Total
Employed	Total	22,409	15,763	38,172
	Youth			10,438
	Adult			27,734
Unemployed	Total	3,172	5,625	8,797
	Youth	1,409	2,025	3,434

⁴¹ USAID Draft Competitiveness Report.

⁴² Background Note: Grenada. United States Department of State Bureau of Western Hemisphere Affairs. Online available: <http://www.state.gov/r/pa/ei/bgn/2335.htm>

	Adult	1,763	3,600	5,363
Unemployment Rate (%)	Total	12.40%	26.30%	18.80%
	Youth			32.90%
	Adult			16.20%
Participation Rate (%)	Total	72.50%	59.10%	65.70%

Source: Skills for Inclusive Growth Project Grenada Employer's Needs Assessment Survey Prepared by Hickling Corporation. April 2008. pp 3.

What are the needs of youth in preparing for employment?

The most widely held sentiment from employers interviewed was that youth do not have the life or work skills to be successful in the workplace. One employer in particular complained of chronic tardiness, lack of discipline and self-direction. More broadly, a set of generally held beliefs about youth seems to prevail across Grenada. Youth hold a negative perception of service employment, such as waiting tables and agriculture. Many youth display behaviors, such as drug and gang involvement, that lead many adults to feeling that youth are largely disaffected.

Repeatedly, interviewees expressed special concern about the large number of unemployed young men. Again, no official data exists regarding the youth male unemployment rate. Still in the absence of a complete data picture there is one clear theme about all segments of this population that should guide USAID—improving life and work skills, as well as technical skills development, is critical to addressing the major barriers to youth employment in Grenada.

What challenges do different segments of the disconnected youth populations face?

Grenada youth are not unlike youth across the Eastern Caribbean or, really, across the world. They are a part of a generation that has a very different set of experiences than the generations before them. They are bombarded by media images that have established new expectations and norms than those of their parents. They are facing a world where HIV/AIDS is just one example of an abundance of risks that these youth have to navigate with increasing intensity.

Although a sentiment exists among adults that young people are disaffected and disengaged from society, it seems that young people do understand what the economy and job market are saying. For example, while adults interviewed for this assessment talked about the promise of niche opportunities in agriculture, agriculture remains in decline and may never return to its prime role in the island's economy. Youth understand that there is less of a future in the sector which likely explains why, as some adults interviewed explained, youth demonstrate little interest in agriculture. Further, the fact that most youth training programs have large waiting lists and are oversubscribed also suggests that youth too understand that they need far more training and skills than they currently possess. These aspirations too often go unfulfilled as the availability of training clearly fails to keep up with demand.

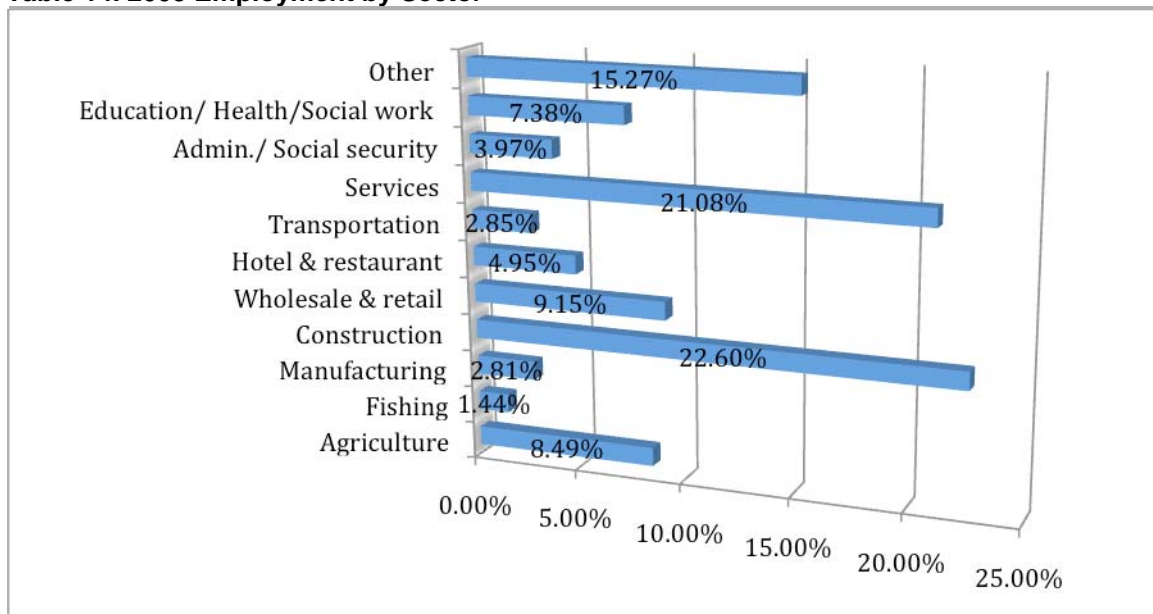
Labor Market Information Systems

What data is and isn't being collected on industry job growth, occupations and skills needs?

The Grenada Statistics office's primary charge is collecting census information, which was last conducted in 2001 but will be completed again in 2011. The office is currently working to expand its capacities by recruiting and training St. George's University students to help conduct the 2011 census.

The office did conduct a household survey in 1998 and a quick survey to update those findings in 2005. The below 2005 data reinforces an earlier finding that post-hurricane construction represented a huge part of the economy and that services involved a similar portion of the labor market. While data is not readily available, individuals interviewed for this assessment attest to the sharp decline in employment in this sector, which had particularly harsh effect on males, who made up over 97% of the construction sector.⁴³

Table 14. 2005 Employment by Sector



Source: Central Statistics Office. August 2010.

A bright spot is that Grenada is currently working with other OECS countries as a part of an ILO/OECS effort to improve labor force surveys in the region. In the first phase of the project, the ILO and OECS have provided technical assistance to Grenada, along with St. Lucia, St. Vincent and Antigua to improve sampling methods, questionnaires and data processing capacity for a labor force survey. In the second phase, the ILO is funding implementation of a labor force survey.

⁴³ Brazin, Halim. Grenada General Statistics Office. August 2010.

Because of the great need, some labor market information has also been collected outside of the Statistics Department. As part of the OECS Skills for Inclusive Growth Project, the Grenada Department of Economic Development and Planning commissioned an Employers' Needs Assessment Survey report by the Hickling Corporation out of Canada. Much of this report's information about private sector skills needs has come from that report.

How is the labor market information distributed and to whom?

There is little labor market information and therefore no distribution system.

In addition, the private sector seems to depend largely upon word of mouth when advertising for vacancies. Newspaper ads are also used, but reportedly to a small extent.

How do institutions and students use labor market information for career and training decisions?

As mentioned earlier, some labor market information has been collected for the design of internationally funded programs such as the OECS Skills for Inclusive Growth Project. The domestic training providers that are involved, notably TAMCC, are referencing that document in their discussion of program designs and shared it with the team. It is hoped that this study, as well as the ILO project to update labor market surveys in Grenada, will encourage more training providers to use data about labor and skills demand in their programming decisions.

Other than these examples, there is little evidence that training providers or students have access to labor market information systems that they could use in Grenada. Some programs, such as GRENCASE, do keep paper records of student employment immediately after program completion. Yet even this type of data collection is limited across the country.

What gaps and opportunities exist for improving information?

Overall, there is little labor market information and no system that distributes data to help inform career and training decisions. And there seems to be no formal way for employers to communicate their needs to training providers. The Central Statistics Office currently appears to lack capacity to regularly collect labor market data but has expressed a willingness to do so. An opportunity exists to work with Statistics to improve labor market data collection and conduct tracer studies.

One opportunity is to provide technical assistance to help the Statistics Department and National Insurance Scheme (NIS) collaborate to tap the potentially rich and timely data source available in the NIS, especially for more specific occupational data.

Country Strategies

What are the country's economic development goals, initiatives, successes and challenges?

As government, education, and business leaders throughout Grenada shared their strategies during interviews, they acknowledged gaps and real challenges.

In his 2010 budget speech to the House of Representatives in January, the Minister of Finance described a grim economic picture for Grenada, underscoring the current moment of challenge before the government as the vital US and UK economies recover from recession. In response to last year's \$74 million shortfall in revenue, the government has implemented a new value-added tax and a number of strategies to achieve better efficiencies in the tax structure and tax collection, resulting in a more stable revenue stream. However, the following statement by the Minister underscored the extent of the strain on the government's budget:

For every dollar collected, 46 cents go to salaries and allowances; 19 cents to debt repayments, 21 cents goes to transfers such as Pensions and Public Assistance leaving almost nothing for investments in health, education, tourism, agriculture, and infrastructure.

Despite these fiscal constraints, the Minister repeated the government's promise to spend at least 15% (\$105.6 million) of the total budget on human resource development such as education under the theme, "Exploiting the Crisis for Job Creation, Renewed Growth and Sustainable Development through Partnerships." Human resource development spending priorities of the budget include: refocusing curriculum, teacher training, technical and vocational training and schools rehabilitation. A short description of relevant activity areas set out in the budget speech follows:

- TVET- Reintroducing TVET in primary education; enhancing the range of TVET subject areas accessible to students; and providing schools with equipment and materials for curriculum delivery.
- Academics- Exposing students to traditional and new subject areas; exposing students to tourism and entrepreneurship education; a renewed focus on literacy and numeracy among students and adults; expanded use of ICT to prepare youths for life in the national and global communities.
- Teacher education- increase access to teacher training at all levels, including areas such as TVET, early childhood education, ICT, and special and inclusive education.⁴⁴

What are the skills development goals, initiatives, successes and challenges?

⁴⁴ Burke, V. Nazim, Minister of Finance, Planning, Economy, Energy and Cooperatives. 2010 Budget Statement to the House of Representatives. January 15, 2010. Online available: http://www.gov.gd/egov/docs/budget_speech/budget2010.pdf pp. 30.

Looking across all sectors -- government, private, and non-governmental -- there are three national strategies that affect and present opportunities to improve workforce training for youth:

Secondary education

Establishing universal access to secondary education was a critical policy decision to place thousands of youth into a learning environment for a longer period of time. The value of this cannot be underestimated. At the same time, the secondary schools effectively lack many of key design elements necessary to both meet the needs of a diverse student population and the needs of employers. Interestingly, many of the key challenges faced by secondary schools—tardiness, poor behavior and other youth development issues—are the same issues that employers say need to be improved among youth in the workforce. There is support among many leaders interviewed during this assessment for secondary education to play a critical role in both improving the technical skills training and the work and life skills of youth. The Ministry of Education is considering how a technical core informed by the TVET standards might be imbedded into the secondary schools and as far down as the primary school curricula. This presents a particularly high leverage opportunity to build incentives for the development of academically rigorous technical training programs with a strong youth development focus in secondary schools.

Youth employability

Grenada is among the Eastern Caribbean nations implementing the OECS Skills for Inclusive Growth Project. The project's goal is to increase the employability of youth, particularly youth who have passed three or fewer CXC's, through public-private sector partnerships for technical and life skills training that is demand-driven. The project sets out a three-part strategy that includes direct training of youth, establishing and implementing occupational standards, and improving institutional training capacity. The goal is to train 1200 youth in three years.

The major thrust of the current activities in Grenada has been on occupational training standards development by the Skills for Inclusive Growth implementing arm, NTA. Housed in the Ministry of Education, NTA has vetted standards in twenty training areas with ten more areas set to be completed in the next ten months. To date, the Grenada Council for Technical and Vocational Education and Training (GCTVET) has approved 17 standards. NTA officials recently issued the first request for proposal for training providers. Officials report strong interest among providers, but many did not apply because they lacked the adequate facilities and equipment. This seems to be an emerging area of concern as a couple of the more reputable training institutions, such a New Life Organization have yet to submit a proposal. TAMCC has already been lined up as a provider.⁴⁵

Youth engagement, entrepreneurship and job training

⁴⁵ Grenada National Training Agency. Ministry of Education. Mr. Lincoln Morgan, Ms Peron Johnson, and others. June 16, 2010.

In the long run, the Skills for Inclusive Growth Project will improve youth training programs in the country. Youth skills training has been a part of the national portfolio of youth programs through several governments. While program names may have changed, these programs have largely continued under the direction of the Ministry of Youth Empowerment, Culture and Sports. In his budget speech the Minister of Education proposed a EC\$14.6 million budget for the Ministry of Youth Empowerment, Culture and Sports, a EC\$5 million increase from last year. Some of this funding is used for sports, including upgrades to athletic playing fields and support for competitive sports. The largest amount of the budget is used to fund the Youth Upliftment Program that has four components.

What are the youth strategies, especially for disconnect youth? What have been the successes and challenges?

The Grenada Youth Upliftment Program is a collection of programmatic initiatives that target the disconnected youth population an attempt to reengage them into education and work using a range of different strategies—rehabilitation, training, academic instruction and youth leadership and service. A description of each of these initiatives can be found in the Institutional Summaries section.

Analysis of existing programs and disconnected youth outcomes

Table 15. Matrix of Institutions Mapped, Grenada

Grenada	Incomplete Secondary*	In School At Risk**	Employed Persons	High Performer	Entrepreneur	Youth Offenders	Current Year Trainees / Target Capacity
MoY* / GYET Program	X	X					2,337
MoY / Small Business					X		300
MoY / Rehabilitation						X	35
TAMCC / IYF	X						250
TAMCC Continuing Education			X	X			489
NTA Skills for Inclusive Growth	X						250/1200
GIDC					X		
GrenCODA	X		X		X		53
GrenCASE	X		X				
NewLife Organization							196

* Completed 3 or less CXCs

** The term "In-school at-risk" generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness increase the likelihood that the youth will drop out of school and not participate in the labor market.

How well do existing programs meet the needs of employers?

Similar to other countries assessed in this report, by and large training and education institutions in Grenada are not meeting employer needs. As explained earlier, employers expressed little confidence in secondary school training programs and their record of meeting their needs. They were only slightly more enthusiastic with TAMCC, noting the relative quality of their graduates, but offered criticism of linkages with their training programs and the degree to which the institution understands employer needs. New Life Organization (NewLo) was put forth as a strong pipeline for quality workers. The strong youth development component of the program is valued highly by employers. From NewLo, they know they will get an employee who arrives on-time, ready to work, and with the core competencies that can be supplemented with on-the-job training.

The work of the NTA in developing vocational education training standards is an important project happening on the island. The involvement of the private sector is promising. As programs adopt these standards, the technical skills needs of employers should be met with greater frequency. Further, there will be an institutionalized process of raising standards.

Finding a way to address employability and life skills is of central concern. Employers want to be better engaged and play a stronger role. They also appear to strongly support establishing vocational education training standards. The system would be fundamentally strengthened if training institutions were to embed these standards in addition to life skills training across post-secondary institutions as well as down through the primary education system.

In short, employers want to help, but the linkages are weak. This is best reflected by the limited involvement of the private sector on the boards of training institutions. There seemed to be some recognition of this gap, but less in the way of leadership on the issue.

How well do existing programs meet the challenges of youth, such as those laid out in the Rapid Youth Assessment?

In general, there is awareness among leaders that the unique challenges facing youth in Grenada go beyond just training and work skills. Youth experience pressure to join gangs and sell drugs while also facing other risks such as pregnancy. The Ministry of Youth, Culture and Sports operates a suite of programs that individually address some of those challenges. However, these programs and approaches have not been integrated or connected to training programs. Outside of the NewLo model, there are no examples in the country of a tightly integrated training approach, incorporating both work and life skills.

Programmatically there are some practices among youth-serving programs, particularly those for training, that address financial and transportation-related challenges. Most youth lack the financial means to participate in training programs, and transportation costs from home to a program add up quickly. For example, NewLo is a popular program, but is located on the coast of eastern Grenada. To that end, most programs provide a monthly stipend to help support youth in paying for transportation and other everyday expenses.

Microfinance Opportunities

What is the availability of credit to support business start-up or expansion by youth?

There are limited opportunities for micro and small enterprise financing in Grenada, with even less opportunities for youth. The opportunities that do exist are narrowed by relatively high equity and collateral requirements that effectively prevent significantly expanding the pool of applicants to the youth population. Preliminary indications suggest that many small businesses are financed through personal consumption loans that tend to be provided by credit unions. Officials at MicroFin, the country's lending micro-lender, noted increased competition from credit unions.

Overview of Microfinance Institutions/Funds for Enterprise Development in Grenada

Table 16. Microfinance Institutions/Funds for Enterprise Development in Grenada

Grenada	Provide micro/ small loans	Require real property for collateral	Provide training	Lend to youth	Affiliated with government	Active Clients
NDF	X	X*		X***		N/A
Microfin	X	X				136
GDB	X	X	X**		X	25

* Case-by-case

** GIDC training program

*** Program is currently not accepting new loans

What obstacles prevent the growth of the microfinance sector supporting youth?

Microfinance opportunities for Grenada are narrowly constrained by factors that include lack of available capital among lenders, small microfinance portfolios of existing lenders, equity and collateral requirements, poor repayment culture, and weaknesses in institutional and human resources.

Officials from the institutions interviewed for this assessment expressed concern about the decreasing availability of capital from non-governmental and government entities. The National Development Fund was originally funded through USAID support in 1984. The dependency on grant funding caused management to decapitalize, which had unfavorable implications for the liquidity of NDF as the grant funding ended.

In recent years, there has been decreasing support from the government as well. The poor history of repayment of government-sponsored loans is one reason for the decline. There was a general perception among Grenadians that loans provided by the government were grants not requiring repayment. This contributed to a high level of delinquency among borrowers. The government then moved to a micro-lending program administered through private banks. The Grenada Development Bank also provided lending services for the dormant Grenada Youth Entrepreneurship Program. The government is currently in discussions to relaunch the program.

To what extent are microfinance opportunities linked to youth training and small business assistance?

The most explicit linkage of microfinance opportunities to youth training and small business is through the Grenada Industrial Development Corporation. Youth participating in the entrepreneurship training programs exit the program with a business proposal that is presented to lenders as a part of their loan applications. Lenders accept the proposals, but most ask for additional application information. This is the only example of formal linkages.

Summary and Recommendations

What are the key workforce development gaps and opportunities for intervention?

- Since expanding to universal secondary education, more students than ever are entering high school with low literacy and numeracy skills and are unprepared overall to be successful. Primary schools seem to lack the resources and/or strategies to build literacy and numeracy skills of students.
- Overall, secondary schools lack critical school design features, and teachers lack support to address the academic and social needs of the large numbers of off-track students without needed numeracy, literacy and employability skills.
- Secondary schools in particular lack incentives and support for vocational career education.
- Employer linkages to training institutions continue to be few in number. Without expanded linkages, employers will miss out on opportunities to inform training program design, internships, and job recruitment and placement.
- Grenada lacks core capacities to innovate and scale best practices across primary, secondary, and post-secondary education. No entity is playing this critical role in the country.

Who are the potential champions and sources of leadership for youth workforce development?

Training institutions

- David Fleming, Dean of the School of Continuing Education at TA Marryshow Community College
- Julie Williams, Executive Director, GRENCODA

Employers and Employer Serving Groups

- Pancy Cross, Executive Director, Grenada Hotel and Tourism Association
- Sonia Roden, General Manager, Grenada Industrial Development Corporation

Government

- Honorable Patrick Simmons, Minister for Youth Empowerment, Sports & Culture

- Kendrick Fullerton, Policy Advisor, Ministry of Youth Empowerment, Culture & Sports
- Honorable Nazim Burke , Minister of Finance
- Honorable Franka Bernadine, Minister of Education

Preliminary Recommendations

How might USAID make the most positive impact for at risk youth in Grenada?

- Improve capacities to support the innovation and scaling of effective education and training programs and practices. This could be done through an intermediary organization charged with providing secondary and post-secondary educational institutions, as well as skills development centers, with program design models, labor market information and technical assistance to implement programs that respond to job opportunities in the labor market.
- Expand the youth development programs, such as ADP, into secondary schools and training programs.
- Support the implementation of high quality entrepreneurship education and financial literacy programs to support microfinance for youth. USAID might consider using the Youth Small Business and Entrepreneurship Program to train and support more young entrepreneurs.
- Support the development and distribution of basic labor market information to inform training providers, counselors, youth and parents about career opportunities and the key steps to preparing.
- Develop the capacity of government agencies to conduct labor market surveys and analysis

C. St. Kitts & Nevis

The Federation of St. Kitts and Nevis achieved independence in 1983 with each state maintaining a large degree of sovereignty over economic policies, investment promotion and some services. The population in 2005 was about 47,000. It is a strikingly small economy with GNP of about \$390m. Today, its youth population, aged 15-29, is about 13,500.⁴⁶

Local Economic Context

Recent Economic Trends: Sugar to Services

St. Kitts and Nevis (SKN) was negatively impacted by changes to the EU/ACP Sugar Protocol which resulted in the loss of preferential treatment for its sugar exports to the United Kingdom and United States of America. This forced the Government of SKN to close its 300-year old sugar industry in July 2005, after suffering years of financial losses.

⁴⁶ Author's estimate based on extrapolation of age cohorts from the 2001 census.

As a result of the country's economic diversification drive which began in the 1980s, the transition from agriculture to a service-based economy was not traumatic. The services sector, dominated by the tourism and tourism-related services, construction, the financial services and ICT is now the lead sector. However, the challenge of this transition continues to be manifested in poor labor mobility from agriculture to services due to the lack of relevant skills.

The relatively underdeveloped tourism value chain – including labor-intensive construction and agriculture – offers opportunities to employ Kittitians in a range of skilled and semi-skilled jobs, as well as opportunities for self-employment in the trades. Relatively abundant and undeveloped coastline and farmland also holds promise for continued economic development in agriculture and tourism.

What is the current distribution of employment by industry and occupation?

SKN had a labor force in 2009 of about 22,000.⁴⁷ Although recent data on employment was not available for this report, including data on labor force participation rates, SKN maintained relatively low unemployment of between 4%-6% during the past decade. These figures are surprising, because the past decade saw the closure of the sugar industry, which had employed about a third of the workforce, followed by the global recession which hit tourism-dominated economies particularly hard.

The stable unemployment rate, despite the severe global economic downturn, could be a reflection of wide scale emigration among youth. UNDP Data lists SKN in the top two in terms of emigration rates per capita in the world, at 43%, after Antigua and just before Grenada.⁴⁸ It also could suggest a high degree of seasonal employment and underemployment.

In 2005, there were 9,400 people employed directly and indirectly in tourism. This represented about 44% of all employment. By 2009, that number had fallen to 6,900, or 31% of employment.⁴⁹ Since about 30% of the labor force is employed by the government, this means that tourism accounts for about half of all private sector jobs. The other half of jobs, as in neighboring island states, are in retail, construction, agriculture and, to some extent, manufacturing. St Kitts has a small light manufacturing sector that employed 620 workers in 2005.⁵⁰ Its largest, Lutron Luanga, employs about 300 and reports steady demand for jobs at many levels in its electronics factory. The St Kitts Manufacturing Association reported that the skills shortage is a serious constraint to industry growth and that a lack of interest among young people was a difficult challenge.

What occupation and skills demands are growing, declining or emerging?

⁴⁷ www.stkittstourism.kn, access 07/02/10.

⁴⁸ http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_GRD.html

⁴⁹ World Travel and Tourism Council, http://www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/, accessed 07/02/10.

⁵⁰ World Bank, *OECS: Towards a New Agenda for Growth*, 2005.

During the last decade, tourism's share of GDP fell from a high of 42% in 2005 to 31% in 2009. The global recession has impacted short-term income in the tourism sector with international visits falling from 383,000 to 301,000 in 2009.⁵¹ These numbers reflect the volatility of a tourism-based economy in the short term, but SKN holds promise for significant growth in the sector over the medium and long term. A number of recent investments are likely to stimulate this growth. For example, foreign investors bought 2,500 acres on St. Kitts to develop Christophe Harbor, a luxury resort area that will host two five-star hotels, up to 1,500 residential units, a marina and a golf course. The project broke ground in 2008 and has since been slowed significantly by the global economic downturn. Other new high-end residential developments under construction include the Ocean's Edge Resort and the Silver Reef development.

An EU-funded labor force study on SKN was reportedly completed in March 2010, but was in a review stage and not yet available to the authors of this report. The new study will update data that was last collected in 2001. That said, some available data suggests that the largest amount of employment growth will occur in the tourism sector – including direct tourism jobs, such as work in hotels and restaurants, and indirect jobs, such as construction and businesses that supply hotels and provide support services. One estimate in 2006 suggested that 79% of all new hires in the country were in the tourism industry.⁵²

Tourism industry representatives reported in interviews that low-skilled labor is relatively easy to find, such as in housekeeping or wait staff, but that they face a very difficult challenge in filling vacancies that require semi-skilled workers, such as chef's assistants or front desk staff. More highly skilled workers in the culinary arts, hotel and restaurant management and trades such as welding are almost non-existent on the islands according to interviews.

The tourism-related construction sector, including property maintenance, faces demand for and a shortage of skilled workers in trades – finishing work such as tile laying, carpentry, electrical work, landscaping, plumbing, air conditioner repair, etc. For example, the developer of Christophe Harbor reports that his company imports temporary skilled construction workers from the United States at a very high cost because he cannot find local employees with the skills needed. This demand, and related property maintenance, landscaping, air condition repair and the like will continue as new tourism developments come online over the next decade.

Having once accounted for 30% of economic output in St. Kitts, agriculture now accounts for just 3% of GDP. Data on the sector from the FAO showed agriculture contributing just \$12m to overall GDP and fisheries, while employing 600 workers/fishermen, just \$3.8m.⁵³ Since the sugar industry closure, agriculture production has been growing rapidly, according to the government web site, speeches and

⁵¹ World Travel and Tourism Council, http://www.wttc.org/eng/Tourism_Research/Economic_Data_Search_Tool/, accessed 07/02/10.

⁵² Blom, Andreas and Hobbs, Cynthia, *World Bank Country Study 42909: School and Work in the Eastern Caribbean*, 2008.

⁵³ http://www.fao.org/fishery/countrysector/FI-CP_KN/en 2006 data, accessed 07/12/10.

announcements by government officials, and various news reports. Again, hard data was not found to substantiate this perception, but interviews revealed high potential for growth in this sector.

Interviews also revealed, although anecdotally, that the agriculture sector is constrained by a lack of farmers with sufficient knowledge about new techniques or skills in marketing, product development and the like. Farm workers used to working on sugar plantations possessed few skills in horticulture and farm management. Like manufacturing, interviewees reported that young people are not interested in farming.

Importance of Soft Skills

There is a growing demand for soft skills in the workplace, particularly in the services sector. While data on specific jobs within sectors was not available, interviews and survey research highlighted a severe shortage of soft skills in the labor force. As part of an initiative in 2005 to retrain displaced sugar workers in SKN, the OECS conducted a cross-sectoral employer survey in which 88% of employers rated soft skills and positive attitude to work as “very important.” Other soft skills such as communication, adaptability, appearance and teamwork were also rated highly by the majority of employers surveyed. Surprisingly, just 11% of employers rated vocational skills as “very important.”⁵⁴

In the 2005 OECS employer survey, employers overwhelmingly cited the need for workers with a service-oriented work attitude; however, many young people seem to equate customer service with servitude. This was mentioned time and again by adults interviewed for this report. To substantiate this perception, the team traveled to the Old Road Community Center on St. Kitts and held a focus group with ten unemployed youth. About half of the students agreed with what adults were saying about young people, and all were critical of other young people who were not trying to better themselves through skills training.

The dearth of soft skills was confirmed in interview after interview as the biggest problem faced by employers, outweighing other common competitiveness indicators such as access to credit and the ease of hiring and firing. This was true for both frontline customer service workers, such as restaurant servers, and for more technical jobs such as electronics manufacturing and construction. As one foreign construction supervisor put it, he can teach someone how to paint or lay tiles but only if the person shows up for work.

One of the interviewees noted that since St. Kitts Marriott Resort opened, employing up to 900 people during the height of the tourism season, he has noticed some improvement in work ethic as more young workers are showing up for work on time. Marriott’s orientation and on-the-job training of these 900 workers may have influenced a large cohort of the current youth workforce, giving them a clear signal that these soft skills are important.

⁵⁴ OECS, *St Kitts and Nevis Retraining the Sugar Workers*, 2005.

What other important economic trends are affecting the labor market?

- Seasonality of employment in the tourism industry leads to underemployment of large numbers of semi-skilled workers from about June to October.
- Brain drain is a negative consequence of the trend of emigration of skilled workers and university students.
- Most agriculture is done by small family businesses that typically do not invest in improving productivity, including marketing, skills training and adoption of new innovative agriculture methods.
- As the US and UK recover from the economic downturn, it is anticipated that there will be an increase in activity in the tourism and hospitality industry. This is also expected to translate into the resumption of construction activity on tourism residential developments geared towards high-end tourists.
- Nevis has made strides recently in attracting investments in renewable energy. A new geothermal project broke ground in Nevis in 2009 and is expected to come online in 2011. According to an agreement signed between the Nevis Island Administration and West Indies Power, Ltd, the company responsible for funding the US\$43 million, 10 megawatt project is financed by the Scotia Bank through a guarantee by the US Export-Import Bank. According to the power company, the project will eventually meet all of the federation's electricity needs and has the potential to produce up to 50 megawatts.⁵⁵ A new wind farm also broke ground in 2009 on Nevis with the potential to produce 1.1 megawatts. Excess electricity would be sold to other islands through submarine cables. Exploiting geothermal resources and wind power promises to lower the cost of electricity and generate significant revenue for the government from the export of excess power to neighboring islands via submarine cables. SKN face relatively high electricity costs and low reliability of supply – two important factors impacting business competitiveness.

Employer Engagement

What shortages and problems are employers experiencing?

Like the other countries included in this report, the most widely cited challenge faced by businesses remains the lack of skills suited to an economy dominated by the services sector. The education system does not prepare young people for jobs in the tourism sector, both in terms of skills such as the culinary arts or restaurant management, and in terms of attitudes toward work.

There is little continuous professional human resource development in firms in SKN due to the cost and perception that newly trained workers will require a raise or will leave to go to a better job elsewhere.

St. Kitts also faces a shortage of highly skilled labor and often finds it difficult to fill top positions. This is further exacerbated by the fact that the Ministry of National Security is

⁵⁵ <http://www.celsias.com/article/island-nation-produce-4x-its-energy-needs-geotherm/> accessed 07/07/09.

reluctant to issue work permits, and the process is quite lengthy. This has resulted in St. Kitts issuing the fewest work permits per capita in the OECS. Having said that, recognizing the lack of skills in the hospitality industry, both St. Kitts and Nevis administrations issue more work permits to foreign workers of the large hotels, such as the St. Kitts Marriott Resort and the Four Seasons Hotel (when in operation) in Nevis, than to any other sector. It is hoped that, as the government implements new policies to adopt the CVQ program, more Kittitians and Nevisians will fill this gap.

What do employers say they need from young workers?

Employers, educators and even the young people themselves who were interviewed for this report stated the serious need for the “right attitude” for jobs. Work attitudes were cited as scarce and in high demand by service sector, manufacturing and construction industries alike. One hotel general manager said he needed young workers who could be proactive and ask “what else can I do?” and an HR manager at a mid-sized manufacturing plant was looking for young people who were willing to work their way up in the ranks and had a good work ethic. A building contractor cited punctuality as a major problem. Soft skills in general, like in all of the countries in this assessment, are in demand.

What are they doing to develop young workers?

The OECS employer survey cited previously indicated that more than half of the businesses in St. Kitts and Nevis employ fewer than 25 workers. According to the SKN Chamber of Commerce, 70% of its members are micro, small or medium-sized and cannot afford to conduct professional in-house human resources training (e.g., hiring a short-term expert to provide training on-site). Neither can they afford to pay for training outside the company despite some efforts by the Advanced Vocational Education Centre (AVEC) and others to host company training in their facilities when students are not present. It comes as no surprise therefore that close to 90% of employers provide their own in-house and on-the-job training.⁵⁶

The factors related to “smallness” of the economy also hold true for the training market – an economy as small as SKN cannot support a diverse and competitive training market. As a result, the depth and breadth of skills training that can be offered in a cost effective manner is low. Several technical training institutions reported a shortage of skilled instructors and limited demand for private training on a fee basis. AVEC illustrates this challenge. During the period 2000 to 2008, only two students were enrolled in AVEC’s metal work course even though employers reported demand for such skills. Its 72 students in the 2007/08 academic year were enrolled in hospitality, electrical, architectural drawing, general construction, auto mechanics and business studies. One has to wonder about the cost/benefit ratio of the AVEC program and perhaps opportunities to consolidate its programs with vocational components of high schools.

What are the gaps and opportunities to engage employers?

⁵⁶ OECS, *St. Kitts and Nevis Retraining the Sugar Workers*, 2005.

There is a great deal of informal networking between the private sector, public sector and educational institutions given the small size of the country and the fact that most people in key positions know each other. However, despite the willingness to cooperate, formal connections do not exist between industry and schools. The private sector is not adequately represented on the boards of education institution and training programs, and internships are largely ad hoc and not carefully tied to learning goals or employer needs. Yet employers suggest willingness to take interns and provide feedback on curriculum decisions. Training organizations also express willingness to listen to the needs of employers, but leadership on this seems to be lacking or dispersed. Basseterre H.S. has just started an apprenticeship program for underachievers that holds a great deal of promise as a model for all levels of technical education in the country. Data on job growth, trends and tracking graduate employment outcomes would help make new links more productive as well.

It is worth pointing out that the responsibility for preparing young people for work does not lie solely with educators. Productive engagement results from effort and vision from both employers and the education system. Two of the interviews illustrate how attitudes about partnership affect engagement. The general manager of a hotel complained that interns from a youth training program were simply dropped at his door without any communication about the skills needed or the curricular objectives of the internship. The hotel reported that they were not able to provide a meaningful learning experience nor were they able to benefit from extra, low-cost labor. He did not have a relationship with the school to provide feedback on selecting interns or in the timing about when an internship would be most suitable – rush season for example.

A better outcome emerged in an interview with a restaurant owner who was in need of an experienced chef’s assistant. The Youth Empowerment through Skills (YES) program solicited the employer about the kind of skills needed before proposing a candidate. When the owner interviewed the candidate and found that she was not a good match, YES paid a visit to the employer and listened to what was needed. The result was a more suitable candidate who has an opportunity to become employed full-time at the restaurant with the prospect of getting promoted and building more marketable skills. These two cases illustrate the ad hoc nature of internships – both were part of the same training program but with starkly different outcomes.

In many countries in the world, the personnel systems of vocational-technical schools remain based on an outdated model that requires academically credentialed, full-time instructors. The consequences in St. Kitts are particularly harsh due to the relatively

Evolution of Employer Engagement

High quality vocational education depends upon meaningful and active employer engagement. It often evolves over time and starts with informal job placements, similar to the current status in St Kitts. The next step would be more structured internships in which employers are involved in placement by setting selection criteria for interns and evaluating performance of the student and tying the employer evaluation to grades. Next, employers become involved in curriculum through departmental advisory committees at schools and finally to participation on boards of directors at a strategic and policy level for the education institution. This kind of engagement also promotes dialogue within industry sectors, a critical element in a nation’s economic competitiveness.

high wages for skilled workers. Master level tradesmen understandably choose employment in the private sector over teaching, particularly once they compare the wages of a teacher and the wages in their high demand trade, whether as a master level plumber, electrician or welder.

Basseterre High School, for example, has waited two years for a carpentry teacher while its workshop remains idle. Clarence Fitzroy Bryant College has been without a plumbing instructor for more than two years – a field in which employers are in dire need of skilled workers despite the economic downturn. An opportunity exists to introduce a more flexible system of hiring instructors on an adjunct basis and in setting up apprentice programs so that teaching and learning of skills take place on the job. Competency-based CVQ skills standards provide a framework for this kind of flexibility, but the education system remains in a credentials-based world. Basseterre High School started the apprenticeships out of desperation. According to the school principal, she grew weary of waiting for the Ministry of Education to send an instructor, and so she and the guidance counselors recruited employers to host apprenticeships.

Workforce and Youth Trends

What is the age, gender and education distribution of the workforce? How is it changing?

More than 80% of the SKN labor force has attended at least secondary school, and 20% of the labor force has attended tertiary education. This is by far the highest overall educational attainment level in the OECS countries.⁵⁷ And yet St Kitts suffers similar problems to its neighbors in terms of low completion rates (67%) and only about half of students pass the CXC's in math and science, though more recent data from the Ministry of Education suggests that this has improved in recent years. Girls perform far better than boys according to interviews.

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

As reported in 2005 by the World Bank (citing data from 2001), youth unemployment was 11% and adult unemployment was 3.6% in SKN, while youth accounted for 44% of unemployment.⁵⁸ While significantly better than the same indicators in other OECS countries, data on the impact of the global recession and anecdotal accounts suggest that the official numbers do not reflect the magnitude of the unemployment and skills gap problem for youth. Extrapolating on the figures above, assuming about 5% total unemployment in a labor force of 22,000 gives a figure of 1,100. If youth make up 44% of the unemployed, there are roughly 484 unemployed youth in SKN. The actual number is likely higher than this given comparative experience in other OECS countries. Even adjusting upward by 20% or more, the figure for youth unemployment is quite a ways off from anecdotal evidence provided in the interviews conducted for this report. For

⁵⁷ ILO, *Key Indicators on the Labor Market*, 2007.

⁵⁸ World Bank, *OECS: Towards a New Agenda for Growth*, 2005.

example, YES, one of three youth programs, has enrolled almost 1,000 participants over the past six months.

What are the needs of youth in preparing for employment?

All of the interviews conducted in St. Kitts for this report cited the need for basic employability skills for youth, including dress and appearance, resume writing and communication skills. At-risk youth face additional challenges in achieving basic literacy and numeracy skills. These skills were seen as more important to employers than technical skills as cited elsewhere in this section.

According to the Rapid Youth Assessment funded by USAID in 2008, very little job search assistance or career guidance is available to young people, either inside or outside of the formal education system. Key informants and youth in that study described a narrow band of industries and corresponding jobs for youth (i.e., tourism, retail, construction, teaching, farming), with very little awareness of job opportunities in emerging industries. And only a small number of young people could articulate specific steps needed to achieve their career goals.⁵⁹

What challenges do different segments of the disconnected youth populations face? (e.g. at risk, out of school, those in gangs, those in the justice system)

The academic focus of schools and incentives of CXC-driven secondary curriculum leave large numbers of students behind with limited options to catch up. Poor quality of facilities and instruction, poverty, and the social stigma attached to vocational education and TVET programs that reportedly rely more on theory than practice lead many to drop out as evidenced by the 67% school completion rate. Girls consistently outperform boys in school, resulting in a disproportionate number of boys in the out of school youth cohort. This may be due to a number of factors, including the different learning styles of boys, differing social pressures or the reservation wages more available to boys through illegal activity.

Another key challenge faced by youth is a lack of awareness about the types of jobs and career paths that are available in the ever-changing labor market. Many young people, especially those from the rural areas, come from families where mothers, fathers and grandparents worked on the sugar plantations all their lives. Many of these young people have not been exposed to other industries, such as tourism and manufacturing. It is very likely that they will move into the jobs they have been exposed to, and those in which they have family or friends working.

Labor Market Information Systems

What data is and isn't being collected on industry job growth, occupations and skills needs?

⁵⁹ Rapid Youth Assessment in the Eastern Caribbean, USAID, 2008.

There is a serious lack of labor market information in SKN, and therefore, systematic collection and dissemination of occupational demand information appears not to exist. The Statistics Department and the Labor Department report that they do not collect this data due to lack of capacity. Both departments depend on the Social Security Board to provide data on persons employed. The Board does not capture persons who are not registered with Social Security, including emigrants.

Most all of the interviews with other stakeholders identified the lack of labor market data as a serious constraint to improving the workforce system. The government policymakers, schools and business leaders feel that timely and accurate information on jobs, growth, and unemployment is urgently needed for planning and decision-making. Where there is information, it tends to be outdated and not publicly available. For example, the CIA Fact Book used unemployment figures from 1997, and even the 2005 World Bank report on the region uses data from 2001.

An EU-funded labor force study was reportedly completed recently but is not yet available to the public. The St. Kitts Tourism Authority has plans to conduct a study on skills needs and future demand for its members, but it has not been scheduled yet. Finally, the government will administer a census beginning in April 2011 which will provide valuable data on households, including information on employment and education.

How is labor market information distributed and to whom?

As indicated above, St. Kitts does not produce regular labor market information.

How do institutions and students use labor market information for career and training decisions?

St. Kitts appears to be similar to most countries at its stage of development in terms of employee recruitment, with 60% of new employees recruited through personal contacts and about 30% recruited through advertisements in local media. Barely 5% were reported to have been recruited through the government employment service.⁶⁰ The Department of Labour, Employment Services Center shared data from 2007 that showed only 45 companies were registered. There were 380 requisitions for jobs by employers, 460 job seekers recommended and 154 people employed by the end of the reporting period.

Education and training institutions do not track employment outcomes of graduates, and none reported surveying employers to find out what types of skills are in demand.

What gaps and opportunities exist for improving information systems?

The Labor Department reported that its Employment Services Center managed an online job matching system that was used between 2002 and 2005 and was seen as an effective tool for exchanging information between employers and job seekers. The system was

⁶⁰ OECS, *St. Kitts and Nevis Retraining the Sugar Workers*, 2005.

funded by the US Department of Labor and was deactivated when the funds ran out. An easy opportunity for improving information systems would be to re-activate the system, ensuring private and public financial contributions for its maintenance and sustainability.

Because the economy has shifted so dramatically from the sugar monoculture to services in the past ten years, interviewees reported that young people are not aware of the kinds of jobs and careers available in the market. Awareness in the earlier grades at school about the kinds of jobs and types of skills needed would help to close this gap. One young agriculture entrepreneur interviewed for this report suggested that young people might be better motivated to work in high value-added organic farming for the tourism market if they were made to see such work as a career option of becoming an “agribusiness entrepreneur” instead of a “farmer.”

Country Strategies (What is the country doing about jobs and skills for youth?)

What are the country’s economic development goals, initiatives, successes and challenges?

In light of the closure of the sugar industry, the Government has acknowledged the urgent need to further diversify the economy in terms of production and exports. It recognizes the potential of the services sector as the main engine of growth, for “employment, foreign exchange earnings and for developing and strengthening linkages with other economic sectors.”⁶¹

The Government of SKN has taken various measures to take care of the welfare of the displaced sugar workers and to accelerate the transformation of the country's economy. Of particular importance is the formation of the Sugar Industry Diversification Foundation (the SIDF) in September 2006.

The SIDF was established to support the former sugar workers, conducting research into the development of industries to replace the sugar industry, funding the development of these alternative industries and providing further support to secure the sustainability of such industries. Activities include agriculture promotion for displaced women sugar workers.

As stated in the National Adaptation Strategy for SKN 2006-2011, despite significant investment in the tourism sector, there has been little labor mobility from agriculture to services. The government recognizes that this could be due to the skills gap and has cited education and training as the key initiative to improving productivity and meeting the demands of the services sector. According to the Adaptation Strategy, the government has planned to introduce a “framework for constantly reviewing the curriculum of education institutions to ensure relevancy to the job market” and “to encourage and facilitate job fairs to expose students to current job opportunities.”⁶² The large new

⁶¹ National Adaptation Strategy in Response to the New EU Sugar Regime 2006 -2011.

⁶² National Adaptation Strategy in Response to the New EU Sugar Regime 2006 -2011.

tourism developments and the relatively strong performance of St. Kitts in attracting foreign investment demonstrate a successful track record.

The government wishes to place greater emphasis on the development of commercial farms in livestock and crop production. It also wants to work on strengthening farmer groups, irrigation systems, feeder roads, marketing, land allocation and tenure to promote the agricultural diversification program. Efforts have met with limited success to date.

In order to meet the demands of the new service economy, the government has recognized the need to raise the skills base by addressing “human development issues through increased investment in education, especially at the technical and vocational levels”⁶³ A *White Paper on Education Development and Policy 2009-2019: Raising the Standard, Maximizing Resources, Aligning with Best Practices, Promoting Success for All* has since been developed.

What are the skills development goals, initiatives, successes and challenges?

St. Kitts devotes about 9% of public expenditure to education, one of the highest in the world.⁶⁴ However, many students pass through the primary system without attaining the basic literacy, numeracy and critical thinking skills required for employment. This is attested to by the poor performance on the standardized examinations administered by each country. In SKN, 62% and 38% of students pass secondary English and mathematics CXC exams respectively.⁶⁵

In response to the lagging quality of education, the Ministry of Education (MOE) developed the *White Paper on Education Development and Policy 2009-2019: Raising the Standard, Maximizing Resources, Aligning with Best Practices, Promoting Success for All*. The paper was developed over three years following passage a new education law in 2005.

The strategy articulates a vision for, among other things, decentralization, better coordination and progression of students through the system, improving the relevance of vocational technical education, addressing children with special needs, lifelong learning and integration and alignment with regional initiatives such as the CVQ system. The strategy identifies short-, medium- and long-term action agenda items for each stage and institution in the education system. The comprehensive strategy document demonstrates that the MOE is “on the right track” toward addressing key challenges related to preparing young people for adulthood and the world of work. Implementing the strategy provides an entirely different set of challenges, but there appears to be political will. While not exhaustive, the following highlights are of key relevance in this report:

- New emphasis on at-risk youth through the introduction of a youth representative on the Curriculum Development Unit, and school violence prevention programs for

⁶³ National Adaptation Strategy in Response to the New EU Sugar Regime 2006 -2011.

