



# VISION 2030 JAMAICA



## **LABOUR MARKET AND PRODUCTIVITY SECTOR PLAN 2009 – 2030**



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## LABOUR MARKET AND PRODUCTIVITY

**SECTOR PLAN**  
**2009 – 2030**



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## BACKGROUND

In 2006, the Government of Jamaica (GOJ) mandated the Planning Institute of Jamaica (PIOJ) to lead the preparation of a comprehensive long-term National Development Plan (NDP) which would be the road map used to guide Jamaica towards developed country status by 2030. In recent years, the increasing focus on sustainable development, has led to the need to adopt a more integrated and participatory approach to planning.

Since 1955, Jamaica has had a series of successive 5 year plans, with the last one covering the period 1990-1995. Subsequently, priority policies of government have been embodied in the National Industrial Policy and in a series of 3 year roll over Medium Term Policy Framework (MPF) which articulated the government's medium term socio-economic policies, with the last one covering the period 2004-2007.

Since the preparation of the last 5 year plan, there have been significant changes to the Jamaican economy resulting from the process of globalization. With these changes, the existing planning models became increasingly limited in scope, and could not adequately embody the planning needs of the country.

These changes together with the failure of previous medium term plans to deliver the transformation necessary to move Jamaica closer to sustainable, long term development; and a new focus on a participatory, integrated approach to national planning, necessitated the commissioning of a strategic development plan of the nature of Vision 2030. All short and medium term plans within the period leading up to 2030, will henceforth be within the strategic framework of Vision 2030.

Development of the Plan began in January 2007. Twenty-seven Task Forces (TFs) including the Labour Market and Productivity Task Force were established. The number of TFs was later increased to thirty (30). The TFs represent sectors and areas critical to the achievement of the national goals and have been charged with responsibility for developing the respective long-term sector plans.

The Labour Market & Productivity Sector Plan (Phase 1) was developed using a combination of the following processes:

- Task Force Meetings which were used to solicit ideas and views from members on issues and challenges related to each sector as well as identifying the vision for, and determining key goals, objectives and strategies for each sector
- Research on international best practices that could be adopted in the Jamaican context
- Presentations by task force members on key issues relevant to the particular sector
- Presentation/Sensitization on the T-21 Model and its potential use in the Plan Development process
- Strategic meetings between Chairs of the Task Forces, the technical secretaries and the specialists in the Plan Development Unit (PDU)

This document contains the following five (5) main elements:

- Situation Analysis
- SWOT Analysis
- Proposed Vision Statements and
- Strategic Framework – Goals and Outcomes
- Implementation Framework and Action Plan
- Monitoring and evaluation framework

## 1. INTRODUCTION

The labour market refers to the dynamic interplay of the demand and supply of human resources in which workers compete for jobs and employers compete for workers. If Jamaica is to successfully compete in the global economy, it is essential that labour market and employment challenges be adequately addressed.

A favourable macroeconomic environment with the policies to stimulate economic growth and generate investment and employment is a pre-requisite to achieving desirable labour market outcomes. There is also recognition of the need in Jamaica for effective social and employment policies to be included in the planning process if Jamaica is to experience medium to long-term economic growth and development.

In keeping with the National 2030 Vision, “*Jamaica, the place of choice to live, raise families, work and do business*”, the vision of this Labour Market and Productivity Sector Plan is:

*“An efficient and harmonious labour market sustaining a prosperous society and economy, supported by a trained, educated, productive workforce that is attractive to quality job creating investments”.*

The Sector Plan is designed to attain this vision through four (4) main goals:

- an efficient and effective labour market;
- higher levels of human and social capital formation and trust;
- full and satisfying employment; and
- level of national productivity that is internationally competitive

As the arena in which trade for workers’ services takes place, the labour market is an important interface between households and the economy and plays the crucial role of determining income from labour, which is the main source of household income. On the other hand, a healthy, growing economy is reliant on household members having the



human capital characteristics that are required. With the onset of globalization, local labour markets have been impacted on by international forces involving heightened inter-country flows of investment and skills. Globalization thus poses both opportunities and threats to any country. In the case of Jamaica, the opportunities include the following:

1. The opportunity to develop design centres to satisfy the market for high value, lower volume niche products
2. Increased access to regional and international labour markets, by local workers
3. Increased opportunities for linkages between local companies and international companies to boost business prospects
4. Increased opportunity for exposure to improved technology and international best practices
5. A shift of some types of jobs from developed to developing countries

The threats include the following:

1. Strong competition for highly skilled labour, which can lead to brain drain
2. Trade liberalization which disadvantages small local producers by promoting the replacement of domestically produced goods with mass produced imports;
3. The marginalization of low quality/high priced/uncompetitive domestic producers of goods
4. The increased application of technology, especially in globally operating companies, which can reduce the dependence on and use of low skilled labour

The impact of globalization and the concomitant need to improve the region's integration process resulted in the establishment of the CARICOM Single Market on January 1, 2006 with the first CARICOM member states to implement the Single Market being: Jamaica, Barbados, Belize, Guyana, Suriname and Trinidad and Tobago. The establishment of the CARICOM Single Market is an initial step towards establishing the CARICOM Single Market and Economy (CSME). The ultimate objective of the proposed CSME is to transform the countries of the region from small individual states to a regional economic

bloc, enabling the pooling of resources, as well as the benefit of enhanced efficiency in the production and delivery of the region's goods and services.

The creation of the CSME is expected to further the ultimate goal of harmonizing economic and fiscal policies for all member states of the Caribbean Community (CARICOM), and to enhance trade and economic development. The major elements of the CSME include the free movement of goods, services, capital and persons.

As the region moves towards full implementation of the CSME, there are certain categories of workers who are currently allowed to move within the region for work purposes. Thus far, these categories have been limited to University Graduates, Media Workers, Salespersons, Artistes/Cultural Workers, Athletes and Musicians; however, as of 2008, persons who possess the Caribbean Vocational Qualification (CVQ) will also be included in this category.

It is important to note that the formation of the CSME is just one aspect of a broader process of regionalization, which also includes regional cooperation and integration of efforts in issues relating to human and social development and foreign relations.

The challenge facing Jamaica is to develop the economy through positioning itself in the global market so that it can increase productivity, while forging a competitive advantage, producing high value, lower volume, highly differentiated goods and services for niche markets, and to develop the skills and competencies of our human resources to ensure that the economy's need for labour and the labour force's need for employment are both satisfied.

The factors that interact in the labour market are wide ranging and include:

- a. Trends in the local economy;
- b. The characteristics of the labour force e.g. size, education, training etc.
- c. The nature of employment and conditions of work;
- d. Productivity;
- e. Industrial relations; and

f. Employment services

Major features of these as well as other factors are outlined in the Situational Analysis which follows.

## **2. SITUATIONAL ANALYSIS**

### **2.1 THE ECONOMY**

It is a truism that a pre-requisite for a successfully functioning labour market is a successful economy. The nature of Jamaica's economy has undergone tremendous transformation in the last four decades. The country enjoyed rapid rates of economic expansion from the 1960s leading into the early 1970s. Jamaica, which was engaged in rapid industrialization, enjoyed an average annual growth rate of 5.7% during the period 1961-1972. This was among the highest in the world. At that time, the nature of the economy was mainly goods-producing. Sectors such as agriculture and mining were the major sectors of the economy.

The period of the 1970s however, saw a decline in the economic performance. Between 1974 and 1980, GDP contracted nearly 20%. This was as a result of various internal and external reasons namely the oil crises in 1973 and 1979, the US recession (which itself was partly as a result of the oil crises), that affected demand for bauxite/alumina and tourism, as well as domestic policies and political turbulence which led to capital flight and generally negative economic consequences (J. Katz, 2004). There were short supplies of basic goods and services and a massive exodus of highly trained Jamaicans in the 1970s and early 1980s.

Similar to many other Caribbean countries at the time, Jamaica in collaboration with the IMF and the World Bank instituted structural reform programmes geared at 1) reducing the role of the state in the economy, 2) substituting a “state led” growth strategy, for one which was export-led and 3) increasing the country's rate of economic expansion. These strategies succeeded to some extent. For instance, the rate of inflation decreased from 27% in 1980 to less than 7% in 1982, and the public sector deficit was also reduced. However, economic growth in the 1980s was below the level of the 1960s, with average growth rate of marginally over 2% between 1981 and 1983 and negative growth rates in

1984 and 1985. The growth rate improved in the late 1980's however, with a rate of 5.5% being recorded in 1987.

The structure of the economy also began to change in the 1980s, with a shift towards the services sector of the economy. By 1990, tourism alone accounted for almost one third of Jamaica's GDP, up from 16.9% in 1980. This trend continued into the 1990s and beyond, with the increasing contribution of other service areas such as financial services.

In 2008, the services sector (which consists mainly of i. transport, storage and communication; ii. finance, insurance, real estate and business services; iii. community, social and personal services; iv. electricity, gas and water, v. wholesale and retail trades, hotels and restaurant services) employed an annual average of 748,800 persons (approximately 65% of the employed labour force). On the other hand, the goods producing sector (which includes i. agriculture, forestry and fishing; ii. mining; iii. manufacturing and iv. construction and installation), employed an annual average of 408,300 persons (approximately 35% of the employed labour force).

During the past three decades (1970s - 1990s) real GDP averaged growth rates of 1.1%, 1.4% and 1.4% per annum, respectively. Over the period 2000 to 2006, the country's GDP increased marginally, to an average of 1.5% per annum. In 2008, however, GDP declined by 0.06% for the first time in more than a decade largely due to the global recession<sup>1</sup>. Total real GDP was approximately J\$505.8 billion and nominal GDP just over J\$1.0 trillion.

Prior to late 2007, based on the available macro-indicators, the prognosis had been that the economy was poised for continued improvement, and growth rates would have accelerated in the immediate future. For example, for January to October 2006 estimated total foreign direct investment (FDI) was US\$956.4.<sup>2</sup>, while during the period 2000 to 2005 it ranged from US\$468.4 million to US\$682.5 million. The growth in FDI was

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<sup>1</sup> Economic and Social Survey Jamaica, 2008

<sup>2</sup> \* The figure for 2006 is preliminary and represents **total private investment** for the period January - October 2006 which includes FDI, Portfolio investment and Other Investment (loans).

attributable to new investments in Mining, Telecommunications and the Hospitality Industry.

There were also favourable trends in inflation and interest rates which, respectively stood at 5.8 % (down from 12.9 % in 2005), and 17.67 % in 2006 (down from 18.50 % in 2002).

Debt servicing also declined to a low of 53.5 % of GDP (down from 59.0 % in 2005/2006); the large debt overhang is widely viewed as among the largest impediments to economic growth. However, with the continuing global recession that began in late 2007, declines in the output of the productive sector, particularly mining, and threats of decline in the tourism and hospitality industries have dimmed the prospect of growth for the immediate future as evidenced by the decline in GDP in 2008 over 2007.

### **2.1.1 Performance by Sector**

The leading contributor to the economy over the period 2003 to 2008 was the ***Wholesale and Retail*** industry which contributed \$190.05 billion or 19.0 % of GDP in 2008. Over the period, the contribution of the sector to GDP has remained relatively stable ranging between 18.8% and 19%.

The second largest contributor to GDP during 2008 was ***Transportation, Storage and Communication*** at 12.1 %. The average contribution to GDP for the sector for the period 2003 to 2008 was 12.0%. For the five year period 2003 to 2007, the sector grew by an average 2.8% annually. However, in 2008, it declined by 2.2% for the first time in 28 years, reflecting the impact of the global recession.

The third major contributor to GDP in 2008 (excluding Producers of Government Services) was ***Finance, Insurance, Real Estate and Business Services*** which stood at 11.4%, an increase of 0.2% over 2007. The small growth was attributable to a 1.5% increase in the contribution of financial institutions. The average of its contribution to GDP for the 2003 to 2008 period was 11.2%.

The **Manufacturing** sector also constitutes a principal component of the economy with an average contribution to GDP for the 2003 to 2008 period of approximately 9%. However, the sector has been experiencing contraction and this has been attributed to high operating costs, competition from lower priced consumer imports, the effects of flood rains, and reduction in the processing of sugar, molasses and petroleum products. Additionally, cigarette production ceased during 2006 as the sole cigarette producer relocated to Trinidad in December 2005. Over the 2003 to 2008 period, the contribution of the sector declined by 1.1% to 8.5% in 2008. It should be noted however that over the two year period, 2007 and 2008, the contribution of the sector to GDP remained stable.

