

## ABOUT ECLAC and the CDCC

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of five regional commissions of the United Nations Economic and Social Council (ECOSOC). It was established in 1948 to support Latin American governments in the economic and social development of that region. Subsequently, in 1966, the Commission (ECLA, at that time) established the subregional headquarters for the Caribbean in Port of Spain to serve all countries of the insular Caribbean, as well as Belize, Guyana and Suriname, making it the largest United Nations body in the subregion.

At its sixteenth session in 1975, the Commission agreed to create the Caribbean Development and Cooperation Committee (CDCC) as a permanent subsidiary body, which would function within the ECLA structure to promote development cooperation among Caribbean countries. Secretariat services to the CDCC would be provided by the subregional headquarters for the Caribbean. Nine years later, the Commission's widened role was officially acknowledged when the Economic Commission for Latin America (ECLA) modified its title to the Economic Commission for Latin America and the Caribbean (ECLAC).

### Key Areas of Activity

The ECLAC subregional headquarters for the Caribbean (ECLAC/CDCC secretariat) functions as a subregional think-tank and facilitates increased contact and cooperation among its membership. Complementing the ECLAC/CDCC work programme framework, are the broader directives issued by the United Nations General Assembly when in session, which constitute the Organisation's mandate. At present, the overarching articulation of this mandate is the United Nations Sustainable Development Goals.

Towards meeting these objectives, the Secretariat conducts research; provides technical advice to governments upon request; organizes intergovernmental and expert group meetings; helps to formulate and articulate a regional perspective within global forums; and introduces global concerns at the regional and subregional levels.

Areas of specialization include trade, statistics, social development, science and technology, and sustainable development, while actual operational activities extend to economic and development planning, demography, economic surveys, assessment of the socio-economic impacts of natural disasters, climate change, data collection and analysis, training, and assistance with the management of national economies.

The ECLAC subregional headquarters for the Caribbean also functions as the Secretariat for coordinating the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. The scope of ECLAC/CDCC activities is documented in the wide range of publications produced by the subregional headquarters in Port of Spain.

### MEMBER COUNTRIES

Antigua and Barbuda	Haiti
The Bahamas	Jamaica
Barbados	Saint Kitts and Nevis
Belize	Saint Lucia
Cuba	Saint Vincent and the Grenadines
Dominica	Suriname
Dominican Republic	Trinidad and Tobago
Grenada	
Guyana	

### ASSOCIATE MEMBERS

Anguilla
Aruba
Bermuda
British Virgin Islands
Cayman Islands
Curaçao
Guadeloupe
Martinique
Montserrat
Puerto Rico
Sint Maarten
Turks and Caicos Islands
United States Virgin Islands

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## DEFICIENCIES IN EDUCATION HINDER LABOUR PRODUCTIVITY IN THE CARIBBEAN

Daniel Leon\*

Labour productivity is an important cornerstone of the modern economy. Increasing labour productivity is essential for countries to maintain economic growth, a crucial factor for achieving several sustainable development goals (SDGs), including eliminating poverty and hunger and promoting decent work (SDGs 1, 2, and 8). Unfortunately, available data show that labour productivity has recently declined or stagnated in most Caribbean countries.

Arguably, deficiencies in the education system are a factor in the poor labour productivity of the subregion. These deficiencies, such as poor educational attainment and skills mismatch, resulting in poor quality of output, even as the number of school leavers and graduates increases, ultimately resulting in relatively low human capital, which hinders labour productivity in the Caribbean.

Table 1 shows the labour productivity levels of 14 Caribbean countries from 2015 to 2020. These countries account for about 95 per cent of the Caribbean population, and the figures show that labour productivity levels stagnated or decreased in 11 of 14 Caribbean countries. Only the Dominican Republic, Guyana, and Saint Vincent and the Grenadines buck the subregional trend. Labour productivity levels also declined in most of these countries from 2019 to 2020, but this one-year change was due to the negative economic effects of COVID-19-related restrictions.

Nevertheless, the Caribbean trend of stagnating or declining labour productivity is evident, and the causes go beyond the global COVID-19 pandemic. For instance, the subregion has not recovered from the 2009 global financial crisis. Interannual credit growth to the private sector, which was in the double digits during the 2000s, dropped to zero in 2009 and stayed at an average of under five per cent in the years since (ECLAC, 2022). Relatively lower credit available to the private

**Table 1 Labour productivity level from 2015 to 2020  
(GDP per hour of employment, constant 2015 US\$)**

Country	2015	2016	2017	2018	2019	2020
Bahamas	1560	1540	1507	1518	1529	1360
Barbados	965	947	965	963	979	942
Belize	356	341	325	331	348	328
Cuba	422	423	429	440	440	438
Dominican Republic	423	440	450	469	484	553
Guyana	418	434	450	456	453	729
Haiti	92	92	92	82	89	92
Jamaica	280	271	265	264	257	258
Saint Lucia	587	571	578	580	559	463
Saint Vincent and the Grenadines	458	478	487	502	505	526
Suriname	580	543	543	562	562	515
Trinidad and Tobago	1000	948	902	879	873	906

Source: ECLAC based on ILO (ILO, 2023) and World Bank (2023) data.  
**Note: Labour productivity level was computed by dividing total GDP at constant 2015 USD by the total weekly hours worked annually of employed persons.**

sector can reduce labour productivity as the lack of credit to private firms reduces their ability to invest in expanding their businesses. An expanding private sector creates jobs and encourages firms to offer improved wages to attract and keep talented workers, thus promoting labour productivity (Franklin, Rostom, and Thwaites, 2019). However, the quality of the workforce is, perhaps, the most crucial factor accounting for long-term labour productivity. The role of education in boosting labour productivity assumes particularly elevated importance given the Caribbean's attempt to position itself in the capital-intensive knowledge economy.