⁶⁴ United Nations, Human Development Report, 2007.

⁶⁵ World Bank, Education Statistics 2004.

schools, including youth mentorship and after-school programs. Hiring and training additional school guidance counselors to address the needs of underachievers and troubled students.

- Implementation of the “second chance” **Caribbean Certificate of Secondary level Competence (CCSLC)** designed for the less academically inclined students (i.e., those who do not qualify for the Caribbean Secondary Education Certificate). The CCSLC is a precursor on the path toward the CVQ level 1. It includes existing TVET programs and a career education component in the curriculum.
- **Empower the St Kitts and Nevis TVET Council to implement the CVQ.** In the past two years, the MOE established partnership arrangements with HEART Trust/NTA in Jamaica for the training and certification of teachers/instructors/facilitators in these programs.
- Restructure and align TVET programs to further the objective of CVQ implementation. The National Skills Training Programme and Clarence Fitzroy Bryant College (CFBC) will be granted greater financial and curricular autonomy with new governance structures. New systems of alignment between the Advanced Vocational Education Centre (AVEC) for post-secondary and second chance training, Project Strong for at-risk youth and CFBC for more advanced students to establish a proper CBET structure for progression and certification of TVET programs will need to be developed and implemented.
- **This requires a major reorientation and capacity building of all of the operations of existing vocational technical training providers** to be able to offer Competency Based Education and Training aligned with and adapted from the HEART and other regional occupational standards. It requires changing traditional relationships between the private sector and the education to include more structured internships, career counseling and systems for quality assurance, Quality Assurance (QA) assessors and monitoring and evaluation. The ministry’s strategy also calls for a new mechanism to be put in place to regularly survey the market and establish a new communication framework with employers to maintain regular dialogue.
- Introduce new legislation in 2010 to begin moving CFBC along the path to university status over the next seven to ten years. Only about 12% of the eligible age cohort is enrolled in post-secondary and tertiary education. The new strategy sets a new target of 50%, with a goal of achieving 20% enrollment of the cohort in university education. This is another ambitious program that includes a host of planning and policy challenges. Granting CFBC more autonomy is a first step in this direction. Soon it will be included under the SKN Accreditation Board that was established in 2000 to license and monitor the eight foreign medical schools located in the federation.

What are the youth strategies, especially for disconnected youth? What have been the successes and challenges?

The section above outlines plans to upgrade programs for skills training and second chance education administered by the MOE. Basseterre High School reports that the MOE has challenged schools to “get creative” in working toward improving learning and employment outcomes for at-risk youth. Unlike many countries, the MOE is not standing

in the way of innovation but is actively encouraging it – perhaps not with funding, but with greater flexibility and autonomy at the school level.

As noted in the previous section, the Government of SKN is now seeking to introduce a regional certification program and TVET into the schools and tertiary institutions. These actions are expected to contribute to changing the perception of vocational training. The government faces the challenge of introducing the vocational educational track in all schools because of the financial costs, which includes the purchase and maintenance of equipment. A TVET Council has been established and, through the EFE CARICOM Program, the Government will establish a National Training Agency to award “world of work” CVQs.

A couple of the schools, such as Basseterre High School, have made a concerted effort to introduce vocational courses and change the mode of teaching which seems to have significantly increased the interest of the students and reduced the drop-out rate.

Entrepreneurship was introduced in secondary schools through the Junior Achievement Program, which is currently being managed by the SKN Chamber of Commerce. Under this after-school program, Form 2 students form a company with issued shares to develop and sell a product or service. At the end of Form 4, the company is dissolved. This program has numerous difficulties as the program uses full-time teachers who volunteer to guide students and receive no incentives.. In addition, there is a high turnover of teachers, many of whom do not possess business skills or experience. There is also the challenge of financing the program.

The AVEC was established in 1992 to accommodate students who do not have the requisite subjects for entrance into the CFBC. Students may enter with five CCSLC which is a lower version of basic CXC. Upon successful completion of the course, they may transfer to CFBC. The center focuses on CXCs but would like to offer more vocational programs. This presents an opportunity to build the capacity of the center in that regard. It should be noted that AVEC is not an accredited institution.

The Government of SKN has launched various programs targeted at youth, particularly school leavers, drop-outs and youth at risk. They include the YES program, Project Strong and the National Skills Development Program.

YES was launched in late 2009 to provide life skills, vocational training, internships and career counseling for unemployed youth aged 16-35, particularly school leavers, drop-outs and youth at risk. YES is a political initiative funded by the Government of St. Kitts to absorb persons who were laid off from the construction and tourism industries as a result of the global financial crisis. Initiated by a EC\$16m grant from the Sugar Diversification Fund, it is managed by the Ministry of Youth and is being conducted in partnership with the MOE's National Skills Training Programme, and the Ministry of Social and Community Development and Gender Affairs. Local private sector practitioners provide training in various technical skills and life skills for six months (a four-month classroom component followed by a two-month job placement). The main

areas of training are hospitality, construction, industrial maintenance, business administration, and beauty services. The facilities used are government community centers or places of business. The students are paid a weekly stipend of EC\$300 which is on par with entry level wages in the private sector. Approximately 1,000 persons are enrolled in the program, with a waiting list of over 400. A management team member indicated that seventy-three students are expected to graduate at the end of June 2010. Thirty percent (30%) have jobs, and fifteen percent (15%) are interested in starting their own business. The first cohort of 73 students graduated in June 2010 with certificates in accounting, business administration, information technology and agriculture. It is not clear why only 73 of the reported 1,000 students enrolled have graduated. A discussion of the program's strengths and weaknesses is provided in the analysis and recommendations section below.

The St. Kitts Development Bank, where YES is housed, has agreed to give special consideration to YES participants and graduates for loans up to EC\$10,000 using its normal loan eligibility criteria and requirements such as collateral. However, as some felt that this was not adequate, a special loan facility to provide soft loans for YES graduates was proposed. The General Manager of the Bank who is on the management team of the program is seeking funding for the recently completed proposal.

Project Strong, which is similar to YES, was created in 1988 by Washington Archibald, a former school principal who recognized the gap in education system. Project Strong targets low income, marginalized, non-academic youth (16 – 18 years old) who have dropped out of school or have a weak academic record. The project provides skills training in various areas and an opportunity for thirty-two students to receive on-the-job training in businesses such as hotels, retail outlets, mechanic shops, and others. Students receive a stipend of EC\$60 per week which is considered by program managers to be too low. Project Strong is co-sponsored by the MOE and the Rotary Club of St. Kitts and Liamuiga. Several interviewees suggested that Project Strong should be expanded to reach more students. The lower stipend was reported to have pulled students out of the program and into YES.

In 2007, the National Skills Development Program transitioned from the Non-formal Youth Skills Training Program which was established in 1986 in order to train young ex-sugar workers. This program also targets high school drop-outs and other unemployed youth to teach them specific skills to help them find employment. The areas targeted included garment manufacturing and auto mechanics. Persons access training in communities on an ad hoc basis. Approximately 70 – 130 persons are trained per annum in technical and life skills. The program leaders are also involved in interviewing and selecting trainers for YES as well as providing certificates to the graduates.

The Community Achievers Programme (CAP) is an NGO devoted to serving the needs of at-risk children and youth. Begun in 2006 to provide remedial literacy and math education and tutoring to low income children, CAP, in partnership with Basseterre High School, has begun targeting young teens in upper primary and secondary school with

hands-on training in agriculture on an organic farm on St. Kitts. It has mobilized support from a diverse set of community leaders, ministries and donors to develop entrepreneurship and life skills.

The Partners for the America's *A Ganar* program was introduced in 2010 with funding from USAID. *A Ganar* is implemented in SKN by a partnership between CAP, St. Kitts-Nevis Football Association and Hope Nevis. It uses soccer and life skills curriculum to build self-confidence, entrepreneurship skills and soft skills. The first cohort of 140 youth completed the six week training course this spring. Another 250 youth are planned to participate by Fall 2010.

Analysis of existing programs and disconnected youth outcomes

Several programs provide life skills and technical training to young people resulting in a confusing tangle of options and tremendous opportunities to improve efficiency and streamline management. YES, Project Strong, AVEC and the National Skills Training Program all provide technical training and internships, and the eight high schools each have technical tracks. Streamlining programs and promoting adoption of the CVQ competency-based standards would lead to a more efficient skills development system. In interviews, leaders of these programs all expressed a desire to work together to better align the various programs.

Some particular challenges of YES include:

- YES was politically motivated and was expected to last for six months. It is estimated that the government has spent over EC\$60 million to date. Despite the Prime Minister's recent announcement at the National Assembly that the scheme will continue indefinitely, government officials have indicated that it is too expensive to maintain and therefore unsustainable given the government's fiscal problems.
- Some employers view this as free labor and it is feared that few will offer students long-term employment.
- Weak instructors whose skills need to be upgraded.
- The stipend of EC\$300 is not sustainable, and it has been said that students enroll in the program and attend classes for a few hours a week in order to receive the stipend.
- There is no private sector involvement in determining the courses offered by the program, as this is based on demand expressed on student application forms.
- Many stakeholders and government officials are of the view that the program is inefficiently run and should be reorganized.
- Although life skills are taught, some employers felt that students were still lacking in those soft skills when they entered employment. Youth interviewed for this paper echoed this concern.

Almost all existing programs that include an entrepreneurship component and, to a large extent, TVET treat self-employment as a social safety net mechanism. Entrepreneurship was described as an alternative to paid work and unemployment rather than a way to boost economic competitiveness, innovation and productivity improvement. There was a

surprising amount of talk about training to become a hair stylist as opposed to value-added skills such as welding or plumbing.

One challenge recognized by the MOE was that stipends for training at YES, Project Strong and AVEC were granted based on attendance. If a student showed up every day, he or she would collect a stipend on Friday. The MOE is supporting a plan to make stipends contingent on performance or merit. Literature in the U.S. is inconclusive in most cases about the impact of paying students to complete school but, as a social safety net program, the stipends seem to provide incentives for young people to upgrade skills. At the very least, merit-based payments will encourage students to take more care in selecting which training programs to attend. Interviews also revealed cases where students were double-dipping and taking stipends from more than one program. This was not verified.

Table 17. Matrix of Institutions Mapped, St. Kitts & Nevis

St. Kitts	Incomplete Secondary*	In School At Risk**	Employed Persons	High Performer	Entrepreneur	Youth Offenders	Trainees per year - Capacity
Public High Schools TVET		x					2000
Community Achievers Program & A Ganar	x	x				x	150
Project Strong	x						50
YES	x						1000
CFBC				x			300
National Skills Development Center	x		x				200
AVEC	X						50
Harris Home, Juvenile Development Center						x	Varies, <100

* Completed 3 or less CXCs

** The term "In-school at-risk" generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness increase the likelihood that the youth will drop out of school and not participate in the labor market.

How well do existing programs meet the needs of employers and the market?

During the interviews conducted, it was quite clear the existing programs do not meet the needs of the private sector. For example, decisions about the kinds of training to offer in the YES program were determined by a survey of participating youth rather than a survey or analysis of the job market.

Clearly one of the best opportunities to improve outcomes of programs for at-risk youth lies in better aligning training with the needs of employers. Interviewees consistently reported that skills being taught were not relevant to what the market needs and that too few mechanisms existed to link employers and education institutions to address this disconnect.

Instructors are responsible for setting up internships, creating an ad-hoc and sometimes confusing situation for employers who may be contacted by more than one instructor from the same program. In addition, the instructors do not necessarily discuss the needs of the organization to determine the best candidate for the internship. This often leads to drop-outs and dissatisfaction among the students and employers.

Every employer interviewed emphasized the problem of “work attitude” among young people. Despite the life skills component of the various youth programs, employers still complained that graduates lacked a strong work ethic. YES, by far the largest program in St. Kitts targeting youth employment, is reportedly severely deficient in teaching life skills. Several interviewees noted that pastors, many of whom are retired, are responsible for the life skills training and technical trainers provide skills training. The religious focus was reported by youth to be boring. One interviewee suggested that the program use young role models as instructors for the life skills component, as they will be better able to identify with the social and cultural issues affecting participants.

Many also expressed the view that basic awareness of jobs and career paths, and the soft skills needed to be successful, can and should be taught.

How well do existing programs meet the challenges of youth, such as those laid out in the Rapid Youth Assessment (e.g. do socio-emotional challenges require stronger soft skills components?)

Students enroll in the first course available to them in order to take advantage of the stipend, rather than waiting for a course that meets their interests or the needs of the job market. For example, students may be trained in air condition repair but be placed in a job working in a restaurant.

Job fairs are reliant on the individual efforts of guidance counselors and are therefore ad hoc in nature and not well structured or tied to collecting information about the marketplace.

Other policy issues.

The new education strategy outlined previously demonstrates new energy and focus on improving the alignment of education programs for young people to the job market. The following represent opportunities to improve upon the strategy:

- CXC crowds out alternative curriculum in schools such as Junior Achievement, life skills/employability training, and career awareness. This is common in many countries where the adage, “if it’s not on the test, it isn’t taught” holds sway. Schools need the flexibility to offer enriching and useful skills development during school hours. The after-hours nature of current programs puts a burden on teachers and reduces the numbers of students who can participate. This also limits opportunities to integrate career awareness, violence prevention and soft skills modules into curriculum in the early grades. The new strategy articulated by the MOE moves in this direction by introducing new job counseling services in schools as well as a

“youth service” component. The MOE has also begun to allow schools to experiment with new approaches, such as the apprenticeship program at Basseterre High School.

- A reliable supply of qualified instructors for teaching CVQ level skills will not be available in a market the size of SKN. Current policy prevents widespread use of adjunct teachers – i.e. professional tradesmen and women – from contributing to the skills needs of young people on a part-time basis. Greater autonomy for the NSTP and CFBC may open this up to some extent, but professionals should be given incentives to share what they know to young people as part of the regular curriculum.
- While the climate for doing business is favorable to foreign investors, local businesses, most of which are small and medium-sized, face difficulty in starting and financing new enterprises. These are critical issues that must be factored into the design of interventions to promote entrepreneurship.

Microfinance

Most entrepreneurs use funds from private sources to finance business start-up as it is difficult to access finance elsewhere.

The microfinance industry in SKN is dominated by two players: the Development Bank of SKN and the FND Enterprise Cooperative Credit Union. The St. Kitts Credit Union provides individual loans which may be used for business. There is very limited involvement by the commercial banks. The view is that these microfinance institutions are struggling due to internal factors rather than external economic factors. As a result, businesses are suffering due to selective lending. These institutions have experienced a slow rate of portfolio growth

This has contributed to more small and micro-businesses applying for duty free concessions on all types of goods, including fridges and stoves for bars and restaurants under the Small Business Act.

St. Kitts and Nevis Development Bank

St. Kitts Development Bank, established in 1981, is owned by the Government of SKN but run independently by a Board of Directors. The Bank provides financial and technical assistance to all aspects of the government’s development agenda. The Bank implements government programs. The bank has a loan portfolio is EC\$280 million with 4,000 to 4,500 accounts on the books.

The Bank provides loans for generally high risk ventures and to persons who may have been turned down by the traditional banks. Loans are given to businesses in all economic sectors, with the major sectors being tourism and construction. In the tourism sector, the majority of applications are for watercraft, restaurants and bars. It also provides student loans for university and vocational studies, as well as mortgages to the lower to middle-income bracket.

The amount of the loan determines the complexity of the requirements, including collateral. All loans provided by the bank must be secured with some form of collateral,

preferably land. Loans provided under government programs administered by the Bank do not necessarily require collateral. A business plan must be submitted with the loan application. If one is not available, the applicant is referred to the Business Support Unit in the Bank for technical assistance to help develop one.

The Bank works with the project from start-up and during operation to ensure that the business is successful and to reduce the delinquency rate which currently stands at 6-9%.

Between 2007 and 2009, the Bank managed a **Youth Empowerment Fund** geared towards helping young people develop businesses. This \$10 million revolving fund was set up with \$2 million provided by Allen Stanford. Mr. Harris believes that this fund was successful, particularly in encouraging savings and budget planning among participants and provided access to all types of businesses such as fishing, restaurants, and others. This fund is no longer functioning.

The St. Kitts Development Bank is considered the best institution to manage lending or grant programs. Recently, the bank seems to be concentrating on providing consumer loans. There is potential to build capacity at the Development Bank, and the government is not averse to guaranteeing loans for MSMEs.

Strengths:

- Government supports the Bank as the best institution to manage lending and grant programs.
- It has a wide clientele base and a large loan portfolio.
- Its structure permits innovation and flexibility.

Challenges:

- The general manager, Mr. Lenworth Harris, felt that there was too much duplication among efforts with regards to youth skills development and that some agencies were taking on tasks that they should not get involved in. He also mentioned that there were turf wars and not enough synergies. Greater integration of programs and synergies is needed.
- Bank staff members need training in microfinance.
- Unavailability of low-cost loans for young entrepreneurs with no collateral.

FND Enterprise Cooperative Credit Union

FND is a savings and loan cooperative credit union which was established in 2009. It evolved from a government-sponsored micro-credit institution which was created in 1985 under a USAID-funded project. It relied on donor funds and soft loans for on-lending to its clients. As these sources of funds dried up, a decision was made to turn FND into a credit union. It is now called the FND Enterprise Cooperative Credit Union. Its members are past clients of FND, including individuals, micro and small business owners, and family members of the aforementioned. Members purchase shares (minimum of \$250 for 50 shares) and save with the credit union.

FND mainly provides business loans, with few consumer loans. There is no minimum, but there is a maximum loan size of EC\$250,000. The total loan portfolio is EC\$8 million (EC\$5 million – small business; EC\$3 million – consumer loans or individual loans for business).

On the books, there are 335 clients who are registered and non-registered businesses in possession of a business license obtained from the government. There has been a recent increase in applications for loans for buses and hairdressers.

Microfinance Institutions

Table 18. Microfinance Institutions/Funds for Enterprise Development in St. Kitts

St. Kitts	Provide micro/small loans	Require real property for collateral	Accepts other forms of collateral (cash, guarantor, assets)	Provide training	Lend to youth	Affiliated with gov't.	Loan Portfolio EC\$	Active Clients/Accounts
SKNB	x	x		x	x	X	280m	4000 accounts
FND	x		x	x	x		8m	335 clients

Summary and Recommendations

What are the key workforce development gaps and opportunities for intervention?

The following summarizes the challenges and opportunities related to preparing youth for work in St Kitts:

Challenge 1: Economic transition from sugar to services has resulted in a gap between the knowledge, skills and attitudes needed in the workplace and what students learn in school.

Opportunities:

- Promote demand for labor market data, including skills needs, job growth and employment outcomes of school leavers to aid decision-making about curriculum. Include more effective career counseling, job fairs and job matching services.
- Integrate soft skills training and fun and interesting leadership and life skills education components more fully into curriculum at all levels, including participation by youth mentors to make life skills training more relevant to participants.

Challenge 2: The education system is “more British than the British” with an academic focus driven largely by the CXC exams with insufficient mechanisms to prepare youth for the workforce. TVET programs are often overly theoretical. Less academically inclined students fall behind in the early grades and have few opportunities to catch up, resulting in frustration, stigmatization and a lack of skills, including basic literacy and numeracy.

Opportunities:

- New education legislation and strategy seeks to align TVET programs with CVQ to offer an alternative set of incentives for students who are not on an academic track.
- MOE has allowed experimentation to take place at the school level in establishing alternative programs for at-risk youth.

Challenge 3: “Smallness” of the SKN economy requires government policymakers, education providers, business associations and individual employers to cooperate on a number of issues that have heretofore been only addressed in an ad hoc manner. The small size also heightens the effect of emigration of skilled workers, including TVET instructors, and government-imposed limits on migration of skilled foreign nationals. It also limits the commercial viability of financing for micro and small businesses and the cost competitiveness of training services available to the majority of the islands’ businesses.

Opportunities:

- Promote collaboration within industry sectors, especially agriculture, the tourism value chain and construction, to identify current and future skills needs, participate in governance structures of education institutions, devise structured internships and apprenticeships, and promote incentives for skilled adjunct instructors in TVET programs.
- Work with credit unions, educators and government development funds to promote market-based financing for small/micro businesses targeting youth in high potential growth sectors (agriculture, tourism, etc.).

Who are the potential champions and sources of leadership for youth workforce development?

- Urlene Roberts, Principal, Basseterre High School
- Victoria Baucom, co-founder and Director of the Community Achievers Programme
- Anthony Evelyn, President, SKN Building Contractors Association
- Jeffery Hanley, Youth Director, Ministry of Youth Empowerment, Sports and Information Technology
- Amb. Wendell Lawrence, SKN Ambassador to CARICOM
- Hon. Nigel McCarty, Minister of Education
- Glen Edwards, Director, Project Strong
- Brenda Edwards, Manufactures Association
- Terrelah Byron and Deniece Alleyne, Young PAMites
- Keisha Archibald and Meshak Alford, Labour Party Youth Empowerment Program
- Carol Phillip, Rotary Club of St. Kitts
- Washington Archibald, founder, Project Strong and national youth service advocate

“The government can’t do everything; it is up to the stakeholders to work together and address the problem. We can do it! This is a small island! There are a lot of problems, but with the educated and talented individuals in this country, we can address the problems and make a difference!”

– Victoria Baucom, Director, Community Achievers Programme

Preliminary recommendations

The recommendations below seek to focus assistance on existing organizations and strategies.

1. **Provide technical assistance and training in partnership with the TVET Council, and perhaps Jamaica/HEART, to adopt CVQ competency-based training in a selected skill track(s) that shows high demand in the economy (e.g., construction trades, tourism, or agriculture).** Assistance would include training of assessors and support in adapting the CVQ level I curriculum to the CCSLC curriculum at Basseterre High School and to the training at Project Strong or AVEC. It would also adapt CVQ Level II to the CFBC curriculum. The assistance could help the institutions experiment with adjunct instructors and employer-based training to get around the problem of a lack of skilled instructors. This could be done in partnership with the private sector (e.g., Association of Construction Industries, the Tourism Authority, or the St. Kitts Farmers Cooperative). The program would include the key elements of private sector engagement: apprenticeships instead of costly equipment upgrades; structured, competitive internships; capacity building of education institutions in conducting employer surveys and tracer studies; career counseling; and job matching. The program would promote improved collaboration among firms. Assistance could work to expand the experimental apprenticeship program introduced at Basseterre H.S. to the other secondary schools on the island.
2. Reactivate the reported online job matching service through a local partner (e.g., the NSTP or the Statistics Department).
3. Support capacity building for collection and dissemination of labor market information. The St. Lucia model was seen as an interesting example by the head of the SKN Statistics Department. Assistance would emphasize creating demand for data among educators, businesses and policymakers.
4. Promote linkages between training for small, local businesses and large international firms, and develop training that helps small firms meet the skills required to be suppliers to those international firms. For example, the construction association in St. Kitts has limited experience in modern building technology and techniques as well as developing proposals for contracts. As a result, it is often left out of the bidding process by the large multi-national developers. The multi-nationals report a desire to hire local firms and people, but the lack of quality impedes this hiring. Setting up links between the buyer (e.g., Christophe Harbor or Marriott), local firms, and local education institutions could strengthen this supply chain of skills and competencies.
5. Support the Chamber of Commerce's recent renewal of the Junior Achievement program and work with the MOE to integrate its proven curriculum into secondary education, particularly for at-risk and non-academically inclined youth. The program could be integrated into microfinance initiatives to promote financial literacy and savings among young people, building on new efforts of the Ministry of Youth to introduce the "Setting Up Shop" program to create school-based microenterprises, financial literacy, and career awareness.
6. Assist the National Enterprise Development Department and credit unions in expanding growth-oriented (as opposed to safety net/self-employment)

entrepreneurship programs to young people. There is a need to distinguish entrepreneurship for safety-net, self-employment purposes and entrepreneurship for competitiveness. The former targets micro loans to a large number of low-income unemployed workers. The latter targets alternative financing mechanisms (e.g., angel equity investments, leasing, purchase order finance, etc.) to exceptionally ambitious and serious entrepreneurs.

7. If YES is continued by the government, provide assistance to establish a more focused life skills curriculum and selection criteria for instructors. Mobilize young role models to provide life skills training rather than older pastors.
8. Support CAP initiatives in expanding life skills and agriculture entrepreneurship training for at-risk youth.

D. Antigua and Barbuda

Local Economic Context

What is the current distribution of employment by industry and occupation?

Antigua and Barbuda, like many of its neighbors, lacks recent information about the structure of the labor force. As a result, the exact size of various industries in Antigua and Barbuda is difficult to gauge with great accuracy. However, several themes emerge from a review of the available literature as well as the team's meetings on the island.

According to the World Bank, the public sector in Antigua comprises approximately 40 percent of the 36,000 people that make up the labor force, one of the highest proportions in the region.⁶⁶ Direct employment in the hospitality industry currently comprises 23 percent of the labor force.⁶⁷ The last census conducted in 2001 indicates that approximately 5,000 people were employed by hotels and restaurants. More recent data can be expected after the 2011 census and a planned labor market survey, which is expected to be conducted within the next one to two years.

What occupations and skills demands are growing, declining, or emerging? Why?

Services make up the largest portion of the economy, with manufacturing and agriculture playing smaller roles. Tourism is the lead industry, contributing approximately 79 percent to gross domestic product, inclusive of all economic effects that result indirectly from the supply chain, public spending, investment, and export of goods.⁶⁸ According to the World Travel and Tourism Council, Antigua and Barbuda ranks first out of 133 countries in terms of the relative contribution of tourism to the economy.⁶⁹ However, future growth

⁶⁶ World Bank "Country Assistance Strategy for the Organization of Eastern Caribbean States," September 2005, pg 72.

⁶⁷ The World Travel and Tourism Council. Employment generated by direct industry GDP, which excludes indirect economic effects through the supply chain, investment, and government spending.

⁶⁸ According to the World Travel and Tourism Council, the figure for direct tourism percentage of GDP (excluding investment, effects generated throughout the supply chain, and public spending) is about 16 percent. See also, USAID/Caribbean Antigua and Barbuda Investment Authority Competitiveness Review and Benchmarking Study.

⁶⁹ The World Travel and Tourism Council.

in the tourism sector is likely to be muted. While there have been a few prominent new tourism investments including hotel renovations in the last few years, there has generally been little expansion of the hotel stock over the last decade. One of the major constraints is the lack of available land, difficulty in purchasing land, and high operating costs.

There are also nascent efforts to expand events tourism, particularly sports tourism, medical tourism, and the ICT sector, with special focus on medical transcription services.

Yachting is a promising sector for development with Antigua Sailing Week bringing thousands to Antigua every year, but as a few informants mentioned, insufficient resources (financial and human) have been allocated to promoting the sector.

Construction related to the Cricket World Cup, the new American University of Antigua complex, and in the public and residential sector contributed to significant growth in the real estate and construction sectors. In 2006, construction growth peaked at an annual rate of 35 percent.⁷⁰ Consequently, several related professions, such as masons and carpenters, were in short supply at the time. However, the financial crisis and resulting economic downturn have led to a significant contraction in these sectors. Antigua and Barbuda also has an offshore financial services sector, although the prospects for continued growth in this sector are uncertain due to the fallout from the collapse of the Stanford Financial Group.

The prospects for the agriculture and fisheries sector in Antigua remain mixed. On the one hand, Antigua has underutilized land, and the combination of existing demand from the hospitality industry and high import costs for food increases the prospects of domestic agricultural producers. On the other hand, the scarcity of water and credit, as well as high labor costs, makes this a difficult industry to exploit, and prospects for large-scale growth remain uncertain at this time. The team also heard few accounts of entrepreneurs who have been able to launch successful agricultural businesses. It should be noted that fishing comprises the largest proportion of the agricultural sector, currently 50 percent.⁷¹ Large trawlers are scarce in Antigua, so there may be an opportunity to expand in this sector.

Table 19. Structure of the Economy

	1983	1993	2002	2003
Agriculture	6.1	4.1	3.8	3.7
Industry	14.2	18.2	20.9	20.9
Services	79.6	77.7	75.3	75.4

Source: World Bank, "Country Assistance Strategy for the Organization of Eastern Caribbean States," September 2005, pg 74.

⁷⁰ European Commission, European Community--Antigua Barbuda Country Strategy Paper and National Indicative Programme for the Period 2008-2013," July 2009, pg 12.

⁷¹ European Commission, European Community--Antigua Barbuda Country Strategy Paper and National Indicative Programme for the Period 2008-2013, July 2009, pg 14.

What other important economic trends are affecting the labor market?

The economic crisis that began in 2008 has had deep effects on Antigua and Barbuda. Tourism has suffered noteworthy declines as 2009 tourist arrivals by air were down by approximately 13 percent from 2008, with much of the decline resulting from weak economic conditions in the feeder markets of North America, the United Kingdom, and the rest of the Caribbean.⁷² This was further exacerbated by the collapse of Stanford Financial Group in early 2009, which led to massive lay-offs and financial losses for many Antiguan investors and businessmen. Stanford was the second largest employer, after the public service. By some estimates, over 3,000 persons, that is, approximately eight percent of the country's workforce lost their jobs as a result. The demise of the Stanford Financial Group also had wider repercussions as suppliers of goods and services to Stanford businesses experienced declining demand.

The island's real estate boom also came to a rapid halt with the abrupt closure of developments and the exodus of expatriate workers who previously rented property. In early 2009, one prominent real estate agent indicated that he had about 23 properties on the market to rent in one month as compared to four in the previous month.

Wages in Antigua and Barbuda are among the highest in the OECS, which restrains the country's competitiveness. These higher relative wages combined with a relatively permissive immigration regime has attracted many foreign workers who typically fill labor and skills shortages. It should be noted that, with the economic crisis, some foreign workers are now leaving Antigua and Barbuda, and the immigration regime is not as open as it once was.

As noted in a previous study, labor regulations in Antigua and Barbuda are an impediment to hiring.⁷³ This was echoed by several employers on the island, who cited generous severance laws and the difficulty of firing workers as major hindrances.

Employer Engagement

What shortages and problems are employers experiencing?

Given the high levels of unemployment reported in Antigua and Barbuda, it appears that employers were not experiencing significant problems identifying and hiring staff except in management positions and a few specialized technical positions. The presence of significant numbers of foreign laborers in Antigua and Barbuda, mostly from Jamaica, Guyana and the Dominican Republic, contributes to the lack of skills shortages. While the employers in the hospitality industry are usually able to find lower and mid-level employees, they have encountered difficulties in hiring management staff such as front office and food and beverage managers. It is interesting to note that, according to several informants in the private and public sectors, the hospitality industry was reportedly seen

⁷² Antigua Barbuda Business Focus, December 2009, pg 23.

⁷³ USAID/Caribbean, "Antigua and Barbuda Investment Authority Competitiveness Review and Benchmarking Study," October 2007, pg 8.

as employment of last resort among youth, and many have little interest in pursuing careers in this industry. The Antigua Hotels and Tourism Association widely publicized a scholarship opportunity for the Antigua and Barbuda Hospitality Training Institute and only received eight responses despite intensive advertisement.

A 2006 study also identified cosmetology and construction as industries experiencing labor shortages, although the contraction of the real estate market has since tempered demand for construction workers.⁷⁴ The team spoke to several individuals, including a carpenter and a real estate professional, who confirmed that construction workers were experiencing difficulties in securing employment. At the time of the study, hairdressers were found to be in the greatest demand in the cosmetology sector, while masons and carpenters were in high demand in the construction industry.

According to the Antigua and Barbuda Chamber of Commerce, the financial industry has not experienced shortages in the low to mid-level positions, although senior management positions are difficult to fill locally. Port workers were also cited as a difficult occupation to fill.

What do employers say they need from young workers?

Flexibility, adaptability, and a positive attitude were cited as important characteristics needed for youth to succeed in today's economy. Many employers and training institutions have highlighted poor skills in reading and math, work ethic, communication, and problem-solving as key weaknesses among young employees. Informants in the hospitality also reported encountering a sentiment among youth that equates service with servitude. Employers also expressed a desire that graduates from Antigua's educational institutions have stronger practical skills to complete their jobs.

Soft skills were broadly recognized as an important skill for youth to possess. However, some also noted that it was difficult to both find instructors to teach soft skills and to interest students in these skills as most were interested in learning a vocational or technical skill. In recognition of this need, the Ministry of Education, Sports, Youth, and Gender Affairs plans to integrate soft skills into their programs. Gilbert Agricultural and Rural Development Center (GARD) and the Caribbean Center for Sports Education and Training (CCSET) already emphasize soft skills in their curriculum, and the Antigua and Barbuda Institute of Continuing Education (ABICE) expressed desire to increase their instruction in this area. Antigua State College has started a seminar for soft skills to further prepare graduates for the world of work.

ICT skills were frequently cited as crucial for youth to have, especially given the prominence of offshore financial services in Antigua and Barbuda's economy. Several informants stressed the need to have computer training incorporated into any skills training program. The Antigua and Barbuda International Institute of Technology (ABIIT), nearly 10 years old, has been a leader in this field, offering degrees and

⁷⁴ Cambridge Education Ltd, and Scottish Qualifications Authority on behalf of the Strengthening Technical and Vocational Education Project (STAVEP) "Labor Market Survey Interim Report," 2006, pg 8.

diplomas in a variety of IT-related sectors. ABICE has also begun to offer IT training and would like to offer video editing and production courses in the future. CCSET stresses IT not only as an end in itself, but also to facilitate learning. They offer online secondary school high diploma courses based on Canada's Ontario System and in collaboration with one of the high schools there. This allows students to learn and study at their own pace.

What are they doing to develop young workers?

Some employers are partnering with educational institutions to ensure that they have trained staff. LIAT's program with the Antigua State College is one of the few examples on the island where this type of partnership occurs.

Many employers conduct on-the-job training as opposed to relying on the skills obtained at the various educational institutions. In fact, it was noted that many hotels spend a lot of time retraining employees regardless of whether they have formal training. There appears to be modest participation among hoteliers in the Antigua and Barbuda Tourism Cadet Corp, which is a youth organization that aims to expose students to tourism education, training, and awareness programs.

What are the gaps and opportunities to engage employers?

Across the board, linkages between the private sector and educational institutions could be strengthened. Many of the training institutions reported a lack of collaboration with the private sector. Some acknowledged that training institutions need to conduct better outreach, while others found little interest in linkages among members of the private sector.

The private sector also acknowledged a lack of engagement with training institutions. Private sector participation on the boards of training institutions is limited and could be increased. Internships, apprenticeships, and formal job placement arrangements with training institutions are also scarce and could be improved to provide youth with opportunities to develop practical skills. There is also potential for the private sector to increase their input into the curricula of the various training institutes. One successful examples of such a linkage is a partnership between LIAT and Antigua State College to teach courses on avionics.

Some of the training institutions are staffed with full-time instructors who have had very little recent professional experience in the fields that they are teaching. A few informants recommended that training of trainer programs would be useful, to update instructor's technical as well as pedagogical skills. The Antigua Hotels and Tourism Association offers scholarships to obtain an associate degree in management from the Antigua and Barbuda Hospitality Institute. Another opportunity to increase engagement may be to increase utilization of CaribCert, which is currently in demand by employees but less so among employers. The Employers' Federation recommended that a job center be set up to help connect business with potential employees.

Workforce and Youth Trends

What is the age, gender, and education distribution of the workforce? How is that changing?

The latest population figures from Antigua are derived from the 2001 census.

Table 20. Population by Age Group and Highest Level of Education (2001 Census)

	Total	Primary (4-6 years) or lower	Secondary	Pre-University	University	Other, none, not stated
0-9 yrs	14,624	12,066	0	0	0	2,558
10-14 yrs	7,085	6,948	99	0	0	39
15-19 yrs	6,322	3,862	1,658	724	54	24
20-24 yrs	6,056	844	3,419	1,517	262	14
25-29 yrs	6,392	970	3,512	1,507	395	8
30-34 yrs	6,977	1,239	3,677	1,140	919	1
35 yrs and above	29,379	11,058	11,448	3,516	3,331	26

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

According to the 2001 census, youth unemployment is somewhat elevated relative to the general population; about 7.4 percent of 15-19 year olds either looked for work or wanted work and were available, while nearly 13 percent of 20—24 year olds were in the same situation.

Table 21. Youth Population by Main Economic Activity Last Year (2001 Census)

	Total	Worked	Had a job but didn't work	Looked for work	Wanted work and available	Home duties	Attended school	Retired	Disabled	Other
15-19 yrs	6,322	937	14	427	41	319	4,306	0	23	69
20-24 yrs	6,057	4074	37	708	77	409	496	1	33	73
25-29 yrs	6,393	5,188	33	432	46	465	59	1	29	57

What are the needs of youth in preparing for employment?

One of the most fundamental issues, and perhaps the most difficult to tackle is the poor literacy and numeracy skills among youth. These basic cognitive skills are the core of

primary school education, yet many young people proceed to secondary school without them. Antigua and Barbuda is the last country in the OECS to introduce universal secondary education. Although new secondary schools are being opened, Antigua is facing the same issues that other countries experienced in their transition to universal education, namely, students arriving from primary school unprepared for the coursework, teachers without sufficient training and lack of adequate facilities for all the new students.

Soft skills, such as effective communication, problem solving, and work ethic, were cited most frequently as skills that are essential for youth to be more competitive in the job market. There is also a distinct need to familiarize youth with the work environment. Providing students with a simulated work/office environment to prepare them for the professional settings could be helpful. Necessary support for youth employment includes increased availability of guidance and career counseling, access to internships and apprentices, job placement assistance, and flexibility to attend on-the-job training or night classes. Some professions, especially the hospitality industry, require varying schedules with night shifts which limit an individual's opportunities to seek training.

What challenges do different segments of the disconnected youth population (e.g., at risk, out of school, those in gangs) face? What about those in the justice system?

Antigua and Barbuda has been plagued by similar youth issues as those experienced elsewhere in the region. While the causes are diffuse and debatable, it is clear that youth are turning toward risky, anti-social behavior, including drug use, crime, dropping out of school, and increasing levels of sexual activity more often leading to STDs. Antigua and Barbuda has one of the highest teenage pregnancy rates in the Caribbean region and a high per capita homicide rate.⁷⁵ It was noted during our meetings that the public perception of youth, mostly of young men, has turned negative in recent years. The penal system is seen strictly as a punitive tool and offers very little in the way of second chance opportunities.

Labor Market Information Systems

What data is and isn't being collected on industry job growth, occupations, and skills needs?

As noted in the 2010 budget statement, data on unemployment and the labor force are not currently available in Antigua. The assessment team was also not able to locate recent labor market information for Antigua and Barbuda from other sources. Data on educational attainment, employment by industrial group, and gross salaries were included in the 2001 census and will presumably be available again when the 2011 survey is completed. A few narrower surveys exist, including the Labour Market Survey conducted by the European Development Fund's STAVEP project, but they are somewhat outdated.

⁷⁵ World Bank, "Country Assistance Strategy for the Organization of Eastern Caribbean States," September 2005, pg 6. UN Office on Drugs and Crime and World Bank, "Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean." March 2007.

The Ministry of Labor has a registry with the names of people seeking employment, but this system has not been used extensively either for job placement or for gathering information about the labor market.

The Statistics Division of the Ministry of Finance and Economy will be conducting a labor force survey in collaboration with the International Labor Organization and the OECS Secretariat. However, there is not enough funding for this survey and the Statistics Division is uncertain about whether they will be able to carry out the survey given their current resources.

How is the labor market information distributed and to whom?

Given the low levels of information found by the assessment team, it appears that there is no labor market distribution system.

How do institutions and students use labor market information for career and training decisions?

The team found no evidence that institutions and students use labor market information for decision making.

What gaps and opportunities exist for improving information systems?

To carry out the labor force survey, the Statistics Division needs to resurvey their enumeration districts, which have changed significantly since they were established. They don't have the staff or equipment to accomplish this task. The Ministry of Labor has an unemployment list that could perhaps be used to obtain limited information about the labor market.

There is an opportunity to support the labor market survey work that the ILO recently funded. However, before recommending this, it would be necessary to determine the reason that Antigua did not apply on schedule for phase two of that work.

Country Strategies (What is the country doing about jobs and skills for youth?)

What are the country's economic development goals, initiatives, successes and challenges?

In the 2010 Annual Budget Statement, the government has announced a new five year strategy called the National Economic and Social Transformation (NEST) plan. This plan will include a fiscal consolidation program, an economic action plan, a social transformation program, and an initiative focused on financial sector stability.

Most relevant to this assessment is the Economic Action Plan component of the NEST plan which includes three separate elements:

- Economic Stimulus Program—Includes construction of buildings and public works with the goal of stimulating the labor market.
- Supporting Priority Sectors—The Government of Antigua and Barbuda has identified tourism, construction, agriculture and fisheries, and small and medium enterprises as priority sectors for government support and development over the next five years.
- Investment Strategy for the Medium Term—Through the Antigua and Barbuda Investment Authority, the government is seeking to attract investment in medical tourism, medical transcription services, five star resorts and eco-tourism, as well as investments to increase local agricultural production to supply the tourism industry.

The 2010 budget statement also included a proposal to conduct a labor force survey in collaboration with the Department of Statistics and the Ministry of Labor.

A recent government review of immigration to Antigua and Barbuda resulted in the recommendation that the allocation of work permits should correspond to priority skill areas that will be identified in a formal Plan for Development. This proposed plan would include an examination of promising avenues for economic growth, an analysis of the available human resource pool and available skill sets, existing educational institutions and the training opportunities for the workforce. It would also consider the population needs of the country, both for production and for consumption of goods and services produced in Antigua and Barbuda.⁷⁶

What are the skills development goals, initiatives, successes and challenges?

The Government of Antigua and Barbuda has committed to supporting the Antigua and Barbuda National Training Authority’s effort to oversee the use of CVQs on the island. As a result, ABICE will begin offering CVQs by the end of 2010.

Over the last several years the government and stakeholders have debated a proposal to merge the Antigua and Barbuda International Institute of Technology (ABIIT), the Antigua and Barbuda Hospitality Training Institute (ABHTI), and Antigua State College into a university level institute called the University of Antigua and Barbuda. However, it appears that this initiative remains in the deliberative stages and concrete plans for advancing toward this goal have not yet been implemented.

In the 2010 budget statement, the Government of Antigua and Barbuda proposed a tourism employment opportunity data bank through which it would be possible to search for employment opportunities within the sector. Another critical activity that will impact the sector is a six million Euro project to upgrade the Antigua and Barbuda Hospitality Training Institute. This project involves the construction of a 20 room training hotel, two additional classroom blocks, and a student lounge to accommodate an increased enrollment of 300 students and additional faculty.

⁷⁶ Report on Review of Matters Pertaining to Immigration, Work Permits, Citizenship and Electoral Reform. Available at http://ab.gov.ag/gov_v3/pdf/immigration_report.pdf.

What are the youth strategies, especially for disconnected youth? What have been the successes and challenges?

Antigua and Barbuda has a national youth policy that seeks to strengthen the living and social environment, educational opportunities, health, and economic opportunities of youth in the country. It also seeks to reform juvenile detention practices to increase options for supporting rehabilitation, volunteerism, youth groups, and other positive social outlets.

The Office of Sports, Local Government, and Special Projects has recently developed a strategic plan which has been submitted to Cabinet for approval. It includes an initiative to increase Antiguan and Barbudans’ participation in sport, particularly among youth. The objective is to provide youth not only with positive alternatives risky behavior, but also the potential for employment in sports-related economic activities such as coaching, physical therapy, grounds keeping, and facilities maintenance. If approved, the program will require additional resources, particularly soft skills instructors, athletic equipment, and facilities to conduct activities.

Table 22. Analysis of Existing Programs and Disconnected Youth Outcomes

	Incomplete Secondary*	In School at Risk**	Employed Persons	High Performer	Entrepreneur	Youth Offenders	Trainees per year – Capacity
ABICE	X	X	X			X	600-700
GARD	X	X			X	X	<100
Antigua State College				X	X		1100
Antigua Barbuda Hospitality Institute	X		X	X			140 (day); 200-300 (eve)
CCSET	X			X	X		85
Antigua Barbuda International Institute of Technology	X		X	X	X		500
Boy's Training School	X	X				X	16
Sunshine Home for Girls	X	X				X	
Good Shepherd	X	X				X	~15

* Completed 3 or less CXCs

**The term “In-school at-risk” generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness increase the likelihood that the youth will drop out of school and not participate in the labor market.

How well do existing programs meet the needs of employers and the market?

Training institutions’ success in preparing students for employment is mixed. There are a few successes and promising initiatives that may lead to future successes, but gaps remain in meeting the needs of employers and the market.