For the **Construction and Installation** sector the average contribution to GDP for the period 2003 to 2008 was 8.3 %. The contribution to GDP fluctuated between 7.8% in 2003 and 8.8% in 2005. In 2008, the sector declined by 0.5 percentage points partly due to the completion of large projects, the global recession and possible fallout caused by the collapse of the so-called alternative financial institutions between 2007 and 2008.

With respect to the **Agriculture, Forestry and Fishing** sector, the average contribution to GDP for the period 2003 to 2008 was 5.2%. The sector experienced fluctuations during this period showing negative growth in, 2004, 2005, 2007 and 2008 due primarily to bad weather experienced during these years. In 2006, the sector had its best performance of the period with an impressive growth of 11.9 %, and contribution to GDP of \$14 billion.

For the **Mining and Quarrying** sector, the average contribution to GDP for the period 2003 to 2008 was 4.0%. The global recession has had a markedly negatively impact on this sector and since late 2008, the sector has been in decline. In this regard, two of the bauxite plants in Jamaica have been closed indefinitely. With respect to **Electricity, Gas and Water** the average contribution to GDP for the period was 3.4 %. Despite minor fluctuations the contribution of this sector has been stable over the last five years.

## **2.2 ANALYSIS OF LABOUR FORCE INDICATORS**

Analysis of the state of the labour force, taking into consideration current trends, is an important component in the policy planning process. Analysis of the labour force

## *Labour Market & Productivity Sector Plan – Situational Analysis*

indicators is constrained by the fact that there is discontinuity in the current data series due to revisions made to the series from 2002 onwards by the Statistical Institute of Jamaica based on the findings of the 2001 Population Census. It is nevertheless possible to discern trends pre and post 2002.

Over the 1970s, 1980s and 1990s, the labour force grew at a decelerating pace with average annual increases of 2.8%, 0.007% and 0.005% respectively. This was primarily due to declining participation rates, which fell from 71.0% in the 1970s to 67.7% in the 1990s. Between 2002 and 2006, the labour force participation rates averaged 64.6%, and the force grew at an average annual rate of 0.26%. Both sexes had declining participation rates but for females the decline was steeper. For example, available data reveal a 7.5 percentage point decline for females between 1979 and 1999 to 56.6%, compared with a 5.8 percentage point decline for males to 73.0%. Over the 2006 to 2008 period however,

**Table 1: Main Labour Force Indicators, 2002-2008**

	2002	2003	2004	2005	2006	2007	2008
<b>Both Sexes</b>							
Labour Force	1,208,200	1,189,700	1,194,800	1,223,100	1,253,100	1,276,700	1,296,100
Employed Labour Force	1,036,800	1,054,100	1,055,200	1,085,800	1,123,700	1,152,600	1,158,900
Unemployed Labour Force	171,500	135,600	139,600	137,400	129,400	124,100	137,300
Labour Force Participation Rate	65.8	64.4	64.3	64.2	64.7	64.9	65.4
<b>Male</b>							
Labour Force	668,000	663,300	663,500	681,500	695,600	706,800	711,200
Employed Labour Force	602,200	611,700	610,900	629,600	646,800	664,100	659,300
Unemployed Labour Force	65,800	51,600	52,600	52,000	48,800	42,700	52,000
Labour Force Participation Rate	74.7	73.7	73.3	73.3	73.6	73.5	73.8
<b>Female</b>							
Labour Force	540,200	526,400	531,300	541,600	557,500	567,400	584,900
Employed Labour Force	434,600	442,400	444,300	456,200	476,900	488,500	499,600
Unemployed Labour Force	105,700	84,000	87,000	85,400	80,600	81,400	85,300
Labour Force Participation Rate	57.3	55.6	55.8	55.5	56.3	56.6	57.5

Source: ESSJ 2002-2008



the participation rates of males and females increased marginally from 73.6% and 56.3% respectively to 73.8% and 57.5% respectively (see Table 1). The disparity between the two sexes in the labour market is in direct contrast with disparities in the education/training system whereby females outperform males in both participation and

**Figure 1: Percentage Change in GDP and Employment**



Source: ESSJ 2003-2006

examination successes, particularly at the higher levels of the education/training system. At the tertiary level in particular, female registration exceed males by almost three to one.

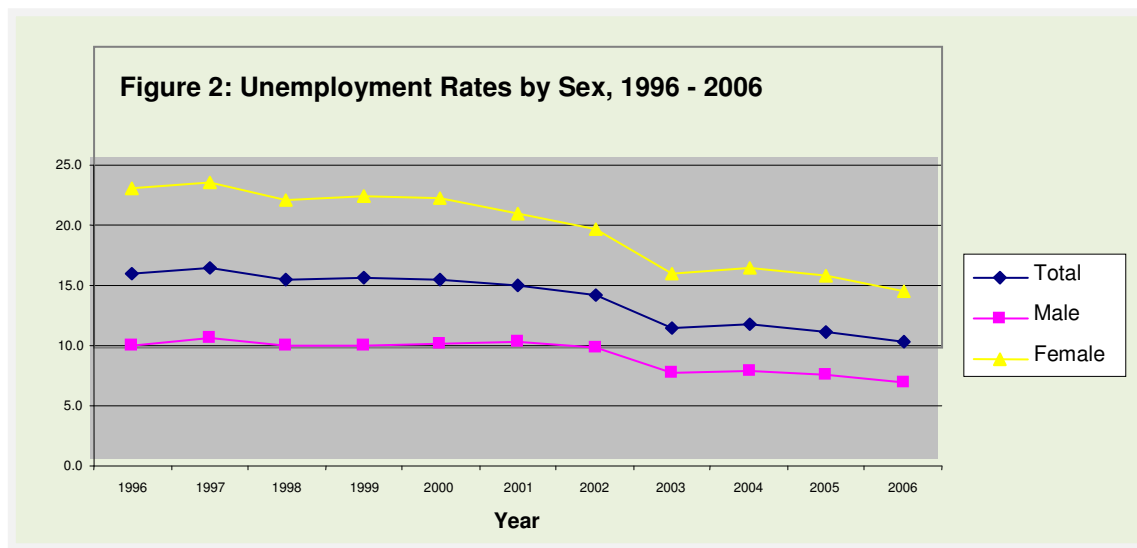
For the year 2008, an average of 1,296,100 persons was in the labour force. Males totalled 711,200 or 54.8% while females totalled 584,900 or 45.1%. The policy planning process must therefore not only put in place initiatives to increase the participation rates for both sexes but should also seek to bridge the gap between males and females, to ensure greater equality.

### 2.2.1 Employment

Over the three decades leading up to 2000, the rate of growth in employment declined, reflecting the sluggishness in the economy. Between 2002 and 2006, as the economy improved, the rate of growth in employment accelerated to 2.0% p.a., a higher rate than the GDP growth rate of 1.7% p.a. In 2006, employment increased by 3.4% compared with a 2.5% increase in GDP.

As is illustrated in Figure 1 these data imply a direct relationship between GDP and employment. It should be noted that in some sectors such as Mining and Quarrying and Electricity, Gas and Water, there have been instances of jobless growth due mainly to mechanization and the introduction of technology. The growth in employment between 2002 and 2006 varied by sex with females having an average annual increase of 4.5% while for males it was 3.3%.

Between the 1970s and 1980s employment growth was inadequate to keep abreast of the



Source: ESSJ 1996-2006

growth in the labour force, resulting in increases in the numbers unemployed, (rising to an average of 248,300 from 202,600) and also in the unemployment rate (rising to 23.9% from 23.2%).

Since then, as a result of both the reduced labour force growth and economic improvement, employment increases have been sufficiently ahead of the expansion in the labour force to result in declines in the number unemployed as well as in the unemployment rate. The former moved to 129,400 in 2006 with a 10.3% unemployment rate, from an average of 175,500 in the 1990s with a 15.8% unemployment rate. Unemployment rates by sex reveal a more steeply declining rate for females than males (see Figure 2).

By age, the data show that in 2006, the unemployment rate of youth (14-24 years), at 23.6% was more than three times the adult unemployment rate of 7.6 %. The youth have had poor outcomes in the labour market due to a variety of factors including inadequate preparation for the world of work by the education/training system. For example, a recent study on the transition of youth from school to work found that the top four obstacles to finding suitable jobs as identified by the youth were related to inadequate education or training<sup>3</sup>. However, examination of the unemployment data for the last 10 years showed that youth unemployment declined by 10.8 percentage points while the adult unemployment rate declined by 1.9 percentage points. The evidence, therefore, is that disparities in employment outcomes for both sex and age have been on a declining trend for at least a decade.

Notwithstanding the gains made up to 2006, the advent of the global economic downturn in 2007 has negatively impacted on employment with the result that the unemployment rate increased from a low of 9.8% in 2007 to 10.6% in 2008. Informal projections from public figures in the private sector, suggest that the negative impact of the global recession will not begin to be reversed before late 2010.

### ***2.2.2 Employment by Sector, Occupation Group and Status***

Table 2 shows Employment by Sector between 2002 and 2008. Over the period 2002 - 2006, there were net increases in employment in all sectors except Agriculture, Forestry & Fishing, and Electricity, Gas & Water. However, over the period 2006 to 2008 the

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<sup>3</sup> “The Transition of Jamaican Youth to the World of Work”, 2006. PIOJ and ILO

## *Labour Market & Productivity Sector Plan – Situational Analysis*

pattern altered. There were net increases in employment for all sectors with the exception of manufacturing (down 6.8% despite a 1.6% increase in 2008 over 2007), and Wholesale/Retail/Hotels/ Restaurant Services (down 0.7% despite an increase of 1.8% in 2008).

Three of the sectors that recorded net increases over the three year period, from 2006 to 2008, experienced declines in 2008 over 2007. These were Electricity, Gas and Water, (down 2.6%), Construction and Installation (down 6.8%) and Community/Social/Personal Services (down 1.3%). The pattern of employment reflects the current orientation of the economy toward services with service industries commanding 64.8% of total employment in 2008.

**Table 2: Employment by Sector 2002 and 2008**

	2002	2006	% Change 06/02	2007	2008	% change 08/07	% change 08/06
<b>Goods Producing Sectors</b>							
Agriculture/Forestry/Fishing	213,000	201,700	-5.30	211,600	216,500	2.3	7.3
Mining	4,700	6,000	27.65	8,300	9,700	16.9	61.7
Manufacturing	72,350	76,400	5.59	70,100	71,200	1.6	-6.8
Construction/Installation	92,350	110,000	19.11	119,000	110,900	-6.8	0.8
<b>Services Producing Sectors</b>							
Electricity/Gas/Water	7,000	6,700	-4.28	7,800	7,600	-2.6	13.4
Wholesale/Retail/Hotels/Restaurants Services	219,350	271,600	23.82	264,900	269,700	1.8	-0.7
Transport/Storage/Communication	72,800	78,100	7.28	79,200	79,700	0.6	2.0
Finance/Insurance/Real Estate/Business Services	62,050	62,500	0.72	67,600	74,100	9.6	18.6
Community/Social/Personal Services	290,000	308,900	6.51	322,000	317,700	-1.3	2.8
Industry Not Specified	3,200	2,100	-34.37	2,200	1,700	-22.7	-19.0
<b>Total Employed Labour Force</b>	<b>1,036,800</b>	<b>1,124,000</b>	<b>8.41</b>	<b>1,152,600</b>	<b>1,158,900</b>	<b>0.5</b>	<b>3.1</b>

Source: Labour Force Survey, STATIN 2002 – 2008

## *Labour Market & Productivity Sector Plan – Situational Analysis*

The sectors with largest employment were Community, Social & Personal Services (which incorporates Government employees) and Wholesale & Retail Trades, Hotels & Restaurants (which incorporates persons employed in tourism). Together these absorbed 51.6% of the employed. Next in size were two goods producing Industries namely Agriculture etc. and Construction etc. which together had 27.7% of the employed.

Analysis of employment by occupation groups reveals that the demand for high level skills has increased over time with concomitant reduction in the share of employment going to the unskilled. For example, the Professional, Senior Officials and Technicians comprised 13.0% of employment in 1996 and this increased to 18.0% in 2006, meanwhile Elementary Occupations declined from 19.3% in 1996 to 16.0% in 2006.

In keeping with the trends of economic growth, highest employment increases over the past five years were in relation to Service Workers and Clerks. Lowest increases were found in relation to Plant and Machine Operators and Assemblers and Elementary Occupations.

