

CHAPTER 3

UNEMPLOYMENT IN THE CARIBBEAN

The Current Situation

The Symposium noted that, irrespective of definitions regarding the basis of measurement, unemployment in the region is high. It was noted further that*: (a) over 50 per cent of the labour force in the age group 15-19 is out of work; (b) of the unemployed, 80 per cent are relatively ill-equipped through inadequate education and training; (c) in order to attain a level of full employment by 1980, it would be necessary to create approximately 100,000 jobs per year; and (d) since the 1950's it has not been possible to sustain an annual rate of job creation of even one-half of that required.

The Symposium recognised that among many sceptics there is some subscription to the view that it is impossible to solve the unemployment problem within the region because of the existence of factors such as: high population density and growth rates; the decline in outlets for emigration; and the inevitability of capital-intensive technological change.

However, the Symposium did not share this pessimism. Indeed, it expressed the belief that such pessimism derives from a concept of development that is not only limited but ill-founded - a concept which is essentially alien in perspective, and which fails to take cognisance of people as a resource and, therefore, of the potential which the very unemployed constitute.

Possible Devices for Employment Generation

The Symposium noted that there are several possibilities which might be adopted in the interests of employment generation. Among these are devices such as:

- (a) altering the system of economic incentives, by such means as: abolition of minimum wage legislation, abolition of pay-roll taxes and social security contributions and substitution by a tax on installed capacity, fiscal incentives for multiple shift working, abolition of tax preferences to foreign firms which encourage capital-intensive methods of production, and adoption

* See Appendix I - AI.2 and AI.3 (Harewood and McIntyre respectively).

of a more employment-oriented trade policy;

- (b) altering the pattern of government expenditure through: raising investment, switching the pattern of consumption demand - through taxes and trade controls - to locally produced goods and services, devoting more attention to agricultural production with a view to the replacement of imported food, and investing more in labour intensive non-agricultural activities such as food processing and fishing.

The Symposium noted further that some of these measures could be better implemented and fortified through regional co-ordination, and emphasised the possible contribution to employment generation of agriculture and agro-industries.

Unemployment and Poverty

The Symposium endorsed the notion that unemployment in the region is but a part of the more general problem of poverty, and made the observations that:

- (a) Unemployment arises because the 'labour aristocracy' is able to raise real wages in privileged occupations while restricting entry. The would-be entrants are thus forced to queue for vacancies, meanwhile becoming unemployed, sporadically employed or occupied in illegal activities;
- (b) Poverty arises because most of the economic surplus is channelled into property incomes, salaries of government employees and high wages of unionised labour. Conversely, the rest of the economy, notably agriculture, is starved of capital and this induces rapid migration to urban areas. In this way an impoverished peasantry is transformed into a lumpenproletariat.
- (c) Inequality arises because productive assets and economic and political power are concentrated in a few hands.

The assertion was, therefore, made that if unemployment is to be tackled not merely in terms of targets for job creation but in relation to the elimination of poverty, the notion of critical concern is that of structural transformation of the economy as a whole. Thus, attention must be directed to the establishment of patterns of production and demand that would maximise the employment-creating potential of the economy while simultaneously providing fairer shares for all.

Poverty and Politics

In so far as the selection of particular economic strategies for the alleviation or eradication of poverty and elimination of unemployment derives from political perspectives and orientation, the Symposium endorsed the view that any resolution of the problems of unemployment and poverty - both in the national and regional contexts - must emanate from the political continuum.