As previous papers have noted, the CXC curriculum is not closely aligned with the needs of the labor market. The content of many of the CXC subjects is highly academic and tends to appeal to students who are interested in pursuing tertiary education. For the majority of youth that do not or cannot pursue tertiary education, (approximately 90 percent in Antigua and Barbuda), the content of the CXCs may not be relevant to their future employment and personal goals. Because teachers are generally required to follow the CXC curriculum, they tend to place the most emphasis on preparing students for the exams rather than on competencies that may be more relevant to their future careers.⁷⁷

The Caribbean Center for Sports Education and Training (CCSET) offers an alternative educational model to CXC. It is one of two international schools on the island that offer courses leading to the Canadian Ontario Secondary School Diploma (obtained in Grade 12) offered at high schools in Canada. As a result of the Canadian curriculum, CCSET is able to incorporate life skills and also offer a flexible learning approach that suits all students. Their success is demonstrated in the numbers of their students who are accepted to universities—currently 92 percent of their graduates.

Many employers identified soft skills as an element that is missing from their young employees. Indeed, employers reported that students, even those with A levels, are not practically oriented. They cited communication, problem solving, and human relations as skills that are missing in many of their recent hires.

As a result of the scarcity of labor market information in Antigua and Barbuda, many educational institutions make decisions about their course offerings based on anecdotal evidence, personal predilections, and student demand. Some institutions have not updated their courses and curricula in many years. Antigua State College, for example, has been teaching some vocational classes in the same way for 35 years.

Most institutions would like to see increased employer linkages so that they could better tailor their skills trainings to the demands of the labor market. A few institutions do this informally, but many would like to institute more formal mechanisms for dialogue. In addition to increased linkages between training institutional and the private sector, the use of tracer studies to track job placement outcomes could be a useful tool to ascertain the effectiveness of training programs. Finally, a few employers reported that the training institutions were not always forthcoming when they requested referrals for recent graduates that they could hire.

How well do existing programs meet the challenges of youth, such as those laid out in the Rapid Youth Assessment (e.g. do socio-emotional challenges require stronger soft skills components?)

Youth face several challenges in their pursuit of educational opportunities in Antigua and Barbuda. These include logistical problems—some students must travel long distances to reach their schools, which carries significant monetary and other costs—the absence of

⁷⁷ World Bank, “School and Work: Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy, 2007, pg 15.

guidance and career counselors, and financial pressures. Failure rates are quite high in many of the institutions—Antigua State College reported that 140 out of about 550 students failed to graduate in 2010 for a variety of reasons, including dropping-out and failing exams. About half of those students that drop-out of Antigua State College do so due to financial difficulties. GARD also reported that their elevated drop-out rates were the result of financial pressures and inaccessible child care for mothers.

Soft skills instruction appears to be weak in many the educational institutions in Antigua and Barbuda. Several institutions, including Antigua State College and ABICE, indicated that they would like to incorporate this type of skills training into their curriculum but lacked the resources and staff. ABICE also reported that they urgently need guidance counselors to offer support to the more troubled youth that enroll, such as those emerging from the correctional system and others with difficult domestic situations.

Schools and training institutions don't offer enough career guidance and support for the transition to the world of work. One informant reported that those students who are well grounded, are able to function independently, and have career goals will do fine in institutions such as Antigua State College. Those that need more support and guidance often lose their way.

Several of the secondary level educational institutions cited poor literacy and numeracy skills among students emerging out of the primary schools. These students are often channeled into remedial programs in some institutions but rejected from other vocational institutions. ABICE's Access program attempts to bring students up to a 9th grade reading level and Project HOPE, an after school program located in the north of Antigua, offers a remedial literacy program as well as a reading club for primary students. Other programs, such as those at GARD, the Antigua and Barbuda Hospitality Training Institute, Antigua State College, and the Antigua and Barbuda International Institute of Technology require incoming students to have literacy and numeracy skills upon entry.

The absence of after-school activities at the primary school level, was reported to be an issue in Antigua and Barbuda. Students are released from school in the early afternoon, leaving youth unattended for long periods of time while their parents are at work. Stronger athletics programs and other after-school programs, such as the one offered by HOPE, could decrease opportunities for youth to engage in deviant behavior.

Microfinance Opportunities

What is the availability of credit to support business start-up or expansion by youth?

The Government of Antigua and Barbuda subsidizes the National Development Foundation (NDF) and the Antigua Barbuda Development Bank. The NDF has a small/microloan window and finances many start up businesses, including those managed by youth. St. John's Credit Union manages a revolving fund for Gilbert Agricultural and Rural Development Center (GARD) and appears interested in expanding lending to youth. As of December 2006, there were 21,990 members among the country's five credit

unions.⁷⁸ The penetration ratio (members to economically active population) for credit unions was 40.2 percent, which is about average for the OECS.⁷⁹

As with other Anglophone Eastern Caribbean nations, the legal and regulatory system is fairly effective in protecting the rights of lenders and borrowers. The World Bank gives Antigua and Barbuda a score of 7 out of 10 in the “strength of legal rights” indicator, which measures the strength of collateral and bankruptcy laws.⁸⁰

What obstacles prevent the growth of the microfinance sector supporting youth?

High delinquency rates are a problem for some of the lenders on the island. In the case of the NDF, delinquency has constrained its ability to expand lending. The institutions that do lend to small business and youth do not have dedicated microfinance operations. Instead, they typically offer the option to borrow small amounts without the usual practices associated with micro-lending such as alternative credit assessment techniques, roving loan officers, frequent site visits, and robust loan monitoring. The NDF, which has about 30 percent of its outstanding loan portfolio in the hands of the 20-30 year old demographic, does not appear to have specialized systems in place to cater to the needs of this population. In many of the lending institutions surveyed, loan officers and portfolio managers have not received training in many years. The requirement for collateral in the form of cash or fixed assets is also a barrier for youth seeking to access finance. Most youth do not have savings or property that they can provide to guarantee a loan.

A publically-financed loan guarantee scheme to be managed by the Antigua and Barbuda Investment Authority that was previously under discussion seems to be on hold until further notice due to the government’s fiscal situation.

As a summary, the obstacles to growth of microfinance lending to youth include the following:

- High delinquency rates;
- Government subsidized lenders, which may crowd out the private sector providers and create a poor culture of repayment;
- Absence of dedicated microfinance operations and techniques, along with a lack of staff training and institutional capacity;
- For NDF, the need for additional capital for on-lending.

To what extent are microfinance opportunities linked to youth training and small business assistance?

Two noteworthy initiatives exist to link youth training and microfinance. The Antigua and Barbuda Investment Authority has an Enterprise Development Unit, which provides

⁷⁸ Caribbean Confederation of Credit Unions, http://www.caribccu.coop/cms/index.php?option=com_content&task=view&id=102&Itemid=94.

⁷⁹ Antigua and Barbuda Statistics Division, “A Glance at Statistics.” Available at http://www.ab.gov.ag/gov_v2/government/statsandreports/pdf/statistics_glance2006-7.pdf.

⁸⁰ IFC, *Doing Business 2010, Caribbean States*, 2009.

guidance regarding the business registration process and information about the utilization of the concessions and incentives prescribed under the Small Business Act. They also serve as a referral service for the NDF, which provides technical assistance as well as financing. The Antigua and Barbuda Investment Authority appears eager to expand their services to work with youth but lacks the resources to service a large amount of people at the moment.

The GARD center, which provides training to at-risk youth, has a revolving loan fund that is managed by the St. John’s Credit Union. However, it appears that this revolving fund has been underutilized. It is also useful to note that the GARD center is currently in the process of becoming a Youth Business Trust.

Table 23. Summary of Sources of Finance for Youth

Antigua	Provide micro/ small loans	Require real property for collateral	Provide training	Lend to youth	Affiliated with/subsidized by government	Active Microfinance Clients
ABDB	Limited	X		Limited	X	175
NDF	X	X	X	X	X	1100
St. Johns Credit Union	X		X	Limited		Small
Scotia Bank	X	X		Limited		Small

Summary and Recommendations

What are the key workforce development gaps and opportunities for intervention?

Schools

- Literacy and math learning outcomes are weak and need to be improved at the primary and secondary level.
- Student retention appears to be a problem in several post-secondary institutions.
- Some of the vocational and technical trainers in the country require updated pedagogical and technical skills.
- Increasing the use of regional certifications such as CVQs and CaribCert. Some institutions, such as ABICE, are already beginning to use these certifications, but work remains to be done before they are fully institutionalized.
- Soft skills, such as work ethic, communication skills, and problem solving, are in demand by employers. There are opportunities to integrate instruction in these skills into the secondary and post-secondary school curricula.
- Finally, vocational and technical education is perceived negatively in the community.

Employers

- Employers are not engaged in defining skills demand and curricula at training institutions.
- There is little private sector presence on boards of educational institutions.

- Aside from a few notable exceptions such as the Sandals Foundation, there are few private sector champions for youth.

Intermediaries

- Linkages between the private sector and training institutions are weak.
- Few mechanisms exist to facilitate effective and numerous internship, apprenticeship, and job placement opportunities.
- As pointed out in the Rapid Youth Assessment, youth do not know about job opportunities in emerging industries or understand the steps needed to achieve their career goals. The assessment team also found that young people are insufficiently aware of the nature of various occupations, including pay, responsibilities, and opportunities for advancement. Career and guidance counseling is not readily available in all of the institutions.

Who Are Potential Champions and sources of Leadership for Youth Development?

- CCSET—An institution that began with a focus on sports is now utilizing the Canadian secondary school curriculum to provide an alternative to CXC's. They are interested in expanding their innovative program to a larger student body, which would include lower income students and youth at risk that are unable to afford the tuition.
- Ministry of Education, Sports, Youth, and Gender Affairs is proposing to promote a “Community Youth Sports Development Programme” which is designed to direct youth toward sports, not only as a motivational after-school activity, but also as a career opportunity.
- The Antigua and Barbuda Investment Authority is very motivated to assist youth in pursuing self-employment and entrepreneurship. They have existing linkages with the NDF to provide both training and finance.
- The GARD center is highly respected in Antigua and is sensitive to the issues facing young people. They have a long history of working with less fortunate youth in Antigua. They offer a variety of programs and are the Antiguan implementer for USAID’s Caribbean Youth Empowerment Program (CYEP).

Preliminary Recommendations

Improve Vocational Programs:

- Support efforts to offer alternative secondary curriculum linked to the CVQs. Build teaching skills and strengthen curricula.
- Strengthen soft skill curricula and instruction in secondary and post-secondary institutions.
- Promote apprenticeships as an alternative in the absence of funding for up-to-date vocational training equipment. This offers a more cost effective and sustainable option by reducing the need to purchase equipment and hire highly trained instructors. Assist post-secondary institutions to strengthen practically oriented skills development. Promote private sector linkages to the education sector.

- Develop labor market information that can be used by educational institutions to tailor course offerings.
- Roll-out a social marketing campaign to educate youth about potential occupations in tourism, agriculture, and the service sector.

Add Programs to Assist At-Risk Youth in Secondary School:

- Promote literacy and numeracy programs in secondary schools for at-risk youth to ensure that more students are reaching adolescence with the skills that they will need to succeed in today's economy.
- A UN and World Bank study found that school attendance/connectedness was the most important factor in reducing violent youth behavior.⁸¹ Promote interactive training methods and other attractive activities to increase retention of students in secondary schools.
- Support after-school programming for youth. State schools close at 1:30pm in Antigua and Barbuda, and many children remain unsupervised because of caregivers' work schedules.

Promote Entrepreneurship Education and Finance:

- Promote entrepreneurship education, financial literacy, savings, and microfinance for young entrepreneurs.
- Develop and institutionalize a savings-led approach to microfinance, taking advantage of the 'box' culture where persons pool their money together. The NDF does not accept deposits. As a result, it may be useful to foster partnerships between the NDF and deposit-taking banks to foster savings.
- Assist microfinance institutions to further integrate financial and non-financial offerings. Youth, particularly at-risk youth, will need extensive support to ensure the success of their businesses. They will need training not only in business development and entrepreneurship, but also more basic topics such as financial literacy and customer service before they are truly creditworthy.
- Managing youth loans can be more time intensive than other loans. Encourage financial institutions to hire dedicated staff/team to focus on youth—responsibilities could include outreach, leading financial literacy courses, businesses/entrepreneurship skills, residential visits, and business counseling.
- Explore the feasibility of a DCA guarantee through a market assessment once delinquency is lowered to sustainable levels.

⁸¹ World Bank, "Country Assistance Strategy for the Organization of Eastern Caribbean States," September 2005, pg 6. UN Office on Drugs and Crime and World Bank, "Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean." March 2007, pg 67.

SECTION III. RECOMMENDED GOALS & POTENTIAL STRATEGIES

What are the Workforce Development Challenges and Opportunities for Intervention?

Eight Key Challenges. Based on the common themes identified in Section One of this report, the assessment team has identified eight key challenges that USAID and its partners should tackle to help young people better prepare for careers and find employment. We define those key challenges below:

- There are very few robust connections between education institutions and private sector employers, despite the fact that business and education leaders express a willingness to collaborate.
- Service sector employers identify “soft skills” and attitude as the critical requirement that institutions are not addressing for young workers.
- Institutions and students lack critical information necessary for making effective decisions about training, such as information about employment trends, skills demands, and the employment outcomes of graduates.
- With the introduction of universal secondary education, increased numbers of students arrive at secondary school off-track and with relatively lower literacy and numeracy skills than in the past. Lower-end secondary schools lack critical design features to address the academic and social needs of students, leading to behavioral problems, delinquency and increased drop outs.
- Youth find few opportunities to develop business skills that match their circumstances, creative ideas and viable markets.
- The expansion of youth-targeted microfinance is constrained by high interest rates, poor repayment culture, lack of available capital for on-lending, weak institutional capacity and the perception that youth are high-risk borrowers.
- Vocational education is stigmatized as ‘second class’ among students, parents and employers. This discourages youth who are currently involved, as well as academically successful students who are considering vocational training.
- Young people face a variety of obstacles if they wish to pursue tertiary education that would prepare them for the knowledge economy and inspire them to remain and succeed in school.

Opportunities. Despite the constraints facing young people who are joining the workforce in these four countries, there are several opportunities to improve the situation for young people. In brief, those bright spots include:

- The introduction of region-wide training certifications that encourage more industry-oriented training, additional quality assurance, linkages between educators and businesses, and more regional employment options for young people.
- Renewed emphasis on entrepreneurship for local job creation among economic developers and workforce institutions.

- Significant institutional leaders who are passionate about, and organizing innovations for, at-risk youth.
- Growth industries, such as tourism and other services, that are relatively open to youth.

Recommendations to Meet the Key Challenges

Below, we recommend a number of initiatives that the USAID Barbados and Eastern Caribbean office could invest in over the next three to five years in order to address these key challenges.

#1 Connect Educators and Employers

Challenge: There are very few robust connections between education institutions and private sector employers, despite the fact that business and education leaders express a willingness to collaborate.

- Private sector participation on institutional boards and in curriculum development is minimal and ad hoc in most cases, though recent implementation of CVQ curriculum incorporates some private sector feedback.
- Internships and apprenticeships are practiced to a limited degree but are not typically well organized. Exceptions, such as Basseterre High School in St. Kitts, have found training at the employer’s site to be cost effective and more effective than training in “shop class.”
- The private sector is dominated by micro- and small-businesses that do not often have the resources or the capacity to train staff properly. Where resources are available, they are reluctant to train staff because labor turnover is high due to ‘poaching’ of trained workers, particularly in the services sector. Some find that it is too expensive to provide on-the-job training and to provide the students with the stipends that training institutions have requested of employers for some programs. There is imperfect knowledge or lack of knowledge about how and in what areas to train workers among both the employers and training institutions.
- It is common for training and education institutions to see employers as a source of donations, rather than as partners. They are often dependent on donor-funding and lack sustainability planning. The lack of financial resources has frequently resulted in lower quality workshops and labs for technical training and requests for student stipends that typically alienate employers. Alternatives, such as apprenticeships or other firm-based training modes, should be considered.

Recommendation: Mechanisms should be supported or established to facilitate dialogue among public, private and educational institutions and the implementation of improvements that meet the needs of private sector employers. Where the NTAs and TVET councils already bring industry, education and training institutions and policy makers together (i.e., Grenada, St. Lucia), USAID could support them in the creation of actionable strategies and the follow-up for implementation. Where the NTAs or TVET Councils are new and fledgling (i.e., Antigua, St. Kitts), USAID could take a more

central role in facilitating employer-education dialogue and supporting implementation of resulting strategies. A USAID “Labor Market Responsiveness” project could bring various industry/sector leaders and education institutions together to provide a strong private sector voice with regards to skills needed as well as productivity issues for the six OECS countries.

If feasible, the project could leverage the existing capacity in the region through the HEART Trust in Jamaica and other consultants to assist educators and employers in St. Lucia, Grenada, Antigua and Barbuda, St. Kitts and Nevis, and conceivably other Caribbean nations with implementing the recommendations that result from public-private dialogue. As part of the project, public-private dialogue could also lead to public advocacy and the development of **joint** strategies and initiatives to provide technical assistance to education and training institutions through the HEART Trust. The focus would be to ensure that skills training matches demand and to build the providers’ capacity to respond to the needs of employers and the economy. While the CXC provides strong leadership on academic standards, the project would complement their work with a focus on capacity and curriculum for meeting employer needs and standards.

USAID, HEART Trust and other partners would provide educational institutions, as well as skills development centers, with program design models, labor market information, staff training, and technical assistance to implement programs that respond to market job opportunities. The partnership would:

- Promote participation of business leaders on boards of directors of education institutions and curriculum development bodies;
- Build capacity of education institutions to maintain formal connections to employers at an operational level (e.g., engaging employers in training program designs);
- Build capacity of institutions to analyze and apply labor market information to make program decisions and conduct their own employer needs/satisfaction surveys;
- Develop standards, training and technical assistance for internships, cooperative education and other work-based learning partnerships with employers. This is also an opportunity to promote apprenticeships as an alternative to funding for up-to-date vocational training equipment and specially trained instructors;
- Deliver career guidance tools for youth making career training decisions;
- Design and implement effective employability/life/soft skills training for youth;
- Raise funds and sustain training capacity, including innovative use of employer and community resources;
- Implement tracer studies to track employment outcomes; and
- Develop other initiatives determined by institutions and employer partners.

The project would provide local capacity building and implementation support for the larger regional frameworks that the NTAs, CARICOM and CIDA are coordinating. The fledgling NTAs are tasked with adapting the employer-endorsed CVQ standards to the local labor market and with certifying curriculum and training providers. USAID’s support through HEART and others would help by building those providers’ capacity to implement NTA standards and curriculum effectively.

#2 Scale up Soft Skills

Challenge: The emergence of services as the main economic sector has resulted in the demand for new skills and new training strategies that are not addressed in most institutions. Service sector employers identify “soft skills” and attitude as the critical requirement for trainability and in the development of young workers.

- Employers in the service sector note that youth lack requisite skills for all types of jobs - from line staff to management. In one example survey, hoteliers reported four key areas in which to target skills enhancement: (i) soft skills; (ii) the ability to learn; (iii) entrepreneurship skills or self initiative, and (iv) professional skills, in particular management.⁸²
- Due to the history of the islands and slavery, the youth perceive of services and agriculture as having low economic and social status. Similar attitudes exist toward work in the tourism industry, equating service work with servitude.
- Employers use soft skills as the primary screening criteria for recruiting young workers. This has not been effectively communicated to the schools and the students who continue to believe that the hard skills, and perhaps graduating from secondary school, is all that matters

Recommendation: Spread and improve the delivery of effective soft skills and employability education in secondary schools and vocational training centers. Fund the implementation of proven soft skills programs such as the CARE Adolescent Development Program (ADP) for secondary students in Form 1, school leavers who are now attending skills training institutions, such as NSDC, and youth participating in long-term (6 months +) community projects such as SSDF’s HOPE program.

- Integrate successful elements of existing soft skills training taking place in the countries, such as CARE’s ADP program in St. Lucia and other effective methods, into national primary and secondary education and technical training curricula, especially TVET programs at high schools.
- Assist TVET programs to set up youth mentorship programs with youth as trainers in soft skills programs.
- Select pilot programs in secondary schools, such as NSDC and the HOPE program in St Lucia, or Project Strong in St. Kitts, and support CARE to train instructors dedicated to the ADP program.
- Include remedial reading and math programs with the soft skills program.
- Support inter-island exchanges to share knowledge and best practices.

#3 Provide Information for Decision-Making

⁸² World Bank. Project Appraisal Document On A Proposed Credit To St. Lucia For The OECS Skills For Inclusive Growth Project, April, 2007. For further information and analyzes see *Towards a New Agenda for Growth- OECS*.

Challenge: Institutions and students lack critical information necessary for making effective decisions about training, such as information about employment trends, skills demands, and the employment outcomes of graduates.

- Most of the government statistics and labor agencies do not produce consistent or useable data about the demand for occupations or skills.
- Rather than meeting the specific needs of employers, technical and vocational courses are often designed based on demand from students, who have limited awareness about the kinds of career opportunities and types of jobs available.
- TVET institutions typically do not track the job placement record of their graduates to know which training courses produce the best job results. So there is little feedback about the effectiveness and demand for programs.

Recommendations: USAID could support formal studies to determine labor market needs and build the capacity of the Statistics and Labor Departments to collect and distribute labor market data to key decision makers.

- Build capacity of education institutions to gather and analyze labor market information through employer surveys and alumni networks/surveys.
- Assist the Statistics Departments to establish or expand the capacity to regularly issue labor market reports that training and education providers can easily use to shape their programs, such as “top ten industries / top twenty occupations / hottest paying jobs” reports and other user-friendly information geared to shaping vocational programs and career guidance for young people.
- Provide technical assistance to help the Statistics Departments and National Insurance Corporations (NIC) collaborate to tap the potentially rich and timely data source available in the NIC, especially for more specific occupational data. A pilot project could be conducted in St. Lucia given the Department’s current capacity and the fact that it is the most advanced in the OECS.
- Develop tools to conduct tracer studies that track graduates of various educational institutions, programs and initiatives, potentially using the NIC data.
- Adapt US web-based career guidance tools to provide East Caribbean youth, parents and counselors with up-to-date information about career opportunities, wages and requirements for education and experience.
- Support Statistics Departments’ current efforts to conduct labor market surveys and develop their capability to carry out specialized labor market surveys and analysis as needed.

If feasible, reactivate the U.S. Department of Labor online job matching tool in St. Kitts and investigate the feasibility of replicating it in other countries.

#4 Make School Work for More Youth

Challenge: With the introduction of universal secondary education, increased numbers of students arrive at secondary school off-track, with relatively lower literacy and numeracy skills than previously. In the past, with limited secondary school places, grade 6 students

were expected to achieve a higher pass rate to enter secondary school. While this is still the case for the top schools, students may enter lower-end secondary schools with lower pass rates on the common entrance exams. These lower-end secondary schools lack critical design features to address the needs of those students, and other academic and social needs of students, leading to behavioral problems, delinquency and increased drop-outs.

- Universal secondary education has resulted in more and more children gaining access to post-primary school education without first acquiring the requisite level of basic literacy and numeracy skills to keep up with the current CXC curriculum. This means many children fall behind early and never catch up, becoming stigmatized and frustrated. Children who score 10% are in the same class as students who score 90%, which is leading to ineffective teaching and learning for everyone.
- Though OECS school systems provide broad access, there are high levels of inequity in the quality of education received by students. The range of CXC pass rates across schools within and across the countries in the OECS range from as low as 18% to as high as 90%, even where there are small numbers of schools. Public spending on schools also tends to flow to better performing schools instead of where needs are highest.⁸³
- The current class schedule requires alternative programs to be run after school, burdening teachers who want to contribute in this arena and reducing the numbers of students who can participate. The schedule also limits opportunities to integrate career awareness, violence prevention and soft skills modules into curriculum in the early grades.
- Teachers, accustomed to academic “chalk & talk” pedagogy, lack experience, training, and additional support to address the unique academic and social needs of the large number of at-risk students.

Recommendation A: Promote literacy and numeracy programs for at-risk youth in secondary schools, as well as interactive training methods that engage those students in learning, and concentrate resources on schools with students in the most need.

- Consider adapting free or low-cost, computer-based literacy in wider arenas. (The U.S. Department of Defense is offering courseware at little or no cost to developing economies.)
- Build teaching skills, curriculum development, and materials support to help teachers manage different levels of ability in the classroom using differentiated learning techniques.
- Work with organizations such as CAP in St. Kitts to integrate successful tutoring and life skills modules into existing secondary school curriculum. This will only work if the individual schools provide the resources to sustain such efforts – e.g. reducing the class load of the designated teacher to be able to participate fully. It would need to be piloted in each country first.

⁸³ Nuamah, Camille et al., World Bank, OECS: Towards a New Agenda for Growth, 2005.

- Support efforts to offer alternative secondary curriculum linked to the CVQs, including U.S.-type “career academies” that combine high academic standards with technical career concentrations for sub-groups of students within secondary schools. Such a career academy has a career theme, shows students links between their academic subjects and this theme, and involves employers and higher education institutions in preparing students for college and a career.

Recommendation B: For the largest long-term gains, USAID should also invest in primary and early childhood education, where the returns to basic education are highest over time.

- Fund early childhood learning centers targeted to communities in the most need.
- Build capacity in the early grades to accommodate children with special needs and learning disabilities.

#5 Grow Opportunities for Young Entrepreneurs

Challenge: Youth find few opportunities for entrepreneurship development that match their circumstances and creative ideas with market opportunities.

- Many youth want to become entrepreneurs, but there are few places that they can walk into to discuss their ideas and obtain initial informal guidance. Many with ambition turn to illegal businesses, sometimes getting caught in the justice system, according to interviewees. Many more entrepreneurial dreams die as youth find themselves in low-paid jobs trying to make ends meet or simply unemployed.
- Many youth are unaware of the variety of market opportunities emerging in the services sector, particularly tourism and agro-processing related industries.
- The nature of the formerly dominant agriculture sector did not require those kinds of skills or encourage an entrepreneurial orientation in rural areas.
- The youth appear to be very interested in the creative industries, particularly music, but there is little support to turn creative ideas into business ventures.

Recommendation A: Support youth entrepreneurial development through entrepreneurship education and counseling and financial literacy programs with special focus on developing and emerging economic sectors.

- Replicate successful programs run by the Chambers of Commerce and other private sector partners (JA, Youth Business Trust) for in-school and out-of-school youth communities.
- Develop and support young entrepreneurs through the Business Development Unit of GIDC in Grenada, Enterprise Development Unit of the Antigua and Barbuda Investment Authority, National Enterprise Development Department of the St. Kitts Ministry of Commerce, and Small Enterprise Development Unit of St. Lucia. For example, mentorship programs would help connect young entrepreneurs to potential investors and customers. Programs would include training to young entrepreneurs in such things as market analysis, valuation and how to “pitch” ideas to investors.

- Support initiatives to engage skilled youth in industrial cooperatives to improve their access to finance and facilitate joint marketing and administrative arrangements. The governments could work with training institutions to target graduates of youth training programs initially.

Recommendation B: Conduct sector studies on potential opportunities for entrepreneurship and market these opportunities to young people. Support the development of emerging and growth sectors with potential for youth involvement, such as tourism and related creative industries, agriculture and agro-tourism, ICT, athletics/sports management, and event promotion. Specific programs that could be supported include RISE in St. Lucia and the Caribbean Youth Enterprise Program in promoting agriculture.

#6 Extend Microfinance to Youth

Challenge: The expansion of youth-targeted microfinance, and microfinance in general, is constrained by high interest rates, poor repayment culture, lack of available capital for on-lending, weak institutional capacity and the perception among financing institutions that youth are high-risk borrowers.

- Public and quasi-public lending institutions dominate the micro and small business loan market. These institutions have not actively pursued delinquent borrowers, leading to a widespread perception that government-financed loans are in fact grants. This has contributed to the poor repayment of loans provided by government-owned institutions in some countries, which has now made it difficult to offer market-based, sustainable microfinance services.
- MSME banking practices are not always oriented toward youth opportunities in either the formal or informal sector. Youth entrepreneurs, and indeed most small business owners, are perceived as high risk prospects by the banks. As a result, most banks have onerous collateral requirements that are extremely difficult for youth to meet.
- In many of the lending institutions surveyed, loan officers and portfolio managers have not received training in many years.
- Most of the institutions surveyed indicated that they needed additional capital if they hope to expand their loan portfolios.

Recommendations:

- Support the establishment of an OECS Youth Equity Fund with national youth equity funds similar to that established in St. Lucia. This fund would be capitalized by the individual countries and could be managed by the national development banks. USAID might provide technical assistance to assist with the design of such a fund.
- To improve the chances of successful business outcomes, develop and institutionalize a savings-led approach to microfinance taking advantage of the ‘susu’ culture and cooperatives where persons pool their money together. In cases where a microfinance institution does not accept deposits, foster linkages to deposit-taking institutions so that youth can integrate savings into their business plans.

- Support credit unions in developing and implementing outreach programs targeted at the youth in schools and communities.
- Design and develop a model savings and credit institution to fill the void created by the closure of FND in St. Kitts and Nevis.
- Strengthen institutional capacity and human resources of finance institutions to expand into microfinance loan products targeted toward youth. Trainings could include alternative credit methodologies, new financial products, effective loan collection techniques, marketing, and outreach to reach new clients. Credit unions currently appear to be targeting most of their lending portfolios to consumer loans. USAID might consider assistance to expand micro/small business loans at the credit unions and perhaps look at the model presented by FND Enterprise Cooperative Credit Union.
- Encourage financial institutions to accept a broader range of collateral. Introduce cash-flow based lending.
- Assist microfinance institutions to link finance and training opportunities. Further strengthen the capacity of the enterprise departments such as SEDU in St. Lucia, NEDD in St. Kitts and Nevis, and financial institutions to target youth, particularly at-risk youth, who will need extensive support to ensure the success of their businesses. They will need training not only in business development and entrepreneurship, but also more basic topics such as financial literacy and customer service before they are ready to receive credit.
- Develop mentorship programs for youth microfinance clients, including those in rural areas.
- Consider a targeted DCA loan guarantee to assist microfinance institutions to expand their lending. Further research, including a market assessment, would need to be conducted to definitely establish the suitability of a guarantee scheme and the most appropriate type of guarantee. DCA does have a history of supporting the expansion of lending to micro and small business in the LAC region, including in Grenada, where a DCA guarantee was used to help local businesses recover after Hurricane Ivan. An important factor to keep in mind is that DCA guarantees cannot be used for wholly-owned government institutions; the majority owner must be private.

#7 Elevate Career Education

Challenge: Vocational education is stigmatized as ‘second class’ among students, parents and employers. This discourages youth who are currently involved, as well as academically successful students who are considering vocational training.

- Secondary schools that do offer technical courses as part of the CXC curriculum tend to target less academically inclined youth. Many students, parents and employers still view students with vocational CXCs as less intelligent and trainable than those who pursue more academic subjects, regardless of their applicability in the workplace.
- In addition, many of the vocational programs are introduced outside the formal education system and seem to be targeted at drop-outs and at-risk youth.
- CXC crowds out alternative curriculum in schools, such as remedial mathematics and English as well as employability and career training.

Recommendation A: Integrate skills development institutions and programs within the formal education system to improve quality and reduce attached stigmas.

- Pilot “Career Academy” models that combine high academic standards with technical career specializations in potential growth sectors. Career academies have shown success in the US and Europe at increasing youth engagement and retention and at reducing the stigma of “vocational” education while preparing youth for careers.
- Provide technical assistance to secondary school technical training programs through a regional entity such as the HEART Trust.

Recommendation B: Develop youth community service structures that assist young people to contribute to their communities and gain respect, employability skills, and credits for self-development.

- Create incentives for youth service through stipends and credits that allow youth to pursue career goals. Incentives could include scholarships, computers, books or other tools that help young people build their capacities and reach career aspirations. A scholarship or student loan could expand access of this training for disadvantaged young people.
- Support youth service and employability training by providing community Life Skills and literacy programs in all of the Human Resource Centers across St. Lucia. Use the centers to provide training for youth in “off peak” hours each day.

Recommendation C: Implement a public awareness and education campaign that enlightens youth and parents with regards to technical training so as to de-stigmatize vocational training and technical careers.

- Support RISE and others to help young entrepreneurs set up youth radio with positive music and messaging for young people in St. Lucia. Include programming that creates an awareness of careers, entrepreneurship, employability skills, and training options.
- Support the provision of road shows, career fairs, and other efforts to educate youth about the benefits of employment possibilities in growth sectors.
- Model marketing on the “Dream It. Do It.” Campaign to attract young people to return to manufacturing careers.

#8 Expand Pathways to Higher Education

Challenge: There are bottlenecks constraining the ability of young people to pursue tertiary education that could prepare them for the knowledge economy and inspire them to remain and succeed in school.

- The shortage of space to complete A Level education at tertiary institutions like SALCC or Clarence Fitzroy Bryant College is leaving large numbers of youth without an opportunity to advance beyond secondary education.

- This discourages youth who see their peers or family succeed in secondary school only to be stuck in low-skilled jobs or remain unemployed.
- Community colleges like SALCC are devoting more resources to their efforts to become Universities. While this expands opportunities for advanced learning, it also expands the gap in resources available for students to complete their A-levels or other certification programs under TVET.
- Many youth do not have the financial resources to pursue further education even though they are interested in doing so.
- There is low participation of private tertiary institutions in the OECS countries.

Recommendation: Explore the feasibility of new or expanded paths to tertiary education and support the growth of bridging institutions.

- Commission a study of the potential training providers that could create more A-Level or college-prep opportunities (such as a North American - Canada or U.S. - High School Diploma).
- Support the use of ICT solutions to assist O-Level students to conduct their A-level studies or Grade 12/13 courses online at reduced costs.
- Update the scholarship system to fund students who study occupations that market research shows are in-demand across the economy, rather than occupations currently identified by government needs in the “Priority List “.
- Improve the status and kinds of training available at skills training institutions like NSDC, AVEC, and others. Develop legislation to elevate training at those institutions and recognize “Level 3” CVQ training and prior-learning assessments for entry to universities.
- Encourage the Ministries of Education to administer licenses, provide investment incentives and monitor quality for new private sector providers, including off-shore education institutions.

These recommendations and challenges emerge from an analysis of the key factors influencing youth employment and training in the countries assessed. They also emerge from the thoughtful suggestions of the many stakeholders interviewed in the rapid assessment process. While some of these recommendations, such as expanding pathways to higher education and investing in primary school education, may extend beyond the original vision of the assessment, the team views them as priorities that need to be addressed in the long term, whether with USAID assistance or with that of other local and international partners.

ANNEX A. LIST OF INTERVIEW CONTACTS MADE

I. Barbados

Name	Title, Organization
James Goggins	Representative, United States Agency for International Development
Lisanne Garceau-Bednar	First Secretary (Development) at CDN, High Commission, Canadian International Development Agency
Mansfield Blackwood	Senior Technical Specialist, Economic Growth, United States Agency for International Development
Michael Taylor	Program Development Specialist—Trade, United States Agency for International Development
Michelle Gyles McDonnough	Resident Representative, United Nations Development Programme
Paula Mohamed	Officer in Charge, United Nations Development Programme
Reynette Royer	Programme Associate, Governance, United Nations Development Programme
Zheng Zhang	First Secretary (Development), High Commission, Canadian International Development Agency

II. St. Lucia

Name	Title, Organization
	OAS Secretariat
Allison Mathurim	Deputy Executive Director, St. Lucia Social Development Fund
Alphonse Rock	Financial Analyst, Ministry of Finance Secretary, St. Lucia Fisher Folk Cooperative Society Ltd.
Beverly Lansiquot	Principal, Sir Arthur Lewis Community College
Blanchard, Mr.	Financial Controller, National Research and Development Foundation
Bonaparte, Anthony	Sir Arthur Lewis Community Farm
Brian Louisy	Executive Director, St. Lucia Chamber of Commerce, Agriculture and Industry
Carleen Jules	Project Manager, AGIL, Sir Arthur Lewis Community College
Mr. Charlemagne	Organic Farm Organisation
Colin Hunte	Villa Beach Hotel
Daryl Montrope	Social Policy Unit, Organisation of Eastern Caribbean States
Desmond Simon	CEO, Caribbean Association of Indigenous Banks
Dominic Fedee	Sandals Resort

Edwin St. Catherine	Director, Central Statistics Office
Egbert Stevens	Cooperatives Officer, Department of Cooperatives, Ministry of Finance
Elizabeth Andrew Rose	Tudor Enterprises
Estelita Renee	Ministry of Education
Esther Braithwaite	Permanent Secretary, Special Initiatives, Prime Minister's Office
Gennifer Faissal	Chief Financial Officer, St. Lucia Development Bank/Youth Enterprise Equity Fund
Guy Mayers, Honorable Minister	Minister of Home Affairs and National Security, Ministry of Home Affairs and Internal Security
Jacqueline Emmanuel	Executive Director, Office of Private Sector Reform – EU funded program
Joachim Henry	Executive Director, St. Lucia Social Development Fund
Joanna Arthurton	Acting Permanent Secretary, Ministry of Social Transformation, Youth and Sports
Karleen Mason	Executive Director, Centre for Adolescent Renewal and Education (CARE)
Kathleen Lewis	Centre for Adolescent Renewal and Education
Leonard Terrence	Boy's Training Center
Lucius Ellevic	General Manager, Laborie Credit Union
Marcellus Joseph	General Manager, BELFund
Mr. Mathurin	St. Lucia Social Development Fund
Mrs. Matthews	Operations Manager, Caribbean Micro-Finance Ltd.
McHale Andrew	Executive Director, St. Lucia Hotel and Tourism Association
Noorani Azeez	Manager, Finance and Administration, St. Lucia Hotel and Tourism Association
Paula Calderon	President, St. Lucia Manufacturers Association
Peter Lorde	Deputy Permanent Secretary, Ministry of Trade and Industry/Small Enterprise Development Unit
Prisca St. Paul	Upton Gardens Girls Center
Robert Lewis	Academic Dean, Monroe College
Ronald Charles	Director, National Research and Development Foundation
Selma St. Prix	National Skills Development Center
Sherrill St. Catherine	Registrar of Cooperatives, Department of Cooperatives, Ministry of Finance
Mr. St. Ange	St. Lucia Development Bank
Dr. Stephen King	Co-founder, RISE, Inc.
Timothy Greene	General Manager, National Development Corporation
Venetia Salton	Managing Director, Caribbean Micro-Finance Ltd.
Victor Reid	Ministry of Social Transformation

III. Grenada

Name (in order of interview)	Title, Organization
	Executive Director, Grenada's Employers' Federation
Allan Bierzynski	Managing Director, Jonas Browne & Hubbard
Alvin Campbell	Executive Director, New Life Organization
Carl Lewis	Community Liaison Officer, Basic Needs Trust Fund Programme
Clifton Nedd	Process Director, Island Processing, Inc.
David Fleming	Dean, TA Marryshow Community College (Currently partnering with IYF)
Eton Gravesande	Director, National Development Foundation
Halim Brizan	Central Statistics Office
Judy Williams	General Secretary, GRENCODA
Kurl Hostialek	Grenada Board of Tourism
Ms. Lalgee	Ministry of Youth Empowerment and Sports
Lincoln Morgan	Grenada Council for Technical and Vocational Education and Training (GCTVET), Grenada National Training Agency/ Ministry of Education and Human Resource Development
Martin Mitchell	Principal, Happy Hill Secondary School
Mervyn Lord	Grenada Development Bank
Patricia Bissessar	Caribbean Microfinance Grenada Limited
Patrick Simmons, Honorable	Minister, Ministry of Youth Empowerment, Sports & Culture
Peron Johnson	Project Coordinator Unit, Grenada Council for Technical and Vocational Education and Training (GCTVET), Grenada National Training Agency/ Ministry of Education and Human Resource Development
Robert Fanorid, Brother	Presentation Brothers
Selby Henry	GRENCASE: Grenada Training and Employment Project
Sonia Roden	General Manager, Grenada Industrial Development Corporation
Veda Bruno-Victor	Permanent Secretary, Ministry of Youth Empowerment, Sports & Culture

IV. St. Kitts & Nevis

Name	Title, Organization
	Manager, St. Kitts Marriott Resort & Casino
	Young Labour Representative
	Young Pamities
Mr. Amory	Department of Labour
Anthony Evelyn	President, Contractor's Association
Aston Stanley	Agriculture Department, Ministry of Agriculture; Tourism

	Department; Department of Labor
Brenda John	Lutron Liamuga Ltd
Cristophe Harbor	
Daniel Arthurton	Financial and Enterprises Development Unit, ECCB
Glen Edwards	Director, Project Strong, Youth Empowerment Skills (YES)
Glen Phillips, Honorable	Ministry of Youth Empowerment, Sports, Information Technology, Telecommunication
Hilary Hazel	Ministry of Sustainable Development/Statistics Department
James Webbe	Foundation of National Development
Janet Harris	Financial Secretary, Ministry of Finance
Jorge Dickenson	Manager, Ocean Terrance Inn
Jose Rosa	Kajola Kristada Ltd
Lenworth Harris	St. Kitts Development Bank
Ms. McPhail	Principal, Clarence Fitzroy College, Youth Empowerment Skills (YES)
Michael Morton	President of Chamber, St. Kitts and Nevis Chamber of Commerce
Nigel McCarthy, Honorable	Ministry of Education
Mrs. Roberts	Principal, Washington Archibald High School
Roseitta Jeffers	Tourism, Ministry of Agriculture; Tourism Department; Department of Labor
Shawna Lake	Lawyer/Ex-CEO SKIPA
Wendell Lawrence, Ambassador	Ambassador to CARICOM/Financial Consultant to Government
Wendy Phillips	Executive Director, St. Kitts and Nevis Chamber of Commerce

V. Antigua and Barbuda

Name	Title, Organization
Acres Stowe	Employers Federation
Alrick Daniel	General Secretary, Antigua Trades and Labor Union
Ann Harwood	Sandals Foundation
Anne Jonas	Department of Sports, Local Government, and Specialist Projects; Ministry of Education, Sports, Youth, and Gender Affairs
Arlene Winters	Director, Antigua Barbuda Chamber of Commerce and Industry
Calvin Ambrose	Executive Director, Antigua and Barbuda Hotels and Tourist Association
Ms. Charles	Antigua Barbuda Chamber of Commerce and Industry
Donald Charles	General Manager, Antigua and Barbuda Development

	Bank
Eloise Hamilton	Antigua State College
Eustace Hill	Dean of Academic Affairs, Antigua Barbuda International Institute of Technology
Everett Christian	Project Manager, Ministry of Finance, Economy and Public Administration
Holly Peters	Chamber of Commerce
Hugo Joseph	Senior Officer, Antigua Trades and Labor Union
Jacqueline Yearwood	Enterprise Development Director, Antigua Barbuda Investment Authority
Joseph Gilbert	Antigua and Barbuda Institute for Continuing Education (ABICE)
Juan Gardner	Statistical Officer, Department of Statistics
Latoya Friday	Gilbert Agricultural and Rural Development Center
Lindsay Emanuel	CCSET International
Maria Hughes	Project HOPE
Neil Forrester	General Manager, Antigua and Barbuda Hotels and Tourist Association
Paul Bacchus	Executive Director, National Development Foundation
Mr. Peters	Executive Director, Antigua Barbuda Chamber of Commerce and Industry
Roberta Williams	Gilbert Agricultural and Rural Development Center
Sophia Zachariah	Youth Affairs; Ministry of Education, Sports, Youth, and Gender Affairs
Tracelyn Joseph	Statistician, Department of Statistics
Wrigley George	Antigua and Barbuda Trades and Labor Union

ANNEX B. INSTITUTIONAL SUMMARIES

I. St. Lucia

National Skills Development Center

Ms. St. Prix, General Manager

The National Skills Development Center (NSDC) is a non-profit government-owned skills training entity. It is a statutory body with its own board of directors under the Ministry of Education. It receives a small subvention from the Government of St. Lucia for salaries and administrative costs. The overall budget is EC\$1.2 million. The Permanent Secretary of the Ministry of Education chairs the board of nine members which include two private sector officials (Chamber of Commerce and SLHTA). The total full time staff is forty with twenty part-time training providers.

NSDC participates in the OECS Skills for Growth project. This program targets youth who exit from secondary school with 3 CXC's or less. NSDC is targeting for 1,800 trainees by March 2012. However a problem is that it is designed to have matching funds from employers at the beginning. This is not working very well because the private sector, who are expected to give 10% of funds up front, are not doing so.

NSDC also targets school drop-outs and those who never attended secondary school, that is, those who reached as far as Standard 5 or Standard 6 in primary school.

Ms St. Prix indicated that some of their students may have started their own business and attend NSDC to obtain certification. After training, students wishing to start their own business are referred to BelFund where they receive assistance with business planning etc. SSDF has provided funds to NSDC under the HOPE project.

NSDC is currently looking for accreditation under TVET. NSDC uses the Human Resource Centers managed by the Ministry of Social Transformation to train persons in soft skills and train the trainers. So far, 300 persons have been trained in soft skills and 25 trainers have been trained.