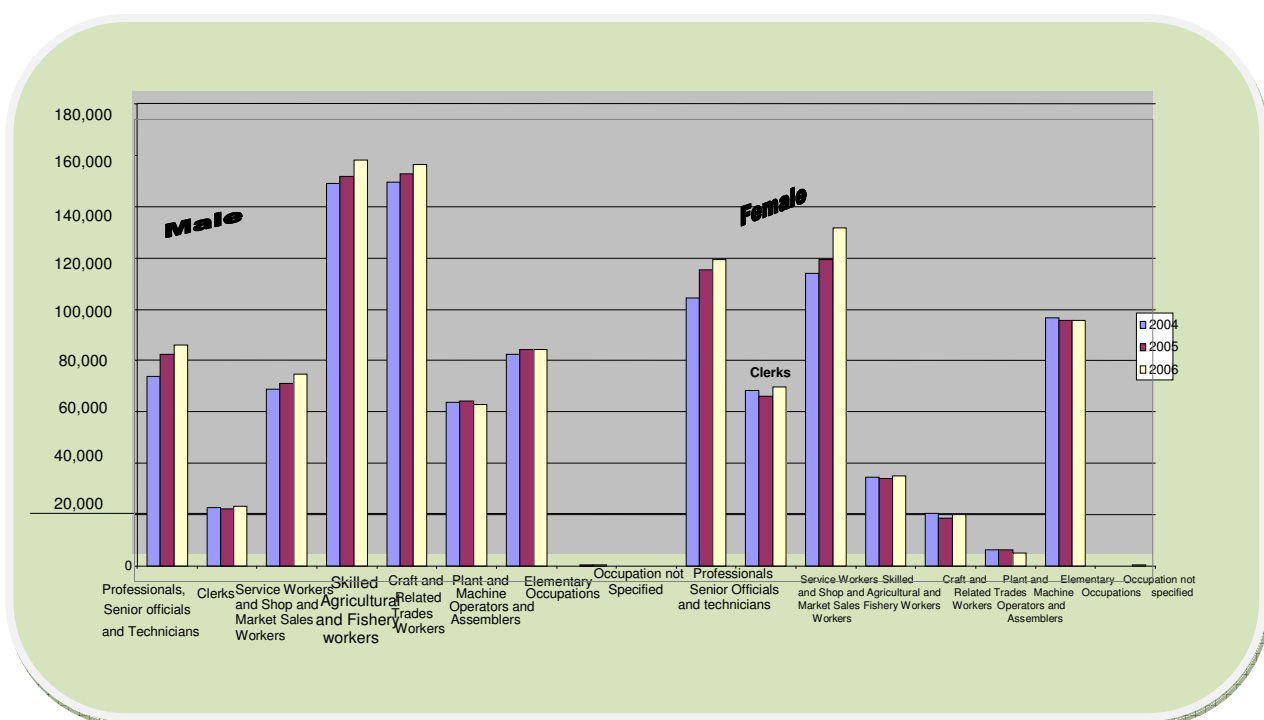
**Table 3: Employment by Occupation Group 2002 and 2008**

	2002	2006	% Change	2007	2008	% change 08/07	% change 08/06
<b>Occupation Group</b>							
Professionals, Senior Officials and Technicians	188,950	205,950	8.99	220,400	272,200	23.50	32.17
Clerks	83,750	93,225	11.31	100,800	102,400	1.59	9.84
Service Workers, Shop & Market Sales Workers	172,100	206,350	19.90	209,500	216,300	3.25	4.82
Skilled Agricultural and Fishery Workers	194,950	193,150	-0.92	201,800	207,800	2.97	7.58
Craft and Related Trades Workers	161,150	176,350	9.43	177,300	169,300	-4.51	-4.00
Plant and machine Operators and Assemblers	65,150	68,200	4.68	69,300	71,000	2.45	4.11
Elementary Occupations	169,350	179,950	6.25	172,500	163,400	-5.28	-9.20
Occupations not specified	1,350	500	-62.96	1,100	1,300	18.18	160.00
<b>Total Employed Labour Force</b>	<b>1,036,750</b>	<b>1,123,675</b>	<b>8.38</b>	<b>1,152,100</b>	<b>1,158,900</b>	<b>0.59</b>	<b>3.13</b>

Source Labour Force Survey, STATIN 2002 – 2008

Figure 3 shows graphically the sex differences in employment by occupation group. It is shown that males have fairly large representation in all occupation groups except Clerical, while females are less well distributed across the spectrum of occupations, having little representation in Agriculture, Craft/Trades and Plant/Machine Operators.

**Figure 3: Employment by Sex by Occupation Group, 2006**



Source: ESSJ, 2006

**Table 4: Employment by Status 2004 and 2008**

	<b>2004</b>	<b>2008</b>	<b>% Change</b>	<b>% Dist. 2004</b>	<b>% Dist. 2008</b>
<b>Employment Status</b>					
Paid Government Employee	119,000	126,300	6.13	11.3	12.0
Paid Non-Government Employee	532,000	525,700	-1.18	50.4	49.7
Unpaid Worker	14,900	15,800	6.04	1.4	1.5
Employer	26,700	29,600	10.86	2.5	2.8
Own Account Worker	360,700	356,600	-1.14	34.2	33.7
Not Reported	1,800	3,000	66.67	0.2	0.3
<b>Total Employed Labour Force</b>	<b>1,055,200</b>	<b>1,056,900</b>	<b>0.16</b>	100.0	100.0

Source Labour Force Survey, STATIN, 2005-2008

Table 4 shows data on employment by status for the period 2004 to 2008. The data reveal that the public sector (Paid Government Employees) accounted for 11.3% of total employment in 2004 (119,000) but increased marginally to 12% of total employment in 2008 (126,300).

The private sector consists of the other four categories, namely: Paid Non-Government Employees, Unpaid Workers, Employers and Own Account Workers, with the last two categories generally being used as proxy for the self-employed. Indicative of an upsurge in new businesses, the largest change excluding those not reported was the expansion in the number of Employers by 10.8%. This followed a 23% increase over the period 2002 to 2006. Own Account Workers decreased by 1.14 %, from 34.2% of total employment in 2004 to 33.7% in 2008. Private sector employees also decreased by 1.18%, from 532,000 to 525,700, over the same period.

On the other hand, the number of unpaid workers increased by 6.04%; these are persons who work without wages in a farm or business, usually owned by a family member.

### **2.2.3 Underemployment**

Underemployment refers to the under utilization of the employed labour force. Three types of underemployment are generally recognized: - income-related, time-related and job-related. Income-related underemployment refers to persons working for lower income than they qualify for or are worth. Time-related underemployment refers to persons working fewer hours than they would like to work, while job-related underemployment suggests a mismatch of occupation and skills with persons working in a job for which they are over-qualified.

The only type of underemployment for which data are available is time-related. Figure 4 provides a graphic depiction of those persons who work fewer than thirty-three hours (33) hours for the week and who say that they would like to work more hours, by sex for the period 2002-2006.

These data show much higher underemployment for females than males. Both the problem of underemployment and of unemployment can only be solved by increased levels of job creation while the gender inequity calls for more complex solutions including non-discriminatory employment policies.

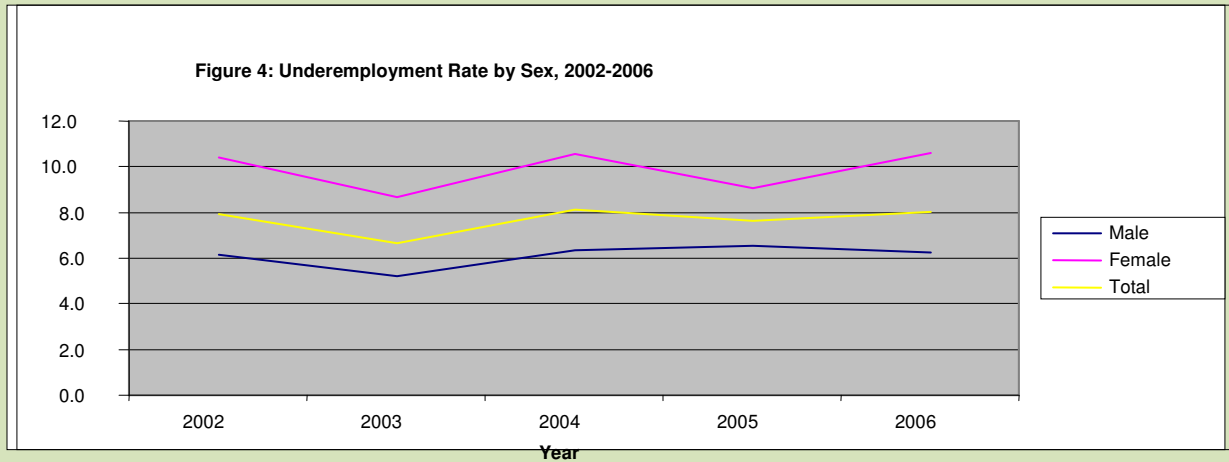
### **2.2.4 Labour Market Inactivity**

In 2006, Jamaica's inactivity rate (which refers to the proportion of persons of working age who are outside of the labour force) was approximately 35%. This is slightly higher than the average for the Latin American and Caribbean region, which recorded a rate of 34.4% in 2006; and the global rate which was recorded as 34.3% in 2006. Worthy of note, is that among these persons who were recorded as being economically inactive in 2006, approximately 49.5% said that they were out of the labour force because they did not want to work.

The 2006 average for this category was 338,100, and is 23% higher than the figure of 274,350 recorded in 2000, which represented 42.8% of inactive persons.



**Figure 4: Underemployment by Sex, 2002-2006**



Calculated from data obtained from the Labour Force Survey, STATIN 2002 – 2006

Therefore, the number of persons not wanting to work is on an upward trend and research needs to be undertaken to find out exactly what accounts for this, so that intervention may be made to address the responsible factors. This is critical to national development as the existence of a large number of persons in this category signals under-utilization of nation-building potential along with possibly other negative implications such as fostering crime and high fertility rates.

**Box: 1 World and Regional Estimates of Inactivity Rates**

**Box 13a. World and regional estimates of inactivity rates**

<b>Inactivity rate (%) – both sexes</b>	<b>1996</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006*</b>
WORLD	33.3	34.0	34.2	34.2	34.3	34.3
Developed Economies & European Union	39.3	39.6	39.7	39.6	39.6	39.7
Central & South Eastern Europe (non-EU) & CIS	39.4	41.1	41.6	41.1	41.1	41.0
East Asia	22.0	24.0	24.6	24.8	25.1	25.4
South East Asia & the Pacific	29.9	29.6	29.7	29.5	29.4	29.3
South Asia	38.8	39.7	39.7	40.0	40.1	40.2
Latin America & the Caribbean	36.6	34.9	34.6	34.6	34.5	34.4
North Africa	50.2	50.4	50.1	49.7	49.5	49.3
Sub-Saharan Africa	24.4	25.4	25.6	25.6	25.7	25.8
Middle East	47.4	45.3	44.9	44.4	44.0	43.6
<b>Inactivity rate (%) – males</b>	<b>1996</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006*</b>
WORLD	19.5	20.6	20.8	20.8	21.0	21.1
Developed Economies & European Union	29.1	30.4	30.8	30.9	31.2	31.5
Central & South Eastern Europe (non-EU) & CIS	28.7	31.2	31.6	30.4	30.5	30.4
East Asia	15.4	17.3	17.8	18.0	18.3	18.5
South East Asia & the Pacific	17.0	16.9	17.1	17.2	17.2	17.2
South Asia	16.0	17.3	17.6	17.5	17.7	17.8
Latin America & the Caribbean	18.4	19.1	19.1	19.8	20.2	20.5
North Africa	24.0	25.1	25.1	24.3	24.3	24.2
Sub-Saharan Africa	12.6	13.3	13.6	13.6	13.7	13.8
Middle East	22.5	22.1	21.9	22.0	21.9	21.8
<b>Inactivity rate (%) – females</b>	<b>1996</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006*</b>
WORLD	47.0	47.4	47.5	47.5	47.5	47.5
Developed Economies & European Union	49.0	48.2	48.1	47.7	47.6	47.4
Central & South Eastern Europe (non-EU) & CIS	49.0	49.9	50.5	50.5	50.5	50.4
East Asia	28.9	31.1	31.6	31.9	32.3	32.6
South East Asia & the Pacific	42.4	41.9	42.0	41.6	41.4	41.1
South Asia	63.1	63.5	63.3	63.9	63.9	63.9
Latin America & the Caribbean	53.9	50.0	49.3	48.7	48.2	47.6
North Africa	76.1	75.5	74.9	74.7	74.5	74.2
Sub-Saharan Africa	35.7	37.0	37.3	37.2	37.3	37.3
Middle East	75.1	70.9	70.2	69.1	68.3	67.5
<b>Inactivity rate (%) - youth</b>	<b>1996</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006*</b>
WORLD	41.9	44.8	45.4	45.2	45.4	45.4
Developed Economies & European Union	46.9	48.6	49.7	48.8	48.9	49.0
Central & South Eastern Europe (non-EU) & CIS	54.2	58.3	59.8	57.3	57.2	56.9
East Asia	25.3	31.7	32.7	32.4	32.6	32.6
South East Asia & the Pacific	41.5	42.3	42.8	43.6	43.6	43.7
South Asia	50.1	51.9	52.2	52.5	52.7	52.9
Latin America & the Caribbean	44.6	44.9	44.9	45.4	45.8	46.1
North Africa	60.8	63.9	63.6	63.4	63.5	63.6
Sub-Saharan Africa	32.4	33.8	34.3	34.4	34.6	34.7
Middle East	60.7	58.7	58.3	58.2	58.0	57.8

Source: ILO Trends Labour Force Model (see box 3 in “Guide to understanding the KILM” for more information on estimation methodology). \* 2006 preliminary estimates. (continued)

Source: [www.ilo.org](http://www.ilo.org)

## 2.3 PRODUCTIVITY AND COMPETITIVENESS

Productivity is a critical performance measure of both efficiency (*how well resources are utilised to accomplish the desired outputs*) and effectiveness (*the extent to which the actions are focussed on doing the right things*) in relation to the production of goods and services, using factors of production. The latter includes resources such as labour, capital, materials, energy and knowledge. Aggregate productivity is generally measured in terms of labour productivity, capital productivity, and total factor productivity (TFP) or multifactor productivity (MFP).