Evidence suggests that educational attainment in the Caribbean is not translating to human capital at a competitive level when compared to other world regions. Table 2 provides

the World Bank's Human Capital Index (HCI)<sup>1</sup> for 11 Caribbean countries in 2020. The Caribbean subregional average of the HCI (0.55) is just below the global average of 0.56. The Caribbean average is comparable to the regional averages of Latin America and the Caribbean (0.56) and the East Asian and Pacific (0.58), another region with multiple Small Island Developing States (SIDS). However, in the Caribbean, the high-income countries (Antigua and Barbuda, Saint Kitts and Nevis, and Trinidad and Tobago) show an average HCI of 0.60, much lower than the global average of 0.71 for high-income countries. A deeper examination of selected components of the HCI reveals that human capital deficits do not come from insufficient years of schooling.

The Caribbean's average expected years of schooling in 2020 were about 12.3

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<sup>1</sup> The World Bank's Human Capital Index is a parameter comprising a diverse range of data on years of schooling, harmonized test scores of schoolchildren, plus demographic and socioeconomic indicators to compare human capital formation among countries.

years, one year above the global average (11.3) and on par or ahead of East Asia and the Pacific (11.9), Latin America and the Caribbean (12.1), and the upper-middle-income group of countries (11.8). On the contrary, the subregional average of 391 for the harmonized test scores was lower than the global average of 423. Only Trinidad and Tobago, with a score of 458, showed harmonized test scores higher than the global average, evidencing that the subregion is generally underperforming in its human capital formation (see table 2).

The Caribbean has substantially reduced gender disparities in education, particularly in secondary and tertiary level enrolment. For example, since 2017, twice as many women as men have enrolled in the regional university, the University of West Indies (Abdulkadri and others, 2022). However, the human capital that generates a skilled workforce that productively contributes to the emerging knowledge economy in the Caribbean involves more than just school attendance. The average years of education citizens receive only boosts a country's labour productivity when learning translates into marketable and productive skills.

Furthermore, Caribbean business executives have reported deficiencies in the subregion's human capital formation. Their perception of the competitiveness of Caribbean businesses relative to other countries placed the subregion's industries around the median global competitiveness score. Mediocre competitiveness perceptions by business executives help showcase the mismatches between workforce skills and industry demands (ECLAC, 2020). Moreover, about 40 per cent of the subregion's business executives reported that their enterprises had fallen behind in attracting or training workers with an adequate set of ICT skills for the digital era, which also speaks to the skills mismatch between the workforce and industry (PwC, 2021).

Meanwhile, Caribbean men and women with marketable skills continue to seek work opportunities abroad in the high-wage countries of the Global North. In 2020, Caribbean people living outside

their home country equalled about 21 per cent of the total subregional population. About 80 per cent of Caribbeans living abroad resided in North America and Europe, with women more likely to be migrants than men (Leon and Abdulkadri, 2024). The emigration of skilled workers benefits Global North countries at the further expense of Caribbean labour productivity since it leads to brain drain. The fact that Caribbean women are more likely to migrate to the Global North than men further produces brain drain, as women from the subregion are more likely to attend tertiary education than men (Abdulkadri and others, 2022).

Improving the quality of output from Caribbean educational institutions and particularly addressing skill mismatches will be key to producing human capital that positively contributes to the labour productivity of the Caribbean.

Skill mismatches are prevalent in Caribbean labour markets, hampering labour productivity and economic growth. The outcome of depressed economic growth further encourages skilled Caribbean men and women to seek economic opportunities abroad, thus making the negative relationship between labour productivity and brain drain a vicious cycle. Addressing the challenge of increasing the quality of education and matching the skills acquired in schools and universities relevant to the Caribbean labour markets will be crucial to boosting labour productivity in the subregion. ■

**Table 2**  
World Bank's Human Capital Index (HCI) 2020 and selected indicators for the Caribbean  
(Constant 2018 prices in dollars and percentages)

Country	Income Group	Expected Years of School	Harmonized Test Scores	HCI 2020
Antigua and Barbuda	High income	13.0	407	0.60
Dominica	Upper middle income	12.4	404	0.54
Dominican Republic	Upper middle income	11.9	345	0.50
Grenada	Upper middle income	13.1	395	0.57
Guyana	Upper middle income	12.2	346	0.50
Haiti	Low income	11.4	338	0.45
Jamaica	Upper middle income	11.4	387	0.53
Saint Kitts & Nevis	High income	13.0	409	0.59
Saint Lucia	Upper middle income	12.7	418	0.60
Saint Vincent & the Grenadines	Upper middle income	12.3	391	0.53
Trinidad & Tobago	High income	12.4	458	0.60

Source: ECLAC based on World Bank (2022).

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