According to Ms. St. Prix, top priorities for youth workforce development are:

- More community-based projects as the history of the areas could be tapped into and be used for eco-tourism and heritage tourism
- Support entrepreneurship – small business and innovation
- Staff need training
- Reduce the mismatch between jobs and qualifications, including labor market information
- Improve business and work ethics
- Improve employers' ability to transfer knowledge on the job, particularly in the construction and agricultural sectors
- More money in technical and vocational training for youth at risk

- Incubators and resource centers for young entrepreneurs

Strengths Related to Youth Skills and Employment

- Close relationship with micro-finance institution – BELFund
- Has been able to tap into funding from SSDF
- NSDC and CARE work together for training in soft skills
- Has outreach in rural areas. Uses Human Resource Centers when necessary

Challenges/ Potential Improvements

- Lacks finance for training programs
- Would benefit from more demand-side information about skills in demand in the labor market

RISE Inc.

Dr. Stephen King

RISE was established in 2007 by Dr Stephen King, Dr Jaclyn Bird, and Jonathan St. Rose (Ninja Dan). It is a youth advocacy group which has done quite a lot of research on best practices which could be adapted to St. Lucia's situation. They work with community groups to target youth at risk.

They have prepared a proposal which was presented to the government and its agencies which advocated community empowerment and community development – people who could improve the situation in their various communities were identified – and community sensitization.

Mr. King feels that the education system is a problem. It is not 'youth-friendly' or healthy and needs to be reformed. He is looking to use Youth Service to drive that. RISE has developed a Youth Service Proposal for St. Lucia which includes recommendations for second chance programs and using the Youth Service Program to access higher education. An extensive review of the education system was conducted when developing the Youth Service Proposal. According to Mr. King, it reinforces the education system with youth service. However, it has had to rebrand this proposal to 'Tomorrow Starts Here' because of the negative connotation associated with youth service. RISE is also advocating for implementation of structures to support the youth such as Youth and Sports Councils and more after school programs. They feel that more clubs are needed. It is also embarking on a new strategic plan

RISE is keen on new business development among the youth. They are now supporting the establishment of a Youth Radio Station which they believe could help them in getting their message across. Mr. Kings feels the creative arts industry is underdeveloped and should be part of the national curriculum. A Public Creative Arts Center with a studio etc should be created for the public.

Mr. King suggested that the ADP program taught at CARE should be introduced in Form 1 and so students would focus on ADP, English and Maths.

RISE is pushing it through the Ministry of Social Transformation and needs funding for a consultant to push these initiatives to ensure that they become a reality. Mr. King has found that it is hard to convince government about what needs to be done and so RISE has taken the new approach to make changes from the ground up rather than from the top.

RISE is organizing a ‘Youth Quake’ which is a national youth rally.

Strengths Related to Youth Skills and Employment

- Considerable research into best practices for assisting youth
- Partnerships with experienced and respected youth training institutions such as CARE and recently, NSDC
- Backing by prominent St. Lucian leaders and artists popular with youth
- Visionary leadership and theory of change, empowering youth and leveraging government infrastructure for change

Challenges/ Potential Improvements

- Current staffing is primarily from part-time contribution of founders and a Peace Corps volunteer who’s assignment in St. Lucia is ending
- Public reputation of one of the founders (Jonathan St. Rose) challenged in legal incident

Centre for Adolescent Renewal and Education (CARE)

Karleen Mason, PhD, Executive Director

CARE targets disadvantaged and marginalized youth who are drop-outs or completed secondary school with three or less ‘O’ Levels. It is a second chance institution and in most cases, a last chance school which provides a basic academic program (remedial literacy and numeracy), life skills and vo-tech. Businesses have a high regard for CARE graduates because of the service-oriented values and skills learned at CARE in its Adolescent Development Program (ADP). Students typically take the ADP curriculum for one year then move into the vo-tech program. Students are required to complete twelve weeks of job placement (internship) to be eligible to graduate. CARE operates 5 centers in St. Lucia with a total enrollment of about 300. It charges about EC\$800 in tuition which covers about one third of its operating costs and does not include books or transportation. A handful of students earn scholarships provided by local community members. Parents pay the tuition for the majority of children. As a rule, CARE does not turn anyone away. About 50% have jobs lined up by the time they graduate due largely to attitudinal competencies, not technical skills. It also operates a sister charity called Grow Well, Inc. in Gros Islet providing IT training and after-school programs.

CARE declined to take the lead role in the IYF program because it would have been a management challenge – would have become an “extra” rather than strengthening its existing programs. Instead it created a consortium with NSDC, RISE and businesses to provide practical training for 252 disadvantaged youth. Dr Lewis commented that the IYF program is too short to have the kind of long term impact CARE is going for.

CARE reported that it is difficult to keep equipment up to date and that they suffer from a shortage of teaching aids and learning materials for the academic program. Despite the shortcomings of the facility, CARE is trying to invest in its staff. Assistance is provided by donors such as an Irish volunteer teacher, sponsored by the Irish Embassy is on a one-year assignment to tutor students on reading. A post-graduate psychologist intern from UWI was also working on a one-year assignment. This connection to UWI was arranged as a result of Dr. Mason's successful effort to establish a partnership with the university's Jamaican campus.

St. Lucia CARE Odsan Training Center

Marietta Augustus, Program Manager

The Odsan center revealed the challenges faced by CARE. In stark contrast to its charming headquarters facility, the Odsan training center is located in an industrial estate. [It is a poorly lit, cavernous factory building with a thirty-foot ceiling and classrooms that are only partially divided by flimsy walls, including shop classes – woodworking, auto mechanics, sewing and electricity. It appears to be operating on a shoe string budget and yet staff demonstrated an impressive enthusiasm and dedication to the work taking place.

Transportation came up several times in discussions as a barrier to many children and contributes to absenteeism and there were few teaching aids and books were noticed on my visit.

Strengths Related to Youth Skills and Employment

- ADP's holistic approach to addressing soft/life skills and psychological development of young people in addition to remedial academic work has proven effective
- Dedicated staff and leadership
- Staff are not up to date in knowledge and skills
- Land – CARE owns choice property in Basseterre where its HQ is located and near the oil depot in Cul-de-Sac
- Productive connections to the business community – in many cases CARE uses business facilities to augment training in technical skills. This has potential as an alternative to investments in expensive equipment for training in centers and schools.
- Accreditation – the MOE's TVET (NVQ) and the regional CVQ drive has motivated CARE to become accredited and take actions to improve capacity as a result, e.g. conducting an employer survey, documenting policies and procedures.

Challenges

- Accreditation – most CARE teachers do not have teaching degrees because many were initially volunteers and hired based on commitment to helping youth. Pay is very low. Accreditation required specific teacher qualifications. And yet accreditation could help make graduates more marketable
- Systems and procedures – CARE does not track students after graduation or good job of record-keeping.
- CARE is under-resourced

- Teachers need training and students need scholarships and transportation funds.
- Facility: the Odsan center appears to be a difficult place to learn. It is loud and dark.
- According to staff, management capacity building is an area where they could benefit from assistance – e.g. fund raising, planning, professional development, structured internships/apprenticeships, other outreach.

Potential Improvements/ Recommendations

- Upgrade classroom facilities and learning materials
- Provide scholarships for transportation and tuition or dedicated buses that could pick up students from the city center.
- Provide training for staff

St. Lucia Chamber of Commerce, Industry and Agriculture

Brian Louisy, Executive Director

The Chamber of Commerce is a prominent advocate for business engagement in the education system on the island. The Chamber continues to support St. Lucia's **Junior Achievement (JA) program** which was started fourteen years ago by organizing private sector funding for nearly all of the \$150,000 per year program. To date, over 5,000 students have benefitted from the program. It also recently started the **St. Lucia Youth Business Trust**, a program to assist young persons to develop the skills, attitudes and access to resources they need to become successful entrepreneurs. As Executive Director, Mr. Louisy participates in post-secondary education through involvement on the boards of the National Skills Development Center (NSDC) and Sir Arthur Lewis Community College (SALCC).

The membership based Chamber, provides private sector advocacy and representation, productivity and human resource enhancement programs, and serves as a source of information for members. The current list of about 116 members includes businesses from many sectors, including hospitality, manufacturing, financial services, distribution services, and more.

Strengths Related to Youth Skills and Employment

- Organizes substantial business support for youth programs like JA and Youth Business Trust
- Represents the business people who are suffering from the skills gap
- Provides employer leadership and solid connections to other business leaders

Challenges

- Chamber members (and the private sector in general) lack capacity to effectively advocate for education policy reform.
- HR committee has a narrow focus due to lack of dedicated staff time.

Potential Improvements/ Recommendations

- Establish an Employment Skills Unit using similar methodology to that used by the Business Development Unit established under USAID/COTS at the Chamber. This would require funding for the employment of additional staff.
- Subsidize dedicated staff at the Chamber to expand Junior Achievement in schools
- Identify a program (e.g. welding, plumbing) at Sir Arthur Lewis (and other institutions) as a flagship to link to MIC in Trinidad and develop more structured internships, coops/apprenticeships and adjunct instructors from industry

Sir Arthur Lewis Community College

Beverly Lansiquot, Principal, SALCC

Mr. Anthony Bonaparte, AGIL Project Coordinator/Dean of Agriculture

Ms. Carleen Jules, AGIL (EU funded) Project Manager

SALCC offers associates, diplomas and certificate programs – each consisting of different entrance requirements and having varying mix between academic and technical training. With an enrollment of about 900 students. It recently introduced a school of continuing education with a distance learning component for older students.

SALCC provides the highest level education (associates degrees and an undergraduate Univ West Indies degree in education) offered in St Lucia offering associates degrees in nursing, IT and the “trades”(plumbing, auto) are in high demand and all get jobs. The school has recently begun to offer a Univ West Indies teaching degree. The team we met with acknowledged the trend reported in other interviews that SALCC was becoming more academic in focus as opposed to training students for specific technical jobs. .

More and more students are applying to study agriculture – not because they want to work in the sector but because they it is a way to earn post-secondary education. In other words, students who qualify at the bottom of the cohort are willing to study agriculture if that is the only option.

Strengths Related to Youth Skills & Employment

SALCC is the only governmental tertiary institution offering associates level degrees and provides a bridge to students to pursue higher education. This is also one of its weaknesses given the demands of the market in St Lucia.

Challenges/ Potential Improvements

- Academic focus in vocational technical fields seems to be a major weakness of the school – that perhaps it is trying to do too much and therefore is not fulfilling its core mission.
- The school does some job fairs and some job placement/OJT/internships in technical fields but needs to formalize its linkages to the private sector and improve job counseling/matching. The subject area committees apparently have private sector representation and the school places students in internships but it seems that these steering committees could be given higher priority.
- Labor market information: SALCC reports a severe lack of data on where jobs are. They would benefit from a better system of information on trends, sectors, etc.

- SALCC’s mission does not reach the vast majority of unemployed youth who are undereducated and the likely target of USAID’s new assistance strategy.

St. Lucia Hotel and Tourism Association

McHale Andrew, Executive Director

Noorani Azeez, Manager, Finance and Accounting

The association represents 200+ members from all types of businesses in the tourism industry including hotels (large and small, multinational and local), tour operators, travel agents, taxi drivers and airlines. It is the largest association in the tourism sector and focuses on lobbying and policy advocacy, networking among members and training. They are a leading member of a coalition working to adopt the “Carib Cert”, a regional certification in the hotel business providing competency-based certifications in 47 occupations related to hoteling. Certification includes training and internships. Individuals and hotels pay for the training but smaller operators cannot afford to pay for the training. The program was launched in September, 2009 and is seen as a critical activity toward developing personnel with more relevant skills that will also ease mobility of workers within the region.

Strengths Related to Youth Skills and Employment

The association has strong leadership and represents the largest sector in the economy. It is leading the new Carib Cert and mobilizing employers to participate. The program focuses on existing employees but could become a model for effective youth skills training at high schools, NSDC, CARE or SALCC. The work by SLHTA demonstrates effective mobilization of the private sector to address skills shortages.

Challenges/ Potential Improvements

The smaller enterprises in the tourism sector, including secondary and support firms, cannot afford to pay for the training. This increases the importance of finding ways to integrate the Carib Cert or other standards-based training in the tourism sector into TVET programs at all levels. This would produce a pool of labor with skills needed by the smaller operators.

St. Lucia Social Development Fund

Mr. Joachim Henry, Executive Director

Mr. Allison Mathurin, Deputy Executive Director

The St. Lucia Development Fund is the result of the merger of the Poverty Reduction Fund and the Basic Needs Trust. It falls under the Ministry of Social Transformation. SSDF is a social assistance program working with community groups to build St. Lucia’s economic and social infrastructure.

SSDF manages the HOPE project which is an EC\$10 million employment program targeted at the vulnerable and unemployed. So far, the program has assisted over 5,000 persons who are drop-outs, drug addicts, those who have lost confidence in society and government, and those who appear to be unemployable – generally youth at risk.

Attending a two-week personal enhancement training session is a prerequisite for participants to access HOPE programs, in which participants receive a stipend of \$50 per day. HOPE is stronger in the north where more than 50% of the unemployed youth live in the city and more than 60% are beneficiaries of education assistance from the city. However, it does have offices in the south.

SSDF has found that it is difficult to bring the private sector on board especially with the recent economic downturn.

Mr. Henry feels is not well understood in St. Lucia and that the hard core criminals are about 17 – 18 years old. He is also of the view that there was a stigma attached to CARE and that it should not be the ‘end of the road’ for students but should be part of SALCC.

Strengths Related to Youth Skills and Employment

- It appears to be well-funded with the ability to offer grants to other institutions
- The HOPE program provides large numbers of participants with employability skills and public service work experience

Challenges/Potential Improvements

Mr. Henry indicated that the weaknesses of the HOPE program include: 1) the personal enhancement training session is too short as it should be six weeks 2) it does not help the youth enter the mainstream private sector or set up their own business and, 3) there is no certificate issued at the end of the program. He felt that there was room for non-traditional ventures and that money should be placed with BELFund so that SSDF could refer persons to them for assistance.

St. Lucia Sandals Resort and Foundation

Dominic Fedee, Sandals Foundation

Ryan Matthew, Operations Manager/HR (Hospitality Community Training Program Manager, Sandals/St Lucia)

Sandals Resorts, founded in Jamaica, has three hotels in St. Lucia. The company has operated corporate social responsibility programs for a number of years. Many target disadvantaged youth and children. Sandals recently started a Hospitality Community Training Program to give unemployed youth from poor villages exposure to the world of work. Young persons are selected through an interview process then given ten weeks of training in various departments in the resort. To date, more than 150 participants have graduated from this program with 54 graduates in May, 2010. Twenty-five of the 150 graduates were hired by Sandals.

The Sandals Foundation has a broader CSR mandate and funds a Children’s Literacy Action Program for children in poor neighborhoods. It bought a facility and does fundraising for the program – lending its brand to the cause. For example, the foundation held a fundraiser for diasporas in New York City. It also works with the Balata Primary School to establish a computer lab and training for the community. A Peace Corps

volunteer supports this initiative. The foundation also sponsors a climate change awareness program in the region to mobilize communities, government and businesses.

Strengths Related to Youth Skills and Employment

- Sandals operates structured internships – it is proactive in linking internships to a student’s academic program. It has vast corporate experience in managing internships and would likely have a lot to teach other businesses in developing more productive programs. It is currently working on placing Sir Arthur Lewis interns in properties on other islands.
- Hospitality Community Training Program targets unemployed youth from poor districts and provides hands-on training that could lead to employment. It is essentially an internship program without the academic component. It emphasizes soft skills such as punctuality and customer service in a real-life setting.
- Sandals selects the participants through an interview process, generating more commitment from students than what we see in many internships that are more training provider-driven.
- The Sandals Foundation has a recognizable brand and considerable expertise in marketing and fundraising. As a regional corporation, it has a long term view of its market and recognizes that increased crime and youth unemployment is a strategic threat to its tourism investments.

Challenges

- The local business community sees Sandals as a demanding competitor and, according to Dominic, is reluctant to engage in cooperation on the common challenge of youth unemployment. Thus, Sandal’s relationships with some local businesses deters collaboration to extend its program beyond the resort.

Potential Improvements/ Recommendations

- As a Caribbean home-grown global corporation, Sandals runs programs at a high level of quality and seems to invest a great deal in its human resources systems. The firm’s experience with structured internships and CSR would be useful in sharing with large local businesses.
- Support initiatives to bring the business community together and change the mindset toward a more long term, strategic view of youth unemployment, poverty and crime. Work with the Ministry of Education to devise more structured internship policies and procedures that engage the private sector in selection and evaluation of students and advise on curriculum.
- Promote awareness among school children about the types of careers available in the hospitality industry value chain

Rainbow Roots Farm, Inc. and the San Kofe Organic Society NGO

Mr. Charlemagne, Teacher, Marigot Secondary School, Founder of Rainbow Roots Farm, Inc. and the San Kofe Organic Society NGO

Rainbow Roots Farm was registered as a business in 2009 and the San Kofe Organic Society was registered in 2010. The businesses’ vision is to create a profitable farming

operation to supply the tourism industry and host eco-tours to educate tourists about the Rastafarian religion and natural farming and gardening methods, including horse trails and a visitor's center. The goal is to establish a model to build a new tourism industry based on community-development and sustainable tourism methods in the district of Dennery – an area that has heretofore not benefited from the industry's growth elsewhere on the island. The program seeks to build interest in farming among unemployed young people by showing the farm as a viable, profitable business. Mr. Charlemagne and his community of 13(?) Rastafarians have access to seven acres of land leased from the government. He is working with 15-40 students now and hopes to expand this number as the operation gets off the ground. He is working toward an international organic certification for the farm and for honey production.

Strengths Related to Youth Skills and Employment

- Mr. Charlemagne is the kind of entrepreneur that policymakers and other leaders profess to support.

Challenges/ Potential Improvements

- Lack of credit and start up capital – Mr. Charlemagne reports that banks will not loan to him because he lacks collateral – the land is leased from the government and as such cannot be used for collateral.
- The farm and the NGO are new and do not yet have a track record – which is in itself a weakness but it seems to have a lot of potential as a model for other young entrepreneurs.

Villa Beach Hotel

Colin Hunte, Owner

As the former head of the Saint Lucia Hotel and Tourism Association and a second-generation hotelier, Colin is committed to his country's development. With reference to the 300,000 land-based visitors and 700,000 cruise ship visitors to St Lucia each year and noting that "one million visitors need to be fed", Hunte sees tremendous opportunity for jobs and growth in the agriculture sector and supports initiatives to connect farming to the tourism value chain. He expressed enthusiasm about the potential for Hotel Chocolat, a UK-based operation manufacturing chocolate on the island. He feels that it will encourage new methods for local farmers, driving growth in the agricultural sector and employing youth in the sector.

Strengths Related to Youth Skills and Employment

- Employs interns from the hospitality field
- Mr. Hunte has long-time connections to the Tourism & Hospitality industry and an interest in improvement of the training pipeline

Challenges/ Potential Improvements

- The ventures reported upon are either new or not yet implemented.

- The Agricultural Hub seem to have potential to create jobs and improve income of small holder farmers, however the St. Lucia Marketing Board is based on the same concept. There is a debate about upgrading it rather than building a new one.

Monroe College

Robert Lewis, PhD, Dean of Academics

Loris Crawford, Manager, Hospitality Training Institute

Monroe College which has its home campus in the Bronx, NY opened a branch in St Lucia in 2007. It offers associate- and bachelors degree programs in criminal justice, hospitality management, culinary arts, business, accounting and a variety of medical technician fields. It is accredited in the US and primarily serves as a for-profit college. Enrollment in St Lucia is about 400 students, many of whom are working professionals having graduated from Sir Arthur Lewis College.

Monroe, in partnership with the St Lucia Ministry of Tourism and several cruise ship companies, will adapt the Canadian Tourism Association’s curriculum which could lead to a the “Carib Cert” in various fields. The proposed program was originally called the “Marine Hospitality Training Institute” given its emphasis on preparing students for work on the cruise ships. Citing objections by the SLHTA over this emphasis, the focus of the program has been broadened to include skills in demand by hotels, including soft skills needed to provide quality customer service. Monroe identified culinary arts, bakery and butchery as skills most in demand by the cruise lines and the jobs that promise to offer the best pay for the target audience. The tuition is US\$3,000 (EC\$8,100) and provides 180 contact hours and 400 practicum hours to students to complete the certificate.

Strengths Related to Youth Skills and Employment

- Monroe has a history of providing skills development based on employer demand and adapting international programs for the local market.

Challenges/ Potential Improvements

- Its \$6,900 EC per semester tuition out of reach of most St. Lucians, though the college offers a payment plan or the student may obtain a loan from local banks.
- The Marine Hospitality Institute program has not started yet and may get bogged down in discussions between the government and private sector partners, including resistance by the SLHTA to the institute’s original focus on the cruise ship industry.

St. Lucia Boys Training Centre

Mr. Leonard Terrence and three other staff members

The Boys Training Centre (BTC) represents the “last chance” for troubled youth. Up to 40 boys aged 10-16 years who are wards of the court reside at the center. All are referred to the center by the courts – both victims of neglect and abuse and juvenile offenders. Generally the “wards” stay at the center for two years or attempt to re-enter the formal education system, sometimes via CARE or NSDC. The center is severely under resourced

but is trying hard to upgrade the schooling available to its wards and put in place a “functional academic program” – remedial literacy and numeracy, counseling using the “Why Try” curriculum and other specialist staff. It also offers some technical/vocational education such as welding and auto mechanic training. It is trying to do more with its agriculture program to better use its 3 acre plot. It has a woodwork shop but has not had an instructor for 2 years. Mr. Terrence’s priority in the short term is to provide separate housing for the victims of neglect and abuse. To date these children have been co-mingled with the offenders – severely impacting chances for recovery and development.

Strengths Related to Youth Skills and Employment

New leadership that seems to be dedicated to the work. For example, the staff demonstrated knowledge of the whole package of support (including psychiatric care) required to provide a second chance for the boys. The staff also demonstrated commitment to clear priorities – that the boys need a marketable skill and need follow up and after care so they do not return to the same environment and habits that contributed to their trouble in the first place.

Challenges

- BTC has a critical need for specialized staff to deal with very, very serious psychiatric problems.
- Often there is no place to go after finishing the program – CARE is too expensive and there is a long waiting list for NSDC.

Potential Improvements/ Recommendations

- Mr. Terrence supports the National Youth Service concept as a way to expose troubled youth to alternative lifestyles and environments.
- Need better attention to special needs children in the schools and communities to serve kids better. The current system expels children who do not fit in and has little means to help troubled children at an earlier age. There is nothing for children under aged 16. If a child leaves the center he faces very little chance of catching up academically and likely ends up back in trouble at some point.
- Scholarships for children to go to CARE and enrichment activities (soccer camp, horse riding, swimming pool).

James Belgrave Micro Enterprise Development Limited (BELFund)

The BELFund was established 10 years ago within the Ministry of Social Transformation to provide micro-credit and training to underprivileged entrepreneurs and persons who are not gainfully employed for business start-ups. Its overall goal is to reduce poverty in St. Lucia and they have historically emphasized lending to youth. About 50 percent of their borrowers are young people. BELfund has a total loan portfolio is EC\$6.75 million and 630 clients on the books with 350-375 still active. The maximum loan amount is EC\$20,000 and they charge an interest rate of 10%. BELfund provides trainings to borrowers including a two week course in record keeping, accounting, marketing, and other business fundamentals. They are currently able to meet demand for loans with their

existing capital. BELfund would like to embark on a public outreach program but is reluctant to do so as they believe that additional staff and funds would be needed to meet increasing demand. BELfund has a staff complement of nine people, which includes five field officers.

Strengths Related to Youth Skills and Employment

- BELFund has an explicit mission to reduce poverty and focus their lending on youth entrepreneurs and the unemployed.
- They do not discriminate based on educational level and do not require collateral.
- They have field officers that make frequent site visits.

Challenges:

- BELfund has a high delinquency rate, which will likely pose a problem for their future financial health if they are not able to bring it under control.
- They do not have sufficient human resources (field officers) to conduct more frequent site visits and provide additional training for their clients.
- BELFund's staff have not received training in many years.

Potential Improvements/ Recommendations

- Training on repayment discipline and effective collection methodology.
- Trainers would greatly benefit from instruction in microfinance best practices and business development techniques.
- Additional capital for on-lending once they have lowered their delinquency rates.

National Research and Development Foundation (NRDF)

NRDF was established in 1983 with the assistance of USAID. It is a non-profit organization that provides loans and training to start-ups and existing micro and small enterprises. NRDF was initially capitalized through government loans and subventions. Significant financial support from the St. Lucian government continued until 2003.

Between 1998 and 1999, NRDF benefited from the European Rural Enterprise Diversification Program in the form of a loan granted by the government at concessionary rates for on-lending. As a result of mixed signals from the government and NRDF, there appears to have been confusion among some borrowers about whether the financing was a grant or a loan, which contributed to high delinquency rates. The government is insisting on repayment of the loans granted to NRDF for on-lending but NRDF is currently unable to meet these payments.

NRDF briefly ceased issuing microloans as a result of a restructuring effort in 2006-2007. In 2007 they restarted micro-lending operations using a new methodology. Since then, they have disbursed EC\$2.2 million in loans with a recovery rate of 90-95%. Between 85-95% of loans granted are short-term quick response loans to contractors for capital. The repayment term is 6 months with a service charge of 11%. NRDF requires collateral from borrowers in the form of a bill of sale on equipment, chattel, cash, or a guarantor.

For loans below EC\$15K 20% of the value of the loan is required and loans in above EC\$15K require 75%.

NRDF has encountered financial difficulties due to the large amount of non-performing loans that remain on their books from their lending operations prior to 2007. NRDF has indicated that at least 50% of its revenue comes from training. To augment their revenue, they have partnered with a variety of international education institutions to offer advanced degrees in law and an executive MBA (although this franchise was lost in 2003). They also offer small business training as well as some vocational courses in manicure/pedicure, hairdressing, cake-making, pastry, bread-making, food and beverage management, and the hospitality industry.

NRDF has found that more women attend the courses while there are more male contractors. Also, the demand for training by the hospitality industry is extremely low as the hotels prefer to do their own in-house training. Also, employees are not usually allowed time to attend classes. This is very difficult if the employee is on a shift system. Most classes are held in the evening.

Their clients include government contractors involved in construction, bakeries, hairdressers/ barbers/cosmetics, small bars, and fisherman. They do not have a particular focus on young people and their lending to this population appears limited. NRDF sees unmet demand for financing especially in the outer districts and they would like to expand. However, this is difficult for them to do given their current financial difficulties.

Strengths Related to Youth Skills and Employment

- Willing to provide credit to start-ups
- Finances businesses in the informal sector as long as they have title to property that can be presented as collateral.
- Lending operations since 2008 reorganization appear to have low delinquency rates.
- Extensive experience as a training provider developing skills of employers and employees.

Challenges

- The government loan remains on the books so that NRDF has negative equity and so it cannot borrow funds to on-lend causing the NGO to remain in need of funding. It needs debt relief (about EC\$2.9 million) from the government so that they can put their finances in a more stable footing.
- Increased competition from government sponsored financing efforts (BELfund) and St. Lucia Development Bank as well as Microfin
- Clients complain that interest rates are too high and there is not enough support/training from the lender.
- Due to its financial and human resource constraints, there is little interface between NRDF and the client until perhaps the loan is in default. There is not enough accompaniment of and support for the micro-entrepreneur.

Potential Improvements/ Recommendations

- Most microfinance clients are located outside of Castries and so there is a need to establish extension offices outside of Castries to further tap into the demand.
- Additional training for loan officers and business development specialists. Their staff have not received training in many years and would benefit from updated instruction on best practices.
- Recruitment of counselors to support the newly established micro-enterprises as they go through the start-up stage
- Given its current clientele who are mainly from the rural areas, NRDF could further extend its outreach and target youth if it is able to access additional funds for on-lending
- Given NRDF's experience in training, this institution could be further utilized to provide youth entrepreneurship training and certification programs for the young.

St. Lucia Development Bank (SLDB)

SLDB is a statutory corporation with a mandate to support entrepreneurship, economic, and social development through business counseling services, technical assistance, and the provision of funding through loans, equity financing, and other forms of assistance to various economic sectors. It is wholly owned by the government but managed independently by a board of directors. It was first established in 1982 but was merged with the National Commercial Bank (now the Bank of St. Lucia) in 1998. In 2008, SLDB was reestablished and the newly reconstituted organization commenced operations in February 2009.

The IMF through the Government of Saint Lucia has injected EC\$7 million into SLDB with over EC\$5 millions to be disbursed over a two year period. About EC\$1.7 million has been disbursed so far. SLDB provides loans through several distinct facilities targeting agriculture, the fishing sector, industry, education, housing, and tourism. Currently, the greatest demand for loans is in education, housing, and more moderately in the agricultural sector. Tourism loans are one of their weakest products in terms of demand. They have about 200 active loans, of which about 20 percent are small. Lending requirements are geared to more established businesses in the formal economy, rather than microenterprises. SLDB has a credit risk department with established procedures to investigate a borrower's credit. Currently delinquency is not a problem.

SLDB also provides student loans to tertiary level students. Consideration is only given to applications for loans to study courses specified on the "priority list." SLDB also provides low cost financing for skills training.

Strengths Related to Youth Skills & Employment

- Collateral is not required to secure loans if major equipment purchases are not being purchased as part of the loan.
- Offer training and business counseling services.
- SLDB is adequately capitalized as a result of the government's support as it is a primary contributor and is able to issue low cost loans.

Challenges

- Lending methodology not ideal for lending to youth operating in informal sector.
- SLDB may only approve student loans for courses of study listed on the government's "priority list." This list does not necessarily take the needs of the private sector into account.
- It is a relatively young institution and does not have the track record required to access low cost loans for on-lending.

Recommendations/ Potential Improvements

- Assist SLDB to augment their training services.

Caribbean Microfinance (Microfin)

Microfin is a private bank with the head office in Trinidad and private subsidiaries in Grenada and St. Lucia. It is perhaps the only truly commercial entity focusing on micro and small business financing in St. Lucia. They have approximately 900 clients, of which 10% delinquent. Their clients are involved in the manufacturing sector, fishing, vending, grocery, agriculture, road side vendors which is the largest sector. They have attempted to encourage youth lending but demand remains light from this demographic group. Most of their clients are 30 and above. They require collateral and will accept common household items as well as the possessions of guarantors. The bank lends between EC\$1,000 to micro-entrepreneurs and EC\$125,000 to registered businesses in operation six months or more. The criteria for lending include adequate cash flow projections and successful credit checks with other banks. Where cash flow projections are available, Microfin will ask the potential borrower to submit bank deposit slips. Microfin does not require business plans except for larger businesses but are reluctant to lend to start-ups. The financial crisis significantly increased their delinquency rate. They have restructured some of the delinquent loans but many of their clients continue to face financial difficulties. Their main competitors are BELFund and the credit unions.

Strengths Related to Youth Skills and Employment

- Microfin is one of the few private commercial microfinance lenders in St. Lucia.
- Able to offer loans more quickly than some of their counterparts.
- Have access to resources from parent company.
- Their collateral requirements are less onerous than banks as they will accept a variety of assets.

Challenges

- Interest rate appears to be higher than some of the other providers that are able to subsidize their operations.
- Lending requirements are tailored to established businesses in the formal economy, rather than informal microenterprises.
- Do not have human resources to advertise properly. Most of their business is the result of word of mouth or direct outreach.
- Do not offer technical assistance to their borrowers

- Do not accept deposits
- Very cautious about lending to the youth and prefer to focus on its existing portfolio

Recommendations/ Potential Improvements

- Provide assistance with initiating a training program.
- Marketing and outreach.
- Establish youth lending unit.
- Desire to expand to the south of the island.
- Introduce lending to businesses in the operating in the informal sector

Laborie Cooperative Credit Union

Laborie Cooperative Credit Union is one of the more active credit unions in terms of lending. They have about 9,000 active members and an asset base of about EC\$ 64 million. Laborie Credit Union provides banking services to a number of cooperatives including the Laborie Fishers and Consumer Cooperatives, Black Bay Cooperative, Bus Lahore Farmers, and the Vieux Fort Farmers Cooperative. The credit union is very liquid and is seeking to lend, but has not found enough people with viable projects. Their business loan portfolio accounted for only eight percent of their lending, with the remainder primarily occupied by consumer and salary loans. Businesses that have sought financing from the credit union include retail, terrestrial and water taxis, real estate, photographic studios, and automotive shops. Collateral is required for all loans: the guidelines are as follows:

- Up to EC\$5,000 – 30% cash deposit/savings
- Up to EC\$20,000 – 40% cash deposit/savings
- Over EC\$20,000 – Asset such as land, vehicle, house etc. No savings/cash deposit is required.

Strengths Related to Youth Skills and Employment

- Liquid and interested in expanding business loan portfolio
- Planning a youth mobilization drive

Challenges

- Capacity to provide training is limited
- Collateral requirements may restrict youth lending

Recommendations/ Potential Improvements

- Expansion of business loan portfolio
- Linkages with training providers

Youth Enterprise Equity Fund (YEEF)

YEEF is a venture capital fund managed by SLDB. It is a source of equity financing for youth entrepreneurs aged 18-35. The Government of St. Lucia has committed EC\$5 million to the fund. YEEF will invest up to one percent of its current capital (currently a

maximum of EC\$50K) in shares of any given company. YEEF will assist young entrepreneurs to incorporate their businesses as limited liability corporations and will then buy shares in the company while the entrepreneur remains in operational control. The bank will request an observer seat on the board. YEEF will hold the shares for up to seven years at which time all the shares will either be sold to the investee, a third party, or as an initial public offering on the Eastern Caribbean Security Exchange. The investee has the option of buying the shares of the company from YEEF at any time. The GOSL will provide tax credits to investors and the entrepreneur. Capital gains taxes are waived and all profits are tax free. Investees are required to provide YEEF with quarterly and annual reports as well as financial statements audited by an approved party.

The project is expected to be financially viable and employ at least three persons. While there is no minimum level of education for one to qualify for the program, he or she must have the requisite technical skills for the business or complete a technical training program by a recognized institution. The Center for Adolescent Renewal and Education (CARE), National Skills Development Center (NSDC) and Sir Arthur Lewis Community College conduct pre-screening and recommend students to YEEF. Business training is mandatory as part of the program and is provided by YEEF, the Ministry of Commerce's Small Enterprise Development Unit (SEDU), and BELfund. The Office of Private Sector Relations (OPSR) has contributed equipment and marketing efforts. OPSR will also sponsor a mentoring program which will be attached to the YEEF.

The fund is currently considering investment in twenty companies including soap manufacturing, advertising, online marketing, organic farming, a youth radio station, and ethanol production. The average age of the current applicants is 26 years with an even distribution between males and females.

Strengths Related to Youth Skills and Employment

- YEEF provides a novel equity financing scheme to business savvy, ambitious young people who have innovative ideas.
- Do not require a minimum education level from their applicants but technical skills.
- No collateral requirements or interest rate charges, two elements of most credit programs that make it difficult for youth to participate as this is an equity fund
- YEEF representatives sit on the board of the companies they invest in.
- Links between YEEF and enterprise development agencies.
- Does not appear to be competing with other microfinance institutions.

Challenges

- Need infrastructure and additional human and financial resources if they are to provide continuous training to their investees as their businesses develop.
- This fund has not been heavily advertised so that more young entrepreneurs can take advantage of the fund.

Potential Improvements/ Recommendations

- Assist with additional resources for skills training and mentorship program.
- Replicate model in other IECS countries or regionally.

II. Grenada

Ministry of Youth Empowerment, Sports & Culture⁸⁴

The Honorable Patrick Simmons, Minister

Mrs. Veda Bruno-Victor, Permanent Secretary

Grenada Youth Education and Training Program (GYET)

There are several components of the GYET program. The personal development component is a three-week element of the program that all participants must complete prior to moving on to technical skills training. This is basically the life skills development component. Upon completion youth are assessed and placed in the education enhancement component of the program and/or into the skill development component.

The educational enhancement component is aimed at those who did not attend secondary school and those who dropped out. They work with Grenada Boys' Secondary School and Presentation Brothers College and one other secondary school to provide educational services during extended hours. The Ministry pays for both the tutors and the examination. They offer to provide additional support so that the youth can take English language, math and social studies. The biology CXC is also offered for those interested in nursing, the Human and Social

The youth first explore the theoretical basis of the specific field. For example a program in northern rural Grenada offers introductory lessons on agriculture before the applied portion of the curriculum. This rural program itself was around before GYET, but only had two students enrolled. It now has 58. The Minister sees agriculture as a critical area of focus.

The program does also offer some internship and on-the job training opportunities. After completion of the program the Ministry refers youth to the scholarship or employment desks for help in finding continuing education or employment.

Rehabilitation Programs

These programs are for Grenada youth involved in the criminal justice system. The Youth in Transition program is designed for marginalized youth, specifically those who have been adjudicated. The new program that began on June 2nd includes 18 young men ranging in age from 14 to 24. Most juveniles are convicted of property crimes. Rehab also includes programming for the 20 youth who are incarcerated in prison. Motivated to Change is a related program designed for youth "on the block." The aim is to put together activities for the youth in communities with high concentrations of unemployed, at-risk youth. While elements of the programs vary from parish to parish, they typically include anger management, conflict resolution and law abiding behavior.

Strengths Related to Youth Skills and Employment

⁸⁴ The Ministry of Youth Empowerment, Sports & Culture also administers several other programs for youth including: Youth Leadership and Service Program, Youth Ambassadors Program, Strengthening Youth Groups.

- The program is well established and works closely with numerous providers throughout Grenada.
- The programs for adjudicated youth provide important services for youth transitioning back into society.
- The current government sees the Ministry's program as a priority. The Minister of Finance proposed increase funding in his budget address to Parliament.
- The programmatic portfolio has very well conceptualize programs that together represent a strategy that address the needs of the range of youth, from highly functional to the hardest to serve youth populations.

Challenges

- It is unclear the quality or success of these programs. Convicted youth are required to serve time in Grenada's adult prison that is located at an old fort above St. Georges.
- Because the government runs it, the programs are subject to the political process that often causes a program to be suspended or even renamed when there is a transfer of power.

TA Maryshow Community College

David Fleming, Dean, School of Continuing Education

TA Maryshow Community College is Grenada's national college. The college was established in 1988 with the merging of eight colleges. Currently TAMCC has three schools:

- School of Arts & Sciences and Professional Studies- focuses on students that are looking to move on to their first degree
- School of Applied Arts and Technology- offers certificate and associates degree programs in the technical fields
- School of Continuing Education- this is described internally as the "shadow school" because it is focused on those outside of the formal education system. There are two departments: Foundation Access Studies and Professional Studies. There are adding an additional department called Online Distance Learning. The Foundation Access program includes vocational education training. Students learn basic skills while earning a local TAMCC degree, now awarded through CVQ.

There are also several projects operated out of the School of Continuing Education. IYF is 18 months project, funded through USAID. It targets vulnerable youth through Grenada—17-25 years old, unemployed, no previous technical skills training, three or less CXC passes. The goal is to put 250 youth through the training program. There are 16 cohorts, broken into 3 phases. Each training period is for four months. The program has a life skills component and an internship that accounts for an additional 80 hours for the student after completion of the program. At first there was no stipend for students in the program. This resulted in low attendance and a retention rate of 40%. As with other training programs in Grenada they looked to offer a stipend. They found some funding internally, but also got support from the Ministry of Education and by charging businesses a fee for the internship. Now, students received a \$400 monthly stipend to help defer the cost food and transportation.

TVET is focused on both upgrading skills of existing workforce and industry-based training that would enable those without entry skills to attain training. They work directly with industry and government agencies to design training through contract or a memorandum of understanding. Trainee pay for training or partnering entity pays for the training for their employees. Their clients include the National Water and Sewer Association, their training program lasts six months to a year) and Ministry of Social Development (parenting facilitators). The training programs are modeled to meet industry standards. Upon entry into a program trainees are put through an assessment. Each training program design generally uses the same starting point then it is tailored. The school is also one of the service providers for training programs funded by the Ministry of Youth Empowerment, Sports and their youth training programs.

Strengths Related to Youth Skills and Employment

- The college is a critical provider of education and training in Grenada.
- Both government business and ordinary Grenadians are clients and therefore it has real capacity as both a service and technical assistance provider.
- The Dean provides strong consistent leadership.

Challenges

- The need for a stipend to retain students presents funding strains.
- There is a need for critical equipment upgrades throughout the training programs.

National Training Agency

P. Johnson, Lincoln Morgan, Project Coordinator Unit

The National Training Agency is government agency established by an act of Parliament. It is located within the Ministry of Education that is establishing and implementing the standards framework component of the World Bank funded Grenada Skills for Inclusive Growth Project. The project's aim is to increase the employability of youth through public and private sector partnership for technical and life skills training that is demand driven. The target is to reach 1200 youth in three years.

NTA is in the vetting training standards. They have vetted 20 standards so far, the CVET council has approved 17. They will develop standards in about 10 other areas in the next 10 months.

They have issued a call for training providers in October 2009. Providers could determine and training started by the end of this summer.

Strengths Related to Youth Skills and Employment

- There is widespread support for the project and the agency. Leaders through public and private sector see the work as essential.
- They have a great deal of momentum and support from other Eastern Caribbean nations implementing similar efforts, such as St. Lucia.

- They have successfully involved both the training and business community in the development of the standards
- The standards are in occupational areas that according to the Skills for Inclusive Growth Report are in the emerging sectors. There is strong alignment between these areas and the priorities set out by the government in the Minister of Finance budget speech to Parliament.

Challenges

- There is a need for sustainable funding after the current World Bank loan ends.
- The size of the target population is small given the relative scale of the need for such training among Grenadian youth.
- NTA desire to insure that the training is demand driven, but they lack good labor market and instead rely on the one-time Heckling survey for labor market data.

Grenada Industrial Development Corporation

GIDC is a lead service provider for small business development investment promote in Grenada. The government sponsored organization aims to be a one-stop shop for doing business in Grenada. Currently GIDC provides the following training:

- Entrepreneurship Training- training results in a business plan. Small business proposals are coming from retail and services: hairdressing, boutiques, with some request for poultry.
- Business Skill Training
- ICT Training- supported by the government of India, a center for ICT excellence is being established.
- Additional entrepreneurship training provided to New Life Opportunity and Program for Adolescent Mothers.
- Youth Small Business/Entrepreneurship Program- The Grenada Industrial Development Corporation (GDIC) has trained 325 youth in entrepreneurship skills and provided them with the support to develop a business proposal. There is then government funding available for these proposals that is administered by the banks: Grenada Development Bank, the Cooperative Bank, and the Cooperative Credit Union.

Strengths Related to Youth Skills and Employment

- Completers of training programs are link with funding opportunity from a small business development fund that is set up by Government and ran by commercial banks.
- The organization seems to have a success operating training programs in the rural parts of Grenada.

Challenges

- Training, when a stipend is included, is oversubscribed. Most trainees cannot afford to pay training fees. Training costs about 400.00 per course.
- Currently they are providing stipend through government support, but concerns remain about how sustainable these provisions are. Commercial banks operate the

business development fund. They have higher standards for qualifying for a loan. This limits availability to less qualified completers of the program.

GRENCASE

Selby Henry, Manager

GRENCASE provides skills development training and personal/social development skills to support community development. Current areas are culinary arts and meal preparation, horticulture, information technology, and sewing. Students are recruited mostly through word of mouth. While other outreach activities are used, they generally have a waiting list in the most popular areas—IT, sewing, culinary/hospitality, and electronic/electrical installation. The female-male ratio is 1:20. The majority of technical training is in information technology.

Strengths Related to Youth Skills and Employment

- This is a long-standing program in St. Georges.
- They focus more on the adult population.

Challenges

- It has challenges finding job placements because of economic challenges.
- There is recognition of a need to better engage young males.
- There was little mention of GRENCASE by any other individuals interviewed in this assessment.
- They had stronger connections to the business community in the past. Only one member of the board is from the private sector.
- They recently moved to focus more on the adult population.

New Life Organization

Alvin Campbell, Executive Director

NEWLO was founded by religious leaders in 1984. Students range in age from 17 to 24. Students begin at NEWLO in the Adolescent Development Program. This is a fourteen-week component that all students must complete. It is aimed at developing basic skills in Mathematics, English, and Reading, while providing course geared toward changing attitudes of young people towards work, country, and family. The component also aims to increase self-esteem and build self-confidence. Students have exposure to a range of training areas, including masonry, agriculture, carpentry, plumbing, hospitality, cosmetology, refrigeration and small appliance repair, and health care and computers.

Strengths Related to Youth Skills and Employment

- They used ADP, a well respected soft skills programs
- They have connections and exchanges established with CARE of St. Lucia and SERVE ALL of Trinidad.

Challenges

- Their physical location of program presents transportation challenges for some youth.

- With the ADP component, there remain equipment upgrades that are needed. The NTA standards will also serve to improve the quality of the skills training component of the model.

GRENCODA

Judy Williams, Executive Secretary

The organization has a 25-year history in Grenada. The education component started in 1986 with the student assistance program that provides financial support to low-income families to allow their children to access secondary and tertiary education.

The training component of the programs focuses on unemployed rural youth and is similar to IYF at TAMCC. The program lasts fourteen months and uses a CVET standards-driven curriculum. The training locations move around, but are all based in rural communities throughout Grenada. They recently launched a rural youth empowerment training program.