Increasing labour productivity is a critical means of improving per capita income and

**Table 5 Annual Average Labour Productivity Growth Rates: Selected Countries**

	BRD	CAN	DOM	IRL	JAM	MYS	MUS	SGP	TTO	USA
1961-2003	1.2	1.4	2.1	3.8	0.2	4.0	2.7	3.5	2.0	1.8
1961-1969	5.0	2.3	1.2	4.6	2.3	3.6	1.4	3.5	4.0	3.0
1970-1979	1.2	0.9	3.3	3.7	-1.2	5.7	3.6	4.5	2.1	1.1
1980-1989	0.2	1.0	1.3	1.5	0.0	2.7	2.1	3.1	-3.4	1.6
1990-1999	-0.7	1.3	2.6	5.4	0.2	4.8	3.2	4.4	2.0	2.0
1990-2003	-0.6	1.5	2.4	5.1	0.04	4.1	3.4	3.2	4.5	1.7

Source: Calculated by Jamaica Productivity Centre (JPC) from Penn World Table Version 6.2

also enhancing international competitiveness. Improvement in capital productivity is expected to positively impact return on investment as well as improve labour productivity. High TFP, is a measure of the synergy and efficiency of both capital and human resource utilization, and is an important driver of economic growth.

Using the Penn World Tables (Version 6.2), Jamaica's labour productivity performance (Real GDP per worker) was assessed for the period 1961-2003. For purposes of comparison nine other countries: Barbados (BRD), Canada (CAN), Dominican Republic

(DOM), Ireland (IRL), Malaysia (MYS), Mauritius (MUS) Singapore (SGP), Trinidad and Tobago (TTO) and United States (USA) were included in the assessment. The results of the analysis are summarized in Table 5. On average, over the 44 year period, output per Jamaican worker grew at 0.2 per cent per annum. This is in contrast to average annual growth rates ranging between 1.2 and 4.0 percent for the other nine countries.

As can be observed from the table, the best decade for Jamaica in terms of output per worker was the 1960s when annual average growth rates of 2.3 percent were recorded. This was equal to that recorded by Canada and better than that for the Dominican Republic (1.2 %) and Mauritius (1.4 %).

**Table 6: Real GDP Per Worker  
(International Prices \$I) 2000-2003**

	BRD	CAN	DOM	IRL	JAM	MYS	MUS	SGP	TTO	USA
2000	29,178	49,816	15,009	59,103	9,073	26,868	34,618	58,750	33,102	67,079
2001	28,012	50,082	15,591	61,618	9,131	26,513	37,153	54,418	32,076	66,616
2002	27,827	51,152	16,273	63,842	9,090	26,948	36,325	54,994	30,097	66,788
2003	28,191	51,796	15,572	65,925	9,025	27,985	37,324	54,304	39,797	67,865
Average	28,302	50,712	15,611	62,622	9,080	27,079	36,355	55,616	33,768	67,087
Change	-987	1,980	563	6,821	-48	1,117	2,706	-4,446	6,696	787
%	-3.4	4.0	3.7	11.5	-0.5	4.2	7.8	-7.6	20.2	1.2

Source: Compiled from Alan Heston, Robert Summers and Bettina Aten, Penn World Tables Version 6.2, Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, September 2006.

Over the 14 year period (1990-2003) Jamaica recorded the second lowest average labour productivity growth in the group of only 0.04 % per annum. This compares unfavourably to Trinidad and Tobago (4.5 %), Singapore (3.2 %), Canada (1.5 %), the Dominican Republic (2.4 %) and USA (1.7 %).

Labour productivity using the international prices (\$I) for the period 2000 – 2003 averaged \$9,080 for Jamaica, compared with Barbados \$28 302, Trinidad and Tobago \$33,768, and USA \$67,087 (see Table 6). The data show Jamaica continuing on a low productivity growth path in the 2000s. In 2008, it was estimated that labour productivity

declined further<sup>4</sup>. Average annual labour productivity growth for eight sectors of the economy over the period 1990-2004 is summarized in Table 7 for the sub-periods 1990-1999 and 2000-2004. For the 10-year period 1990-1999, five sectors recorded positive annual average growth in output per worker while three showed declines. For the succeeding five years (2000-2004), average annual growth in labour productivity actually declined in all sectors relative to the previous period, except in Construction which nevertheless still had very poor performance at -3.41%. Along with construction, poorest performances were in Agriculture, Forestry and Fishing (-3.49%), followed by Distributive Trades, Hotels & Restaurants (-2.46 %) and Transport, Storage & Communication (-1.23 %).

**Table 7: Average Annual Sectoral Labour Productivity Growth Rates**

Sectors	1990-1999	2000-2004
Agriculture, Forestry & Fishing	5.49	-3.49
Mining & Quarrying	8.58	2.34
Manufacturing	4.07	3.39
Electricity, Gas & Water	4.02	3.21
Transport, Storage & Communication	1.26	-1.23
Construction & Installation	-4.18	-3.41
Finance, Insurance, Real Estate & Business Services	-0.31	-0.36
Distributive Trades, Hotels & Restaurants	-0.2	-2.46

Source: Calculated by JPC from STATIN Data

A growth decomposition exercise conducted by the JPC shows that low rates of economic growth are explained by a steady decline in TFP, while capital and labour accumulation has contributed positively to economic growth. TFP enters as a residual in the growth accounting framework, thereby reflecting any change not captured by the physical and human capital variables.

<sup>4</sup> Economic and Social Survey Jamaica, 2008

According to JPC data covering the period 1973-2005, on average, growth in output is driven largely by growth in capital input (2.67 % per annum), labour input (1.58 % per annum) and TFP (-1.74 % per annum). This negative TFP growth for Jamaica has been observed in several other studies. This could be attributed to several factors including lack of synergies as well as absence of technical progress and innovation.

Bartelsman (2002) conducts a similar growth accounting exercise adjusting for informal sector employment and disaggregating and depreciating more rapidly the capital stock. His estimate of average TFP growth for the 1991–2000 period is -0.8 percent. Thus, there clearly has been a declining productivity problem. Addressing this continuous decline in productivity is critical to raising economic growth in Jamaica.

The low aggregate labour productivity performance of the Jamaican economy can be attributed to factors such as absence of a productivity culture; high public debt; real wages and unit labour cost rising faster than labour productivity; high cost of capital; impact of crime; inadequate investment in human and physical capital; inadequate investments in science and technology; inadequate plant organization and management systems; and poor labour-management relations.

**Absence of a Productivity Culture** - As a society, Jamaicans have not grasped or embraced the fact that productivity growth is the single most important economic indicator or benchmark of an economy's capacity to boost income, sustain competitiveness and improve living standard. This is evidenced by demands for wage increases that bear no relationship to labour productivity. Furthermore, simple behavioural adjustments that could substantially improve productivity are ignored at the level of the individual worker and employer (punctuality, good record of attendance and absenteeism) as well as governments (e.g., ignoring the need to address the impact of traffic congestion on productivity).

**Impact of High Public Debt** - A recent IMF Country Report (2006) examines whether high public debt, through its adverse impact on productivity, may lie behind the high investment-low growth experience of Jamaica. The central hypothesis tested revolves

around the idea that high debt adversely affects investment and productivity by: (i) distorting the allocation of investment toward less productive areas; and (ii) reducing the scope for public sector investment, which often has a special complementary role in increasing the effectiveness of private investment. The hypothesis when tested using a cross-country data, found evidence of a significant and negative relationship between total public debt and productivity.

The study also explored the specific channels through which high levels of public debt are transmitted to productivity and the allocation of resources. It argues that in the case of Jamaica, high public debt has been associated with macroeconomic uncertainty and an output structure that relied excessively on a few maturing sectors for which the scope for high productivity gains is low. At the same time, public investment has been crowded out by debt service, further adversely affecting productivity.

**Real Wages Rising Faster than Labour Productivity** - Unit labour cost and real wage have been growing faster than labour productivity in Jamaica over extended periods. This in part, is attributable to the competitive collective bargaining environment. From 1994 to 2001, unit labour costs increased twice as fast in Jamaica as in its major trading partners, without clear evidence of a comparable increase in labour productivity.

According to Downes (2005) two factors may explain this sharp increase in labour costs. First, rigidities in the labour market which limits flexibility and adjustment. Second, large emigration and the pull of high foreign wages which drives the reservation wage higher, particularly for the educated workforce.

Thus, difficult policy questions related to the matching up of supply and demand for skills and to the ‘brain-drain’ of qualified persons, need to be tackled, among others, by Jamaican educational authorities in the years to come.

**Relatively High Cost of Capital** - The higher cost of capital in Jamaica relative to its trading partners is in part a result of public borrowing which has pushed up interest rates. Consequently, firms have found it difficult to borrow at prevailing interest rates to invest

in new technology and equipment that would have increased and sustained productivity growth.

**Impact of Crime** - Crime negatively impacts business expansion, investments and capacity utilization that are all necessary conditions for increased productivity. In particular, it hinders greater capacity utilization by limiting night shifts and longer operating hours, and provides an incentive for firms to relocate outside of Jamaica.

**Inadequate Investment in Human and Physical Capital** - It is now universally accepted that to achieve improved and sustained worker productivity, investments in education, skills and health are necessary inputs. However, Jamaica systematically loses skilled manpower to more developed countries. In this regard, there are policy choices to be made regarding having an education and training system that supplies the skills demanded by employers as well as the ‘brain-drain’ of qualified human resources.

**Inadequate Investments in Science and Technology** - Jamaica spends very little in Scientific and Technological pursuits. This is in the order of 0.4% of GDP, a figure which is low even by Latin American standards, and well behind expenditure ratios in S&T in most OECD and East Asian countries. In fact, Jamaica’s innovation system has so far played only a marginal role as a source of innovation and productivity growth. At the very minimum, policies and programmes are needed to strengthen and accelerate the country’s capacity in technology generation, adoption and transfer. This is an area that is ripe for public-private sector partnership.

Large segments of Jamaican enterprises lack adequate product design capabilities, process reconfiguration and production organization that will give them a competitive edge even in niche markets. For instance, the majority of SMEs require assistance to begin understanding what their needs really are in terms of new market opportunities, product design, production organization logistics, supply chain management,

international marketing, and so forth. The provision of such services and technological assistance should be thought of as providing a ‘public good’, much in the sense the Small



Business Administration in the United States or the British Ministry of Industry have done for many years now, disseminating free of charge technical advice to small and medium size enterprises.

Although progress has been made in the area of information communication technology (ICT), more rapid diffusion and cost reduction should permit faster productivity growth and competitiveness in world markets for goods and services. Furthermore, ICT should become a major tool for delivering health (e-health), education (e-education) and government services (e-government) in the near-term.

**Insufficient Emphasis on Labour-Management Relations** - The level of distrust and antagonism between workers and management in Jamaican companies has also been identified as a factor influencing worker motivation and productivity. Providing supportive work environments as well as challenging work are critical elements in improving labour motivation and productivity. The management of organisations and labour unions must pay increasing attention to continuous training and retraining; improving the physical work environment; promoting productivity-linked compensation systems; operations management systems; and interpersonal relations in the workplace if labour productivity is to be enhanced and sustained. As mentioned previously, the wider physical environment also appears to affect labour productivity as some workers and managers indicate that traffic congestion and inflexible work hours are important elements that fashion their work attitude and hence their labour productivity.