GRENCODA also does important work at the community level. They work with ten communities to create a market for local entrepreneurs and business. For example, the organization worked with the town of Gouyave to establish the Friday Fish Fry. This weekly event brings tourist and Grenadians alike to the fish capital of the island to buy local seafood and other dishes caught and prepared locally. The event also features music, arts and crafts. It is a lively event and a critical market for local entrepreneurs.

Strengths Related to Youth Skills and Employment

- It has had strong, bold and consistent leadership in Ms. Williams.
- The community organizing aspect of the programs makes it deeply grounded in the communities where it works.
- It has a strong advocacy voice on the island on women's and other civil rights issues.

Challenges

- They currently have waiting list for training programs.
- Transportation to training programs is a challenge for participants.

III. St. Kitts & Nevis

Ministry of Youth Empowerment, Sports, Information Technology, Telecommunication

Youth Empowerment through Skills Programme (YES)

Hon. Mr. Glen Phillips, Minister

Jeffrey Hanley, Youth Director

Mr. Conner, Director of YES

The Ministry of Youth Empowerment Scheme, funded by the GOSKN and managed by the Ministry of Youth was launched in 2009 to provide life skills and vocational training

as well as internships and career counseling to unemployed youth aged 15-34. YES, initiated by an EC\$16m grant from the Sugar Diversity Fund, is a partnership between the Ministry of Education, the Ministry of Social and Community Development and Gender Affairs, the Ministry of Youth and the St. Kitts Development Bank.

YES trained 500 young people in 2009 and is expected to train another 1,000 youth. The program was oversubscribed and so about 1,000 persons were turned away. The government pays a stipend of EC\$300 per week to attend training without any contribution from employers who benefit from what is essentially free labor. Participants of the program may access a loan of up to \$10,000 for business start-up from the St. Kitts Development Bank at a lower interest rate but the applicant is expected to meet the bank's loan eligibility criteria and requirements including collateral. It is felt that this is not adequate and a special loan facility to provide soft loans for YES graduates is being proposed. The General Manager of the Bank who is on the management team of the program is seeking funding for the recently completed proposal. The Hon. Mr. Phillips, Minister of Youth stated that the program is drawing students away from a similar program, Project Strong, administered by the Ministry of Education, because of the higher stipend which is \$60 per week.

The Hon, Mr. Phillips proposed that the various programs for youth skills training should be better aligned – e.g. make Project Strong a feeder program for YES which would address higher level skills needs. The ministry is currently developing a National Youth Policy.

The Youth Department runs summer sports programs and film programs for youth at risk. The film-making has generated a lot of enthusiasm among youth. It is currently developing a program for primary schools which would encourage young children to establish a business to make postcards and craft.

Strengths Related to Youth Skills and Employment

- The Ministry is enthusiastic about developing new programs for the youth and recognizes the weaknesses of YES
- The Ministry is also seeking to implement a Youth Business Trust program in St. Kitts and Nevis and is currently studying other successful models such as the Barbados Youth Business Trust and Dominica Youth Business Trust programs, Dominica Youth Business Trust provides loan guarantees to young entrepreneurs.
- Mobilized large numbers of young people to get off the streets – a ready audience for messaging, awareness raising, etc.
- YES program has targeted vulnerable youth, at-risk.
- Ability to get businesses involved to host internships
- Some teachers are professionals employed in the field which enables them provide more relevant and practical skills training.

Challenges

- The stipend is too high to be sustainable especially as the government is concerned about the cost of the program which is now becoming a fiscal burden.

- Although, the YES program gets young people of the streets and provides a vehicle for welfare distribution, the Ministry acknowledges that the program is abused. The attendance is poor on most days except Friday when the stipend is paid. The ministry is working to reduce rent-seeking and leakages.
- Students who do not find a job have applied to return to the program for another round of training as some see it as a source of income.
- Selection of courses offered is based on student application forms rather labor market data or employer feedback
- Life skills training are weak due to the pedantic religious approach that youth find boring. This was confirmed in discussions with young people and the YES Director himself.
- The approach to job placements needs improvement as students are often placed in jobs with no thought to the relevance and career goals of the participants. There is no systematic approach and a lot depends on the initiative of individual employers and instructors.

Potential Improvements/ Recommendations

- Provide funding to assist the government to continue the YES program
- Consider reducing the YES stipend and align its programs more closely to other programs targeting the same audience as proposed by Minister Phillips.
- Provide more structure to internships and relations with employers
- Include employers on the management board of YES to ensure market needs are reflected more readily into the design and planning of programs
- Train youth as life skills coaches and peer mentors and instructors of the life skills classes.

CARICOM Ambassador/Financial Advisor to Prime Minister

Mr. Wendell Lawrence, Ambassador to CARICOM, St Kitts and Nevis

Ambassador Lawrence represents St Kitts and Nevis at CARICOM and is also the Financial Advisor to the Hon. Prime Minister Denzil Douglas. While he does not directly oversee youth related programs, he is an influential member of the community and champions youth initiatives through his CARICOM position. He supports programs in SKN, especially Project Strong and recommends expansion of this program, more relevant life skills/employability training, mentorships between young people and older people and role models. He advocates an OECS youth service program with an exchange component.

St. Kitts and Nevis Chamber of Commerce

Wendy Phipps, Executive Director

Michael Morton, President

The Chamber represents registered businesses in SKN providing advocacy to the government and a forum for discussing common challenges. The gap between the attitude and skills of young people and what employers need is one of the biggest challenges the

Chamber's members face. Approximately 70% of its members are small firms and simply cannot afford to specific in-house training programs as the cost is too high.

In 2009 the ECCB handed over the responsibility of the SKN Junior Achievement program to the Chamber. It is working on a primary school curriculum called Dollars and Cents and a secondary school program called the Innovative Company Project.

Ms. Phipps is advocating for the establishment of an OECS Business Council which would be responsible for setting up a National Productivity Centers in the OECS based on several successful models such as the Barbados Productivity Center. This Center would provide management consulting to SME members of the Chamber and life skills training for their employees.

Strengths Related to Youth Skills and Employment

- The Chamber is essentially the only voice of the private sector in SKN and is influential in promoting new programs to employers.
- Junior Achievement has been successful in SKN and the Chamber is a strong supporter
- Mr. Morton, the President of the Chamber and the CEO of one of SKN's largest firms, Trading and Development Company (TDC) is a strong advocate of private sector linkages to the education system. TDC runs several CSR related activities including a merit-based scholarship program for low-income girls and boys.

Challenges

- Most of the Chamber's members are small and not able to spend very much money on training or CSR related programs to help at-risk youth.
- The Chamber does not have the resources to effectively develop and manage programs that meet the changing needs of employers
- It tends to have a more reactive approach to meeting the demands of its employers

Potential Improvements/ Recommendations

- Work to integrate Junior Achievement into the curriculum of schools so that it reduces the teaching load of the teachers who are trained to deliver it as an after-school enrichment program
- Promote CANTA certifications and the MOE's new TVET strategy
- Promote better participation and leadership by school guidance counselors in career counseling and job fairs
- Invest in better literacy programs and "work attitude" skills
- Establish more structured internship programs and engagement between schools and employers

Eastern Caribbean Central Bank

Daniel Arthurton, Deputy Director, Financial and Enterprise Development
Youlouca Armony-Browne, Deputy

The ECCB no longer directly implement programs for youth but plays a role in sharing information and facilitating communication between programs in the region. For example it hosts a quarterly video conference among Junior Achievement (JA) chapters in the region to discuss common challenges and learn share experience. Mr. Arthurton is knowledgeable about a number of other programs in the region citing entrepreneurship and financial literacy programs in virtually all of the islands. The ECCB had sponsored JA in SKN until recently when the Chamber of Commerce assumed responsibility for the program. The ECCB's PR department delivers courses on savings and investment, entrepreneurship and financial literacy in SKN.

Strengths Related to Youth Skills and Employment

- Respected institution among businesses across the Eastern Caribbean
- Develops and maintains strong economic data

Challenges

Mr. Arthurton cited common challenges and weaknesses of Junior Achievement that emanated from the quarterly video conference calls:

- Difficulty in financing JA at the local level citing the expense of teaching and learning materials for participants and membership fees to JA International.
- High turnover of country coordinators
- Volunteerism of mentors and companies is 'hit or miss' and inconsistent across programs and from one year to the next
- Teachers are too busy with the regular workload and there is little consistency in support from school principals

Potential Improvements/ Recommendations

- Establish business resource centers for small firms and entrepreneurs modeled on the Centers for Entrepreneurship and Executive Development (CEED) established by USAID in many former Soviet bloc countries the Canadian government's small business centers.

National Entrepreneurship Development Department (NEDD)
Ministry of International Trade, Industry, Commerce and Consumer Affairs
Philip Browne, Project Officer

NEDD provides services to entrepreneurs wishing to establish a business. It also provides assistance in marketing surveys, proposal development for funding applications to banks and provides training in small business management. In the past year NEDD worked with 75-100 entrepreneurs. The key constraint to business development, according to Mr. Browne, is access to finance.

Strengths Related to Youth Skills and Employment

- Provides direct support, mentorship and advice to new businesses

Challenges

- Access to finance remains a huge challenge. Credit Unions have potential to provide support to new enterprises but require collateral. They will accept savings which is usually a percentage of the total loan amount.
- There are limited opportunities for youth after they receive entrepreneurship training – limited access to markets or finance.

Potential Improvements/ Recommendations/

Establish a new credit guarantee scheme for new, small businesses working through NEDD to provide technical assistance in an incubator-style arrangement. The establishment of the Youth Business Trust mentioned by the Ministry of Youth could be the vehicle.

Ministry of Education

Honorable Nigel McCarty, Minister of Education

Mr. Glen Edwards, TVET Director and Director of Project Strong

The Ministry of Education (MOE) is central to the government’s initiatives to address the skills needs of young people and the quality and relevance of education. The ministry’s plans are enumerated in detail in the *White Paper on Education Development and Policy 2009-2019: Raising the Standard, Maximising Resources, Aligning with Best Practices, Promoting Success for All*. The paper was developed over three years following passage a new education law in 2005.

The strategy articulates a vision for, among other things, decentralization, better coordination and progression of students through the system, improving the relevance of vocational technical education, addressing children with special needs, lifelong learning and integration and alignment with regional initiatives such as the Caribbean Vocational Qualifications (CVQ) system. The strategy identifies short-, medium- and long-term action agenda items for each stage and institution in the education system.

This report strongly recommends assisting the MOE to restructure and align TVET programs to further the objective of CVQ implementation. This includes increasing autonomy for the National Skills Training Programme and Clarence Fitzroy Bryant College (CFBC) and aligning high school level vocational education in all eight high schools, AVEC, Project Strong, the National Skills Training Program and CFBC to establish a proper CBET structure for student progression and certification of TVET programs. This would include a QA system for standards-based accountability and creating more structured linkages between education institutions and employers.

Basseterre High School, AVEC, Project Strong and CFBC are summarized below. Supporting the MOE’s systemic reform of the TVET system involves all four institutions. Streamlining programs and promoting adoption of the CVQ competency-based standards would lead to a more efficient skills development system to prepare youth for productive employment.

Community Achievers Programme and Basseterre High School

Joan Barcoum, Director and co-founder, Community Achievers Programme (CAP)
Urlene Roberts, Principal, Basseterre High School

The Community Achievers Programme (CAP) is an NGO devoted to serving the needs of at-risk children and youth. It was established in 2006 to provide remedial literacy and math education and tutoring to low income children. CAP, in partnership with Basseterre High School, has begun targeting young teens in upper primary and secondary school, providing hands-on training in agriculture on an organic farm on St. Kitts. It has mobilized support from a diverse set of community leaders, ministries and donors to develop entrepreneurship and life skills.

Basseterre H.S. has launched an apprenticeship program in the spring, 2010, for underachievers that holds a great deal of promise as a model for all levels of technical education in the country.

The Partners for the America's *A Ganar* program was introduced in 2010 with funding from USAID. *A Ganar* is implemented in SKN by a partnership between CAP, St. Kitts-Nevis Football Association and Hope Nevis. It uses soccer and life skills curriculum to build self-confidence, entrepreneurship skills and soft skills. The first cohort of 140 youth completed the six week training course this spring. Another 250 youth are planned to participate by fall 2010.

Strengths Related to Youth Skills and Employment

- Strong and dynamic leadership at BHS and CAP focused on solving problems themselves without waiting passively for direction and resources from the central ministry. BHS and CAP demonstrate strong willingness to try new things to address the challenges of youth. The leadership is reflected in a motivated staff (teachers and guidance counselors) who are working with the young people directly.

Challenges

- Lack of resources for training facilities but this has led to a strength as having motivated the leaders to start the apprenticeship program

Potential Improvements/ Recommendations

- Invest in expanding the apprenticeship model to other high schools and provide additional resources to BHS to expand the program for more students
- Build on the apprenticeship program to adapt it upstream in the system in other vocational training programs such as AVEC, Project Strong and CFBC

Advanced Vocational Education Centre (AVEC)

Mr. Glen Edwards, TVET Director, Ministry of Education

The Advanced Vocational Education Centre (AVEC) was established in 1992 to accommodate students who do not have the requisite subjects for entrance into the CFBC. Students may enter with five CCSLC (Grade 9 examination) or CXC's. Upon successful completion of the course, they may transfer to CFBC. The center focuses on CXC's but

would like to offer more vocational programs. This presents an opportunity to build the capacity of the center in that regard. It should be noted that AVEC is not an accredited institution.

Strengths Related to Youth Skills and Employment

- Potential to offer “second-chance” skills training to drop-outs
- Willingness to offer training for small businesses as a means of raising revenue that could be used to upgrade facilities and instructors

Challenges

- AVEC was cited in interviews as having enormous weaknesses in providing training to young people particularly in terms of its facilities and instructors.
- Training offered is not aligned with the needs of the market. For example, metal work is an area where skills are in demand (ref. body of this report) but only two students were enrolled in metal work during the entire period between 2000 -2008. This could be due to lack of interest on the part of the students and not poor alignment to market needs.

Potential Improvements/ Recommendations

AVEC’s structure and role should be redesigned as part of the realignment of vocational education. This has begun under the new MOE strategy to adopt a comprehensive competency-based CVQ through the National TVET Council.

Project Strong

Mr. Glen Edwards, TVET Director, Ministry of Education

Project Strong was created in 1988 by Washington Archibald, a former school principal who recognized the gap in education system. Project Strong is co-sponsored by the MOE and the Rotary Club of St. Kitts and Nevis. Project Strong targets low income, marginalized, non-academic youth (16 – 18 years old) who have dropped out of school or have a weak academic record. The project provides skills training, including soft, “employability skills” in various areas and an opportunity for thirty-two students to receive on-the-job training in businesses such as hotels, retail outlets, mechanic shops, and others. A weekly stipend of EC\$60 is paid to each participant of the program

Strengths Related to Youth Skills and Employment

- Good reputation with employers as addressing an important national priority – addressing the needs of at-risk youth
- Established relationships with employers to host internships

Challenges

- Stipend of EC\$60 per week which is considered by program managers to be too low
- Quality of training was reported to be mixed
- Life skills training is not meeting the needs of employers and internships could be better structured and formalized

Potential Improvements/ Recommendations

- Better align management, curriculum and internships of Project Strong to overall TVET/CVQ strategy
- Create more structured internship program, e.g. competitive selection of interns by employers and participation of employers in curriculum planning, adjunct teaching and apprenticeships

Clarence Fitzroy Bryant College

Ms. Barbara McPhail, Principal

Clarence Fitzroy Bryant College (CFBC) is the principal post-secondary education institution in St Kitts-Nevis. It admits the secondary school graduates with a minimum of 5 CXC passes. This includes students who performed well at AVEC. CFBC has an annual intake of about 300 in its technical division and graduates about 70% of its students. Its enrollment in 2009-2010 was about 700. It delivers a two-year teacher education program, a three-year nursing program and two-year programs in math/science and vocational technical training. It has not yet begun to implement the CVQ programs but plans to do so. Ms. McPhail noted the poor quality and very slow progress in implementing reforms. CFBC does not work with drop-outs or youth who would be considered at-risk. Its architecture, IT, automotive and air conditioning programs are doing well but it faces difficulty in attracting teachers for carpentry, plumbing and metal work – all areas cited in the report where employment demand is relatively high. There is no agriculture program.

CFBC is in the midst of becoming more autonomous through education legislation that authorizes a quasi-independent board of trustees.

Strengths Related to Youth Skills and Employment

- Though inconsistent, some teachers have been able to create innovative programs. For example, a business studies teacher had students create mock businesses as part of a course project
- CFBC plans to adopt the CVQ's competency-based system of training and assessment holds promise to re-orient the programs offered at CFBC toward work

Challenges

- Instructor quality is not consistent and there is a lack of interested and qualified instructors
- Lack of structured internships and job placements. Internships are dependent on the instructor's connections and management. Some are better and more enthusiastic about job placements than others.
- CXC constrains innovation and flexibility to try new programs or fit country-specific needs into the curriculum
- Lack of a holistic approach – the curriculum has an academic focus. Little attention is paid to other elements important in a student's development, e.g. sports, drama, other forms of enrichment

Potential Improvements/ Recommendations

- Tracer studies and better labor market information would enhance efforts to adopt the CVQ system and re-orient the programs toward the needs of the job market
- CFBC should be equipped to offer levels II and III of the CVQ with better alignment with secondary schools equipped to provide Level I
- Introduce entrepreneurship into the curriculum
- Change requirements for personnel and staffing to encourage professionals and master craftsmen to teach part time, host students on-site, etc. “A lot of people want to teach, but few want (or can afford) to be teachers”—allowing more flexibility, perhaps even on a pilot basis, for hiring part time and adjunct type instructors would allow the school to meet demand in high-value trades

IV. Antigua & Barbuda

Office of the Ministry of State—Sports, Local Government, and Special Projects, Ministry of Education, Youth, Sports, and Gender Affairs (OMS-SLS)

A recent amalgamation of distinct offices within the Ministry of Education, Youth, Sport, and Gender Affairs This new office has been charged with administering a school meals program, encouraging sports and recreation including the launch of the Community Youth Development Programme, and promoting democratic principles among national sports entities.

Of particular interest is OMS-SLS’s goal to increase sports related economic activity. They view sports not only as a productive after-school activity but also as an unexploited source of employment and income for youth. Specifically, OMS-SLS would like to introduce training for youth in physical therapy, refereeing and officiating, coaching, grounds keeping, and in facilities maintenance.

Strengths Related to Youth Skills and Employment

- Have a developed strategic plan that includes unique youth-focused initiatives.
- Seeking to promote sports-related employment for youth
- Interested in providing life skills to youth
- Sensitive to needs of girls in sports programs

Challenges

- Don’t have human resources in place to support all of their proposed activities
- Facilities for all the envisioned programs are not yet available

Potential Improvements/ Recommendations

- Provide assistance with staffing life skills instructor positions
- Sports equipment

Antigua and Barbuda Institute of Continuing Education (ABICE)

ABICE is a relatively young school that brought together three distinct institutions in 2005: the Golden Opportunity Programme, which catered to female drop outs and pregnant teens; the Youth Skills Training Project, funded by USAID, the OAS, and the Government of Antigua and Barbuda to provide vocational training to youth; and the Evening Institute, which offered provided instruction to school leavers in preparation for CXC's and other diplomas.

ABICE is a government financed institution that currently offers a business program, instruction in various trades, cosmetology, and a literacy program. They admit students above the age of 16. Tuition for the day program is free for Antiguan and Barbudan nationals. Their most popular programs are cosmetology, automotive repair, and electrical technician. ABICE recently integrated the CVQ into their curriculum and will be offering lower-level certificates in cosmetology, plumbing, welding, automotive repair, and masonry by the end of the year. They will eventually be able to offer CVQs up to level 3 in some areas.

ABICE's drop-out rate has increased over the last few semesters; this has been attributed to transportation difficulties experienced by students and the perception that ABICE is for substandard students. This perception persists as a result of ABICE's absorption of the Youth Skills Training Project, which catered to at risk youth. ABICE is currently working on changing this perception. Students in ABICE are generally interested in learning trades and less so in building their soft skills and remedial reading and math courses. Some of ABICE's students are referred by the courts or are otherwise troubled. Lack of funding for guidance counselors for these youth is a distinct need and one which will help with retention. ABICE's facilities are in need of upgrading and their teachers would like pedagogical training to support their technical knowledge.

Strengths Related to Youth Skills and Employment

- One of the only institutions in the St. John's area that will admit school leavers and others without passing the CXC's.
- Also admit troubled youth including those transitioning from the juvenile justice system.
- Offer training in a variety of vocational skills.
- Have begun to integrate CVQs into their curriculum.
- Tuition for the day program is free for Antiguan nationals aside from a modest registration fee.

Challenges

- High dropout rate.
- Lack of capacity to provide soft skills instruction.
- Lack human resources to provide guidance to at risk youth and those referred from the justice system.
- Instructors need upgraded pedagogical skills.

Potential Improvement/ Recommendations

- Capacity building for instructors.
- Further integrate CVQs into curriculum.
- Hire guidance/career counselors.
- Assist with equipment purchases and facilities upgrading.
- Job placement tracer studies.

Antigua State College

A free, public tertiary educational institution offering a variety of programs including Advanced Levels (A levels), teacher training, commercial business, guidance and counseling, engineering, and first year university, which is offered in collaboration with the University of the West Indies. Most of the programs require at least 4 or 5 CXC passes except the engineering program which admits those with three CXC passes. The engineering program offers training in refrigeration, air condition, construction, and electronics.

Strengths Related to Youth Skills and Employment

- Premier post-secondary institution in Antigua.
- Established internship program.

Challenges

- Job placement tracking data unavailable.
- Little private sector input into their programming.

Potential Improvements/ Recommendations

- Assistance with launch of job attachment program.
- Expand vocational/technical offering.

Gilbert Agricultural and Rural Development Center (GARD)

GARD began as an agriculture training center but has expanded to also offer a variety of vocational training programs including plumbing, cosmetology, business and office practices, handicrafts, ICT, and enterprise development. They focus on at risk youth and those below the poverty threshold. Students must have completed third form and have basic level of literacy and numeracy skills to be accepted. GARD's agricultural students are not graduating from the program in large numbers for reasons that include a negative perception among youth of work of the opportunities in this sector and lack of arable land available to students. Their other programs are also experiencing difficulties with high drop-out rates and job placement, but they are working on improving in these areas. GARD was able to confirm the relevance of their course offerings based on a market feasibility study conducted by the International Youth Foundation. USAID is currently supporting GARD in providing training to approximately 180 youth in vocations such as plumbing, cosmetology, masonry, tractor driving, ground maintenance, as well as soft skills.

Strengths Related to Youth Skills and Employment

- Offers training in agriculture, which is seen as a growth industry by some on the island.
- GARD has a very good reputation on the island.
- Has a access to a revolving loan fund.
- Successful in placing students participating in their office practice program in internships.

Challenges

- High dropout rates.
- Mixed success with job placement.
- Underutilization of the revolving fund

Potential Improvements/ Recommendations

- Improve retention and job placement.
- Obtain certifications for the agricultural program.
- Becoming a youth business trust.
- Capacity building and expansion for mentorship program.

Caribbean Center for Sports Education and Training (CCSET)

The Caribbean Center for Sports Education and Training operates a primary and a secondary school and is licensed by the Ministry of Education in Antigua and Barbuda. They offer a unique approach that incorporates academics, arts, and athletics and emphasizes individualized learning in small groups and one-on-one interaction with teachers. CCSET targets primary school leavers and at risk youth.

A major distinction at CCSET is that they do not prepare students for the CXC examinations. Instead, they offer secondary school diploma courses based on Canada's Ontario System. A core component of the two year, post-secondary curriculum is industry specific technical training in growing sectors: health & fitness training, childcare; agri-business; watersports, lifeguard and recreation.

CCSET currently has a small student body. In recognition of academic underachievement of boys, most of their secondary student body is male. CCSET is preparing to broaden their intake of students and would like to offer scholarships to less fortunate students.

Strengths Related to Youth Skills and Employment

- CCSET has several existing programs targeted toward non-academically inclined and at risk youth including a music therapy program, basketball league, and training sessions.
- 92 percent of CCSET's graduates have been accepted into universities: significantly better than the 11-14 percent OECS average.
- Invests in career guidance and operates an internship program in partnership with several key businesses in both the local and international private sector including, hotels, ICT businesses, photography, retail, journalism, manufacturing and distribution.

- Enjoys the respect of the local community and is already partnering with the Ministry of Education, Sports, and Youth Affairs.

Challenges

- Tuition is expensive and currently out of reach for most Antiguan.

Potential Improvements/ Recommendations

- Increase linkages with Office of the Ministry of State—Sports, Local Government, and Special Projects, Ministry of Education, Youth, Sports, and Gender Affairs’ youth program.
- Assist in expansion of post-secondary program targeted toward at risk youth.
- Support a seed fund for youth entrepreneurship.

Antigua and Barbuda International Institute of Technology (ABIIT)

ABIIT is a public post secondary institution that offers associate degrees in banking and finance, accounting, business administration, graphic design, management information systems, computer science, and computer network engineering. They also offer two diplomas—in architecture and office operations. ABIIT also offers remedial classes for those weak in math and English skills. These courses give students a chance to obtain a CXC equivalent recognition. ABIIT does not grant A levels; their curriculum follows the US high school/university model.

ABIIT competes with Antigua State College in that it aims to attract students graduating from secondary school. Admission requirements for recent grads are 5/6 CXC passes. An important exception is made for students over 25, who do not need any CXC passes to enter the school but instead require adequate references from work. About 80 percent of the students work while attending ABIIT.

They have a total of 450-500 students, 80 percent of which are over 25. The remaining 20 percent enroll immediately after completing secondary school. The government subsidizes about 2/3 of their budget but they have an independent board.

Strengths Related to Youth Skills and Employment

- Strength in IT and related subjects
- Tuition is much cheaper than a private school or college but not quite as cheap as Antigua State College.
- Modern facilities
- Most of instructors are active practitioners
- Previously employed a non-permanent subcommittee from the banking and finance sector that helped them develop the curriculum for that program

Challenges

- Their computers date from the time of the school’s inception and are outdated.
- Internships appear to be underutilized.
- Weaker in job placement and tracing

Recommendations/ Potential Improvements

- New computers
- Virtual library
- Expansion of internship and job placement program
- Linkages with private sector to further tailor curriculum
- Job tracing

Antigua and Barbuda Hospitality Training Institute (ABHTI)

ABHTI, a post-secondary institution focusing on hospitality training, is a statutory body of the Ministry of Tourism, Civil Aviation, Environment and Culture. They offer 6-8 week short courses, one year certificate programs, two year diploma courses, and associate degrees. Courses are offered in the areas of Food and beverage, culinary, or hospitality management.

Their students are between the ages of 16 and 25. They have about 200-300 night evening students and 130-140 day students. The two year program requires five CXC passes including math and English while the one year program requires only three CXC passes. The culinary arts program is currently the most popular. They require soft skills training in customer care and human relations. The main curricula of the institute are that of the Caribbean Tourism Learning System (CTLS) developed by the Caribbean Tourism Organization.

Strengths Related to Youth Skills and Employment:

- Developed internship program
- Attract students from other islands
- Working toward becoming center of excellence
- New, modern facilities

Challenges

- Relationship with private sector
- Trouble identifying trainers for the evening program
- Not perceived by Antiguan as a desirable educational opportunity

Potential Improvements/ Recommendations

- Linkages with private sector; assist ABHTI to become even more responsive to private sector requests for staffing assistance
- Capacity building for staff
- Outreach and social marketing campaign to educate secondary school students about careers in the hospitality industry
- Marketing to students on other OECS countries

St. John's Cooperative Credit Union (SJCCU)

St. John's Credit Union is the second largest credit union in Antigua, with over 10,000 members. SJCCU manages a revolving fund for the Gilbert Agricultural and Rural Development center (GARD), which enables youth to access up to EC \$5,000 of financing for agricultural activities. This revolving fund has not been used to its fullest potential, and could potentially be promoted. About 50 percent of SJCCU's loan portfolio is dedicated to mortgage finance, land, and housing repairs. Personal loans used for consumption are the next largest category followed by vehicles. Business loans comprise only 4 percent of the loan portfolio. This may be a result of more stringent documentation and collateral requirements for business loans. As a result, some people may take out personal loans to finance small businesses since the documentation and collateral requirements are not as strict as those for a business loan. To lend from the credit union, an individual must purchase a minimum of EC \$100 worth of shares and demonstrate positive savings behavior over a period of six months. SJCCU is interested in lending to youth but would require assistance with setting up a new unit that would employ alternative credit methodologies, collateral requirements, and monitoring.

Strengths Related to Youth Skills and Employment

- SJCCU is liquid and has greatly reduced the high delinquency rate they had three years ago.
- Could offer youth a framework to combine savings and lending.

Challenges

- Current collateral requirements may impede youth business lending.

Potential Improvements/ Recommendations

- Sponsor strategic planning.
- Develop new product line for youth micro/small enterprises.
- Assistance with development of new strategic plan.

Antigua and Barbuda Development Bank (ABDB)

ABDB is a statutory development finance institution that was set up by the government to provide credit to productive sectors including to small and micro businesses. They currently have about 175 small business clients. Similar to other financial institutions, the ABDB reported that delinquency is increasing as a result of the economic situation, although in their case it has not reached unmanageable levels. They are currently not lending to businesses that operate in saturated markets such as restaurants and bars since revenues from these types of businesses are declining. ABDB is interested in financing innovative businesses that are breaking into new areas with little competition. They have launched a new initiative that brings together new opportunities, entrepreneurs, financing, and ongoing monitoring and evaluation in emerging sectors such as renewable energy. ABDB sees promise in the agricultural and agroprocessing sector, and are financing a pineapple export operation.

As with many banks in Antigua and Barbuda, ADBD desires to increase its portfolio. They were eager to join a government loan guarantee scheme, but it appears that the government will not be able to proceed with this assistance due to the poor state of the government's finances.

Strengths Related to Youth Skills and Employment

- Conservative lending practices have helped them maintain a low delinquency rate.
- Stable finances.
- Ability to borrow from international institutions.

Challenges

- From the perspective of USAID's desire to lending to youth, the ABDB is perhaps not of principal interest.
- Their conservative lending practices will probably inhibit them from expanding their lending to the youth demographic.

Potential Improvements/ Recommendations

- Support for incubator units.
- Strengthening of bank's ability to provide marketing and accounting support to borrowers.
- Additional finance or loan guarantees.

National Development Foundation (NDF)

NDF is a private, non-profit organization set up to promote small business development. They offer credit, technical assistance, training, business management, and market promotion to entrepreneurs and emerging businesses. NDF receives funding from the EU and CIDA and also has loans from the Antigua and Barbuda Development Bank. They offer credit to high risk, emerging businesses. About 50% of their loans go to start-ups and about 50% are repeat clients. They currently have about 1,100 clients of which about 30% are between 20 and 30 years of age. All of their loans require collateral usually equal to the value of the loan.

Strengths Related to Youth Skills and Employments

- One of the only institutions on the island that actively lends to youth.
- NDF already has training services associated with their lending program, which could be expanded to include youth focused trainings.
- Their partnership with the Antigua and Barbuda Investment Authority has the potential to further expand assistance to youth entrepreneurs.

Challenges

- NDF's clients don't receive enough support from them in registering their businesses and taking advantage of the concessions that small businesses are eligible for.
- Youth often have difficulty providing collateral for their loans.
- Their delinquency rate has increased in the last few years to levels that will likely impact their finances.

Potential Improvements/ Recommendations

- Assistance in developing an incubator unit
- Expansion of the training program
- Additional staff including a business development officer
- Additional capital for on-lending

Employers Federation represents the interest of employers in Antigua. Their key focus is on providing training in employer relations and advising businesses on labor codes. The *Antigua and Barbuda Chamber of Commerce* has 140 members including banks, large and small firms, and individual business owners. They conduct advocacy, training, and educational activities on behalf of their constituents. The Chamber might be interested in championing increased private sector involvement in curriculum design in school. The *Antigua Hotels and Tourist Association* represents the local hospitality sector. They offer scholarships for students to earn an associate degree in management from the Antigua and Barbuda Hospitality Institute.

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USAID
FROM THE AMERICAN PEOPLE

ADDENDUM

YOUTH WORKFORCE DEVELOPMENT ASSESSMENT

FOR USAID / BARBADOS & THE EASTERN CARIBBEAN

COMMONWEALTH OF DOMINICA
ST. VINCENT & THE GRENADINES

ACRONYMS

ACED	Adult and Continuing Education Division
ACEP	Adult and Continuing Education Program
ALBA	Bolivarian Alliance for the Peoples of Our America
ASTP	Adolescent Skills Training Program
BTC	Business Training Center
CALLS	Center where Adolescents Learn to Love and Serve
CARICOM	Caribbean Community
CCSLC	Caribbean Certificate of Secondary Level Competence
CDB	Caribbean Development Bank
CED	Center for Enterprise Development
CEE	Common Entrance Exam
CFC	ChildFund Caribbean
CPA	Country Poverty Assessment
CSEC	Caribbean Secondary Education Certificate
CSME	Caribbean Single Market Economy
CVQ	Caribbean Vocational Qualification
CXC	Caribbean Examinations Council
DAIDB	Dominica Agricultural and Investment Development Bank
DCA	Development Credit Authority
DCSL	Dominica Cooperatives Societies League Ltd
DYA	Division of Youth Affairs
DYBT	Dominica Youth Business Trust
EC	Eastern Caribbean
ECCB	Eastern Caribbean Central Bank
EU	European Union
FOTA	From Offending to Achieving
GDP	Gross domestic product
GOCD	Government of the Commonwealth of Dominica
GOSVG	Government of St. Vincent and the Grenadines
GSPS	Growth and Social Protection Strategy
IMF	International Monetary Fund
JSP	Junior School Program
MCITP	Microsoft Certified IT Professional
MDG	Millennium Development Goals
NAB	National Accreditation Board
NDF	National Development Foundation (St. Vincent and the Grenadines)
NDFD	National Development Foundation of Dominica
NYC	National Youth Council
OECD	Organization for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
POETA	Partnership in Opportunities for Employment through Technology in the Americas
PPA	Participatory Poverty Assessments

SBAF	Small Business Assistance Facility
SBDU	Small Business Development Unit
SFA	Special Framework for Assistance
SSDF	Saint Lucia Social Development Fund
SVGCC	St. Vincent and the Grenadines Community College
SVGCCCL	St. Vincent and the Grenadines Credit Union Cooperative League
SVGCIC	St. Vincent and the Grenadines Chamber of Industry and Commerce
SVGSIF	St. Vincent and the Grenadines Social Investment Fund
SVGYBT	St. Vincent and the Grenadines Youth Business Trust
TVET	Technical-Vocational Education and Training
USAID	United States Agency for International Development
UWI	University of the West Indies
YAP	Youth Assistance Program
YDD	Youth Development Division of the Ministry of Culture, Youth, and Sports
YES	Youth Empowerment Scheme
YOUBET	Youth Business and Entrepreneurship Development Training Program
YPEP	Young Parents Empowerment Program

E. The Commonwealth of Dominica

Economic and Social Context

The Commonwealth of Dominica (Dominica), the largest and most rugged of the Windward Islands, is called the “Nature Island” of the Caribbean because of its relatively un-spoilt, mountainous beauty. It has a land area of 750 square kilometers (290 square miles) with forests, parks, and protected area reserves and hundreds of rivers, geysers, hot springs, and waterfalls accounting for about 25 percent of the country’s total land mass and is about 50 percent of government land. About 6.7 percent of Dominica’s landmass is arable land.

Dominica is an upper-middle income country with one of the lowest GDP per capita in the OECS.⁸⁵ GDP has been rising steadily throughout the decade, from \$271 million in 2000 to an estimated \$375 million in 2010.⁸⁶ In 2009, Dominica experienced a decline in economic growth of 0.3 percent due to contraction in the tourism, construction, mining, and manufacturing sectors.⁸⁷ Tourism receipts are estimated to have decreased by 16 percent, foreign direct investment inflows by 18 percent, and remittances from Dominicans living overseas by 51 percent.⁸⁸

By sector, agriculture comprises 17.2 percent of GDP, industry 23.6 percent, and services 59.3 percent.⁸⁹ Agriculture remains an important part of the economy despite the collapse of the banana industry. The sector is dominated by small, privately-owned farms ranging from one to five acres, the majority of which were once devoted to banana cultivation. Public sector activity is the largest single contributor to the economy and comprises about 19 percent of total GDP. In 2009, the Government continued to accelerate the implementation of its Public Sector Investment Program in order to generate economic activity, which contributed to stemming greater decline in economic growth. The make-up of the economy by sector is presented in Table 1.⁹⁰

Table 1. GDP by Economic Sector 2009

Sector	Percent of GDP
Government Services	19.24%
Agriculture	17.38%
Wholesale and Retail Trade	13.98%
Banks and Insurance	15.51%
Transport	9.95%

⁸⁵ Depending on the measure used, Dominica has either the lowest or second lowest per capita GDP in the OECS. For 2010, Dominica is estimated to have per capita GDP of US\$5,120 in current prices but US\$10,390 using the purchasing-power-parity method. In 2010, St. Vincent and the Grenadines is estimated to have a per capita GDP of US\$5,419 in current prices but US\$10,085 using the purchasing-power-parity method. All figures are from the IMF World Economic Outlook Database

⁸⁶ IMF World Economic Outlook Database

⁸⁷ Commonwealth of Dominica, *Economic and Social Review for the Fiscal Year 2009/2010*, July 2010.

⁸⁸ Dominica Budget Address 2010 -11

⁸⁹ World Bank, *Dominica Data at a Glance*

⁹⁰ All data are from Commonwealth of Dominica, *Economic and Social Review for the Fiscal Year 2009/2010*, July 2010.

Communications	9.39%
Construction	9.08%
Electricity and Water	5.11%
Real Estate and Housing	3.91%
Manufacturing	3.79%
Other services	1.55%
Hotels and Restaurants	2.39%
Mining and Quarrying	.91%

The population and labor force growth rates for Dominica are relatively low. In 2008, Dominica had a total population of 73,193 (73 percent urban and 27 percent rural). The estimated population as of July 2010 is 72,660.⁹¹ Starting in 2006, the annual population growth rate was just 0.55 percent for three consecutive years, and the rate appears to have fallen even further, to an estimated .20 percent, from 2009-2010. Prior to 2002, the country experienced a negative population growth rate of about -0.3 percent which was attributed to the emigration of Dominicans. Dominica had an emigration rate of 38.3 percent⁹² and a net migration rate of -5.45 per 1000 persons in 2008. Over 45 percent of Dominica's emigrants live in North America.

According to the Country Poverty Assessment carried out in 2001, approximately three-quarters of youth between the ages of 15-24 years from poor households are unemployed.⁹³ As noted in the Growth and Social Protection Medium-Term Strategy 2006 (GSPS 2006), this age group accounts for almost half of unemployed persons in Dominica. The economy is failing to create jobs, particularly for first-time job seekers, as confirmed during the Participatory Poverty Assessments (PPAs).

The Government of the Commonwealth of Dominica (GOCD) has identified youth development as a priority and regards entrepreneurship as a means to reducing unemployment since the private and public sectors are not expanding fast enough to absorb school leavers. The private sector is comprised of relatively few large family-owned companies and a larger number of micro, small, and medium-sized businesses, the majority of which operate in the informal economy.

Since the collapse of the banana industry, due to loss of preferential agreements with the European Union, there has been a focus on the development of the services industry, which has now become the lead sector. This requires a larger number of medium- to high-skilled employees. The major challenge is that the education system and various initiatives designed to support this transition have not met this growing demand. This is often due to a combination of poor information on the needs of the private sector and the lack of technical, human, and physical resources to translate those needs into an employable and marketable labor pool.

Although the average Dominican's goal is to obtain education and employment, the entrepreneurial culture is stronger than that of the other OECS islands. The greater sense of community, cooperation, and innovative spirit among the people (especially women) has

⁹¹ <https://www.cia.gov/library/publications/the-world-factbook/geos/do.html>

⁹² http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_DMA.html

⁹³ Country Poverty Assessment 2001

manifested itself in the development and production of a wide range of local products in the creative and agribusiness sectors. However, this entrepreneurial class faces many challenges that prevent those innovative products from reaching the market. Recognizing that these micro and small businesses are an important source of employment generation, the GOCD established various programs to improve access to finance and to provide technical assistance and mentorship services to young entrepreneurs. These initiatives include the Dominica Youth Business Trust and the creation of the Small Business Unit in the Ministry of Trade which provide technical assistance, training, and loan guarantees or grants.

What are the country's economic development goals, initiatives, successes, and challenges?

The GOCD has declared Dominica a pro-poor country and has identified poverty reduction through economic growth and employment creation as its priority economic goals. Government services and agriculture were two of main drivers of the economy in 2009-2010.⁹⁴ In its Medium-term Growth and Social Protection Strategy (GSPS 2006), the government identified agriculture and tourism as the two main pillars of the economy. The sectors and sub-sectors earmarked for development include tourism and tourism-related services (e.g., diving, restaurants, golf, and marinas), manufacturing, construction, and information and communication technology (ICT).

Agricultural diversification into other areas of production, that is, non-banana production, such as root crops, fresh fruits, and vegetables has been a key economic goal for Dominica. Until 2002, bananas accounted for nearly half of Dominica's exports. As the loss of preferential treatment in European markets eroded the banana industry, the government embarked on a serious agricultural diversification program which has succeeded in increasing non-banana production to the point that it has overtaken banana production. A 5 percent growth in agricultural production was recorded in 2009 as farmers switched from banana production to non-banana production. Non-banana crops (e.g., root crops and citrus), exported regionally to the Leeward Islands were valued at EC\$21 million, while banana exports were valued at EC\$14 million and falling in 2009. The number of banana farmers peaked in the late 1980s at 5,000 and fell to just 1,000 in 2010.

GOCD has implemented various programs, such as the Agribusiness Development Program funded under the EU Special Framework for Assistance (SFA) 2000, which ended in June 2010. Under this program a greenhouse and irrigation system was installed at North East Comprehensive School, one of the few schools on the island that offers a double credit in CXC Agriculture. This system has improved the school's capacity for the CXC school-based assessment and helped students understand some of the technology involved in agriculture. It is hoped that these efforts will help to change the negative perception many students have about agriculture and spark their interest in related employment opportunities.

The implementation of the Horticulture Program, supported 1,100 farmers, resulted in a significant increase in farming acreage (560 acres). The government has also invested EC\$2 million in a Direct Farm Investment Fund facility, which is administered by Dominica Agricultural and Investment Development Bank (DAIDB), to finance projects approved by the

⁹⁴ Commonwealth of Dominica, *Economic and Social Review for Fiscal Year 2009/2010*, July 2010.

Agricultural Diversification Unit. The objective is to increase productivity in bee, flower, poultry, and livestock for local and regional markets; stimulate the fisheries sector; and finance the installation of greenhouses. The government is working with the National Development Foundation of Dominica (NDFD) to administer the Young Farmers Credit Fund, a credit facility to support investments in agriculture.

The 27 percent increase in tourist arrivals in 2009 was mainly attributed to the increase in cruise ship passengers of 35 percent to 516,405 and an increase in the number of cruise ship calls from 216 to 263. The number of stay-over visitors which is now at 78,078 declined by 9.8 percent from the previous year in 2009.⁹⁵ Hotel occupancy rates dropped due to a decrease in arrivals from source markets, such as the United Kingdom, Europe, and North America which were severely affected by the economic crisis. Dominica also suffered a drop in arrivals from the Caribbean region, its largest source market, due to the high cost of regional air travel and changes in flight schedules causing reduction in flights to the island.

There are no flagship hotels on the island, and the small- to medium-sized hotels are locally-owned. Efforts are being made to attract medium- to large-scale hotels to the island. Dominica has found it difficult to attract foreign direct investment in hotel development in light of the financial crisis. At least two anticipated large tourism resort developments have recently pulled-out because of financial problems.

Air access, which was previously considered a constraint to development, has improved with the expansion of the airport facilities at Melville Hall to handle larger aircraft and facilitate night landing of flights. It is hoped that this will increase the number of direct flights from source markets and boost hotel development.

The GOCD wishes to make the information technology sector the third pillar of the economy and has developed a National ICT policy. The government has been able to attract call centers to the island, which have absorbed hundreds of secondary school leavers. One ICT company owned by Comcast employs 600 people. Under the EU-funded ICT Development Project, some preparatory work in improving computer literacy and developing the e-legislation framework was completed, but this process stagnated when the project ended. The GOCD now faces the challenge of moving to the next level, which will require additional planning and financing.

What is the current distribution of the workforce and employment by industry and occupation?

According to the last census conducted in 2001, the population under 30 years of age was 52.9 percent, with those aged 15 to 29 forming 23.2 percent of the total population. Persons between the ages of 15 and 24 comprised 16.0 percent of the population, while those under 15 years old (who are youth today) made up 29.5 percent. A new census will be conducted in 2011.

The total labor force was 27,865 with total unemployment of 23 percent. About 40 percent of the labor force works in the agricultural sector, 32 percent in industry, and 28 percent in services.⁹⁶

⁹⁵ Economic and Social Review for Fiscal Year 2009-10

⁹⁶ CIA World Fact Book

About 8,000 persons are engaged in tourism and tourism-related activities. This is expected to increase in 2010.

Table 2. Employment Characteristics for Dominica

Sector	Distribution
Bananas	6%
Other Agriculture/Fisheries	18%
Manufacturing	4%
Construction	10%
Wholesale/Retail	14%
Transport	5%
Government	5%
Other Services	26%

Agriculture absorbs 29.4 percent of the male workforce, but only 8.3 percent of the female workforce. Meanwhile, almost 82 percent of the female workforce is employed in the services sector compared to about 44 percent of the male workforce. The industrial sector is comprised of 26.8 percent of the male workforce, with only about 10 percent of the female workforce engaged in the sector.

From the time of the 2001 census until 2003, there was a 0.2 percent gross increase in pre-primary school enrollment, followed by a major drop of almost 20 percent in 2004. However, pre-primary school enrollment rates increased by 8 percent and 12 percent in 2007 and 2008, respectively. Interestingly, according to the World Bank statistics, while pre-primary school enrollment dropped considerably in 2004, primary school enrollment rates peaked before steadily declining at a rate of 5-6 percent annually. Despite the introduction of universal secondary school education, in 2005 enrollment rates for secondary school peaked in 2004 before declining by 4 percent in 2005 and by almost 1 percent in 2008.

What occupation and skills demands are growing, declining, or emerging?

New and existing jobs that once required little or no skills now require more medium- to higher-skilled workers that are trainable and with literacy and numeracy skills. In addition to the various technical skills required specifically for the job, life skills and computer skills, easy adaptation to new technologies, and ability to handle new work methods are needed in all sectors of the economy.

Despite several communities, such as St. Joseph's, Castle Bruce, and Grand Bay, being considered failed communities due to the decline of the banana production, agriculture remains the main source of job creation for Dominica, particularly in rural areas.

It is expected that this sector will grow as the government continues to support strategic initiatives such as the Agricultural Diversification Unit and the Horticultural Program, among others. It is believed that as Dominica continues to experience an increase in demand for fruits and vegetables from the restaurant sector and regional markets, particularly the Leeward Islands, there is ample opportunity to increase exports and youth involvement in agriculture. Those farmers with sufficient education and skills to adopt new technologies and production methods

will be able to meet the demands of growing local and export markets for consistent delivery of high quality products.

The agribusiness supply chain in Dominica remains relatively unsophisticated and presents an opportunity to develop linkages between agriculture and the agro-processing sectors to generate employment. This sector is dominated by small or micro-enterprises with a few medium-sized enterprises managed as sole-proprietorships, cooperatives, or family-owned businesses. Agro-processing is currently limited to niche markets and specialty products, such as pepper sauce, sea moss beverages, herbal soaps, essential oils, fresh spices and herbs, plantain, tapioca, banana chips, jams, jellies, tolima (arrowroot), peanut bar, and banana cereal. While there is tremendous potential, the growth of the sector has been stifled because of missed opportunities. For example, some agro-processors are reluctant to expand their business for fear of losing secret formulas and trade secrets. Education in product and market development is a priority if Dominica is to capitalize on these opportunities. This sector has the potential to expand, given demand for products and the interest and innovative talent of the people in agro-processing.

As the GOCD continues to implement a ten-year Road Sector Program and Road Improvement Project, additional jobs will be created requiring skills development in road development and management.

The Business Training Center and other private education institutions, as well as secondary schools and various government and quasi-governmental bodies involved in human resource development for ICT, have been able to provide low- to medium-skilled labor for the industry. However, there is a need to increase the supply of suitably qualified labor if the GOCD wishes to attract new call centers to the island. There is a growing demand for IT skills, computer maintenance skills, internet cafes, website development, and graphics design services throughout the island.

Dominica's tourism industry is not as developed as that of the other OECS islands and the government has focused on marketing Dominica as an eco-tourist destination. The government is now seeking to expand its tourism product to include cultural tourism, sports tourism (cricket and diving), and soft adventure tourism (hiking, etc.). As the demand for tourism and hospitality services grows and the product range is diversified, new occupations and more sophisticated skills will be required to meet the needs of increasing numbers of tourist arrivals. These skills include health and beauty specialists, divers, yacht crew, mechanics, hikers, sports therapists, and skilled hospitality workers, among others. In addition, more taxi drivers and tour guides must be trained to cater to the needs of cruise ship passengers which have grown exponentially over the past few years. As tourism development projects are attracted to the country, the demand for skilled labor, including plumbers, electricians, masons, and carpenters, is expected to increase.

The creative arts industry is another growth area that has captured the interest of the youth. Young people are attracted to music and music production and possess a wealth of ideas but need assistance in developing the skills to harness those creative abilities. The GOCD has allocated EC \$1 million to helping persons in the cultural industries in the area of live and recorded music, as well as arts and crafts.

What other important trends are affecting the labor market?

Increasing reliance on remittances and government support. In 2009, CARICOM reported that remittances into Dominica outstripped earnings from foreign direct investment and agricultural exports. As such, the GOCD and many prominent leaders view migration as a benefit rather than a concern. This has contributed to the high reservation wage, which has negatively impacted work ethic and some Dominicans' interest in securing gainful employment. In addition, under the Social Protection Fund, the government has been providing financial support to the underprivileged, which has proven to be a disincentive to work.

Caribbean Single Market Economy (CSME) and OECS Economic Union. As a small country, Dominica is unable to source all of the skills required for economic development internally. With implementation of CSME and the OECS Economic Union, which facilitate the free movement of labor among the islands, Dominica should seek to capitalize on its strengths in specific areas of skills development which could be exported regionally. It is also important that the GOCD make its work permit system more responsive to facilitate ease of entry by skilled workers, particularly from the OECS. It is hoped that the TVET program will contribute to speeding up the process.

Sluggish Private Sector. The private sector is not growing as fast as it should in order to absorb the unemployed youth. There are limited employment opportunities and, as formal sector job opportunities decline and the competition for the fewer jobs increase, more persons are getting involved in informal economic activities - both legal and illegal.

Rural-Urban drift. Rural unemployment is high resulting from the decline in banana production which employed large amounts of casual labor regularly. According to World Bank figures, despite the increased rural unemployment, only 144 persons (fall of .75 percent) moved to the urban areas in 2008, while the urban population increased by 1 percent or 540 persons. Interviews revealed that most rural youth have gained employment either in the construction industry, switched to non-banana cultivation, or simply remained unemployed and joined social groupings/gangs. Many are unemployable in the hospitality industry because they lack basic numeracy, literacy, and soft skills.

Heavy outward migration. There is a tendency towards heavy outward migration, particularly among Dominicans between the ages of 20-34, to seek opportunities overseas. This trend was further exacerbated by the collapse of the banana industry and sluggish growth of the other economic sectors such as tourism. It is estimated that 30 percent of young people who go overseas to study do not return to Dominica. Those who do return and do not find suitable employment at what they consider a decent salary return to North America, Europe, or find jobs regionally. This has resulted in a brain drain of skilled workers and university graduates. Others simply leave because they believe that there are no opportunities in Dominica. However, it should be noted that there is a perception that more graduates and Dominican overseas are returning to Dominica.

In 2005, the Statistics Department conducted a Survey of Students of Migrant Parents which measured the effect of migration of parents on children and young persons in Dominica. Parents who migrate tend to leave their children in the care of relatives. The Statistics Department found

a positive correlation between migrant parents and children's delinquency and deviant behavior in schools. It was found that at least 50 percent of children in Dominica live in a single-parent home. The Statistics Department also found that almost 50 percent of the youth exhibiting deviant behavior have parents that have left the country. The reason proffered by the Statistics Division is that the child is often neglected, especially when the parent stops sending remittances home and relatives can no longer afford to maintain the child. In most instances, older caretakers, such as grandparents, are unable to control a delinquent child and the situation gets worse.

Birth Rate and its Effect on Schools. The birth rate has fallen from 15.4 per 1,000 in 2004 to 14.9 per 1,000 in 2006. In some areas, this has resulted in the closure of pre-schools and the merger of primary schools due to falling enrollment. However, one interviewee noted that, despite this trend, the GOCD continues to build secondary schools in those areas.

Social groupings/gang culture: Although gang violence has been increasing, all interviewees praised the police for generally being effective in combating violence. However, it was recognized that gang violence was becoming more frequent and could become a social and economic problem as gangs became more territorial and protective of their members. It should be noted that the National Youth Council (NYC) viewed the gangs more like social groupings of both employed and unemployed youth who "hang out on the bloc." Some gangs may have evolved from neighborhood sports teams, such as football teams, which give themselves a name with identifiable colors and demarcate neighborhood territory which they fiercely protect. It is believed that all communities have gangs with at least ten to fifty members. Some of these members may have received skills training but do not wish to work in the formal economy, while others are frustrated and would like to work but do not have any basic skills or training.

Substance Abuse and Drug Trafficking. Drug abuse among youth, particularly youth at-risk is becoming a problem as more youth enter the psychiatric ward for abusing marijuana. As drug barons prey on the vulnerabilities of unemployed youth, more are getting involved in the drug trade and other criminal activities. The drug culture is greater in a few rural communities, particularly trans-shipment points such as New Town, a fishing community, where drug trafficking between the islands of Saint Lucia, St. Vincent and the Grenadines, and Venezuela is relatively strong. In these areas, it is more difficult to get youth into legal employment, as they prefer to take risks in the hopes of making more money, faster, and for less work. NYC was very clear in pointing out that the drug trade in Dominica is not necessarily related to gangs.

Poverty. According to the Country Poverty Assessment (CPA) 2002, about 39 percent of households were poor, three-quarters of which were located in the rural areas while the remainder were in Roseau and Portsmouth.⁹⁷ A review of the CPA 2002 was done in 2009 and it found that poverty has fallen to 28.8 percent.⁹⁸ However, two NGOs working directly with the poor and under-privileged noted that this does not reflect what they believe is the real situation, as the unemployment rate is still high, and a large number of employed persons are still not earning enough to alleviate poverty in their households.

⁹⁷ Growth and Social Protection Medium-term Strategy 2006

⁹⁸ Economic and Social Review 2009

The high unemployment among the Kalinago (Carib) population is of particular concern. In 2009, the poverty level of the Carib population was 49.9 percent.⁹⁹ There have been reports that some Kalinago people are the victims of child traffickers. According to ChildFund Caribbean (ChildFund), a Dominican NGO working with under-privileged youth and youth-at-risk, there are young women who are offered money to sell their babies without understanding the implications. Some of the adopted children are later returned to their families after spending many years away.

Formal Education System

In 2008, the GOCD increased public expenditures on education to 4.77 percent of GDP in order to build new secondary schools as part of its drive to achieve universal secondary school education in Dominica.

Table 3. Public Expenditure on Education

	2007	2008
Expenditure per student; primary (% of GDP per capita) in Dominica	17.5	22.2
Expenditure per student; secondary (% of GDP per capita) in Dominica	15.9	19.0
Public spending on education; total (% of GDP) in Dominica	4.1	4.8
Public spending on education; total (% of government expenditure) in Dominica	10.7	11.3

Source: World Bank Indicators - Dominica

Universal Primary School Education. According to the GOCD, the Millennium Development Goal (MDG) of universal primary school education has been more or less attained with 99 percent of children enrolled in primary schools. However, the quality of primary school education has been questioned. The number of primary school students taking the Common Entrance Examination (CEE) has been falling over the past few years. According to the Ministry of Education's statistics, the number of primary school students taking the CEE to gain entry into secondary schools peaked in 2005 at 1,546 students before falling to 1,357 in 2006.

Universal Secondary School Education. The main objective of secondary schools in Dominica is to prepare students for the CXC-administered Caribbean Secondary Education Certificate (CSEC). It is a widely held view that implementation of universal secondary school education in Dominica was rushed and is not working for youth. One area of concern is that the curriculum has not changed sufficiently to accommodate students who are not academically inclined. With the introduction of universal secondary school education, students with a low mark of 19 percent on the CEE and little or no literacy and numeracy skills may enter secondary school. Children with 19-42 percent in the Common Entrance Examinations are expected to work at the same pace and follow the same curriculum as those who got higher grades with no special treatment or remedial education. This lack of attention is evident in the increase in the number of drop-outs and the poor examination results.

⁹⁹ Growth and Social Protection Medium-term Strategy 200666

Many interviewed felt the abolition of the Junior School Program (JSP), a technical and vocational skills program, six years ago has created a gap in the education system and would like to see it reintroduced. The JSP catered to the special needs of students who did not pass the CEE for secondary schools. This program was taught in Standard 5 and 6 at primary schools and prepared students for secondary school. These students were given another chance to enter a secondary school in Form 3 or 4 after passing an examination.

An increasing number of students do not pass sufficient CXC examinations to enter higher education. The CXC Mathematics and English results continue to deteriorate with only 47percent passing mathematics in 2006. On average 70percent of the students passed CXC English for the period 2003 to 2006. Although the author was not able to get more recent statistics, the consensus is that the pass rate continues to be poor.

Limited Opportunities for Tertiary Education. The government faces challenges in increasing matriculation into tertiary level institutions such as the Dominica State College (State College). There are more secondary school leavers than there are places at these institutions. Those who can afford it travel overseas to study while others who do not have access to finance or a scholarship drop out of the education system.

In the last two years, there has been a drop in registration figures at the State College, both due to a decline in applications received, and because more and more students are not meeting the entry requirements. In June 2010, State College recorded a 40 percent year-on-year increase in applications. As of August 2010, the State College had received only 129 applications to the Technical Division for the new academic year. The decline in applications was attributed to:

- The higher drop-out rate at secondary schools;
- Fewer students interested in pursuing tertiary education because of poor testimonials from siblings and friends;
- Poor employment opportunities;
- Academic focus of technical courses;
- Misconception about technical courses and their income generating prospects; and
- Fewer students meeting the entry requirements of four CXCs, including mathematics and English.

Private education institutions, such as the Business Training Center, are competing heavily with the State College in its course offerings which seem to be attracting the youth as they find the courses more relevant to employment.

Low Education level and Increasing School Drop-out rate. The education level of the majority of Dominicans remains relatively low despite the introduction of universal primary and secondary school education. The enrollment rate for secondary schools increased by 4 percent from 2004/5 to 2005/6 but by a mere 1percent in 2006/7. Meanwhile, the enrollment rate for primary schools fell by almost 7 percent for the same period in 2005/6 and by another 5 percent in 2006/7.

The drop-out rate has increased significantly, particularly among boys and students between Forms 2 and 4. Official statistics from the Ministry of Education show that the drop-out rate at

the secondary school level increased by 42 percent from 2004/5 to 2005/6.¹⁰⁰ Some interviewees mentioned that at some schools, as many as 50 percent of the students who entered Form 1 dropped out by Form 5. Students often repeat classes until the age of 16 years and then drop out – sometimes in Form 2. ChildFund found that, in 2009, eighty-five drop-outs enrolled in its programs compared to twenty-three in 2008. The following reasons were cited for students dropping out or being expelled from school:

- Delinquency;
- Criminal activity;
- Poor performance;
- Inability to cope with the school work;
- Bullying by teachers and peers;
- Teenage pregnancy;
- Problems at home;
- Poor parent supervision;
- Parents deciding not to send the child to school;
- Drugs;
- Loss of interest; and
- No school uniform or textbooks.

Interviewees stated that students are not as interested in education as before, making it important to train teachers in new methods to spark increased interest in the classroom. Some interviewees suggested that the problem starts at the primary school level which is supposed to build a strong foundation in numeracy and literacy.

The increasing drop-out rate, the large number of students graduating with insufficient qualifications for higher education, and the lack of job preparedness among youth all point towards a need to revamp the formal education system to serve the youth of Dominica more effectively. The government has made substantial progress in improving access to primary and secondary school education and is now embarking on various initiatives to improve the quality of teaching in schools. A national curriculum has been developed for primary schools, and one is expected for secondary schools as well. The government has introduced a secondary school leaving certificate and is trying to include community service hours as part of the graduation requirements.

Employer Engagement

What shortages and problems are employers experiencing?

Employers complained that the youth do not have the requisite skills for employment, had negative attitudes, weak social skills, poor communication skills (some were ‘totally inarticulate’), poor comprehension and numeracy skills, and lacked initiative. One employer felt that this was due to the failure of the education system and the lack of discipline in schools and the home.

¹⁰⁰ www.education.gov.dm

Some felt that middle- and upper-management skills, particularly in family-run businesses, are weak because promotion is based on years of experience, family ties, and connections as opposed to performance or qualifications. There is little professional development in the majority of firms, because employees feel comfortable with their level of job security. It should be noted that one family-owned company employing almost 400 persons in at least eight of its businesses has recognized the need to employ and promote its staff based on performance, qualifications, and experience.

The Human Resource Manager of a large company found that most school leavers and applicants for lower level jobs could not write an application or a CV and lack basic spelling skills. There is no shortage of applicants for jobs advertised in newspapers or on the radio and television, but the majority does not meet the minimum requirements for the position.

Businesses that employed drop-outs found that they came with poor attitudes that made it very difficult to work with them. They needed life skills training which they could not provide on-the-job.

One employer pointed out that there is no shortage of accountants, teachers, and administrators, but criticized these graduates for not being prepared to enter mid-level positions as they were trained to go for further study.

In addition, there is no shortage of low-skilled construction workers, as most ex-farmers are now working in the industry. Skilled construction workers such as plumbers, electricians, masons, and carpenters are high in demand because of the recent increase in construction activity in the north of the island to meet accommodation requirements of the university students at Ross University, an offshore medical university. There is a dearth of medium- to higher-skilled workers which are usually imported as and when necessary.

The hotel and restaurant sector complained that more specialized skills in areas such as catering, bartending, and good housekeeping is lacking. Contrary to this view, one interviewee noted that graduates from the State College could not find jobs in the hospitality industry because of the lack thereof.

What do employers say they need from young workers?

Employers in the service industries indicated that soft skills and good work ethic were essential. They believed that Dominicans are trainable and felt that, as long as they had the right social and behavioral skills, they could learn the technical aspects of the job.

One employer involved in the automobile trade disclosed that the company preferred to employ higher-skilled auto body mechanics from the college because they are familiar with the technology, and so it is easier and less risky to train them on their computerized equipment. However, she was unable to get an adequately trained manager for the body shop. Other employers, such as KFC, said that they needed to employ persons who had passed at least CXC English or Mathematics for entry level positions because of the increased use of technology,

procedures, and training which require a lot more reading and comprehension skills. They also needed employees who showed initiative.

What are they doing to develop young workers?

The general consensus is that the private sector is not doing enough to develop young people. One business association representative felt that the private sector needed to look at its own shortcomings if it is to meaningfully contribute to the development of young workers.

One interviewee mentioned that family businesses have no proper organizational structure in mid- to high-level positions and that family members are all but born into executive jobs, without experience or qualifications. Given the small size of the private sector in Dominica, it is very difficult for the average school leaver or university graduate with no personal contacts to compete for the few available jobs based on qualifications alone. This has sent a negative message to youth who grow up believing that there are no opportunities for them in Dominica; thus, they look to emigration as a solution.

The State College and other education institutions face challenges as the private sector does not often cooperate to provide opportunities for internships and apprenticeships. Also, businesses in Dominica are not structured for apprenticeships. Some employers do not have confidence in training institutions and fear that students will interfere with their processes and damage their equipment. Others who are willing to take interns and apprentices do not have the financial resources to do so.

What are the gaps and opportunities to engage employers?

There is not a direct link between the education system and the development of the workforce in Dominica. The private sector feels that the secondary school system is not adequately preparing youth for work, as it still focuses on academic preparation for tertiary education. In fact, many believe that the system is failing youth as the number of drop-outs increases annually and the majority of school-leavers graduates without the skills required for the growing number of service jobs in Dominica. There are few skills-based courses and little career counseling in schools.

At present, there is little private sector engagement with institutions of higher education, such as the State College and Business Training Center. There is no private sector representation on the Board of Governors of the college. An informal relationship exists between State College and the private sector. For example, dialogue occurs when employers meet lecturers in town or at social gatherings; or, employers occasionally call the college to discuss their needs. There is no structured mechanism in place. Employers do not appear to have much confidence in the training institutions, which could be due to their lack of involvement.

The Youth Skills Training Program administered by the Youth Development Division has adopted a demand-driven approach to conducting training courses and has formed a better relationship with the private sector. An Employment Identification Report prepared by a Youth Officer is reviewed to identify needed skills for job vacancies to determine the course offering.

In addition, the Social Care Center has been quite successful in placing young offenders at various businesses through job attachments under its 'From Offending to Achieving' (FOTA) program for male juveniles.

The Business Training Center (BTC), a private education institution, appears to be filling a gap since its job-readiness programs focus on providing skills-based training with a life skills component. Remedial courses are offered when necessary. This has proven to be quite popular among young people. The principal found that students who do not do well at secondary school do well at BTC as they take courses according to their abilities.

Workforce and Youth Trends

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

The youth unemployment rate in Dominica, estimated at 27 percent,¹⁰¹ is a major concern for the GOCD, as this is concentrated among young adult males who are often members of neighborhood social groupings/gangs. Although the gang culture is not very strong in Dominica, it is feared that if youth unemployment is left unchecked, more will turn to crime as a means of survival. Hence the government has invested in various initiatives such as the Youth Skills Training Program, various community programs, and funded training for youth at-risk at private educational institutions such as the BTC.

What are the needs of youth in preparing for employment?

Youth need to receive adequate education, training, and services to improve their employment prospects. Interviewees noted that many young people are not well-prepared for their first job, even at entry level positions. They are lacking in employability skills and good work ethic. The interviewees did not stress technical skills as much since they felt that employers could transfer those to trainable youth.

Life skills instruction could help youth in significantly improving their prospects for employment. Classes that teach communication, teamwork, discipline, and respect would complement technical and academic instruction. Additional education and information about technical and vocational instruction will help youth better appreciate the options they can pursue.

Youth generally do not have access to quality career counseling. As a result, they are frequently unaware of the types of careers and jobs that are available. They tend to think of the more traditional occupations, such as lawyers, doctors, accountants, managers, computer technicians, and nurses as the only ones that are important. One interviewee revealed that the exposure she received on a study trip to the United States funded by USAID helped her identify the need to establish an education institution. She believed that international agencies should do more to facilitate this exposure. Youth need better access to structured internships and apprenticeships to help the transition from school to work so that, as they learn new skills, they understand the work

¹⁰¹ Central Statistics Office

environment and what is expected of them. This exposure would also help students choose their career path more effectively.

Employers are now demanding CXC mathematics and English for basic entry level jobs, thereby putting pressure on these students to complete secondary school with these basic requirements.

What challenges do different segments of the disconnected youth populations face (e.g., at-risk, out-of-school, those in gangs, those in the justice system)?

Employment prospects for out-of-school youth or drop-outs with no skills training are dim unless they are looking for menial jobs. The State College and an increasing number of employers are looking for high school graduates with at least five CXCs, including mathematics and English. BTC's requirements are lower. As students continue to graduate with less than the minimum requirements, employment prospects remain bleak unless they have access to second chance programs or can afford to pay tuition fees at private education institutions.

Many at-risk youth experience difficult domestic situations including neglect due to parents who have migrated, work long hours, or are in unstable adult relationships. These same youth may suffer from physical, sexual, and emotional abuse. Teenage pregnancy, a long-standing problem in Dominica, has many implications for the youth of today. Many young girls, as young as 12 years old, are dropping out of school because of teenage pregnancy and refuse to return because of the stigma attached. In most cases, these young mothers are the sole providers for their children, as the men do not always acknowledge the child. Without education or any skills, these girls remain poor, working for low wages in menial jobs.

Those who enter the justice system are often sent to prison, where they mingle with older inmates. There is currently no rehabilitation program for young offenders. As a result, youth who are released from prison often become hardened criminals without the will to work.

Disconnected youth, particularly males, must often deal with peer pressure to join a social group or gang. These young people are heavily influenced by other members to remain idle and "hang out on the bloc" until they can make quick money, often through illicit dealings which sometimes lead to gang violence. The willingness to engage in meaningful employment diminishes. Those on the fringes of the group or gang might wish to gain formal employment but often do not have the requisite skills or education to join the workforce. As one person stated, "Youth disconnection is like a disease."

What are the country's strategies for developing skills for youth, especially for disconnected youth? What have been the successes and challenges?

Youth development and strategies for job creation are important to the GOCD. Recognizing the need for higher-skilled labor, the government has embarked on various initiatives to develop young workers to meet the workforce demands of the private sector.

The National Accreditation Board (NAB) of the Commonwealth of Dominica, established in 2006, has taken steps to improve literacy standards and encourage exposure of secondary school

students to technical and vocational education. NAB has formed a Numeracy Taskforce charged with improving numeracy standards. The Taskforce is expected to develop a plan in conjunction with school principals and Numeracy Coordinators to improve 'teaching and learning of numeracy within the school system'. Most secondary schools now offer technical and vocational courses, but they are limited due to the lack of equipment and trained personnel. The Caribbean Development Bank Education Enhancement Project is expected to address this problem.

As part of its strategy to develop the creative arts industry, the government is now placing greater emphasis on visual and performing arts at schools. At least six secondary schools have acquired musical equipment for teaching. It is hoped that talent will be recognized and nurtured.

In an effort to address issues of youth at-risk in school, the government has assigned Learning Support Advisors to work with schools to monitor student progress and has implemented a remedial program for students needing special attention to improve literacy and numeracy skills. It is hoped that this will reduce the drop-out rate, especially for repeaters. In 2009, the GOCD also conducted an assessment to determine the numeracy and literacy of students in Grade K, as well as an assessment to identify students with hearing, speech, and vision challenges. The Government is also supporting peer counseling programs and resident guidance counselors to reduce violence in schools.

To support under-privileged students, the government runs a School Textbook Provision Scheme and offers school transfer grants and transportation payments. The National Youth Council also provides textbooks to primary school students.

Existing programs and disconnected youth outcomes

The main agencies in Dominica that focus on youth are: the Youth Development Division (YDD) of the Ministry of Culture, Youth, and Sports; the Social Care Center; the Childcare Fund; and the Center where Adolescents Learn to Love and Serve (CALLS).

The YDD of the Ministry of Culture, Youth, and Sports is responsible for implementing programs targeted at disconnected youth. The Division runs a Youth Skills Training Program which has provided training to almost 6,000 young persons in basic technical and life skills with job attachments. These young persons were trained in computer skills, auto-mechanics, and in courses based on specific demands of employers and potential students. The instructors are practitioners who possess the requisite technical skills. The program has a strong life skills component, which includes remedial education, instruction in communication, and efforts to build self-esteem. Training is done with self-employment in mind, so it includes an enterprise development component. In 2009, the main focus was on ICT and construction. Over 500 persons were trained to meet the demand for specific construction skills such as steel-making, block-laying, plastering, electrical wiring, plumbing, and general construction. The program boasts an overall job retention rate of 75 percent in employment related to skills training.

The YDD also runs a Youth Center Program which offers training programs and a life skills program for out-of-school youth as well as facilities to hold meetings and recreational activities. Young people visit the Youth Center to obtain information and counseling. There are no dedicated vocational education centers in Dominica.

The Youth Development Division also manages the Dominica Youth Business Trust (DYBT). (See section on Youth Entrepreneurship and Microfinance).

The GOCD is hoping to promote youth entrepreneurship from an early age by developing the Dominican entrepreneurial culture and changing the mindset of secondary school students to view entrepreneurship as a viable career option rather than just a means of survival. Part of this effort is the Enterprise Awareness Program, implemented in five primary and secondary schools' 4-H¹⁰² Clubs. This program, supported by DYBT and a private company Caribbean Agro- Producers Ltd., is currently being implemented in five secondary and primary schools across the island. The businesses include:

- Portsmouth Secondary School Strawberry Production;
- Isaiah Thomas Secondary School Coconut Candy;
- Dominica Community High School Coconut and Essential Oils;
- Castle Bruce Secondary School Coconut Poultry Feed; and
- Goodwill Secondary School Coconut Soap.

The Social Care Center runs a 'From Offenders to Achievers' (FOTA) program for juvenile offenders in an effort to reduce youth crime and violence through rehabilitation and by providing second chance opportunities. The Social Care Center attempts to capture the young juveniles before they enter the penal system and provides them with an opportunity for on-the-job training, life skills development, and counseling so that they do not become repeat offenders. Funding for this program is limited, so only a few young offenders receive this assistance. The Social Care Center also runs Skills Training Program targeted at teen mothers and fathers, as well as drop-outs and other youth at-risk. Since 1986, the center trained an average of thirty drop-outs and teenage mothers per year in various skills.

ChildFund focuses on childhood development and has trained young home caregivers and pre-school teachers. Under the Roving Caregivers Program, which operates in the east and north-east of Dominica, ChildFund has recruited, trained, and TVET-certified twenty-one young people in childhood development with the aim of reducing shouting and corporal punishment and to increase safety in the home. Each rover has easy access to at least five homes in their area and spends forty-five minutes with the children and parents in the home. This program comes to an end in 2011. ChildFund would like to continue this program if funding is available.

Camp Rescue Londonderry is a boot camp for youth offenders and troubled children with behavioral issues. According to Father Franklyn Cuffy, one of the founding members, it is run like a military camp with police officers, teachers, and counselors on board.

The National Drug Abuse Prevention Unit has trained primary school teachers in life skills and manages a Youth-at-Risk Program at institutions such as CALLS and the Social Care Center. National Youth Council runs a literacy program targeted at 15–35 year olds.

¹⁰² 4-H is a non-formal education program managed by the YDD which aims to sensitize young people in agriculture and rural development.

The BTC targets underprivileged youth, drop-outs, and school leavers with no or few CXC's over the age of sixteen. Women with grown children and teenage mothers also attend courses. Students who cannot afford to pay tuition fees are offered a payment plan of EC\$150 per month. Practical courses are offered to students with few or no CXC's and provide them with second chance opportunities at higher education or improved employability. BTC offers a job-readiness and remedial education program for students who cannot read, as well as CXC courses and accredited skills training courses particularly in ICT. Life skills training is also provided.

Table: 4 Commonwealth of Dominica: Current Youth Workforce Skills Development Institutions and Programs

Institution/Program	Incomplete Secondary*	In School At Risk**	Employed Persons	High Performer	Entrepreneur	Youth Offenders
Public High Schools TVET		x				
From Offending to Achieving FOTA	X	x				x
YDD – Skills Training Program	X		X		x	
Social Centre – Skills Training Program	X	x				
Dominica State College				x		
CHILDFUND – Rover Caregivers Program	X		x			
Business Training Center	X	x		x	x	
Camp Rescue Londonderry		x				x
YDD – Youth Center Program	X		x		x	

* Completed 3 or less CXC's

** The term "In-school at-risk" generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness increase the likelihood that the youth will drop out of school and not participate in the labor market.

How well do existing programs meet the needs of employers and the market?

Most employers have a high regard for the skills training programs run by YDD and BTC. YDD's Skills Training Program provides technical training using a demand-driven approach, using input from employers to develop the courses. Recognizing that skilled professionals are not necessarily good trainers, YDD also runs a program for instructors.

The BTC has filled a gap, but it is limited in terms of physical space and resources. Although affiliated with international companies, such as Microsoft and Penn Forster, it is not an accredited education institution.

The Social Care Center suffers from resource constraints which limit its ability to fund additional programs, upgrade those currently offered, and increase its intake of young offenders, teen mothers, and drop-outs. Young offenders get on-the-job training and there is high retention rate.

Life skills are important to employers, yet there is no life skills program or job-readiness program in the curriculum of schools. In addition, some teachers do not have the training to incorporate this type of instruction into their current teaching. There is a school-based Leadership Program, managed by the YDD, which includes peer counseling in various areas, such as crime and violence, conflict management, and communication skills.

How well do existing programs meet the challenges of youth?

Not enough is being done to meet the challenges faced by the youth of Dominica. Only three NGOs (ChildFund, The Social Care Center and CALLS), as well as the YDD, are actively involved in dealing with the issues faced by youth at-risk. These programs operate with limited funds such that the penetration is not deep enough to make a significant difference overall.

The Ministry of Education has been successful in collaborating with the private sector to organize Science Fairs in the past year. This collaboration could be extended to job fairs, informed by the collection and dissemination of labor market information to relevant institutions and agencies.

Labor Market Information Systems

What data is and isn't being collected on industry job growth, occupations, and skills needs?

Little or no data is being collected on industry growth and occupations on an ongoing basis. While the Statistics Department conducted a Labor Force Survey in 2005, it is still awaiting analysis five years later and has not released the results. A population census was carried out in 2001, and another one is expected in 2011 when it is hoped some labor market information will be collected. A survey of living conditions was carried out in 2002 immediately after the census, and the Statistics Department would like to conduct another one in 2012 if funds are available. An occupational wage survey was also conducted.

How is labor market information distributed and to whom?

There is no distribution of labor market information in Dominica. Persons wishing to get this information must contact the Statistics Department via email, in person, or by telephone. Information about employment trends needs to be disaggregated and distributed to have a better picture of the job market.

How do institutions and students use labor market information for career and training decisions?

There is little or no use of labor market information in Dominica with regards to career and training decisions. The Statistics Department noted that neither the government nor the private sector utilize the information, because they do not understand the importance of empirical data for decision-making. However, the head of the department noted that this has been changing recently, as she has begun to receive more requests from local institutions. The majority of requests for information come from international agencies and other overseas entities.

Only the Youth Division tracks employment of its participants using annual tracer studies, the feedback from which is used to determine the demand for the programs that they administer.

What gaps and opportunities exist for improving information systems?

Given the lack of regular collection of labor information, an opportunity exists to build the capacity of the Statistics Department to collect and produce this type of information. The head of the department suggested that trained ESCO system operators and the relevant equipment and software were needed. Up-to-date information should be posted online.

Who are the potential champions and sources of leadership for youth workforce development?

- Francis Joseph, Director, ChildFund Caribbean
- Mr. Jules Pascal, Youth Officer, Youth Development Division
- Mr. John Roach, Coordinator, Dominica Youth Business Trust
- Ms Norma Cyrille, The Social Care Center
- Lucia Stedman, Principal, Business Training Center

Youth Entrepreneurship and Microfinance in Dominica

The government, recognizing entrepreneurship as an avenue for reducing unemployment, is promoting self-employment and entrepreneurship through different programs and initiatives managed by the Small Business Development Unit at the Ministry of Trade, Youth Development Division, Invest Dominica Authority, DAIDB, and the National Development Foundation of Dominica (NDFD).

The microfinance programs in Dominica include business development services and a training component to promote entrepreneurial development. Youth need more than access to finance to ensure survival and growth of their businesses.

What are the challenges and needs of young entrepreneurs?

Existing and potential micro and small business entrepreneurs face many challenges with regards to business start-up and management. Some major challenges identified in Dominica include:

Access to Finance The major challenge for business start-up and development is access to finance. A young person often faces difficulty in obtaining a loan from financial institutions because of the inability to meet the loan eligibility criteria set by the institution. The major stumbling block for youth is meeting the requirements of collateral or a personal guarantor. The savings culture in Dominica is strong. Dominica Cooperatives Societies League Ltd (DCSL) reported that credit union membership is very strong, with many Dominicans opening a credit union account before a bank account. According to the Caribbean Confederation of Credit Unions, Dominica has the world's highest penetration rate of credit union members to total population at about 70 percent,¹⁰³ and savings continued even throughout the financial crisis. Although saving has been encouraged in schools with the establishment of credit "unionettes," affiliated to credit unions, this is not done with entrepreneurship in mind. One credit union has partnered with the Commonwealth Youth Program and the YDD to promote a high school savings program.

¹⁰³ http://www.caribccu.coop/cms/index.php?option=com_content&task=view&id=74&Itemid=94

Lack of Exposure The average youth in Dominica lacks exposure to business trends and opportunities and the business environment as a whole. Those who have good business ideas are not able to turn them into business ventures even when finance is available, because they do not know how to access business development support services.

Access to Business Development Services and Training Young entrepreneurs need easy access to training and business development services. In addition to developing a business plan, they need to learn: how to manage their businesses; basic financial management skills; sales and marketing techniques; inventory management; and recruitment and human resource management. They also need more technical skills training as well as access to work space and a support network. Business development support services are usually tied to loans, grants, or training which excludes a large number of potential entrepreneurs. Also, these services tend to be restricted to developing business plans and small business management training. Some of those who are eligible for support do not know that it is available. There are some established entrepreneurs who do not know how to access the market and find it daunting to approach potential clients. The challenge is to facilitate and encourage young persons from small communities and with limited experiences (despite cable television) to understand the world of business, thereby building their confidence to turn their ideas into a viable business. DYBT, SBU, and InvestDominica provide some support services to entrepreneurs who seek their assistance.

Fear of Self-Employment Although Dominica is rife with budding entrepreneurial talent, there is a general fear of being self-employed and the associated risks. Young entrepreneurs require handholding through the process of business establishment and during the first year or two of business. Access to a mentor on demand can help alleviate the fears and discouragement to which an inexperienced entrepreneur might succumb. DYBT ran a successful one-year pilot mentorship program which assisted nineteen out of potentially hundreds of entrepreneurs until it ended in May 2010.

Ensuring Sustainable Growth Another key challenge is to increase the growth and success of those businesses that have been established. Little attention is being given to this area, which includes recruitment, sales, and marketing. Youth need access to market information as well as information on product and input markets. InvestDominica Authority, the investment promotion agency, sometimes provides assistance in finding the first client for a start-up company which instills confidence as the young entrepreneur tries to break into the market. Invest Dominica also commented on the number of young persons, particularly males, who come in for assistance with writing letters and often feel discouraged by this basic task.

What are the microfinance options for young entrepreneurs?

Dominica Youth Business Trust

The DYBT was officially launched in May 2004 to promote youth entrepreneurship in Dominica. The DYBT supports young entrepreneurs between the ages of 18 and 35 to establish their own business through its loan guarantee fund. It provides technical support and it managed a mentorship program for one year until it ended in May 2010.

Young entrepreneurs are able to access up to EC\$20,000 from the fund as a loan guarantee. DYBT guarantees 75 percent of loans taken from financial institutions including DAIDB, NDFD, and thirteen cooperative credit unions to set up a business in accordance with an agreement signed between DYBT and the aforementioned institutions on March 15, 2005. Persons accessing this fund are required to participate in a compulsory four-week entrepreneurship development program, which includes one week of “achievement motivation” training and three weeks of enterprise development training. The fund has guaranteed sixty-one loans totaling EC\$800,000, ten of which were granted under the Small Business Assistance Facility (SBAF) which was set up in 2006 to assist established small businesses financially and through business development support services. Persons accessing the SBAF are required to attend a two-day workshop.

The key constraint is that the young entrepreneur must put up 25 percent of the loan amount, and the loan guarantee ceiling is \$20,000. If eligible, the Small Business Development Unit at the Ministry of Trade will issue a grant to cover the 25 percent requirement of the DYBT.

Small Business Development Unit (SBDU)

The SBDU, established on October 15, 2008, provides assistance in the preparation of business plans, as well as funding (grants and loans) and support during business start-up. In 2009, the government invested an additional \$1.7 million in the Small Business Enterprise Development Program managed by the SBDU to provide financial assistance to business enterprises. The SBDU serves as a last resort to persons who have been denied banking finance. The maximum loan granted is EC\$15,000; however, the ceiling may be waived depending on the viability of the project. There is no collateral requirement. To date, SBDU has received over 2000 applications from the employed, self-employed, unemployed, and school leavers, and assisted about 633 persons financially. The majority of applications are for agro-processing (such as the production of banana cereal), entertainment, arts and crafts, retail, tourism-related activities, and construction.

National Development Foundation of Dominica

NDFD provides loans, training and technical assistance to micro, small, and medium-sized enterprises for business start-up and growth. Generally, loans are granted to young entrepreneurs who meet NDFD’s loan requirements including collateral. The collateral requirement is flexible, but an adequate amount is needed to mitigate the perceived risk determined by the viability of the project. Although a large number of loans are granted to young persons, they find the cost of finance too high at 12 percent. For agricultural ventures, NDFD administers a special Young Farmers Credit Facility on behalf of GOCD. Under this facility, loans of up to EC\$10,000 are granted at an interest rate of 5 percent. NDFD has seen an increase in demand for loans for greenhouse cultivation, hairdressing, and retail. NDFD provides business support services to assist in developing the business plans, fee-based workshops in business management, and some monitoring to ensure repayment of the loan.

Dominica Agricultural Industrial and Development Bank (DAIDB)

The DAIDB, a development bank, provides loans for business start-ups and expansions in the following economic sectors: agriculture, manufacturing, and services, particularly tourism and tourism-related services. The bank grants predominantly collateral-based loans ranging from

EC\$3,000 to EC\$6 million. The bank will accept land title, bill of sale on equipment, or fixed deposit as collateral, or a personal guarantor for up to EC\$7,000 if there is no collateral available. The bank also provides business support in developing business proposals as well as some on-going support to ensure repayment, but the main focus is lending. The bank acknowledges that the main challenge faced by young entrepreneurs is lack of security and commended the government's initiative under the DYBT. The bank indicated that more loans are being granted to young entrepreneurs because the loan guarantee provided by DYBT has raised its level of comfort with regards to the risks. DAIDB noted that the demand for loans guaranteed by DYBT is declining as the economic crisis has caused people to shy away from assuming the risks of self-employment or entrepreneurship

Credit Unions

There are fourteen community-based credit unions in Dominica which provide business loans, among other products, to its members. Although loans are indeed granted to young entrepreneurs, there is no specific program in place to target them except for school outreach programs on thrift. The eligibility criteria for loan financing with the credit union include:

- Membership with the credit union for at least six months;
- Savings of 20 percent of the loan amount or collateral or personal guarantor; and
- For character-based loans – good standing and credit.

Commercial Banks

Generally, the commercial banks are not interested in granting what they perceive as risky loans to young entrepreneurs without adequate collateral. When loans are granted, young people complain that the interest rate is too high. There are no soft loan facilities at the commercial banks in Dominica.

What are the gaps and opportunities that exist?

The GOCD has made strides in establishing programs to stimulate enterprise development and employment creation. Despite some successes, there is still room to expand and strengthen these initiatives to deepen the outreach and assistance provided.

The DYBT has received good reviews from the beneficiaries and financial institutions and provides an opportunity for modeling and replication in other parts of Dominica and the OECS. While the government has shown great initiative and demonstrated tremendous support in guaranteeing loans that are deemed risky by financial institutions, there is still the constraint of securing 25 percent of the loan amount which has precluded many from accessing the fund. The end of the mentorship program has left a significant gap for continued assistance for business development and expansion. An opportunity exists to support the mentorship program and the Small Business Assistance Facility to extend assistance to a greater number of established enterprises.

Building on the savings culture of Dominica, there is an opportunity to provide support to the credit unions through the DCSL to expand lending programs. The capacity of the microfinance institutions, particularly with regards to human resources, communications, and equipment, is lacking. This gap limits the services that can be provided to young entrepreneurs. For example,

with only two officers assigned to the DYBT, it is difficult to monitor and provide business advisory support as and when needed. Training for officers is also needed with regards to conceptualization, design, and implementation of new initiatives.

Table 5. Entrepreneurship and Microfinance Institutions/Programs

Institution	Provide micro/small loans	Require real property for collateral	Accepts other collateral (cash, guarantor, assets)	Provide training	Lend to youth	Affiliated with Government	Grants/Guarantee
DAIDB	x	x	x	X	x	x	
DYBT				X		x	x
Credit Unions	x	x	x	X	x		
SBSU	x			x	x	x	x
NDFD	x	x	x	x	x	x	

Summary of Recommendations

- *Improved linkages between employers and training institutions*—Various mechanisms, such as stakeholder meetings, advisory councils, and improved composition of governance boards, could be initiated to facilitate discussion and feedback between the private sector and educational institutions. These improved linkages could also help create new internship programs and apprenticeships, which are not currently being utilized in great numbers.
- *Integrate life skills into education programs*—Employers often complain that youth have negative attitudes and other worth ethic issues that point to a need for life skills training. Instruction in communication, teamwork, discipline, and respect could significantly help youth in improving their prospects for employment.
- *Better career counseling services*—Dominican youth are frequently unaware of the types of careers and jobs that are available as a result of the dearth of career counseling services. Additional education and information about technical and vocational instruction will help youth better appreciate the options they can pursue.
- *More emphasis on primary and second chance literacy programs*—Many employers, even those seeking to fill what are typically thought of as low-skilled jobs, are now requiring CXCs in English and math. Programs focused on improving educational outcomes at the primary school level are a critical investment in the future strength of Dominican labor force. Second chance programs can also play a role in helping non-academically inclined youth improve their skills later in life.
- *Develop a national workforce development strategy*—The GOCD might consider developing a national workforce development strategy that includes a youth employment policy in conjunction with its National Youth Policy. Part of this strategy would address the implementation of a CVQ program and inform employers and workers of the standards under this program.
- *Improve institutional capacity at lending institutions*—Expand prospects for youth microfinance by improving operations at microfinance institutions. Since membership at

credit unions is already very high in Dominica, encourage institutions to increase lending in a sustainable way through the introduction and management of new loan products.