**Need for a well-functioning Productivity Promotions Organization** - The GOJ established the Jamaica Productivity Centre (JPC) in April 2003 in an attempt to improve Jamaica's productivity. This organization was born out of tripartite collaboration between the GOJ, the Jamaica Confederation of Trade Unions (JCTU) and the Jamaica Employers' Federation (JEF). All parties agreed that Jamaica had a serious productivity deficit and that this would need to be reversed if Jamaica were to improve its global competitiveness. The JPC has as its mandate the enhancement of productivity and competitiveness in the Jamaican economy by leading the process of transformation to a productivity-oriented culture in Jamaica.

Among other things, the JPC has been developing systems and programs to promote productivity in the workplace – these include productivity audits; promoting productivity-linked wage systems; promoting a measurement culture; assistance in productivity measurement and benchmarking; waste reduction management; process improvements and designs; organizational analysis; worker and management training; and research for policy analysis. However, the JPC needs to develop additional capacity in areas such as plant redesign, redesign of existing products, new product design, engineering designs, and management systems including quality systems.

### **Profile of the Ideal Jamaican Worker**

*In light of the changing global economy, with increasing global competitiveness, and improvements in technology, there is a need for a new Jamaican worker. This new Jamaican worker will have to be equipped with all the necessary competencies and attitudes that will enable him to be productive and therefore allow him to contribute to Jamaica's national development.*

*The competencies and attributes that this ideal Jamaican worker must possess include:*

- *Strong educational foundation (especially in core areas e.g. English language and mathematics)*
- *Good work ethic*
- *Training and certification*
- *Ability to solve problems and think critically*
- *Be keen on productivity*
- *High levels of self-esteem and self-confidence*
- *Excellent communication skills*
- *Excellent inter-personal relationship skills*
- *Computer literacy*
- *Capacity for working in teams*
- *Ability to show initiative*
- *Appropriate attitudes for the workplace*

*Organizations with employees who possess the above skills and competencies will definitely experience increased productivity. And Jamaica as a nation will reap the benefits.*

If Jamaica is to catch up with its main trading partners it has to increase productivity (TFP, Capital and labour) in a substantial way. For instance, over the fourteen year period (1990-2003) countries such as Ireland, Malaysia and Trinidad and Tobago have

experienced annual labour productivity growth exceeding 4%. This is the kind of labour productivity growth Jamaica needs to achieve, as it would result in a doubling of output per worker in approximately seventeen years.

## **2.4 WAGES**

The issue of wages is a critical factor in any labour market. This area must be examined to see what kinds of improvements need to be made to its present structure in order for the long term goals of the sector to be achieved. Table 8 provides information on the earnings of the forty (40) occupations with largest levels of employment in Jamaica, as recorded in the 2001 Population Census. The mean wage for these occupations was \$279, 647 with the highest wage earned by General Managers at \$913,593, and the lowest by farmers of field crops/vegetables at \$93,584. However, the occupations with the longest years of schooling were in teaching as primary and secondary education teachers respectively had 13.4 years and 13.5 years, while their wages averaged \$423,969 and \$391,890. Accountants and Auditors were next in years of schooling at 13.2 years, earning \$783,003 on average.

An analysis of the data regarding wage differentials among different occupation groups shows that there is a wide variation among the various groups with regard to wages earned and years of schooling and certification attained. For instance, a teacher (secondary without degree) who spends on average 13.5 years in school and among whom, 68.8% have attained at least certificates earns merely 17% more than a heavy truck driver who spends on average 9.4 years in school and among whom, 74.2% have no CXC/GCE pass.

Another example of this apparent inequity is in the instance of a clerk- cashier/ticket, who spends on average of 10.8 years in school and among whom 57.7% have attained at least CXC/GCE passes, earns 2.8% less than a construction labourer (building, road, dam grave etc.) who spends just 8.9 years in school and among whom, 86.7% have no CXC/GCE passes. In fact, when correlations are computed between years of schooling and earnings, the result is a mere, 0.7448.

**Table 8: Occupations, Levels of Training and Earnings, Jamaica Census 2001**

Position	Occupation	Employed						
		Percent of Total	Mean Annual Wage	Average Years of Schooling	Certification			
					None	CXC /GCE	Certif. /Dip.	Degree
1	Farmer - Mixed Crop Grower	10.9	114,707	7.8	94.0	3.5	0.3	0.1
2	Domestic Worker – Helper	4.7	144,167	8.5	88.9	7.9	0.3	0.0
3	Building Trade – Mason/Bricklayer	3.4	282,385	9.1	88.3	7.3	0.2	0.1
4	Driver - Car, Taxi, Van	3.1	289,202	9.4	78.1	15.9	0.8	0.0
5	Sales Person – Demonstrator	3.0	229,180	10.2	56.6	35.0	3.3	0.3
6	Sales Person - Market, Street Stall	2.7	188,080	8.9	85.9	10.0	0.3	0.1
7	General Manager - Wholesale/retail	2.7	257,941	9.4	73.6	17.2	2.7	1.3
8	Protective Services – Security Guards	2.3	253,158	9.8	68.0	22.6	2.1	0.4
9	Cook	2.2	222,921	9.6	69.1	20.9	2.3	0.4
10	Mechanic - Motor Vehicles	2.0	284,318	10.0	70.3	20.0	2.1	0.6

**Table 8 (cont'd): Occupations, Levels of Training and Earnings, Jamaica Census 2001**

Position	Occupation	Employed						
		Percent of Total	Mean Annual Wage	Average Years of Schooling	Certification			
					None	CXC /GCE	Certif. /Dip.	Degree
11	Textile Worker - Tailor, Dressmaker	2.0	179,691	9.7	72.8	20.2	1.2	0.1
12	Waiter/Waitress Bartender	1.9	204,297	10.0	68.0	25.6	1.1	.
13	Hairdressers/Barbers /Beauticians	1.7	211,580	10.2	60.5	28.2	3.3	0.1
14	Building Trade - Carpenter/Joiner	1.6	271,845	9.4	84.9	11.1	0.2	.
15	Construction Labourer - Building, Road, Dam, Grave Etc	1.5	248,400	8.9	86.7	7.5	0.6	0.4
16	Clerk – Secretarial	1.5	379,675	12.1	7.1	51.3	28.2	4.5
17	Clerk - Cashier/Ticket	1.5	241,561	10.8	36.4	49.2	7.6	0.9
18	Vendor - Street, Non-Food	1.4	204,260	9.0	85.7	10.3	0.6	0.1
19	Agricultural Labourer - Farm Hand	1.4	148,074	8.1	90.9	7.1	0.2	0.0
20	Farmer - Field Crops/Vegetables	1.3	93,584	8.0	93.6	3.6	0.2	0.1
21	Sweeper - Street/Park etc.	1.3	164,226	8.4	91.7	5.1	0.0	0.3
22	Business Professions - Accountant/ Auditor	1.3	783,003	13.2	2.7	32.9	29.4	28.8
23	Vendor - Street, Food	1.2	170,155	8.8	86.5	9.8	0.6	0.1
24	Teacher - Primary Education	1.2	423,969	13.4	2.8	21.4	58.1	13.1

**Table 8 (cont'd): Occupations, Levels of Training and Earnings, Jamaica  
Census 2001**

Position	Occupation	Employed						
		Percent of Total	Mean Annual Wage	Average Years of Schooling	Certification			
					None	CXC /GCE	Certif. /Dip.	Degree
25	Domestic Worker - Helper in Office, Restaurant etc	1.1	175,330	9.1	80.3	14.6	0.6	0.2
26	Driver - Heavy Truck etc.	1.0	334,686	9.4	74.2	18.2	1.1	0.2
27	Metal Worker – Welder	1.0	268,755	9.9	74.2	17.2	0.8	0.0
28	Building Finisher - Electrician	1.0	311,367	10.4	55.6	30.8	4.6	0.7
29	Teacher - Secondary without Degree	0.9	391,810	13.5	2.9	23.2	54.8	14.0
30	Wood Worker – Cabinet Maker/Carver	0.9	281,644	9.6	81.3	13.0	1.0	0.0
31	Protective Services – Police Officer	0.9	489,576	10.9	23.1	55.8	8.1	1.6
32	Building Caretaker	0.9	168,733	9.0	85.9	7.7	0.7	0.2
33	Labourer in Manufacturing Operation	0.9	193,416	9.4	76.3	17.0	1.1	0.0
34	Housekeeper (incl. Warden Butler etc.)	0.8	198,552	9.9	70.0	22.5	1.2	0.2
35	Fishery Worker – Fishermen	0.8	255,803	8.5	94.3	2.9	0.2	0.2
36	Agent/Representative - Technical/Commercial Sales	0.8	448,028	11.3	22.7	49.4	14.7	4.9
37	General Manager – Other	0.7	913,593	11.9	18.9	30.1	20.6	20.1
38	Farmer - Horticulture & Nursery Plants	0.7	176,092	8.0	93.7	3.1	1.2	0.0
39	Driver – Bus	0.7	308,476	9.7	67.2	23.3	2.7	0.0
40	Mechanic - Electrical/Electronic Fitter/Repairer	0.6	342,171	10.5	49.3	35.0	7.3	0.8

Source: Heart Trust/NTA

The correlation between certification and earnings is also, a mere 0.756. However, the correlation between years of schooling and certification is quite high at 0.965. The relatively weak correlation between years of schooling and earnings, as well as between certification and earnings is reflective of the extent of which other factors that have a significant bearing on earnings. It must be noted however, that these relatively weak correlations could act as a disincentive to persons pursuing education and training. Initiatives must be put in place to ensure that these correlations are increased, to encourage greater participation in education and training.

Data provided by the survey on “Employment, Earnings and Hours Worked in Large Establishments”<sup>5</sup> showed that average weekly earnings were 8.8 % higher in 2006 than 2005 at \$11 323. This indicates a gain in purchasing power given the inflation rate of 5.8 % for the year. The highest average weekly wage was earned by workers in the Mining industry (\$23 985), followed by the Electricity, Gas and Water industry (\$16 065). Both industries traditionally pay higher levels of remuneration, and have fewer workers relative to the other categories. Alternatively, the lowest average earnings were reported in Wholesale and Retail Trades, Hotels and Restaurant Services (\$8 947), which had the largest number of workers. Increases in average weekly earnings between 2005 and 2006 ranged from 0.3 % in the Electricity, Gas and Water group, to 12.4 % in the Transport, Storage and Communication, and Construction industries. Increases in construction were likely due to the increased demand for skilled workers to complete major construction projects.

The Jamaica Employers’ Federation’s *Wage, Salary and Benefits Survey for Executive, Managerial, Supervisory, Clerical and Hourly-rated Staff 2006* reported that on average salaries in the private sector increased by 7.9 % in 2005 and 9.2 % in 2006. The most frequently reported annual increase was 10.0 %. Average salaries ranged from \$535 494

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<sup>5</sup> A quarterly survey conducted by STATIN in firms employing ten or more persons in all industries excluding Agriculture, the Public Sector, private educational institutions and the Free Zone.

per annum to \$2 260 467 per annum. In terms of sectoral distribution of salaries, the highest mean salary was \$1 901 026 per annum for the Utilities sector, and the lowest mean salary was \$722 719 per annum for the Education sector.

## **2.5 CONDITIONS OF EMPLOYMENT**

It is essential to a plan of this nature to analyze the available information on conditions of employment within the economy, to be able to highlight the positive aspects, with the aim being to build on these; as well as to identify deficiencies, so that they may be corrected.

In 1999, the International Labour Organization (ILO) adopted the issue of “Decent Work” as its single overriding purpose with its goal being “*to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity*”. Decent work is work which will provide for the health and education of the family; which will ensure their basic security in old age and adversity; and which respects their human rights at work. It is important to note that the ILO has not defined decent work in terms of any fixed standard or monetary level. It is recognized that this will vary from country to country. But it is recognized that people in every country have a sense of what decent work means in terms of their own lives, and within the context of their own culture and society. The ILO has since then re-organized its mechanisms to all for its focus on promoting the decent work agenda.

This new focus was borne out of the observation by the ILO that along with the benefits of globalization, such as increased trade and socio-economic prosperity in many quarters, it has also brought with it inequities, which in the case of the global labour market, which is the remit of the ILO, needs to be addressed. In addition to pre-existing initiatives, GOJ has committed to pursuing this decent work agenda and has been putting new initiatives in place to achieve this.

Initiatives that were in place prior to the ILOs re-focus on decent work include the national minimum wage, the National Insurance Scheme (NIS) and the commissioning of H.E.A.R.T Trust/NTA to provide technical and vocational training, as well as several pieces of legislation to protect workers such as those relating to the right of association



with trade unions, rights relating to maternity leave and vacation leave, the termination of employment, the physical conditions of places of work among others. In addition to these, there are plans to provide low income housing for the workers in the sugar and hospitality industries.