Summary of Relevant Institutions

Dominica Agriculture and Industrial Development Bank (DAIBD)

The Dominica Agriculture and Industrial Development Bank (DAIBD) was established in 1971 to provide housing, student, and business loans in the major economic sectors, including tourism, agriculture, agro-processing, manufacturing, etc. The Bank issues collateralized loans ranging from EC\$3,000 to EC\$6 million dollars. The total loan portfolio is EC\$119 million with a delinquency rate of 18 percent. In 2009, loan approvals amounted to EC\$41 million, including EC\$22 million in tourism and tourism-related sectors.

DAIBD, recognizing the growth potential of the tourism sector, is actively promoting the hotel sector by providing loans for the building and renovation of hotels and other types of accommodation. Additional loans support the establishment of businesses in ancillary tourism services, such as arts and crafts.

DAIB signed an agreement with DYBT to provide loans to young entrepreneurs in 2005 which the bank believes is working well. DAIBD would like to see the DYBT's mentorship program continue and is prepared to assist in this area. It also wants to partner with a computer training school to train its clients in various accounting and management software but is aware that businesses require assistance in purchasing equipment. DAIBD would like to see more foreign direct investment in the country due to the potential for linkages as investors buy local products and services.

Business Training Center (BTC)

The BTC is a private school which focuses on job-readiness programs. It has branches in Roseau and Portsmouth. The school targets drop-outs, youth at-risk, and school leavers with few or no CXC's. Gang members also attend BTC, as well as older persons who have dropped out of school and want to return to education to obtain a high school diploma. Public service workers who feel stagnant in their jobs attend BTC to receive certificate training after which they often change jobs or get promotions. Most of the past students, including ex-gang members, are now working in entry level jobs.

Most of the training courses are skills-based and includes a life skills component. It is the first Microsoft Certified Center in Dominica. The courses offered include: CXC's; Pre-nursing Diploma; International Diploma in Business; Bachelor's Degrees and college Diplomas in various disciplines; Secretarial Diploma; Penn Forster College Diplomas; certificate in gourmet cooking; Diploma in electrical; and computer courses (e.g., web design, international computer drivers licenses, forensic computer examiner certificates, computer relations for service technicians, and others).

The school's annual intake is 500 students, 300 of whom are financed by the GOCD. The government funds students at a cost of EC\$400,000 to assist them in completing high school courses in preparation for the Dominica State College. For those who are not assisted by the government, BTC offers a payment plan of as low as EC\$150 per month which is sometimes difficult for students to find. It is recommended that the GOCD increase its support to the school, and the BTC highlighted of its need for larger premises to meet the growing demand for its over-subscribed courses.

Ms. Stedman, the principal and owner, demonstrated a great passion in providing educational opportunities for underprivileged students and felt that with additional physical space she could help more youth at-risk and drop-outs. BTC has purchased land and is looking for funding to build additional space opposite its current location.

ChildFund Caribbean

ChildFund Caribbean, formerly Christian Children's Fund, is an NGO working in Dominica and St. Vincent and the Grenadines to help 'deprived, excluded and vulnerable children' transition into productive and secure young adults. It is part of ChildFund International and a member of ChildFund Alliance. To date, it has assisted 36,360 families and children on both islands. According to ChildFund Caribbean, one of the greatest disadvantages that under-privileged and vulnerable youth face in Dominica and St. Vincent and the Grenadines is the lack of education. In an effort to improve the employment prospects of youth, ChildFund has focused on developing and implementing education and income-generating activities for youth, particularly young mothers.

Enhancement Education Program. One of the goals is to empower young people in Dominica and St. Vincent through remedial and literacy classes. ChildFund also runs a life skills program for youth, sponsors spelling competitions, and aired a youth radio program until recently. Research is also conducted on violence and crime, delinquency, teenage pregnancy, and substance and drug abuse, etc.

Roving Caregivers Program. Through its Home Intervention program, known as the Roving Caregivers Program in Dominica, ChildFund trained twenty-one young women in childhood development. Each of the TVET-certified rovers has access to homes of at-risk and vulnerable youth to show parents how to stimulate and care for the children. The program is being implemented in the ghetto areas of north-east Dominica. The goal is to reduce shouting and corporal punishment in the home and increase child safety in hopes of improving child development in the long run. This program comes to an end in 2011.

Pre-school Teachers Program Between 2002 and 2007, ChildFund ran a nine-month Pre-School Teachers Program in which twenty-five pre-school teachers were trained and certified. Pre-school teachers from this program recently formed a Pre-school Council in Dominica. ChildFund would like to reintroduce the Pre-school Teachers Program if funding can be found.

Home Caregivers Program. Mr. Francis Joseph, Director of ChildFund, would like to develop and implement a Home Caregivers Program in partnership with the Social Care Center using

their facilities – nursery, pre-school, kitchen, etc. This program will target teenage drop-outs with children to be trained as certified home caregivers/managers. They will be taught hygiene, food preparation, house-keeping, child health, safety, communication skills, Mathematics, and English. The idea is that these home caregivers will provide adequate childcare, not only to the children of working parents, but to their own children as well. ChildFund would like to focus on deprived areas such as Yam Piece, Gutter Village, Tarish Pitt, Fond Cole, and Silver Lake (Fly City).

Income-generating Activities. ChildFund has been working with youth on various entrepreneurial initiatives. For example, ChildFund has helped youth in La Plaine, south-east Dominica to set up and run an internet café in the area. They would like to train young people in computer technology and computer maintenance at the café. ChildFund is in the process of mobilizing twenty-five youth to identify eco-tourism sites for weekend and holiday tours.

Dominica Cooperative Societies League Ltd (DCSL)

The Dominica Cooperative Societies League (DCSL) provides services to credit unions which include advocacy, training, and self-regulation, as well as loans to its member-unions through a Central Financing Facility. Credit unions are regulated by the Financial Services Unit, Ministry of Finance.

There are fourteen community-based credit unions in Dominica. The largest credit union, the Roseau Credit Union has 30,000 with the smallest in St. Mary's having 600 members. Credit unions assist in youth development through the DYBT. The total credit union membership as of December 31, 2009 was 60,803.¹⁰⁴

Credit unions provide the following loans: mortgage loans, domestic loans, education loans, pay-day loans, single payment loans, open-ended loans, character loans, medical loans, and business loans which range from EC\$50 to EC\$1 million (Central Credit Union) to EC\$2 million (Roseau Credit Union). Business loans require collateral, such as property or a loan guarantee from the DYBT. Over the past two years, St. Paul's Credit Union disbursed 1,800 loans guaranteed by DYBT. The delinquency rate for most credit unions is quite low, ranging from 0.66 percent for Grand Bay Credit Union to 5 percent for Roseau Credit Union. However, some have much higher rates, such as Woodford Hill Credit Union at 39 percent.

DSCL indicated that, although funds are available to lend to youth, there is no specific program to target them. It would like to establish a special window to target youth within the credit union league. Loans would be granted based on the business plan and applicant's character, and DYBT would provide business support services. It was felt that a matching grant facility would contribute greatly to the success of such an initiative.

Dominica State College

The State College is the only government-owned tertiary education institution in the country. The total annual intake is 1,850 students between the ages of 15 and 23. The college offers

¹⁰⁴ Dominica Cooperative Societies League Ltd Annual Report 2009

academic and technical courses. The State College indicated a dramatic drop in applications for the upcoming academic year. By June 2010, the State College had received 300 applications compared to 700 applications in the previous year. Although the reasons for this drop are not clear, it is suggested that fewer secondary school graduates are applying to the college because past students of the College, a large number of whom are unemployed, have shared negative feedback. The State College revealed that it receives fewer applications for its technical courses every year (sometimes only two applications for a course) such that they are unable to offer some courses. The College believes that demand is low for some technical courses, such as plumbing, due to a misconception among youth that they cannot succeed financially in certain lines of work. However, electrical and electronics are the most popular courses, because there are employment opportunities with the electric company (DOMLEC) and telecommunications companies (LIME and Digicel). The technical division of the College experiences the highest drop-out rate. For example, from an intake of 252 students in 2004, only 32 graduated, and only 24 graduated in 2007 from an intake of 231 students.

Increased access to tertiary education should be a priority. The State College needs to revisit its courses and embark on an outreach program to encourage students to attend the college.

Dominica Youth Business Trust (DYBT)

The Dominica Youth Business Trust (DYBT) is an initiative of the Commonwealth Youth Program and the GOCD, with the support of the OAS and the Caribbean Development Bank, to promote youth entrepreneurship in Dominica. Its mandate is to support new business formation by youth entrepreneurs, aged 18-35 years. The Trust, launched in 2004, is managed by a board of nine trustees appointed by the GOCD bi-annually.

DYBT works in collaboration with the private sector to support young entrepreneurs through its Loan Guarantee Fund, technical support, and a mentorship program (up until May 2010). As of March 2008, 169 persons had been trained (84 male and 85 female) with the majority of participants coming from the south of the island. Sixty-one loans totaling EC\$800,000 have been guaranteed under the fund, and young entrepreneurs are able to access up to EC\$20,000 from the fund in the form of a loan guarantee. DYBT guarantees 75 percent of loans taken from institutions such as NDFD, AID Bank, and thirteen credit unions which signed an agreement with DYBT in 2005. The applicant is expected to put up the other 25 percent.

The total fund is EC\$1.5 million, and the day-to-day management of the Trust is conducted by a Coordinator under the supervision of the Chief Youth Development Officer of the YDD. The lack of human resources does not allow for on-going supervision and monitoring of young entrepreneurs. The DYBT felt that the mentorship program helped to reduce the delinquency rate of loan payments which currently stands at 39-40 percent. The GOCD is closely involved with the DYBT, so many see it as government money and, as a consequence, are less willing to repay the loans despite their success.

The mentorship program was piloted for one year until May 2010 and administered partially through funding from CDB and Barbados Youth Business Trust (BYBT). Each entrepreneur was assigned a mentor as a business counselor for a specified period of time to develop the business. A total of forty-seven mentors received training, and twenty-two mentees received counseling

from nineteen mentors. The program is currently being evaluated by CDB and BYBT. Based on the recommendations, the DYBT is hoping to develop a full-fledged Mentorship Program, subject to funding. This is important, as business mentoring should be a critical component of DYBT in order to advise and guide young people as to how to properly manage their businesses. Accepting a mentor, along with training, should be a requirement for a loan guarantee. This would help youth overcome the constraints of limited business experience, contacts, and skills and reduce the delinquency rate.

The success of DYBT is attributed to its reliance on a network of business people and skilled professionals (trained as instructors) who provide advice and training to young persons. It has also been successful in countering the unwillingness by financial institutions to lend to youth entrepreneurs due to their risk of default. The loan guarantee scheme has ameliorated some of this risk and increased financial institutions' comfort level in working with the youth demographic. This contributes to increasing access to finance through DAIBD, NDFD, and credit unions where a savings culture is also inculcated.

The YDD has demonstrated its sustainability with the support of the GOCD and its acceptance by various institutions who have commended its work in youth skills training, development, and entrepreneurship. It has been successful in helping young people transition through the stages of development of employability and self-employment.

National Development Foundation of Dominica

The NDFD was established in 1981 as a 'private, non-profit development institution' to provide loans, training, and business development services to business start-ups and MSMEs in Dominica. According to NDFD, there has been a significant increase in demand for loans. The number of loans disbursed increased by 300 from 2007-2009, and from 900 loans in 2009 to 1500 loans in 2010. The value of business loans has also increased and the total loan value is now at almost EC\$7 million. The delinquency rate is quite high at 31 percent. This has reduced significantly from 48 percent with the establishment of a Recovery Department which aggressively collected bad debts between 2008 and 2010. Prior to 2005, there was little follow-up with businesses.

The government, working in collaboration with the NDFD, administers a credit facility, the Young Farmers Credit Fund, to support small scale investments in agriculture. In 2009-10, NDFD disbursed 165 loans amounting to over \$615,000 in sectors such as crop and livestock production, fishing, and huckstering.¹⁰⁵ However, NDFD felt that there was not enough interest expressed by youth in the farmers' program, as they did not view agriculture as a business.

NDFD provides training in customer service, project management, small business management, grant and proposal writing through various workshops. NDFD charges minimal fees ranging from EC\$150 to EC\$350. Its three project officers provide on-the-job training as and when necessary.

¹⁰⁵ Economic and Social Review 2009 -10

NDFD feels that it is important to find out the needs of young people and the opportunities that will interest them, after which, plans for training should be devised and grant funding provided for start-up. NDFD highlighted the need for institutional strengthening and capacity-building, particularly in the area of credit risk management.

Small Business Development Unit (SBDU), Ministry of Trade

The SBDU was established in 2008 with a mandate to provide financial and technical assistance to new and existing MSMEs. Its objective is to lower unemployment and promote the utilization of local raw materials through agro-processing, etc. It also manages a grant facility for persons in need of capital for business start-up and expansion who have been turned away by financial institutions. Persons can access up to EC\$15,000 to finance the purchase equipment or stock, or for working capital.

To access the fund, a person submits an application form and a business plan to SBDU. Officers of the unit will review the application and conduct field assessments to determine the viability of the project or business. If the application is successful, he or she will submit pro forma invoices. The SBDU might turn the grant into a soft loan after a six-month review if it is felt that the funds were misused. About 633 persons have been assisted so far, with a very low percentage grants being converted to loans.

The GOCD has set up a joint committee coordinated by SBDU and comprised of representatives from the following institutions: NDFD, DYBT, Cooperative Division, IDA, Bureau of Standards, AID Bank, Business Gateway Project, OECS, EDU, DAIC, the Dominica Association of Craft, and Credit Unions. This committee intends to develop a joint work program for business development to remove duplication and overlapping of activities.

The Social Center

The Social Center, located in Roseau, is a non-profit organization established by the Roman Catholic Church in 1950 to promote social development in Dominica. The center manages five programs, including: the Adolescent Skills Training Program (ASTP); From Offending to Achieving (FOTA); and Partnership in Opportunities for Employment through Technology in the Americas (POETA). These programs target school drop-outs and youth at-risk, including drug addicts and angry youth from poor socio-economic backgrounds.

Over the years, the Center has collaborated on programs with the Social League, Building & Loan Association, DCSL, St Ann's Day Nursery, Pre-School Education, and others.

Adolescent Skills Training Program (ASTP) The Social Center has run ASTP, which is funded by UNICEF Caribbean Barbados, since 1986. ASTP offers training to under-privileged youth, particularly teen mothers who were not allowed to return to school after pregnancy. This program has extended its gender focus to include young men, including drop-outs. The ASTP provides training in ICT, hospitality, woodwork, auto bodywork, home care for the elderly, and early childhood education, among others. The average intake is thirty adolescents per year (more boys than girls). In 2009, twenty-one students graduated from the program.

Partnership in Opportunities for Employment through Technology in the Americas (POETA) POETA, an affiliate of the Trust for the Americas and the Organization of American States, is a non-profit organization which provides ICT training for underprivileged youth. The twelve-week program was implemented at the Social Center in 2007 and includes training in personal development, civic education, and job readiness. There is also a job attachment component to the program. In 2009, sixty persons graduated from the program, and about 120 people have participated in the program since 2007.

“From Offending to Achieving” (FOTA)

The FOTA program managed by the Social Center, in collaboration with the Welfare Division and the Magistrates’ Court, was initiated in July 2008 to cater to male juveniles. These juveniles are screened and sent to FOTA instead of prison by the local magistrate who prescribes the length of the probationary period. This program is designed to help youth learn a skill through job attachments. The offenders are placed on job attachments for three days a week according to their skills and interest and attend sessions in personal development and counseling, as well as parenting sessions on the other two days. The goal is for the young offenders to learn academic, social, life, and professional skills that will have a positive impact on their lives. To date, the program has worked with over 86 offenders and has an average annual intake of 16 juveniles. The success rate is high, as approximately 96 percent of students have avoided becoming repeat offenders, and 50-60 percent of the students are still working. The Center also tries to encourage young offenders to return to school.

Ms. Norma Cyrille, head of the Center, would like to implement a parental support program, including support to help low-skilled parents find jobs, such as cleaners and maids. In addition, she feels that the ASTP needs to upgrade and add equipment in order to make it more effective and relevant to the changing needs of the under-privileged youth in Dominica.

Youth Development Division (YDD)

The YDD of the Ministry of Culture, Youth, and Sports was established in 1972 as the principal government agency for implementing and coordinating youth development in Dominica. Apart from administering the DYBT, the YDD manages several development programs targeted at youth between the ages of 15 and 35. These include youth at-risk, teenage mothers, school drop-outs, under-achievers, unemployed, and under-privileged youth.

Some of the programs relating to youth employment and entrepreneurship are described below:

Skills Training Program This non-formal program, or second chance, program began in 1982 with initial funding from USAID. It aims to provide ‘unemployed and under-employed persons with basic entry level skills needed for wage and self-employment.’ The GOCD took over funding responsibility in 1989 when the original project ended. The Skills Training Program includes technical training, life skills (remedial, communication, and self-esteem) training, and job attachments. The instructors are persons with experience in different skills. For example, a garage owner may be used as a trainer, but he will undergo training as an instructor before students are assigned to him. This is a three- to six-month program ranging from four months for computer skills to six months for auto-mechanics. The job attachments are for one to two

months. Some of the courses are run jointly or financed jointly, for example, where an instructor is financed by the employer.

The courses offered are based on the demands of employers and potential students. A District Youth Officer completes an Employer Identification Report with recommendations based on findings obtained during field visits and interviews with potential employers and students to determine skills needed and areas of vacancies. The Youth Officers will discuss with employers the number of persons and skills needed before preparing the report. The program is then designed and courses are advertised in specific areas where there is a demand for the skill. For example, construction courses are offered near Ross University in order to meet the demand for construction of student homes. Applicants are interviewed by a panel, including a technical resource person from the industry. Training is done with self-employment in mind, so it includes an enterprise development component. YDD also conducts tracer studies to find out whether beneficiaries find employment and, if so, whether the employment is in the field in which they received training through YDD. Feedback from the tracer studies inform which courses YDD offers in the future. YDD also responds to specific requests from employers. As of 2008, 5,411 persons have received training, and tracer studies show over 75 percent job retention in employment related to skills training.

The YDD articulated a desire for instructors to get training and accreditation through the National Accreditation Board (NAB) of the Commonwealth of Dominica so that recognized certificates can be issued to participants.

Youth Center Program The YDD runs a Youth Center Program in Roseau, Grand Bay, Marigot, Portsmouth, and Delice. At the youth centers, a nine-month program provides young persons with counseling, information, and training. Out-of-school youth may participate in a life skills program, and the center offers technical courses, such as basic electrical, cooking, and sewing. Young persons aged 15–early 20s attend this program.

School-based Leadership Training This program in secondary schools is used to educate and provide peer counseling in areas such as HIV/AIDS, crime and violence, conflict management, and communication.

Small Business Assistance Facility This facility began in 2006 to assist entrepreneurs in managing and growing their small businesses. Applicants are required to attend a two-day workshop in order to satisfy the basic requirements.

Special Facility for Dominica State College Students This is a special facility for business students attending the Dominica State College who submit a viable business plan. As part of the assistance, the students must complete Achievement Motivation Training.

F. St. Vincent & the Grenadines

Economic and Social Context

St. Vincent and the Grenadines comprises St. Vincent, the mainland and the largest island, and a chain of thirty-two small islands and cays in the Grenadines. The larger inhabited Grenadine islands include Bequia, Mustique, Canouan, Palm, Petit St. Vincent, Mayreau, and Union. The national population was estimated at 104,574¹⁰⁶ in 2010, with an estimated negative population growth rate of 0.34 percent. This negative rate is due, in part, to outward migration and the government's family planning initiatives over the past few years.

St. Vincent and the Grenadines is among the poorest countries in the Eastern Caribbean. The Government of St. Vincent and the Grenadines (GOSVG) reported increases in real GDP growth of 7.6 percent in 2006 and 8 percent in 2007 due to an expansion in tourism and tourism-related services, a rebound in agricultural output, and robust public sector construction activity. However, in 2008, the effects of the global financial crisis led to a contraction in real GDP of 0.6 percent. GDP continued to fall at a rate of 2.5 percent to US\$567 million in 2009¹⁰⁷ due to the global economic crisis, a fall in agricultural output due to adverse weather conditions, and a drop in tourist arrivals to the country, among other reasons. In 2010, the government reported real growth rates in Government Services (9 percent), Communications (5.1 percent), Other Services (5 percent), Mining and Quarrying (1.7 percent), Real Estate and Housing (1.5 percent), and Construction (1.4 percent).¹⁰⁸

According to the UNDP, St. Vincent and the Grenadines' economy was disaggregated as shown in Table 1. In 2008, the latest year for which there are figures, agriculture comprised approximately 7 percent of the economy, manufacturing about 4 percent, construction about 16 percent, and wholesale and retail trade about 21 percent.

Table 6. Economic Sectors (current prices, EC\$ mill)¹⁰⁹

	2001	2002	2003	2004	2005	2006	2007	2008
GDP	776.7	817.2	852.3	928.4	987.9	1084.9	1203.8	1242.1
Real GDP Growth (%)	-0.1	3.2	2.8	6.8	2.6	7.6	8	-0.6
GDP- selected sectors								
Agriculture	74.7	80.5	74.6	76	81.3	84.1	95.7	91.3
Bananas	20.1	23.8	14.2	15.6	14.7	12.9	13.2	9.77
Manufacturing	53	54.5	49.6	54.3	59.4	52.7	55.4	52.5
Electricity & Water	51	49.7	56.2	54.5	55	56.9	67.3	69.4
Construction	92.3	92.7	100.7	117.2	119.6	154.9	186.1	192.7
Wholesale & Retail Trade	144.3	149.9	156.6	177	191.8	211	236.3	256.2
Hotels & Restaurants	17.6	17	19.3	20.7	22.7	22.9	24.9	24.2
Transportation	107.4	112.4	118.4	131.1	132.7	155.9	173.6	159.4
Banks & Insurance	55.9	62.6	81.2	92.8	115.9	119.8	126.4	127.5

¹⁰⁶ <https://www.cia.gov/library/publications/the-world-factbook/geos/vc.html>

¹⁰⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/vc.html>

¹⁰⁸ Government of St. Vincent and the Grenadines Budget Address 2010 -11

¹⁰⁹ UNDP, *Social Implications of the Global Economic Crisis: 2008-2009, St. Vincent and the Grenadines Country Report*, February 2010, pg. 10.

Tourism activity in St. Vincent and the Grenadines is concentrated in the Grenadines on Bequia, Palm Island, Canouan, and Petit St. Vincent where the larger tourism resorts are located and geared towards more high-end tourists. Tourism represents a relatively small percentage of the economy. Direct industry GDP accounts for only 7.2 percent of GDP, the lowest among Eastern Caribbean Anglophone countries. Total tourist arrivals have declined from a high of 328,000 in 2007 to nearly 280,000 in 2009, with the more lucrative category of overnight visitor arrivals exhibiting large declines—from a high of 97,000 in 2006, to just over 73,000 in 2009.¹¹⁰ The Eastern Caribbean Central Bank (ECCB) estimated a further decline in tourism activity in 2010 due to the slower than expected recovery from the global economic downturn which will negatively impact activity in the construction sector and reduce the number of stay-over tourist arrivals and cruise ship calls to the country.¹¹¹ Travel to St. Vincent from the other Caribbean islands also declined due to high intra-regional travel costs and reduced airlift into the island. Apart from some public sector projects which slowed in 2010, the only other major construction activity was the private sector construction of the first phase of the 1,000 room Buccama hotel resort in Buccament, St. Vincent.

The agricultural sector has exhibited significant declines, particularly in bananas, which used to account for a large portion of the country's economic output. With the erosion of preferential trade access to European markets, the uncompetitive elements of the agricultural sector, such as high input and shipment costs and low labor productivity, have been exposed to global market forces. Moreover, the banana crop has suffered from disease and infestations that further reduced output. Banana production stood at just over 76 thousand metric tons in 1992 and employed 7,855 farmers. Production has since declined to just under 18 thousand metric tons in 2006 and the sector employed 1,551 farmers.¹¹² As the agricultural sector declines, the government is focusing on promoting the agro-processing and the services sectors – tourism, information and communication technology (ICT), international financial services, creative industries, and renewable energy.

The private sector is dominated by a few family-owned businesses, many of which started about fifty years ago and were passed down to subsequent generations. Hotels are locally-owned, particularly on the mainland. According to one private sector organization, the families tend to feel comfortable in their own space and are not willing to expand or change the modus operandi. Hence, the private sector is not growing fast enough and not enough new enterprises are being started to absorb the increasing number of school leavers. The largest employers are in retail, insurance, marketing and sales, tourism and hospitality, and manufacturing sectors.

St. Vincent and the Grenadines exhibited significant activity in the construction sector during the middle of the 2000s but has since contracted. The expansion was a result of: the Cricket World Cup 2007; airport redevelopment and expansion; road improvement and development; and the construction of schools, residential housing, and hotels and resorts in the Grenadines. Tight credit and a decrease in investment have led to the subsequent decrease in construction activity.

¹¹⁰ World Tourism Council

¹¹¹ ECCB Economic and Financial Review First Quarter 2010

¹¹² Kairi Consultants Limited, *St. Vincent and the Grenadines Country Poverty Assessment 2007/2008: Living Conditions in a Caribbean Small Island Developing State*, pg 13.

As outward migration increases, so have remittances to St. Vincent and the Grenadines. The downside is that this has contributed to a brain drain as skilled labor migrates to developed countries such as the United States and United Kingdom.

St. Vincent and the Grenadines does not track unemployment data, but according to a UNDP document, the jobless rate stood at 18.8 percent in 2007.¹¹³ The size of the formal economy as measured by the National Insurance Services contracted in 2009 by 8.9 percent.¹¹⁴ The Caribbean Development Bank (CDB) funded a study which found that 25 percent of the working population was employed in the informal sector and not captured in the formal economy. Therefore, the official unemployment rate of 18.8 percent¹¹⁵ might be much lower. The high unemployment rate represents a serious problem for St. Vincent and the Grenadines, particularly since it is concentrated among young males.¹¹⁶ This has growing social implications because of the associated rising levels of drug-related crime and violence, illegal marijuana cultivation, and substance abuse in the country.

“Youth on the bloc”/gangs. In St. Vincent, there is an increasing number of out-of-school or unemployed youth “on the bloc” and in gangs. The majority of these youth are between the ages of 14 and 19. Some reasons cited for joining a gang include:

- Disillusionment;
- Abandonment;
- Identity seeking;
- Materialist “bling bling” lifestyle;
- Fast money;
- Poor role models in the home, for example, the youth may have a parent who is a hustler and feel that it is normal; and
- Turf mentality.

Of the 350 youth interviewed during the “Youth on the Bloc” survey conducted in 2008-2009, it was found that:

- 16-20 year-olds formed the largest age group;
- More males than females are “on the bloc;”
- 78 percent do not have skills and training;
- 77 percent still live with their families;
- 68 percent have sexual partners; and
- 65 percent find that the bloc serves the purposes of dialogue, socializing, and gambling.

Rose Place community in Kingstown is a deprived fishing community where most of the young men are out of school, unemployed, or do not want to be employed. They are heavily involved in drugs and prefer the “riskful run” rather than legal employment. In addition, there is strong peer pressure among the males for “peacocking”—accumulation and display of flashy, expensive

¹¹³ UNDP, *Social Implications of the Global Economic Crisis: 2008-2009, St. Vincent and the Grenadines Country Report*, February 2010, pg. 19.

¹¹⁴ ECCB, *Annual Economic and Financial Review: 2009*. Pg. 75.

¹¹⁵ Statistics Department, GOSVG

¹¹⁶ Survey of Youth on the Bloc Report 2010, Youth Development Division

clothes, jewelry, etc.—to demonstrate their importance. The community is also attracting youth from outside to come “hang out” and get involved in drugs. As a gang or group of youth give themselves a name, they become a force to reckon with, and gang violence increases if a deal has gone sour or there is an attack on a member. It is no longer one-to-one conflict but group conflicts. The violence often extends to innocent family members.

ChildFund found that the number of 10-14 year olds, comprising mainly school drop-outs, who gather at the bus stops daily to gamble was overwhelming. The general public perception of youth is quite negative—they are perceived as trouble makers, likely to engage in crime, and violent. However, the Division of Youth Affairs (DYA) suggests that positive influences could redirect youth toward sports and, perhaps, productive enterprises.

HIV/AIDS There is a high incidence of HIV/AIDS in rural areas which is negatively impacting on the workforce as some youth become infected while others lose parents, family members, partners, and friends.

Some youth in community groups interviewed during the survey indicated they would like to:

- Get training in a specific field and develop a skill;
- Start a business;
- Find a job;
- Become financially secure; and
- Complete their education at secondary and tertiary levels.

What are the country’s economic development goals, initiatives, successes, and challenges?

The Government, in its Medium Term Economic Strategy Paper 2002-2004, stated that its goal was “to improve social safety-nets for the vulnerable, to develop the capacity to facilitate poverty eradication initiatives, to empower communities to identify, prepare and implement projects, and to encourage greater community participation in promoting national development.”

St. Vincent is an agricultural economy where bananas (“green-gold”) at one point contributed three-quarters of total output. As banana output decreased, the government embarked on an agricultural diversification and development program which succeeded in producing various root crops (such as dasheen, eddoes, and sweet potatoes) for export. However, this effort has been thwarted by a variety of challenges, including crop disease, increased prices of agricultural inputs, and adverse weather conditions, such as the drought in early 2010. In its Medium-term Economic Strategy, the GOSVG outlined plans for the sector which included creating an enabling environment for agricultural entrepreneurship.

In an effort to develop the fishing sub-sector and increase output, the GOSVG embarked on an EC\$7 million expansion program to encourage persons to purchase trawlers costing EC\$750,000. Soft loans were offered at a rate of 6 percent with the GOSVG guaranteeing 50 percent. To date, very few persons have taken up this offer, as it is difficult for the average fisherman to finance the other 50 percent.

Marijuana cultivation is an important economic activity in St. Vincent. Some believe that the eradication program which occurred in early 2010 has negatively impacted the economy, as the marijuana farmers' loss of income has caused retail sales and other sector revenues to suffer. The Ministry of Agriculture is currently running an Alternative Livelihoods Program supported by the Bolivarian Alliance for the Peoples of Our America, (better known as ALBA for its acronym in Spanish), which is designed to assist in providing male youth involved in marijuana production with an alternative livelihood. The program has a strong agricultural focus, which is limiting the success of the program, and only 10 percent of program funds have been placed.

Over the past few years, the government embarked on a Public Sector Investment Program which has contributed heavily to construction activity in St. Vincent and the Grenadines, but this is expected to fall as the projects near completion and activity is restricted to road construction and rehabilitation. According to ECCB, it is unlikely that the planned capital projects will materialize due to financial constraints.

The GOSVG has put various policies and programs in place to develop the services sector, particularly tourism and hospitality, international financial services, ICT, creative industries, and offshore education. The new international airport in Argyll is expected to boost tourism activity in the country, particularly on the mainland, as new hotels are constructed to meet the anticipated demands of increasing stay-over tourist arrivals.

The ICT sector is limited to call center operations and transcription services which fall within the current competence level of the workforce in St. Vincent. To date, one of the two operations has failed due to lack of work and the other, which specializes in legal transcription, is slowing down. While the GOSVG has an ICT strategic plan for the country, many feel that the government should revisit its approach to supporting the sector.

What is the current distribution of employment by gender, industry, and occupation?

In 2007, the labor force was estimated at 57,520¹¹⁷ (52 percent of the total population). At its peak, 60 percent of the labor force was employed in banana production, but that figure has significantly declined to approximately 15 percent.¹¹⁸ This decline has caused persistently high unemployment in rural areas, prompting urban and outward migration.

Government is the largest employer, absorbing 34.9 percent of the workforce.¹¹⁹ The major private sector employers are found in the construction (14 percent), wholesale/retail (13 percent), and agriculture (12 percent) sectors. The tourism sector directly employs only 6.9 percent of the labor force.¹²⁰

St. Vincent and the Grenadines' workforce participation by gender and occupational distribution follows in the tables below.

Table 7. Workforce Participation by Gender

¹¹⁷ <https://www.cia.gov/library/publications/the-world-factbook/geos/vc.html>

¹¹⁸ Source: <http://data.un.org/CountryProfile.aspx?crName=Saint%20Vincent%20and%20the%20Grenadines>

¹¹⁹ ECCB, *Annual Economic and Financial Review: 2009*. Pg 75.

¹²⁰ World Tourism Council

Labor force participation ¹²¹	2000	2005	2008
Adult male population (%)	79	79.4	79.0
Adult female population (%)	47.6	50.9	52.7

Table 8. Occupational distribution

Occupation	Distribution (%)
Technical and skilled	31.65
Professional	7.4
Managerial	5.2
Admin Skilled	30.1
Supervisory	6.4
Operatives	19.3

The Vincentian agricultural sector absorbs about 29.4 percent of the male workforce, but only 8.3 percent of female workers. Almost 82 percent of the female workforce is employed in the services sector compared to 44 percent of male workers. The industrial sector is male-dominated at 26.8 percent of that workforce and only about 10 percent of the female workforce.

What occupation and skills demands are growing, declining, or emerging?

St. Vincent and the Grenadines has an abundance of unskilled and low-skilled labor, including farm workers leaving the agricultural sector who could fill low level or entry jobs. It has been difficult for this agrarian society to transition into a services society without the proper enabling environment. The St. Vincent and the Grenadines Chamber of Industry and Commerce (SVGCIC) expressed concern that the GOSVG and the private sector are not doing enough to support the creation of high-end jobs to absorb college students or doing enough to develop higher-skilled labor.

One challenge is that the existing educational levels and skills sets among young people do not meet the need for medium- to high-skilled labor. This is important for the development of the construction sector in the short-term due to the anticipated increase in tourism developments and growth in the tourism and hospitality industry in the near- to medium-term. The first phase of construction of the Buccama Resort was completed, and the hotel was officially opened in August 2010. This 1,000-room hotel is expected to create 2,000 direct and indirect jobs. Other tourism projects are in the pipeline, such as Hope, a tourism resort with a golf course, and other developments on the Grenadine islands of Maryreau, Isle de Cartes, and Petit Nevis. If the higher-skilled labor needs of the construction industry are not addressed, the continued importation of skilled labor such as plumbers, electricians, masons, and carpenters will be necessary to meet the demands of this growth sector.

¹²¹ Source: <http://data.un.org/CountryProfile.aspx?crName=Saint%20Vincent%20and%20the%20Grenadines>

During the years when banana production was booming, employment in this sector, though often informal or casual, maintained whole villages and provided steady income for the farmers. Banana production remains significant but is a declining source of employment for rural Vincentians. Efforts to bolster the agricultural sector through agricultural diversification have not been as successful as anticipated for various reasons. For example, the introduction of greenhouse cultivation in St. Vincent and the Grenadines has been challenged by a lack of knowledge and educational opportunities in new production methods and technologies. One business person interviewed mentioned that a poultry farmer lost an opportunity to supply one of the larger cruise ships because his eggs were not certified Grade A, and the cruise ship could not be satisfied that standards were being met. Modern production techniques, more consistent supply, certification, and better linkages could help revive demand for agricultural products and labor.

There are some hopeful signs that this is occurring. While agriculture has not attracted many youth in the past, an increasing number of young people are entering the sector as a temporary measure until they find employment in other sectors. Some young farmers have turned their farms into viable businesses supplying the hotel sector and now intend to remain in the industry. It is hoped that this will encourage others. However, coordinated and targeted training in new technology and assistance to purchase said technology is needed. The establishment of the proposed National Agriculture Marketing Agency could provide the impetus needed to further support youth entrepreneurship in the agricultural sector.

Tourism is a growing sector and has great potential to employ skilled youth and trainable school leavers in all areas including facilities maintenance, tour guides, housekeepers, bartenders, waiters, and so on. The majority of existing hotels are foreign-owned and located in the Grenadines but managed by locals in supervisory positions. However, one interviewee noted that the tourism sector is not attractive to young people, including the brightest students, as they do not see it as a career option. Teachers also convey negative perceptions of work in the tourism sector, sometimes equating it to servitude. Therefore, the government faces the challenge of changing the mindset of Vincentians with regards to embracing tourism as a promising career path.

The St. Vincent and the Grenadines Hotel and Tourism Association suggested that the following skills are in demand in the tourism industry: specialist skills in food photography, website development for the tourism sector, interior decorating and design for hotels, musicians and entertainers, and tour photography.

With the anticipated tourism development boom, several opportunities exist to develop new supply chains for the tourism industry in St. Vincent and the Grenadines, such as agriculture and the creative arts/cultural industry. New technology in music and creative arts has created opportunities in the cultural industries which are attractive to youth. They have shown tremendous interest in turning their talent into a viable business, but there is a general lack of education and information on the economic potential of the industry, as well as poor access to capital and weak copyright laws and enforcement. Nonetheless, it appears that the demand for persons skilled in music production, as well as arts and crafts, will grow.

Invest SVG, the national investment promotion agency, believes that the competency level for ICT is low in St. Vincent and the Grenadines, and so investment promotion activities should be restricted to call center operations until this issue is tackled. The government has spent more than EC\$40,000 on an Educational Project to computerize schools and improve the capacity of individuals to operate in an information technology environment in an effort to create economic opportunities for the youth.

The GOSVG wishes to upgrade the fishing sector in St. Vincent and the Grenadines to encourage off-shore fishing but has faced many challenges, including the reluctance among fisherman to upgrade their skills and equipment. Currently, fishing is a low-tech, artisanal vocation for Vincentian fisher folk. The government has yet to succeed in attracting youth who may be more willing to learn new techniques and to use new equipment. Youth have not been exposed to larger-scale commercial fishing and do not see it as a profitable career. In addition, capital investment in this type of fishing is generally out of reach for young fishers despite the incentives provided by the GOSVG.

On the leeward side of the island, where marijuana plantations and the drug trade are prevalent and the main source of activity, there is strong competition for labor as the wages earned in illegal activity are much higher than wages paid by licit employment opportunities. Many youth are employed in this illegal trade, as they are thrilled by the risk and see it as “sexy.” The organization that represents marijuana farmers, called Spirit, expressed concern about the recent eradication program in the north where there is no alternative economic activity, and where they claim that farmers and Rastafarians use marijuana for medicinal and religious purposes, respectively. This has become a political issue, as Vincentians feel that the government has succumbed to international pressure to take away their livelihood.

What other important trends and issues are affecting the labor market?

With about half of all Vincentian households being female-headed, unemployment is an especially serious problem among women and youth. In addition, seasonal employment is very high.

Poverty and Education level. In the 2007 Poverty Assessment Report for St. Vincent and the Grenadines, it was reported that 37.5 percent of the population was poor and 25.7 percent indigent, and that the percentage of rural poor (38.7 percent) was greater than that of urban poor (35.4 percent). The majority of poor households were headed by females, including 95.8 percent of those in one of the poorest communities. The Report found low levels of education and training among poor households, and discovered that participation in the formal education system was lower among poor males as compared to poor females. However, more males attained higher tertiary level education than females. It was estimated that about 25 percent of children did not complete primary school because they were required to work on the banana farms to augment their family’s income. This was seen as the major contributing factor to low numeracy and literacy skills as well as the poor performance of secondary school students.

Rural Unemployment and Illegal Alternative Economic Activities. The decline in agricultural production increased rural unemployment and poverty. A survey conducted in 2001 found that

42 percent of banana farmers, 32 percent of ex-banana farmers, and 52 percent of banana workers were poor. This is exacerbated by declines in non-banana agricultural production. Marijuana cultivation has become the main economic activity in the “hills,” filling the void left by the contraction in the licit agriculture sector. The GOSVG has found that an increasing number of youth are dropping out of school to move into marijuana cultivation and drug dealing as they see their peers who earned eight to ten ‘O’ Levels remain unemployed while the drop-outs (usually in Grade 10 or Form 4) are driving brand new vehicles and building homes. Apart from the lure of quick money, youth enter this sector because of its perceived romanticism, the danger involved, and the level of notoriety and popularity it brings. One interviewee commented that it was alarming that young males are applying their “genius to criminality.” As crimes become more sophisticated in planning and execution, the police are yet to come to terms with this new type of criminality and need training. As expected, drug abuse is quite high in SVG, particularly among at-risk youth.

Migration and Remittances. About 53 percent of the population lives in rural areas (57,778) with 47 percent living in urban areas (51,328).¹²² As the agricultural sector declines, farmers are moving to Kingstown to seek alternative employment. According to the World Bank, the rural population fell by 0.38 percent between 2007 and 2008, and the urban population increased by a corresponding percentage. There is also a great deal of movement between the islands where there is economic activity, such as St. Vincent, Union Island, and Canouan.

The National Poverty Assessment 2008 found that 43.8 percent of households reported that at least one or more of its household members has emigrated and 17 percent of poor households received regular remittances in cash or in kind. The remittances from family members who migrated to other Caribbean islands and developed countries such as USA and UK essentially maintain many Vincentian families, especially in light of increasing unemployment. The government welcomes this, as it is believed that it aids in the reduction of poverty. In 2009, there was a marked decline in remittances to the island as persons lost their jobs in developed countries during the economic crisis.

Tertiary educated graduates have tended to emigrate to developed countries which has contributed to the brain drain of the country. It is necessary for the government to make every effort to retain these persons in order to meet the emerging requirements for knowledge-based skills for the growing sectors. There is also a need to jumpstart entrepreneurial activity in St. Vincent and the Grenadines.

Formal Education System

Over the past decade, the GOSVG has placed a high priority on reforming the education system. Following the achievement of universal primary school education, the government instituted universal secondary school education in 2005 when education expenditure reached 8.1 percent of GDP.

Universal Secondary School Education The introduction of universal secondary school education has been marred by various frustrations, which some believe stem back to the country’s colonial

¹²² World Bank

past. St. Vincent and the Grenadines inherited the colonial British school system, relics of which remain today despite various reform efforts. The relics include the Common Entrance Examination, placing students on different tracks within schools and across schools, and the hierarchical structure of secondary schools. These relics, combined with a curriculum geared toward academic specializations, have marginalized youth rather than embraced them in the national drive for universal education. While the government may have achieved 100 percent enrollment, retention and graduation rates are relatively poor.

In addition, due to the rushed implementation, some secondary schools do not have adequate resources to satisfy the increased intake of students who vary widely in abilities due to the low proficiency level of a large number of entrants in literacy and numeracy (especially among males). There is a mismatch between the current curriculum and the diverse needs of students. Teachers are not well-equipped to serve those with special needs and resort to sending them to the technical institutes at the first opportunity.

Schools and Enrollment The government-owned or assisted education institutions in St. Vincent and the Grenadines are as follows:

Table 9. Government-owned or Assisted Education Institutions in St. Vincent and the Grenadines

	Total	St. Vincent	Bequia	Canouan	Mayreau	Mustique Island	Union Island
Primary Schools	69	60	4	1	1	1	2
Secondary Schools	26	23	2		-	-	1
Technical Institutes	4	4	-		-	-	-
College	1	1	-		-	-	-

Source: Ministry of Education, St. Vincent and the Grenadines

In 2008/9, the total enrollment in primary schools was 14,941 and 11,425 in all secondary schools, while the total enrollment at St. Vincent Community College (SVGCC) was 1,484 students.¹²³ About 279 students were enrolled in the four government-owned technical and vocational schools – technical institutes, formerly Multi-purpose Centers.

Table 10. Gender Distribution of School Enrollment 2008- 2009

	Male	Female	Total
Primary Schools	7,817	7,124	14,941
Secondary Schools	5,604	5,821	11,425
Technical and Vocational Schools	198	61	279
SVGCC	521	963	1,484
Total	14,140	13,969	28,109

Source: Ministry of Education, St. Vincent and the Grenadines

¹²³ Ministry of Education, St. Vincent and the Grenadines Statistics 2008/9

It is interesting to note the huge disparity in the total enrollment at primary schools, secondary schools, and the college. The number of primary school entrants (1,041) was less than that of Grade 6 in 2008, while the number of Grade 6 students (2,316) expected to enter secondary school in 2009/10 is less than the number that entered in 2008/9 (2,407), indicating that the available secondary school places will be greater than anticipated demand in 2011. This could be attributed to the falling birth rate and migration. Conversely, there appears to be a serious bottleneck at the tertiary level which thwarts the national goal of a university graduate in every household by 2020. Based on enrollment in Form 5, there will be approximately 1,640 secondary school leavers in 2009 while the total overall enrollment in the four divisions at SVGCC was 1,484. The number of school leavers in any one year is greater than the total number places available at SVGCC.

Technical and Vocational Training The number of students pursuing technical and vocation education in St. Vincent and the Grenadines is relatively low in light of the anticipated demand for skilled workers. The total enrollment of students at the technical institutes and the Division of Technical and Vocational Education at SVGCC combined was 716 students with 279 students at the technical institutes and 437 at SVGCC.

There are four government-owned technical and vocational schools (technical institutes) in St. Vincent. The entry requirement is Grade 9 Caribbean Certificate of Secondary School Level Competence (CCSLCs). Students with insufficient CXC passes to enter SVGCC are now applying to technical institutes to top-up their qualifications to meet the college's minimum requirements. It is noteworthy that at the technical institutes only 29 percent of students are female.