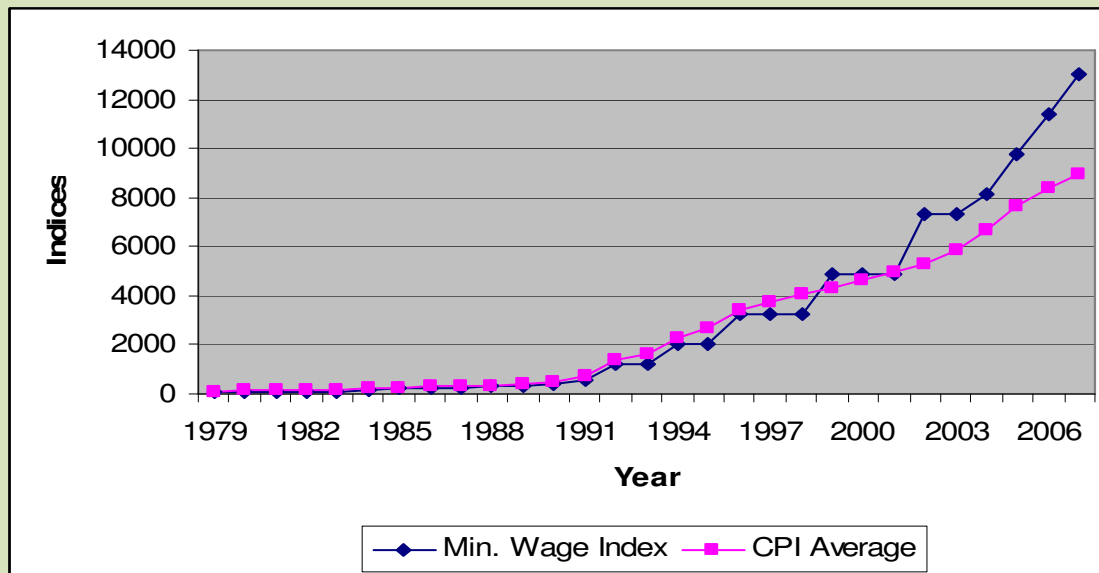
Notwithstanding all of these initiatives, there is still a lot of work to be done to improve working conditions especially in the small and medium-sized enterprises (SMEs), where: workers are often subject to a less than acceptable physical environment in their place of work, gender discrimination exists, employers' fail to honour laws relating to vacation and maternity leave entitlement, there is union busting, poor occupational health and safety standards prevail, sexual harassment exists, among other infractions.

Action needs to be taken to better publicize the tenets of this decent work agenda, paying special attention to the SMEs to ensure that they are made aware of what is expected of them. This plan must address these issues if Jamaica is to fulfil its obligations relating to the promotion of the ILOs decent work agenda.

On the issue of the minimum wage, a national minimum wage was introduced in Jamaica in 1979. Periodic reviews of the level have taken place since and in 2003 a policy decision was taken that these reviews would be conducted annually. Jamaica has two categories of minimum wage - one for industrial security guards and another for all other workers.

In January 2006, the National Minimum Wage rate was increased by 16.7 % to \$2 800 per 40-hour week, while the minimum wage rate for Industrial Security Guards increased by 15.0 % to \$4 140 per week, or \$103.50 per hour. A comparison is made between the National Minimum Wage and inflation since 1979 in Figure 5. It is shown there that since 1999, the wage has kept ahead of inflation with a steady widening of the gap over time.

**Figure 5: Indices of inflation and the national minimum wage, 1979 - 2007**



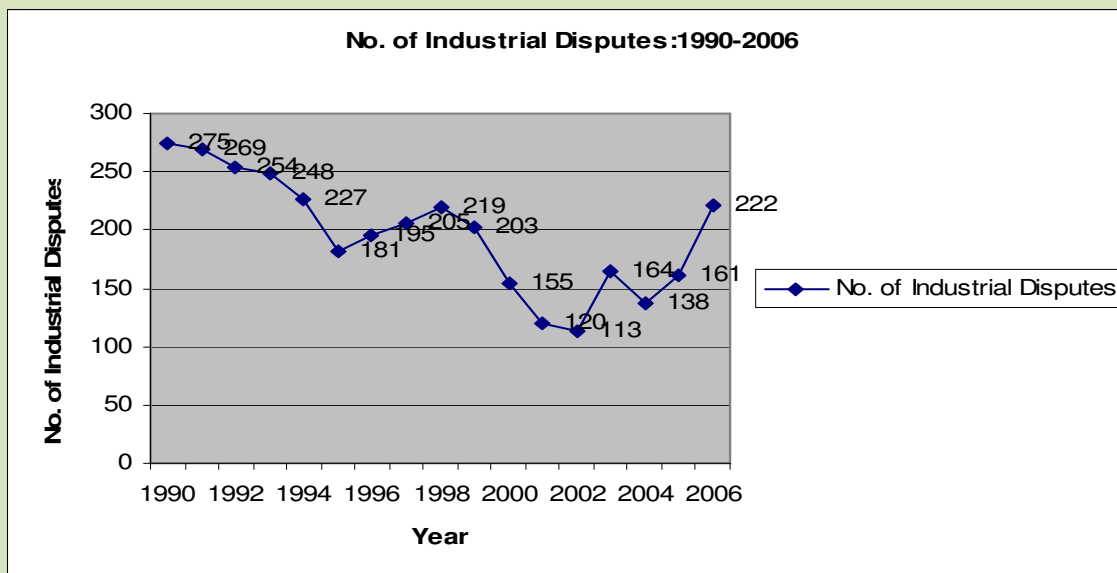
Source: PIOJ

## **2.6 INDUSTRIAL RELATIONS**

On the industrial relations scene, over the period 1990 – 2006, there was a general trend of decline in the main indicators. Two of the major indicators in this area are i) industrial disputes reported; and ii) work stoppages.

Industrial disputes refer to disagreements between employers and employees. These disputes are mainly caused by factors such as dismissals, suspensions, wage disagreements etc. There was a 19% decrease in industrial disputes over the period 1990-2006. There were 275 disputes in 1990 compared with 222 disputes in 2006. Between 1990 and 1995, the number of disputes trended down. 1995 recorded 181 disputes. The number of disputes has fluctuated since 1995, with 2002 recording the lowest number of disputes (for the entire period 1990-2006) of 113, and 2006 recording 222 disputes, the sixth highest number of disputes recorded in the seventeen year period. This figure is 37.9% higher than the figure recorded for 2005.

**Figure 6: No. of Industrial Disputes: 1990-2006**



Source: Ministry of Labour & Social Security

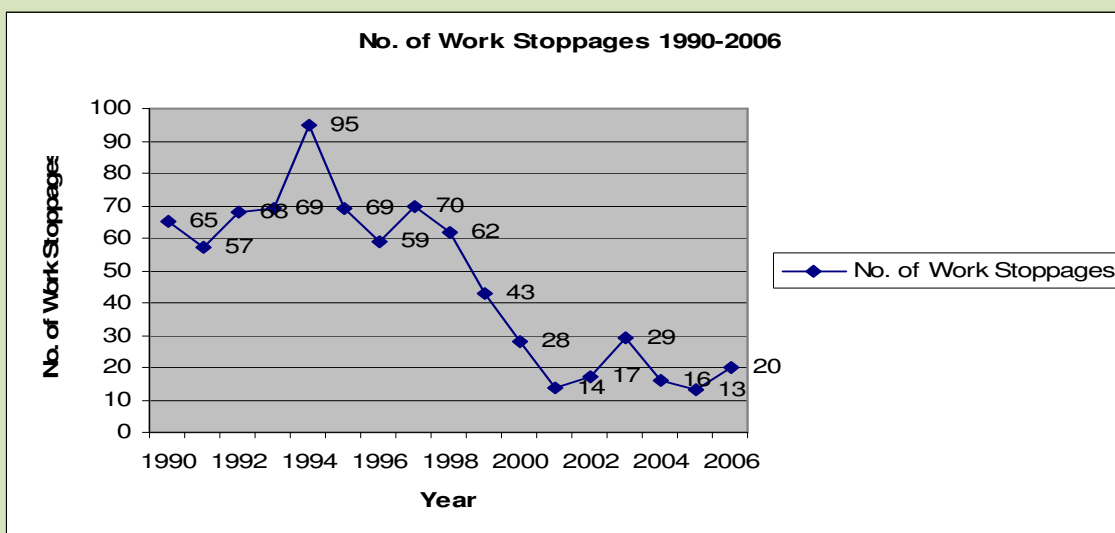
There was a 69% decrease in the number of work stoppages reported over the period. There were 65 stoppages in 1990, compared with 20 in 2006. The number of stoppages fluctuated between 1990 and 1997, reaching a high (for the period 1990-2006) of 95 in 1994, after which, it began to trend down. In 2003, there were 29 stoppages; this was a notable increase of 70% over the previous year. In 2006, there were 20 industrial disputes, compared to 13 in 2005; this represented an increase of 53.9%.

Between 2002 and 2006, the sector which has recorded the largest proportion of industrial disputes is “Community, Social, & Personal Services”.

Also with the exception of 2005, this sector **also** recorded the highest number of work stoppages every year within the five-year period. Under the Labour Relations and Industrial Disputes Act, there are three stages in settling disputes in non-essential services. The first is that both parties should try to settle the dispute at the local level,

between them. If this cannot be achieved, the next step is for a report to be submitted to the MLSS that will lend its services in conciliation. If after conciliation, there still is no resolution to the dispute, then the dispute may be referred by the MLSS to the Industrial Disputes Tribunal (IDT) for arbitration.

**Figure 7: No. of Work Stoppages: 1990-2006**



Source: Ministry of Labour & Social Security

The number of disputes referred to the IDT actually increased over the period 2002-2006 by 28%, from 25 in 2002 to 32 in 2006. This is another indicator of the current industrial relations climate.

It is imperative that every attempt be made to ensure that the improvements in the industrial relations climate, which the economy has enjoyed over the past decade and a half, are not allowed to be eroded. Due to the nature of human behaviour, there is always the possibility of deterioration in the industrial relations climate, which can have negative consequences for the labour market and the economy at large. This is why this Plan has to address the issue of promoting appropriate fora to facilitate tri-partite collaboration to ensure smooth industrial relations.

## 2.7 MANPOWER SUPPLY

An essential process in the labour market is the provision of an ample supply of well educated, appropriately trained persons, who form suitable candidates to take advantage of the employment opportunities that become available in the labour market. Hence an analysis of Jamaica's manpower supply is critical to this planning process.

**Table 9 Output at Secondary and Post Secondary Levels**

Programme	2004/05	2005/06	2006/07
Grade 9	11,088	9,531	11,154
Grade 11	39,333	39,920	42,050
HEART Level 1	11,165	14,757	18,826
Level 2	1,850	3,959	5,320
Level 3 & Above	1,722	2,210	2,396
Unit Competencies	17,890	28,572	32,269
Other Certificates	13,774	13,550	8,464

Source: PIOJ

The annual output from the education system, which is defined as schooling up to the secondary level, and from the training system, which is defined as post-secondary level is summarized in Tables 9 and 10. In 2006/07, the total output from the terminal grades of the Secondary School system (Grades 9 and 11) was 53, 204 students. Approximately 99.0 per cent of those leaving at **Grades 9** were able to gain places to Grades 9 or Grade 10 of the upper cycle of the system, through the Grade **Nine** Achievement Test, the Junior High School Certificate Examination, Government's purchasing of places at private schools and through parents/guardians support for their enrolment at private institutions.

Approximately 62.7 per cent of the graduates of the secondary school system were deemed ill-prepared to access training or the labour market<sup>6</sup>. The basic matriculation to

<sup>6</sup> Cohort of students gaining 0-3 passes at CSEC in 2006.

tertiary institutions/labour market is five (5) CSEC subjects including English Language and Mathematics. Of the 30 063 students in public schools who sat the 2006 CSEC examination, 7 901 (26.0 percent) attained the requisite passes (Grades 1-III) in five or more subjects including Mathematics and English Language. Notably 22.1 per cent of candidates in the June 2006 sitting did not pass any subject.

At the post-secondary and tertiary levels, the primary sources of manpower for the Jamaican labour force are the following institutions: the UWI, UTech, private institutions such as Northern Caribbean University, University College of the Caribbean, teachers colleges, community colleges, the Human Employment and Resource Training Trust/National Training Agency (HEART Trust/NTA), secretarial and business colleges, agricultural and vocational schools and technical high schools.