Table 11. Technical Institutes Enrolment 2008/9

	Male	Female	Total
Barraouallie Technical Institute	21	1	22
Campden Park Technical Institute	84	66	150
Georgetown Technical Institute	27	3	30
Kingstown Technical Institute	66	11	77
Total	198	81	279

Source: Ministry of Education, St. Vincent and the Grenadines

In 2009, the Division of Technical and Vocational Education was the first choice for more students. This was evidenced by the increase in student registration at the Division of Technical and Vocational Education at SVGCC and the higher caliber of students applying for those courses. Students who would normally apply to the Division of Arts, Science, and General Studies because of the number of CXCs passed and their grades are now applying to the division that was originally established to cater to non-academic students. The reason for this increased interest is the higher qualifications now offered by the division which increases their employability and chances of matriculating into a degree program. SVGCC recently upgraded the certificate program to offer an associate degree in conjunction with UWI. This is a more skills-based program with job attachments. The division also offers Caribbean Vocational Qualifications (CVQs). The courses offered at the division include mechanical engineering, auto-body repairs, hospitality, electrical engineering, building construction, business, and secretarial studies.

Table 12. SVGCC Enrollment September 2007

	Male	Female	Total
Division of Teacher Education	14	87	101
Division of Technical and Vocational Education	197	240	437
Division of Arts, Science and General Studies	301	517	818
Division of Nursing Education	9	119	128
Total	521	963	1484

Source: Ministry of Education, St. Vincent and the Grenadines

In 2008, the enrollment of female students was 85 percent higher than that of males, with the highest enrollment in the Division of Arts, Science, and General Studies at SVGCC.

The TVET Unit of the Ministry of Education is now accelerating the process for implementation of the TVET program of certification. The Ministry of Education is currently conducting training for TVET assessors and certifiers and is trying to fully equip the technical institutes to offer CVQs to the students. Secondary schools offer TVET courses in Forms 4 and 5 (Year 10 and 11) and some schools, such as the Union Island School, have introduced TVET in Grade 7. They use the personnel, facilities, and equipment (often outdated) of the technical institutes for practical classes for TVET and CXC programs. The Ministry is also in the process of developing National Curriculum Guides for TVET and a creative arts program. The Ministry plans to use regular CXC courses and include technical training for TVET courses to meet the requirements of more practical and competency-based modules.

The government has established an Agricultural Training Institute at Rabaca to provide training in agriculture. The goal is to train an estimated 1,200 farmers, school leavers, fishers, entrepreneurs, and persons involved in agricultural support services. In addition, a US\$18 million Marine and Hospitality Institute is expected to open in 2012 to provide training and develop the skills required by the tourism and hospitality sector. It is also hoped that this will improve the image of the tourism industry.

Drop-out Rate. Although there are no official figures, the perception is that the drop-out rate has increased in the last few years. The 2008-9 “Youth on the Bloc” report found that about 28 percent of the 350 youth surveyed completed Form 5, while 14.3 percent dropped out of secondary school between Form 1 and 4, with 11.4 percent dropping out in Form 4. About 20 percent had attained primary school education.

Some expressed disappointment in the system because of the alarming increase in the drop-out rate due to poor literacy and numeracy levels. Some students cannot read when they enter secondary school, and those who do not receive remedial education tend to drop out after repeating classes several times. Until recently, students who could not make it academically were placed at Multi-purpose Centers, now called technical institutes, where they were taught according to their attainment level. Now, they are placed at secondary schools without adequate attention. Students feel that the government’s provision of text books is not enough.

Other reasons cited by students who had dropped out of school include:

- Teacher's negative attitude to students;
- The black book system in schools where students are expelled if their names are entered a specified number of times;

- The school work is too difficult and they do not get the extra attention that they need;
- School violence and bullying;
- Pregnancy;
- Poor comprehension and numeracy skills;
- Students had repeated a class too many times;
- Students felt school would not benefit them and wasted their time; and
- Poverty.

The Adult Education Division of the Ministry of Education has reported that the number of students in their pre-literacy and literacy programs is decreasing, which could be a positive sign; however, some interviewees questioned whether this was true.

Employer Engagement

What shortages and problems are employers experiencing?

Generally, employers complained that youth lack life, technical, and management skills. Despite the abundance of graduates in business administration at the tertiary level, good practical management skills were found lacking in St. Vincent and the Grenadines. In the tourism sector, it was easier to hire lower-skilled labor as most Vincentians are at the lower end of the skills spectrum. For example, it was easy to find bartenders and waiters but not mixologists. Employers experienced shortages in medium- to higher-skilled labor, particularly in the construction and tourism sectors. There is a growing demand for specialist workers such as sous-chefs, landscapers, stone workers, and body care specialists, among others, that is not being met by locals.

Some employers complained that they are not finding the right competencies in their staff. Some believe that the average Vincentian youth is “raw” and naturally lacks soft skills. Employers of youth at-risk complain that they are ill-mannered and rude, with poor interpersonal skills and a lack of basic life skills. They struggle with school leavers who come to the workplace with a bad attitude. Employers are also faced with the problem of school leavers and graduates not wanting entry level jobs at entry level salaries. They have observed low productivity among young employees, and some felt that the youth believed that they were doing them a favor to work for them, particularly in menial jobs.

However, in many cases, youth do adjust and show a willingness to learn. The extent of the complaints varied according to the education level of the employee. Employers will accept persons without sufficient qualifications or CXCs if they have other competencies that can be improved.

Employers felt that the education system was geared toward academics and did not cater to the practical needs of the private sector. A study conducted ten years ago, and mentioned by several informants, found that the country’s education system was geared towards academics and focused on what subjects a student passed. It prepared students to become lawyers, doctors, and accountants, and if a student was not considered bright, he or she was sent to a technical or tactile class, such as woodwork. Auto-mechanics was considered dirty work for those who did

not do well at school. There was also a gender imbalance in the system. One educator opined that the school system is not doing enough to teach young people how to set and achieve their personal goals. There is a missed opportunity to teach a wider range of skills in schools, including comprehension and life skills. She also mentioned that the education system needs to decide whether it wants to produce only critical thinkers and analytical minds, or whether it should be preparing youth more effectively to enter the workforce.

Due in part to the number of family-owned and run businesses and the small size of the business community, the education system does not currently emphasize professional development.

What do employers say they need from young workers?

The employers said they look for qualifications, trainability, positive attitude, and a good work ethic when hiring youth. They thought that youth needed to learn specialist skills to improve their marketability in the job market.

Hoteliers and tour operators, among others, indicated that soft skills, particularly good communication skills, were important. Certified workers are preferred, as knowing that the recruit has had some basic training raises employers' "comfort level," especially as the poaching of trained employees is common in the industry.

What are employers doing to develop young workers?

There are mixed views about the private sector's involvement in developing young workers. Some organizations opined that the private sector is not doing enough to develop the workforce since very few invest in training workers. For their part, employers expressed reluctance to train employees that frequently move on to better paying jobs.

Most businesses will accept interns on an ad hoc basis. Businesses reluctantly respond to requests for apprenticeships because they think that their businesses are not structured to accept apprentices. Many will only accept students from the Division of Technical and Vocational Education at the SVGCC during July and August, the slow season, when supervisors are available to work with interns. Some hotels run an internship program for three months during the school holidays. Hotels will place interns in positions depending on the educational institutions; for example, students from SVGCC will be placed in higher positions than those from Marion House, who are typically placed as kitchen assistants and room attendants.

On the other hand, some companies are making active contributions to workforce development in St. Vincent and the Grenadines. For example, a large tour company conducts an annual two-month tour guide training program free of charge to students. It runs five days a week and the courses are offered with on-the-job training. Participants are taught the country's history, customer service, public relations, and life and social skills. The minimum entry requirement is five CXC's, including English. The annual intake is twenty persons, and approximately 70 percent have become tour guides who are seasonally-employed for three to four months of the year during the cruise ship season.

Buccama Resort currently employs a large number of foreign workers due to the skills shortage on the island. However, it now it is working with the Adult and Continuing Education Division (ACED) to conduct an accredited training program in housekeeping and bartending to meet its staffing needs. To date, forty bartenders and forty housekeepers have been trained—more than the anticipated fifteen workers. Buccama Resort has also expressed interest in sponsoring a “Train the Trainer” program for the hospitality industry. The establishment of the Marine and Hospitality Institute will also fill the skill shortage gap, but it is essential that there be private sector representation on the board and that the institute be responsive to the changing skills demands of the tourism industry.

What are the gaps and opportunities to engage employers?

There is no private sector representation on the board of governors of SVGCC and no structured mechanism to facilitate dialogue between the private sector and educational institutions on the types of skills needed in the economy. There is only ad hoc communication between the two sectors and the few linkages that exist are heavily dependent on personal relationships.

There is a bottleneck for students matriculating in tertiary education, as too few spots are available. Apart from the anticipated Marine and Hospitality Institute, the Agricultural Training Institute, and the Center for Enterprise Development (CED), which offers affiliated degree programs, there is a dearth of higher education training providers in St. Vincent and the Grenadines. There may be an opportunity for private sector training providers to meet demand for education and skills development. Private sector input would also help in meeting critical quality and accreditation requirements. There is also an opportunity to develop modern apprenticeship or job attachment programs that benefit both the firms and young people. The government could take the lead in helping companies connect with young people regarding placements.

Workforce and Youth Trends

What is the distribution of youth employment and unemployment (education, gender, occupation, other factors)?

In 2005, the youth population in St. Vincent and the Grenadines was estimated at 21.6 percent of the total population and youth unemployment at 39 percent.¹²⁴ Female youth unemployment (43.2 percent) was higher than that of male youth unemployment (31.9 percent).

Business start-up and entrepreneurship is typically a male affair, while education is female-dominated. There are more male drop-outs and more females pursue further education than males. Females significantly outnumber males in top-management positions as employers find that they are more qualified for managerial and administrative jobs than males. Traditionally, donor agencies are more female-focused, but the GOSVG believes that they are already taken care of such that the focus should be on males.

What are the needs of youth in preparing for employment, and how they can be addressed?

¹²⁴ Statistics Division

Career counseling at schools is currently weak and does not play a prominent role in the school system. Better guidance services will help orient youth to the world of work and assist them in developing career goals. The dearth of internships and apprenticeships is also a barrier to the successful transition of students from school to work. Partnerships between schools and private companies, such as that with Buccama Resort and Campden Park Institute, to train persons can be further developed. The St. Vincent and the Grenadines Hotel and Tourism Association would like to introduce a two year “School to Work” program geared towards the tourism industry if it is able to source funding.

Several informants reported that weak literacy and numeracy skills among students entering secondary school contribute to the high drop-out rate. Poor reading and math abilities were also cited by employers as a reason for their reluctance to hire youth. There are currently few systems and processes in place to identify students who are lagging in primary school and to intervene with remedial or other assistance before they reach the point where they drop out. Early identification of youth that are struggling academically could be effective in reducing this problem.

The Ministry of Education should re-think the entire syllabus when writing the national school curricula so that practicals are not attached to academic subjects to meet TVET standards. This bias towards academia needs to be rectified to meet the needs of non-academic students as well as the needs of the islands’ employers.

Youth would benefit from increased exposure to soft skills training. Although there is some attention to social skills, self-esteem, conflict resolution, work ethic, and social, moral, and emotional development in the national curricula, greater emphasis on these skills is needed to ensure that good citizens evolve, particularly those youth who are not exposed to them in the home. This will further improve their employability and reduce youth’s attraction to deviant and illegal activities.

The Ministry of Education and Marion House praised the USAID-funded A Ganar program and expressed their disappointment that it is coming to an end since it has helped to build soft skills that are beneficial to the workplace and everyday life. About 150 students benefited from this program. Such a program could potentially be institutionalized in schools.

Although the technical institutes are part of the mainstream education system, they are not fully integrated into the system except for use by schools for CXC practicals. They are still regarded as second chance institutions for youth at-risk and drop-outs. This image is changing as school leavers with some CXCs apply for courses. However, these institutions should be better equipped and integrated into the national curriculum so that all students who receive remedial education to build their literacy, numeracy, and other skills experience a seamless transition into and out of the secondary school system.

Using the findings of the Labor Market and Investment Study conducted in 2009, the “Youth on the Bloc” studies, and others, the GOSVG should consider developing a national youth workforce development strategy or youth employment policy, which would facilitate better

preparation of the national workforce to benefit from free movement of skilled labor under the Caribbean Single Market and Economy (CSME) and the OECS Economic Union.

The government is now seeking to implement early childhood education and has established nine government pre-schools which are attached to primary schools. Increased access to tertiary level education should also be a priority to meet the demand for highly-skilled certified workers.

What challenges do different segments of the disconnected youth populations face (e.g., at-risk, out-of-school, those in gangs, those in the justice system)?

The lure of easy money through the cultivation and trafficking of drugs is difficult for Vincentian youth to resist. Teenage pregnancy, a long-standing problem in St. Vincent and the Grenadines, has many negative implications for the youth of today as well as those of tomorrow. Based on a sampling done by ChildFund, it was found that an increasing number of girls in Form 4 (Year 10) are getting pregnant. In one school, there were as many as ten teenage pregnancies in one year. In most cases, these young mothers have the sole responsibility for providing and caring for babies, as the fathers do not always acknowledge the child. The majority of teenage mothers drop out of school because of the stigma attached and the need to earn money. Without education or any skills, these girls remain poor, working for low wages in menial jobs. These vulnerable young mothers require additional support from the state and NGOs in the areas of parenting, skills development, and building self-esteem and self-confidence, not only for themselves, but for the next generation.

Disconnected youth often join gangs to achieve a sense of belonging and are heavily influenced by peer pressure. These gangs capitalize on weak parenting and the failings of the education system to strengthen their hold on youth. Early intervention programs are not common in St. Vincent and the Grenadines and could be explored as a way to prevent troubled youth from further developing deviant lifestyles.

What are the country's strategies for developing skills for youth, especially for disconnected youth? What have been the successes and challenges?

Youth development is important to the GOSVG. The primary focus has been on the formal education system, with the implementation of universal secondary school education, rather than on skills or entrepreneurial development.

The government has introduced ICT in schools under its National Policy on the Use of ICT in Education, and it also has a National Training Plan for Technical and Vocational Education.

Existing programs and disconnected youth outcomes

Various institutions run programs targeted at disconnected youth. These include the Marion House, Technical Institutes, Liberty Lodge Boys School, the Division of Youth Affairs, and ChildFund.

The Marion House offers two programs that are specifically geared towards youth. The Youth Assistance Program targets drop-outs and students in conflict with the law. This six-to-twelve

month program, which is free of charge, caters to youth over the age of fifteen. The components of this program include life skills/personal development, apprenticeship training or skills training, career guidance, education upgrading, and adult education. Marion House has found that it is easiest to place students with artisans and in the areas of ICT, childcare, bartending, and waiting. The course has a 90 percent pass rate and many graduates remain employed after the job attachment period is over or start their own businesses. Marion House conducts tracer studies of their graduates. The waitlist for this program is 150 persons every year.

The Young Parents Empowerment Program is a one year program that caters to young parents aged 15-25 years but will accept older participants. During the first six months of the program, the students are exposed to personal development, health, parenting skills, and empowerment of girls to prevent a second or third pregnancy. They are also taught agriculture and nutrition. Some tend to drop out of the program because they may have found employment or cannot afford transportation.

Liberty Lodge Boys School is a residential school which runs a two year program for maladjusted boys and for youth at-risk. It provides skills training in carpentry, information technology, crafts, and agriculture.

The Division of Youth Affairs manages a Youth Empowerment Scheme (YES), which is a twelve month program that provides on-the-job training and soft skills training to unemployed, out-of-school youth. There are no minimum entry requirements, but placements are based on qualifications. On-the-job training is provided four days a week and complemented by one day of lectures. Participants are usually placed as secretaries and librarians at primary schools, child care assistants and teachers and paid a stipend of EC\$450 per month. YES started out as a five-year program but has been extended and continues today.

The Adult and Continuing Education Division seeks to address the literacy problem facing the Vincentian workforce and assist them in acquiring employability and entrepreneurial skills. It runs several programs in skills development, adult education and financial literacy. These programs include basic literacy programs and life skills development, remedial education, basic computer and advanced ICT programs, basic employment skills, and craft development programs. Skills development training is focused on agriculture, fisheries, retailing, and other sectors.

The technical institutes accept students from Form 3 who have failed the CCSLC and have dropped out. They offer a certificate program in food preparation, food and beverage, carpentry, and electrical installation. This program includes a four-week job attachment.

ChildFund runs two programs, one for teenage mothers and another for unemployed youth and drop-outs. The Teen Mothers Program includes mother and father sessions and classes in sewing, home economics, literacy skills, arts and craft. This program encourages mothers to return to school or go to college.

The St. Vincent and the Grenadines Social Investment Fund (SVGSIF) finances a Skills Capacity Building Program, information technology training and labs, and youth at-risk to attend to programs at Marion House.

The St. Vincent and the Grenadines Chamber of Industry and Commerce (SVGCIC) recently established the St. Vincent and the Grenadines Youth Business Trust. (See section on Youth Entrepreneurship and Microfinance).

The Center for Enterprise Development (CED) administers the Youth Business and Entrepreneurship Development Training Program (YOUNBET) which focuses on providing training in fashion and clothing design, jewelry-making, and agribusiness. CED also runs a Mentorship Incubatees Program, as well as accredited degree programs in association with British institutions and BIMAP in Barbados. (See section on Youth Entrepreneurship and Microfinance).

The National Development Foundation provides business management training to clients.

Table 13. St. Vincent & the Grenadines: Current Youth Workforce Skills Development Institutions and Programs

Institution/Program	Incomplete Secondary*	In School At Risk**	Employed Persons	High Performer	Entrepreneur	Youth Offenders	Trainees per year - Capacity
High Schools TVET		x					
Technical Institutes	x	x					279
SVGCC			x	x			1484
ChildFund SVG	x	x					
Youth Empowerment Service	x	x					57
Marion House	x	x				x	150
Liberty Lodge School	x	x				x	21
Centre for Enterprise Development	x		x		x		

* Completed 3 or less CXC's

** The term "In-school at-risk" generally describes an off-track student who is 1-2 years over-age for grade. This, combined with other risk factors, such as drug-use, pregnancy, gang involvement, and homelessness, increases the likelihood that the youth will drop out of school and not participate in the labor market.

How well do existing programs meet the needs of youth, employers, and the market?

Despite the efforts of the GOSVG, it appears that a lot more needs to be done to meet the social and economic challenges that youth face, particularly in light of the CSME, the OECS Economic Union, and the changing national demands on labor.

The existing programs operate on a small scale and do not tackle the widespread socio-economic issues that undermine the employability of youth. These programs experience resource constraints, and some are heavily reliant on donor funding or charities. Their sustainability is questionable for political or financial reasons. There is no national, structured, coordinated program to rehabilitate young offenders and encourage youth to return to school or work.

The following points summarize the state of existing programs from the point of view of employers:

- The Ministry of Education and secondary schools have been active in engaging employers in running programs. The Adult Education Division responds to requests from the private sector, and efforts are made to engage the private sector in developing the courses. However, this should be extended to other businesses and a closer working relationship with training providers is needed to identify the technical skills that are in demand.
- Most employers have a high regard for the training programs run by the Marion House.
- Apart from the Marion House, there are no other notable private education institutions catering to school leavers.
- With the introduction of the associate degree, a higher level qualification, SVGCC has been able to attract a higher caliber of students. The demand for technical courses has increased signaling that the stigma attached to technical and vocational courses is gradually being eroded.
- GOSVG is now seeking to establish specialist technical education institutions, such as the Marine and Hospitality Institute and Agricultural Training Unit in hopes of improving the image of the sectors, attracting youth involvement, and meeting the high demand for specific skills.
- ChildFund is passionate about helping teenage mothers, under-privileged youth, and youth at-risk but has limited funding to offer programs. It is in need of a building to house drop-outs and young offenders as well as equipment for training purposes. It also needs to develop structured, accredited skills development programs that prepare teen mothers and unemployed youth for work.
- The private sector is yet to recognize the full importance of certification, although they say it is needed. The TVET Unit needs to conduct a public awareness campaign as it moves towards full implementation.
- Social and life skills are important to employers, yet there is no special life skills or job-readiness program established within schools.
- There is little meaningful career counseling despite the presence of guidance counselors in schools.
- Peer counseling is absent in the majority of schools. As one interviewee put it, “Peers speak a gospel that is not in the Bible” and, hence, most effective in getting the message across.
- The YES program is perceived as a political initiative, so there is no certainty that it will continue under future government administrations. This program provides an example of how practical experience in the workplace can encourage youth to pursue further education in a particular field. One shortcoming of the program is that it is not demand-driven and only a few skills are taught. It does not cater to the wider cross-section of youth in need of training, and there is no dialogue with the private sector with regards to their needs. The Division appears to have become complacent in its approach to skills training, focusing on the supply side and not reaching the youth in most need of attention and assistance (i.e., the most vulnerable and under-privileged).

Labor Market Information Systems

There is a lack of readily available and reliable labor data. Little or no data is being collected on industry growth and occupations on an ongoing basis. The Statistics Department has indicated that it does not have the capacity to do so.

However, a 2009 Labor Market and Investment Study in St. Vincent and the Grenadines was finalized in April 2010. From interviews conducted, it does not appear that the findings of this report have been publicized.

Neither students nor businesses nor educational institutions use labor market information to make career and training decisions. The collection and analysis of labor market information is needed to better target areas for training.

Who are the potential champions and sources of leadership for youth workforce development?

- Ms. Rhonda Dixon, Director, ChildFund
- Ms. Clark, Director of Adult Education, Ministry of Education
- Ms. Barbara Mathews, Principal, Marion House

Youth Entrepreneurship and Microfinance in St. Vincent and the Grenadines

The acceptance of illegal activities as a way of life is prevalent in St. Vincent and the Grenadines. A larger number of children are growing up in homes where parents or siblings are involved in the drug trade and marijuana cultivation. Harnessing this entrepreneurial drive and channeling it into legal sectors of the economy could hold promise both for expanding small businesses and reducing criminality. Specific programs need to be developed to stimulate the interest of youth in enterprise development, including at the primary and secondary school levels.

Entrepreneurship is promoted as an alternative source of income for youth. Young people are encouraged to go into business as a means of self-employment and employment creation. They face critical constraints that limit youth involvement in entrepreneurship. These include poor access to credit, poor financial literacy, limited access to business support services, lack of management capacity, limited business know-how, and a scarcity of skilled personnel.

Despite the efforts of the GOSVG and existing assistance available to entrepreneurs, micro and small business development has been sluggish. This has been attributed to the lack of entrepreneurial culture among Vincentians who have a “laid back” attitude and are risk averse, preferring paid employment. Vincentian youth tend to go into self-employment as a last resort when they cannot find work. Youth who are temporarily returning to agriculture while seeking employment have realized the potential, and some have chosen to remain in the industry.

Young entrepreneurs require assistance in areas of business planning, business management, human resource management, financial management, and sales. These services are provided by CED and the National Development Foundation as part of their mandate to promote enterprise development.

As is the case in other Eastern Caribbean nations, lack of finance is an issue. Young people are especially disadvantaged in that they do not have savings or collateral (unless inherited) to access finance at the established financial institutions. Soft loans and matching grants are needed to support business development in the country. There is no institution in St. Vincent and the Grenadines that provides this type of facility.

What are the areas of opportunities for young entrepreneurs?

The tourism and hospitality industry offers tremendous opportunities for young people. For example, the new Buccama Resort has created an increasing demand for fresh produce, goods, and services. Young people have the opportunity to get involved in all aspects of the tourism value chain. CED has developed an agriculture business cluster with a current membership of 40 businesses which should contribute to this development.

ICT is popular among youth and presents business opportunities, ranging from website design, to computer maintenance, to setting up internet cafes, to running computer classes for young people like themselves.

What are the challenges and needs of young entrepreneurs?

Youth entrepreneurs in St. Vincent and the Grenadines face particular challenges. Finance is a major constraint for business start-up and development. There is no special financing facility targeted toward youth except for the recently established St. Vincent and the Grenadines Youth Business Trust. The challenge for many youth lies in meeting the collateral requirements of financial institutions and improving their knowledge and confidence in the financial system.

As the financial institutions do not meet the growing demand for micro and small business loans, credit unions are receiving an increasing number of applications for business loans. They have found these loans difficult to administer as their skill competency lies in the provision of consumer loans. The St. Vincent and the Grenadines Credit Cooperative League Ltd is proposing a dedicated microfinance institution which would, in their words, “pool and blend the loan portfolios and related operations in respect of micro and small businesses of the National Development Foundation (NDF) with those of the nine existing credit unions.”

Despite the NDF’s concerted efforts to provide business loans for youth, it has been found lacking due to its limited financial, human, and technical resources. It expressed extreme disappointment in their young entrepreneurial clients whom they reported to be the most delinquent despite extensive training, hand-holding, and business development services. The institution found that youth had a “get rich” attitude and gave up too easily when problems arose. They lacked the patience and did not want to put in the hours needed to get the job done. In addition, financial literacy among youth is poor. They are unable to budget and tend to use the money for their personal needs. Sometimes they are under pressure from parents to pay household bills and unable to reinvest in the business. One interviewee said that it was difficult to get Vincentian youth to open a bank account and save.

There is a mismatch of persons with skills, entrepreneurial talent, and money. Those with the skills and the desire to start a business do not have the financial support. Those who can afford entrepreneurship prefer to study to become a professional. Perhaps a program that matches skilled entrepreneurial youth with persons wishing to invest in a business (i.e., silent partners) could play an important part in promoting entrepreneurship among the youth.

The challenge remains to facilitate and encourage young persons in rural communities to enter the world of business and to be aware of the entrepreneurial opportunities that exist. A mentorship program that is geared towards rural youth, along with the establishment of the proposed rural business incubator in Georgetown by CED, could be a step towards building rural entrepreneurship in depressed communities and communities reliant on the drug trade.

There is a significant absence of entrepreneurship education in schools. A coordinated effort between schools, the private sector, and other stakeholders could help promote entrepreneurial culture and youth entrepreneurship in the country.

What are the microfinance options for young entrepreneurs?

Some finance institutions that offer microfinance to young entrepreneurs include the NDF, the St. Vincent and the Grenadines Youth Business Trust, the National Commercial Bank, as well as various credit unions.

NDF provides business loans and business development services to entrepreneurs in the following priority sectors: agriculture, fishing, trade, services, manufacturing, tourism and tourism-related services, and crafts. The collateral requirement is 10 percent in equity or cash.

The St. Vincent and the Grenadines Youth Business Trust (SVGYBT), which is in the developmental stage, targets youth between 18 and 35 years of age. It provides loans of up to EC\$25,000 with an interest rate of 10 percent for business start-up and development in priority sectors such as agriculture, ICT, tourism, and light manufacturing. Participants are assigned mentors who will train them as business managers, but the provision of training in other areas is not currently envisioned. This mentorship program will run for one or two years or for the repayment period of the loan. As of August 2010, SVGYBT had received 51 applications and issued one loan. The executive committee is currently reviewing applications and short-listing applicants.

The National Commercial Bank manages a Small Entrepreneur Scheme that offers loans up to EC\$15,000 to entrepreneurs. GECCO and the Teacher Credit Union also provide micro-loans to entrepreneurs; however, these programs are not specifically targeted at youth.

What are the gaps and opportunities that exist for entrepreneurship and microfinance?

The opportunity exists to work with the St. Vincent and the Grenadines Credit Union Cooperative League to establish a microfinance window with a special focus on youth. This should be accompanied by a well-developed mentoring program to encourage youth through the difficulties of business start-up and to ensure that they are responsible borrowers.

The GOSVG should consider reintroducing the Junior Achievement Program in schools to provide practical experience to children in establishing and operating a business. Better collaboration with private sector organizations would greatly contribute to the success of such a program.

The SVGYBT needs both technical and financial support to develop further. One factor that limits the ability of youth to take advantage of the program is the need for collateral through a personal guarantee. Also, while there is a mentorship component, there is little training provided to young entrepreneurs who may not know how to write a business letter or proposal or even how to approach a financial institution. There is an opportunity to support the SVGYBT by providing grant funds to be administered by the trust in conjunction with loans granted.

If NDF is to play a bigger role in youth entrepreneurship and finance, it needs to seriously address some of its operational issues. It should tackle its human resource issues and be more proactive in the provision of training and monitoring of its clients. Lack of affordable work or office space remains a problem, and there is an opportunity to build on the assistance that CED is providing to micro-businesses through its business incubators. CED could develop a special program focused on the youth who have specific entrepreneurial needs within these business incubators.

Entrepreneurial development among the Vincentian youth must be nurtured. They must see the benefits of owning their own business as opposed to making fast money in the underworld. Youth must be encouraged to save and see the value, benefit, and prestige of owning a successful business and making a meaningful contribution to the community as an employer. An increasing sense of moral value among young people is essential if the formal economy is to successfully compete with the informal economy.

Table 14. Entrepreneurship and Microfinance Institutions/Programs

Institution	Provide micro/small loans	Require real property for collateral	Accepts other forms of collateral (cash, guarantor, assets)	Provide training	Lend to youth	Affiliated with Government	Active Clients/accounts
NDF	x	x	x	x	x	x	3000
SVG Business Trust	x			x	x		1
Credit Unions	x	x	x	x	x		
NCB		x			x		

Summary and Recommendations

Key Issues and Opportunities

St. Vincent and the Grenadines is experiencing similar issues to the other Eastern Caribbean nations in terms of rising unemployment, a mismatch between the skills present in the labor pool and those in demand by employers, weak linkages between educational institutions and the private sector, limited labor market information, declining quality of education, and anti-social behavior among youth. However, the country also faces a unique set of challenges. These include the acute concentration of marijuana cultivation, particularly undertaken by youth, extremely limited tertiary education opportunities, and high levels of teenage pregnancy.

Below, we outline a set of recommendations that the GOSVG and USAID should consider to address the issues facing the country's youth.

Recommendations

- *Strengthen career guidance in secondary, technical, and community colleges*—Better guidance services will help orient youth to the world of work and assist them in developing career goals.
- *Support the agricultural sector as a source of employment opportunities, particularly for youth*—foster linkages between farmers, cooperatives, and buyers, particularly in the hospitality industry and supermarkets. Work with farmers to improve quality and consistency of supply and encourage certification of products. Explore ways to support upgrading of the fishing industry.
- *Promote the hospitality sector as a source of employment for youth*—Educate youth about career options in the sector and opportunities that can result from attending the new hospitality training institute. Support internship and apprenticeship programs and build linkages between education institutions and firms in the sector.
- *Encourage the introduction of soft skills as part of secondary/vocational training curricula*—Communications, teamwork, work ethic, self-respect, and positive attitude were cited as skills that are desired by employers. Schools and training institutions do not currently offer much instruction in these areas, and it would benefit youth to be introduced to these skills more frequently.
- *Promote linkages between educational institutions and the private sector*—new approaches to facilitate dialogue and transfer of ideas are needed to support the provision of better structured, work-based learning opportunities and better access to facilities and equipment in the workplace and education institutions. These linkages can also improve the quality of instruction by better aligning course offerings and curricula to the needs of employers.
- *Encourage the GOSVG to increase early interventions that target at-risk youth* — Adequate training of law enforcement officials and educators on methods to deal with disconnected youth could be beneficial in addressing problematic cases before they become significantly destructive. A strong peer counseling program could be introduced in schools.
- *Provide support to lenders so that they are able to expand services to the youth demographic*—Lenders in St. Vincent and the Grenadines face increasing delinquency and staffing issues that are negatively affecting their long-term financial sustainability. Assistance could be provided to lenders so that they are able to improve internal operations, expand efforts to teach financial literacy, and encourage youth to save.

- *Match young entrepreneurial skilled professionals with potential investors (who could also act as mentors)*—A program which matches young entrepreneurial skilled talent to persons with finance looking for investment opportunities could provide the impetus to youth entrepreneurial developments.
- *Support the St. Vincent and the Grenadines Credit Union Cooperative League in establishing the proposed microfinance window with special focus on the youth*—This facility would capitalize on the liquidity of the credit unions and their willingness to lend to entrepreneurs, while building the capacity of the credit unions and improving access to credit for business start-up and expansion.
- *Support the SVGYBT by using it as a vehicle to provide grant funding to young entrepreneurs.*

Summary of Selected Relevant Institutions

Ministry of Education – Adult and Continuing Education (ACE)

The Adult and Continuing Education Division (ACED) of the Ministry of Education was established in 1986 to tackle the growing illiteracy problem in St. Vincent and the Grenadines and is the lead agency responsible for ‘the development and implementation of adult education.’ It administers the Adult and Continuing Education Program (ACEP) through its Learning Resource Centers. The priority goals of the ACEP are to establish a program of adult literacy, life skills, TVET, and academic subject provisions. It also provides training to facilitators to enhance their efficiency and program delivery and management. The programs include basic literacy programs and life skills development, remedial education, basic computer and advanced ICT programs, basic employment skills, and craft development programs. ACE provides skills development training in agriculture, fisheries, retailing, and other sectors.

The ACED would like to strengthen its demand-driven approach to setting courses by better liaising with employers to find out their skills needs. It is felt that more research is needed to develop courses that teach skills related to creative arts, employment at spas, dive instruction, and water sports. The Ministry feels that a National Awareness Program is necessary to promote creative arts as well as training of teachers in music and other creative arts. Parenting workshops are also important for childhood development and to lay a better foundation for the next generation workforce.

Center for Enterprise Development Inc (CED)

The CED was set up to promote private sector development and has embarked on various initiatives aimed at promoting private businesses in the formal economy. It is a government-owned, self-financing company established by the GOSVG to provide business support services to the private sector of St. Vincent and the Grenadines. It is mandated to develop the entrepreneurial culture and to foster the ‘spirit of enterprise among youth, women, and rural communities.’

CED operates out of five regional offices to deliver business development services – Chateau Belair, Mesopotamia, Georgetown, Barralie, and Union Island. Each provides computers for public access. Training is conducted to help entrepreneurs in record-keeping, preparing documents, business cards, templates for business forms, etc. Other services provided include: business incubators; training at various levels, including accredited programs with British institutions and BIMAP in Barbados; and business policy and legislative framework development. CED also manages a National Contact Center, a resource area for entrepreneurs which includes a computer center, business library and software for desktop publishing.

CED administers the Youth Business and Entrepreneurship Development Training Program (YOUBET), a special entrepreneurship development program for youth. It seeks to encourage entrepreneurship as an alternative career option among youth. This program, established in 1991, offers a two-week training in the fundamentals of business and entrepreneurship education, as well as skills development in agri-business and the creative industries sector. Training is focused on fashion design, jewelry-making, and agri-business, and the course is female-dominated.

The director of CED feels that a loan guarantee scheme is important for youth and the rural poor and sees a need for more rural-focused interventions. CED is setting up a rural business incubator in Georgetown, but this is in need of funding. CED has indicated that the funding for all its programs will end by December 2010.

CED would like to commission a study to identify tourism-related ancillary services to cater to Buccama and other hotels and to design a program to target potential young entrepreneurs. It also wants to bring the Agriculture Business Cluster program to the next level in order to consolidate its success. CED would like to develop cultural and creative business clusters and establish a Virtual Incubation System and outreach program. It also needs further development of its business libraries and would like to redesign the YOUBET program to target youth at-risk.

ChildFund Caribbean (CFC)

CFC, formerly Christian Children’s Fund, is an NGO working in Dominica and St. Vincent and the Grenadines to help ‘deprived, excluded, and vulnerable children’ transition into productive and secure young adults. It is part of ChildFund International and a member of ChildFund Alliance. To date, it has assisted 36,360 families and children on both islands. According to CFC, one of the greatest disadvantages that under-privileged and vulnerable youth face in Dominica and St. Vincent and the Grenadines is the lack of education. In an effort to improve the employment prospects of youth, CFC has focused on developing and implementing education and income-generating activities for youth, particularly young mothers.

The author visited a center on loan to CFC and was impressed with the positive outlook of the young participants who had just completed a summer program for drop-outs and youth at-risk. Every one of the participants ranging from twelve to eighteen years indicated that they will be returning to school in September or opening their own business in the hospitality industry. A teen mother is attending the SVGCC in September to do a business course. A fourteen year old juvenile who left prison with the help of the CFC wants to learn a skill and open his own

business. CFC needs support in their efforts to prevent young juveniles from entering the justice system where they mingle with older inmates.

CFC administers informal programs and is flexible in its approach to youth development. These programs are run from a dilapidated building which is in serious need of repairs. This building was an old school, donated to a retired headmaster and currently managed by a board of trustees. The large hall is partitioned into five areas with curtains or pieces of cardboard to create a dining room, a sitting room, a sewing room (with three sewing machines donated by a company), a bedroom with a bed and two cradles, and a play area for the babies. There is a critical need for funding and program development assistance.

The director is very passionate about helping youth. CFC would like to start a Big Sister Little Sister and Big Brother Little Brother Mentor Program, as well as a leadership program.

Division of Youth Affairs

The Division of Youth Affairs is the government agency responsible for youth development in St. Vincent and the Grenadines. It runs the Youth Enterprise Scheme (YES), a twelve-month program that provides on-the-job training and soft skills training to young unemployed people, including drop-outs and youth at-risk. On-the-job training is provided four days a week with in-class sessions on the fifth day on topics of financial literacy, occupational health and safety, professional attitude, service regulations, administration, and small business development in conjunction with CED. There are no minimum entry requirements, and job placement is determined based on the participant's level of qualifications upon entry to the program. The participants are paid a monthly stipend of EC\$450. The annual intake is 57 participants, and so far the program has trained 641 persons. This program tends to focus on placing participants in schools to perform secretarial, librarianship, and childcare duties.

Mr. Carlos Williams, head of the Division, believes that more research and analysis into youth issues is needed. YDD would like to revamp the YES program to focus on skills training based on demand similar to that of the Dominican model. The Division also has serious resource constraints and needs capacity building and equipment support. The establishment of a Youth Forum was also suggested.

Liberty Lodge School

The Liberty Lodge School, which falls under the Ministry of National Mobilization, is a residential institution for maladjusted and under-privileged boys, particularly youth at-risk. It provides housing, education and training, counseling, outreach, social skills, and some skills training. There are twenty-one boys at the school, ranging in age from seven to sixteen years old. Most students are referred to the school by the Family Services Department, while others come through the family court or are recommended by a concerned citizen.

The school offers a two-year program depending on the circumstances and utilizes a two-prong approach to education. It has a small school with two trained teachers who screen behaviors and

assess literacy and numeracy levels. Remedial education is provided, as well as some skills development training in carpentry, ICT, crafts, and agriculture.

The view of the school is that a more holistic approach is needed to help boys, families, and communities deal with the problems and to reeducate the boys in the values of life, hard work, patience, and ethics. The school lacks space for the equipment that has been provided for the skills training programs.

Marion House

Marion House, a social service center, opened in October 1989 to assist marginalized youth primarily between 15-25 years old as a joint response to community needs by Roman Catholics in St. Vincent and the Grenadines and the National Children's Home, a UK agency with headquarters in Barbados. It provides youth guidance, parental instruction and support, spiritual development, counseling, affirmation, a resource center, dissemination of information, agricultural instruction, and networking. These services are free of charge, and the school depends on funding from international donors and local contributions.

Marion House offers the following skills development and training programs:

- Youth Assistance Program (YAP);
- Young Parents Empowerment Program (YPEP); and
- TVET certified Level 1 IT Program.

YAP, which started in 1989, is a skills training program offered to young unemployed persons to increase their employability. The first six months of this twelve-to-eighteen month program is geared towards personal development, developing information skills, drug abuse, getting to know one's self, health, and appearance. During the seventh month, students enter the 'World of Work Experience' module where the student goes out into the workplace and is trained on punctuality, deportment, attendance, and initiative. Students must pass this module before graduating to skills development training when students are placed on job attachments for the next four months. During that time, the student returns to the Marion House for classes one day a week.

YPEP is designed to work with parents and guardians, aged 15-25 years, to 'increase individual self confidence and self-esteem, and to empower them to take more control of their lives and greater responsibility for the development of their children.' The components of this twelve-month program include: child development, discipline and child abuse, self-esteem and personal development, budgeting and nutrition, family relationships, adult education, home management, and agriculture.

The principal mentioned that funding for all the programs is running out, and additional funding is needed to increase the intake of YAP's basic training courses and to offer an advanced certificate program. She also felt that teachers need training on how to deal with children with special needs and that a proper remedial program should be introduced in schools while the government sorts out issues at the primary schools. A financial literacy program could be introduced in schools as well.

National Development Foundation (NDF)

NDF was formed twenty-seven years ago to provide business loans of up to EC\$80,000 to persons aged 18 to 65 years old. While there are collateral requirements, they are not always enforced. With the recent economic crisis and the increase in the delinquency rate, NDF has had to tighten its lending policies. The interest rate is 9 percent for loans up to 5 years and 10 percent for short-term or quick loans of nine months. There are 3,000 active loans, and the delinquency rate increased by 8 percent, from 10 percent to 18 percent, in the last year or so.

NDF was been willing to assist young people despite the high risk but is severely limited with regards to human resources. For example, one person is responsible for training, loan approvals, and business development services. NDF offers business support services to clients and non-clients.

St. Vincent and the Grenadines Credit Union Cooperative League (SVGCCCL)

The SVGCCCL, formerly the Credit Union Education Council, was established in 1982. It is an umbrella organization that facilitates activities relating to the nine credit unions in St. Vincent and the Grenadines. Its mandate is to ‘represent, promote, strengthen, monitor, and integrate’ financial cooperatives in St. Vincent and the Grenadines. Approximately 40 percent of the Vincentian population belongs to a credit union. Members may apply for a loan after six months of membership, and all the credit unions reported that they target youth and act as a vehicle for job creation for youth. School cooperatives have been established to promote thrift in schools, and when students reach the age of sixteen, they are encouraged to join the credit union. Credit unions provide scholarships for secondary and tertiary education.

The following types of loans are available: individual loans, education loans, agricultural loans, building and construction loans, fisheries loans, and business loans. Financial advisors constantly monitor businesses to ensure loan repayment. The security required is three to five times the shares held at the credit union. Additional security, such as land title or a bill of sale for a vehicle, might be required depending on the amount. The delinquency rate averages 10-15 percent among credit unions. The SVGCCCL is working with them to reduce the delinquency rate.

The SVGCCCL is encouraging its members to offer microfinance, but only those credit unions with the largest membership, such as Teachers Credit Union, GECCO, and Kingstown Credit Union, are willing to take the risk.

St. Vincent and the Grenadines Community College

In 2009, SVGCC became an amalgamation of four autonomous institutions which now form divisions of the college: the Division of Nursing (formerly School of Nursing); the Division of Teaching Education (formerly Teacher’s College); the Division of Technical and Vocational Education (formerly Technical College); and the Division of Arts, Sciences, and General Studies (formerly ‘A’ Level College). It is the highest level education institution on the island and requires a minimum of five CXCs, including English and Mathematics.

St. Vincent and the Grenadines Chamber of Industry and Commerce (SVGCIC) – SVG Youth Business Trust (SVGYBT)

The SVGCIC preferred not to reactivate the Junior Achievement Program, focusing instead on the SVGYBT to promote enterprise development.

SVGYBT was established in partnership with the SVGCIC to ‘reduce youth unemployment through the provision of loans and ongoing mentorship to young persons with business ideas.’ It is governed by four trustees with experience in business, law, youth development, and entrepreneurship.

SVGYBT will provide financial assistance up to EC\$25,000 to any one company and targets youth between the ages of 18 and 35 years old and businesses that are less than five years old. The priority sectors identified for lending support and in keeping with government’s policy include: creative industries, tourism, agro-processing, ICT, and light manufacturing. The applicant to the trust must personally guarantee his company’s indebtedness to SVGYBT, and other shareholders may be required to do so as well.

The SVGYBT will provide training and access to professional expertise and assist in business plan preparation and brokering loans through various lending institutions. The applicant will also have access to the SVGYBT entrepreneurship program when it comes on stream. Upon establishment of the business, SVGYBT intends to provide continuous advice and monitoring using volunteer mentors and expert counselors.

Consideration should be given to reintroducing the Junior Achievement Program in schools to expose secondary school students to business, thereby increasing their confidence and reducing their risk aversion to entrepreneurship.

St. Vincent and the Grenadines Social Investment Fund (SVGSIF)

The SVGSIF is an autonomous body established by the GOSVG to alleviate poverty and improve the social and economic conditions of poor communities and vulnerable groups. SVGSIF implements assistance programs, including social services, training, skills development, and financing small projects for employment and income generation. Special attention is paid to poor communities affected by the downturn in the banana industry and urban areas where the crime rate is high and young people are de-motivated. The institution was funded by the European Union Special Framework Assistance along with EC\$1 million from ALBA. SVGSIF also makes policy recommendations regarding poverty reduction and builds capacity within government and NGOs to implement recommendations.

The programs financed by SVGSIF include libraries, skills capacity building programs, after-school programs, community leadership programs, and improvements in infrastructure. SVGSIF has also supported Learning Resource Centers established by the Ministry of Education.