Available data for 2006, showed that persons trained as skilled and semi-skilled manpower in these institutions increased by 33.1 per cent over the previous year to 55 638 (53.9 per cent female). The information indicates that most persons received training as “Craftsmen Production Process and Operating” personnel (27.1 per cent). Some 21.4 per cent were trained in computing, while 20.0 per cent were trained as cooks, waiters and other hotel personnel.

HEART Trust/NTA was established by the GOJ in 1982 to administer all public sector technical/vocational training programmes and provide the regulatory framework for similar private training. Training is provided using institutional, on-the-job and community based modalities. Since 2003, HEART Trust/NTA has implemented strategies aimed at increasing access and creating a consolidated, cohesive and articulated training system.

The vision is to certify one-half of the work-force with about 100,000 certifications projected by 2010. Recent output at all levels in 2006/07 stood at 67 275, an increase of 45.0 per cent compared with 2004/2005 (see Table 9).

## *Labour Market & Productivity Sector Plan – Situational Analysis*

**Table 10: Output at Tertiary Levels - Professional, Senior Officials and Technicians  
2004 - 2006**

OCCUPATION	2004			2005			2006		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Teachers	434	2 023	2 457	356	1 635	1 991	669	2 555	3 224
Vocational Instructors	785	947	1732	1 750	2 054	3 804	1 220	1 491	2 711
Others	54	87	141	5	13	18	6	43	49
Medical Doctors	32	50	82	37	100	137	26	52	78
Nurses	1	194	195	0	420	420	6	274	280
Diagnostic	0	0	0	2	11	13	0	0	0
Radiographers (Prof. & Technicians)	1	11	12	2	29	31	0	0	0
Food & Nutrition (Prof. & Technicians)	20	63	83	1	5	6	12	74	86
Medical Technologists (Prof. & Technicians)	13	41	54	14	13	27	12	13	25
Laboratory Technicians	3	1	4	0	0	0	2	2	4
Pharmacists (Prof. & Technicians)	7	52	59	8	47	55	17	47	64
Physiotherapists	1	4	5	4	5	9	4	5	9
Dental Nurses/Assistants	0	3	3	4	7	11	0	11	11
Others	8	86	94	6	31	37	39	136	175
Accountants	131	298	429	159	547	706	403	641	1 044
Managers/ Administrators	650	2 343	2993	487	1 852	2 339	992	2 443	3 435
Engineers	148	23	171	98	20	118	157	22	179
Engineering Technicians	81	46	127	87	16	103	48	1	49
Economists	34	38	72	22	41	63	32	51	83
Social Scientists	43	207	250	46	246	292	71	426	497
Others	36	220	256	22	78	100	7	51	58
Physicists	2	4	6	4	8	12	1	0	1
Chemists	13	34	47	26	64	90	27	53	80
Others	89	98	187	37	77	114	93	234	327
Architecture (Prof. & Technician)	38	16	54	30	10	40	24	7	31
Land Surveyors (Prof. & Technicians)	24	9	33	15	72	87	17	7	24
Planning and Construction (Prof. and Technicians)	80	17	97	22	68	90	61	16	77
Others	1 122	50	1172			0	56	21	77
Attorneys	11	49	60	10	52	62	11	45	56
Mathematicians	15	14	29	14	4	18	4	11	15
Agriculturalists	57	46	103	94	0	94	71	50	121
Computer Operator/Programmer	158	147	305	255	190	445	125	76	201
Computer Technician	367	179	546	332	172	504	351	280	631
Theologians	56	74	130	40	35	75	19	27	46
Engineers/Deck Officer	74	20	94	129	28	157	83	26	109
Miscellaneous Occupations	87	454	541	150	695	845	271	678	949
<b>GRAND TOTAL</b>	<b>4 675</b>	<b>7 948</b>	<b>12 623</b>	<b>4 268</b>	<b>8 645</b>	<b>12 913</b>	<b>4 937</b>	<b>9 869</b>	<b>14 806</b>

Source: Compiled from data supplied by the University of the West Indies, University of Technology and other Tertiary Institutions

Currently, greater emphasis is also being placed on technical/vocational training in secondary schools thereby equipping secondary students with marketable skills along with their academic education.

The data in Table 10 indicate that the output of tertiary institutions in 2006 totaled 14 806 (66.7 per cent female) an increase of 14.6 per cent compared with 2005. A large percentage of the graduates were trained as Teacher/Instructors (40%), Managers/Administrators (23.2%), Accountants (7%) and IT specialists (5.6%).

Analysis of labour force by training received reveals that persons with vocational certificates and professionals with degrees or diplomas comprised 16.9% of the labour force in 2006. This compares with 9.6% a decade earlier (1996). Those who participated in apprenticeship programmes or received on-the-job training constituted 6.9% of the labour force in 1996 and 4.5% in 2006. The proportion of persons without any training was thus 80.9% in 1996 and 75.6% in 2006. These data indicate that the quality of the labour force is improving over time. However there needs to be greater improvement in the percentage of the labour force that is trained. By sex, males have shown no improvement over the last decade, as 44.8% of men had no training in 1996 compared with 44.9% in 2006. Females, on the other hand had 36.1% without training in 1996, improving to 30.5% in 2006.

Table 11 shows that the unemployment rate among those persons with vocational training (whether or not they are certified) is actually higher than any other category of persons in the labour force including persons who have received no training.

This may be because persons with no training occupy low skill positions that persons with more qualifications will not accept. The presence of a pool of trained and certified but unemployed individuals is a cause for concern.



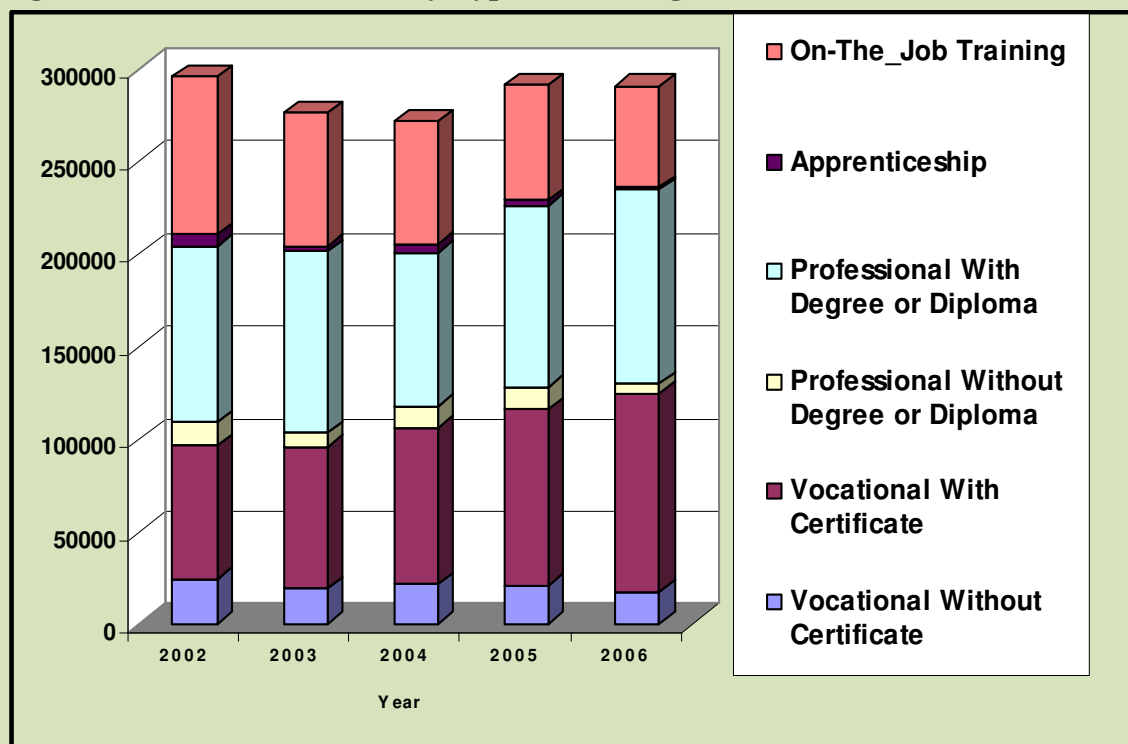
**Table 11: Unemployment by Training  
Received (Average 2006)**

Category (Level of Training)	Number	Percentage of Category
Vocational w/o certificate	4,450	25.1%
Vocational w certificate	17,450	16.4%
Professional w/o Degree or Diploma	425	8.3%
Professional w Degree or Diploma	4,050	8.4%
Apprenticeship	125	8.8%
On-the-job training	3,850	7.0%
None	98,025	10.4%
Not stated	1025	6.0%
TOTAL	129,400	10.3%

Source: STATIN, 2007

Figure 8, shows that of the trained labour force, the vast majority are professionals with degree or diploma and persons with vocational who have received certificates. The proportion of the trained labour force **that has** been trained through apprenticeships is trending down and in fact this is the smallest category of the trained labour force. At present, the official statistics still make a distinction between on-the-job training and apprenticeship. A merger of these two categories could actually be more practical at this time, since formal apprenticeship programmes are almost obsolete, and whereas both categories would in reality refer to training received while on the job.

**Figure 8: Trained Workforce by Type of Training 2002-2006**



Source: STATIN, the Labour Force 2002, 2004, 2006

### 2.7.1 LABOUR MIGRATION

Another important feature of the Jamaican labour market is the emigration of labour, particularly highly skilled labour since the 1960s. The effect of this brain-drain is most evident in the quality of service being delivered in key sectors that are critical to national development such as education and health, but it is also evident in the unavailability of some of the most skilled professionals in other fields, as well as of entrepreneurs. It is estimated that the number of tertiary graduates living overseas is in the range of 34-59 percent<sup>7</sup>. Factors encouraging the high rate of migration by the most educated persons include push factors such as the insufficiency of quality employment opportunities, inadequate working conditions the availability of higher wages overseas and increased

<sup>7</sup> “An Assessment of the Emigration of Highly Skilled Workers from Jamaica”, 2006. PIOJ.

channels of information about employment opportunities overseas as well as pull factors such as the accelerated demand for skilled labour in developed countries experiencing ageing populations and labour shortages.

Issues that need to be addressed in order to properly manage this situation and ensure the labour market maintains an effective and well trained cadre of workers include: i) employment creation – there is need for the creation of adequate numbers of jobs to match the skills of the labour force; ii) remuneration – there is need to ensure the competitiveness of remuneration packages in the labour force, given that Jamaica’s labour market competes with other labour markets for skilled labour; iii) productivity – productivity must be increased to ensure that Jamaica’s economy is competitive despite increases in remuneration; iv) the availability of micro business incubator facilities – there is need for expansion in the facilities which provide technical advice and financial support to start-up businesses; and v) the role of the education and training systems in fostering a spirit of entrepreneurship – fundamental changes to the curricula in education and training institutions are required to ensure that greater focus is placed on encouraging the development of a spirit of entrepreneurship among students at all levels.

### **2.7.2 Preparation for the World of Work**

In recognition of the difficulties experienced by young entrants to the labour market, the Government of Jamaica embarked on various initiatives over the years designed to assist youth in their transition to the world of work. These include the Youth Empowerment Programme (1993-1995), and the Special Training and Empowerment Programme (1995-2000). Current programmes include the National Youth Service (1970s-80s and re-established in 1995); Building Youth for National Development (BYoND) (launched in 2005) and the Jamaica Youth Employment Network (established in 2001).

#### **2.7.2.1 National Youth Service**

The NYS was re-established in 1995 to “create a cadre of patriotic young people – disciplined, responsible, caring, confident, self-reliant and culturally aware through involvement in voluntary activities”. NYS provides youth (17 – 24 years) with an opportunity to participate in community service and the world of work.

In the Corps Programme, participants are exposed to a core curriculum at a residential training centre, which includes English, Social Studies, Information Technology, behavioural development, personal development and leadership. In addition, participants receive specialized training that prepares them for the following areas: Early Childhood Education, Customer Service, Uniformed Service, Sales and Administration or Micro-Entrepreneurship.

The NYS also conducts a programme called The Jamaica Values and Attitudes Project for Tertiary Students (JAMVAT). This is a programme that is geared at assisting persons who qualify for tertiary education, but who cannot afford to finance their tertiary education. In this programme, these persons contribute two hundred (200) hours of community service, and in return, the government undertakes to pay 30% of their tuition cost. This programme has a two-fold objective; it seeks to ensure that students who qualify for tertiary education, will not be denied based on inability to bear the cost; and on the other hand, it seeks to encourage a sense of civic responsibility on the part of the students.

#### ***2.7.2.2 Building Youth for National Development (BYoND)***

The main objective of this programme is to provide training and business support for persons 17 to 29 years, thereby reducing unemployment and poverty. There are three components:

- the internship programme, which provides on-the-job training to persons 17 – 29 years for a three month period, during which participants receive a stipend
- the grant programme, which targets young entrepreneurs (17 – 35 years) who have identified a product or service, and require training in the preparation of a business plan, after which viable businesses are eligible for a non-cash grant
- the music component, which is designed to instil the entrepreneurial skills and business development techniques necessary for youth to succeed in the music industry.

Though this is certainly a worthwhile programme, it is however limited in its reach, and needs to be expanded to include more participants, if it is to have the desired effect of

assisting young people to make a smooth transition to the world of work and to assist young entrepreneurs to fulfil their potential.

#### ***2.7.2.3 Jamaica Youth Employment Network (JYEN)***

The concept of a Youth Employment Network (YEN) was initiated by the United Nations (UN), in 2000, as an instrument to be used to aid efforts to achieve the Millennium Development Goals, specifically those which relate to poverty reduction; as well as to address the global challenge of youth employment. The main partners supporting YENs are the UN, ILO and World Bank. The JYEN is one of only nineteen (19) YENs that have been established worldwide.

The Jamaica Youth Employment Network was launched on September 20, 2005 through a Memorandum of Understanding between The Jamaica Employers Federation (JEF), and twenty-three (23) other public and private organizations. The current work of the JYEN is divided among four main areas: employability, equal opportunities, entrepreneurship and employment creation. The ultimate objective of the JYEN is to increase youth employment.

The JYEN work to date includes the hosting of national youth employment symposiums, aimed at: 1) assisting youth to improve their employability and 2) aiding youth entrepreneurship. The JYEN has also launched a handbook entitled “Ready for Work and Business Handbook”. This handbook is geared at providing youth with relevant information on the world of work.

There are other programmes that are currently aimed at assisting youth to make the transition to the world of work, these include internships (on-the-job training), that are incorporated into courses of study at institutions at the post- secondary and university levels. There is a need to increase the number of programmes aimed at assisting youth in the transition to the world of work.

## **2.8 LABOUR MARKET POLICIES AND PROGRAMMES**

### **2.8.1 Employment Promotion**

Employment promotion is critical to solving the problems of unemployment and underemployment within an economy. In this regard the GOJ has over many years actively sought to promote job creating initiatives to the benefit of the labour market and the wider economy.

Government employment promotion strategies in the 1980s were primarily geared towards the agriculture and manufacturing sectors. Since the 1990s, there has been a shift towards employment promotion in the telecommunication, construction and service sectors, particularly tourism. In addition, the promotion of entrepreneurial development and expansion in the micro-enterprise sector has been reflected through access to credit and business support provided respectively by the Micro Investment Development Agency (MIDA) and the Jamaica Business Development Centre (JBDC). The objectives of MIDA are to facilitate the development of micro enterprises through the provision of wholesale funds to established lending agencies for on-lending to enterprises in the agriculture, manufacturing and service sectors through an island wide network of sixteen (16) Community Development Funds. The aim of the JBDC is to provide business support services to Jamaican businesses. These support services include business advice, consultancy and training.

#### ***2.8.1.1 Overseas Employment***

The GOJ has over the years promoted employment of Jamaicans overseas through the Overseas Employment Programme. This involves agreements with the Governments of Canada and the United States since 1966 and 1943 respectively. Over the years a total of more than 500,000 persons have been employed in either the US Farm Work Programme, the Canadian Farm Work Programme, the US Hospitality Programme, the Canadian Factory Programme and the Guantanamo Bay Skilled Worker Programme. However, the average number of employment opportunities annually has been at a relatively low point, having fallen from a peak of over 10,000 p.a. in the 1970s and 1980s to approximately 4,000 since 2000.

Available data shows that a total of 12 010 workers were employed in the USA and Canada in 1999. This is an increase of 15.1 per cent compared with 1998 and constituted 1.3 per cent of the total employment in Jamaica in that year. In 1999, US\$8.3 million was remitted on behalf of Jamaican workers on USA farms and hotels, an increase of 32.5 per cent compared with 1998. This converts, at the then prevailing rate of exchange, to some J\$344.9 million. Male workers accounted for US\$5.2 million and females for US\$3.1 million. The average remittance per female worker was US\$1 791, while an average of US\$1 003 was remitted per male worker.

In 2004, some 14,000 Jamaicans were provided with jobs through the Overseas Employment Programme, which resulted in the country receiving some J\$1.2 billion in remittances, approximately 20% of the workers' income. Recently there has been an expansion of the Overseas Employment Programme, with the Ministry of Labour and Social Welfare collaborating with the Central Okanagan Regional District Economic Development Commission in British Colombia, Canada in a programme that will see up to five hundred (500) persons, skilled in various areas of construction, being employed in various construction projects in Canada.

The main value to the Jamaican economy of the Overseas Employment Programme can be assessed in terms of monetary contributions and employment provision. To the extent that Jamaica possesses a large pool of labour, the programme helps to absorb the labour surplus and so alleviates unemployment problems in the country. The monetary benefits are largely trickle-down through the expenditure of the workers and/or their families with wider economic benefits accruing through multiplier effects. In the light of these benefits, it is important that ways be found to increase participation in the programmes.

### **2.8.2 Work Permits**

In order to meet the needs of the local labour market, expatriates are granted work permits under the Foreign Nationals and Commonwealth Citizens (Employment) Act, 1964, also termed the Work Permit Act. Analyzing the number of work permits issued is helpful in this process of planning, as it highlights the areas in which there is employment

available, but insufficient numbers of persons with the requisite skill sets in Jamaica to take advantage of these opportunities.

Approximately 6,000 permits are currently approved annually with the vast majority (approximately 4,000) being in the category Professionals, Senior Officials and Technicians. In 2006 an exceptionally large number of trade workers (1,448 as against 328 in 2005) were given permits. These skills were needed for the Construction and Installation industry for hotel and stadium construction and major road works. In the category Professionals, Senior Officials and Technicians, between 2004 and 2006 an average of 13,447 persons graduated with certification each year, yet there was still need to issue 3,766 work permits for persons in this category in 2006.

By law, employers have to prove that they have tried unsuccessfully to recruit local personnel for a given position before a work permit may be granted to an individual that the company chooses to hire from overseas. The fact that so many work permits were issued for trades workers and persons in the category Professionals, Senior Officials and Technicians for instance, points to a possible mismatch of persons being trained and the skills being demanded in the labour market, leading to an insufficiency in the number of persons locally who were actually qualified for these particular jobs. It is also possible that, of the persons who graduated from training, was a large number who were already employed. A further possibility exists, that a number of these graduates migrated, or that there are deficiencies in the employment services that should have been able to match qualified local job seekers with employers, who were in need of these skilled workers.

If any of these possibilities accounts at least in part for the need to import this number of workers, then remedial steps include the improvements in employment services, so that qualified local labour can be matched with opportunities that require their skill sets. More coordination would also be needed between the training institutions and the demand for labour, so that the programme offerings more closely reflect the needs of the labour market. In this case, training institutions would need to include more work experience or apprenticeship programmes as elements of their course offerings. Remedial steps would also include increased availability and use of accurate labour market information so that



individuals can make more informed choices as it relates to courses of study. There is a need to improve the availability of accurate LMI, for this purpose.

### **2.8.3 Memoranda of Understanding**

In order to curtail the growing public sector wage bill, the Government in September 2003, issued a directive to control the hiring, reclassification and upgrading of existing posts within the civil service. This precipitated discussions between the Jamaica Confederation of Trade Unions and the Government to try to arrive at effective ways of stemming the increasing public sector wage bill.

The result of these discussions was the signing of a Memorandum of Understanding (MOU) between the Government of Jamaica (GOJ) and the (JCTU), in February 2004. This agreement represented a commitment by both partners to pursue strategies designed to achieve a slowed rate of increase in the cost of salaries and benefits granted to all public sector employees for an agreed period of time, and “to work together to preserve employment, improve the quality of the labour force through training, retraining and education and the maintenance of core labour standards in the public sector”.

Based on the MOU, a general policy of wage restraint in the public sector at all organizational levels for the period April 1, 2004 to March 31, 2006 was implemented, including wages and salaries, allowances, payments in kind, fringe benefits, and bonuses. The partners also agreed that the agreed rates of increase would stand as long as the rate of inflation was maintained within the targeted bands of 8.0 per cent - 9.0 per cent in FY 2004/05 and 6.0 per cent - 7.0 per cent in FY 2005/2006. The MOU applies to Central and Local Government and all other Government entities including Commissions, Institutions and Statutory Bodies.

A Monitoring Committee comprised of representatives of the GOJ and the JCTU was established to, monitor the MOU to ensure that both parties followed through on their responsibilities, and to examine and evaluate special requests by specific occupation group. The collaboration that was undertaken between the GOJ and the trade unions was

deemed to be mutually beneficial, to the extent that both parties entered discussions to commit to a second MOU on the conclusion on this first agreement.

On May 30, 2006, MOU II was signed between the Government of Jamaica and the JCTU. The main components of MOU II included the controlled growth of the wage bill, employment constraints (with exemptions for certain critical occupational groups), training and retooling of the public sector workforce, expenditure restraints and the introduction of cost saving measures with a commitment from the Government to pursue complementary fiscal and monetary policies to accelerate real economic growth.

As part of the tripartite approach to labour relations, there was evidence that private sector wage agreements were also constrained by decisions made under MOU II. The MOUs have demonstrated increased trust between the Government and the trade unions, and every effort must be made to continue to build on this trust.

#### **2.8.4 Labour Market Information System (LMIS)**

The LMIS is a tool for manpower management with the ability to facilitate policy and decision making towards the operation of a modern and efficient economy. The MLSS in collaboration with the United States Department of Labour (USDOL) officially launched the national **Labour Market Information System (LMIS)** in January 2002.

The LMIS consists of three major components, namely: Labour Market Information (LMI), Electronic Labour Exchange (ELE) and Related Services. It is a one-stop data and information source, as well as a job search and placement facility. It also provides on-line information on key labour market issues such as the labour force, employment, education and training, industrial relations, economic activities, and local and international labour market trends.

The services provided by the LMIS are accessible at the MLSS parish offices and through the internet by visiting the website [www.lmis-ele.org.jm](http://www.lmis-ele.org.jm). The LMIS benefits policy

makers and analysts, prospective investors, employers, job seekers, career guidance counsellors and students at the secondary and tertiary level, among others.

### **2.8.5 Employment Services**

Employment services play a vital role in connecting employers and job seekers. As such, it is important that these services be analyzed, to see if at present, the effectiveness could be improved.

#### ***2.8.5.1 Government Employment Services***

The **Electronic Labour Exchange (ELE)** is a very important component of the LMIS. The objective of the ELE is to facilitate the efficient matching of job seekers and employers. The advantage of this system is that both parties have access to a large pool of potential applicants and vacancies at no cost to them. Job seekers post their resumes and conduct job searches, while employers post vacancies to seek qualified personnel.

Since the ELE commenced operation (January 2002) to December 2006, there were 15 671 job seekers, 2 207 individual employers and 334 companies registered on the system. A total of 5 320 vacancies were posted, and 6 202 persons were referred to employers. Interviews were conducted with 4 338 persons, and of these, the MLSS confirmed that 2 223 persons were placed in jobs through the ELE.

Apart from the ELE, which is an electronic system, the Ministry of Labour and Social Security (MLSS) operates a service where employers may post job opportunities with them manually; and job seekers may visit any of the fourteen (14) MLSS parish offices in person, and leave resumes and view job postings. MLSS maintains a database of job seekers and under this system also plays the role of connecting job seekers with employers.

The ELE Centre at North Street in Kingston, also offers conference room facilities which employers may use to meet with applicants who have already been pre-screened by the MLSS. Job seekers who are interested in training opportunities, may also visit the ELE Centre for referrals to training institutions such as HEART Trust/NTA which conducts

regular scheduled visits and processes applications of persons for job seekers interested in training.

The government also plays a critical role in employment services relating to government overseas employment schemes. At present, the government is involved in several overseas employment schemes, which include the US and Canadian Farm Work programmes, the Hotel Work programme and the recent agreement with British Colombia in Canada to provide skilled trade workers for on-going construction projects.

In these projects, the MLSS provides recruitment and selection services. It also maintains a skills bank of these applicants and assists with referrals to training agencies for those applicants who are desirous of this. In these overseas programmes also, the MLSS coordinates the logistics and administrative tasks to ensure that successful applicants are able to assume their positions in a smooth manner.

The non-electronic/manual systems play a very important role, as many employers and job seekers may still have difficulty accessing and using internet facilities.

#### ***2.8.5.2 Private Employment Services***

The MLSS reports that there are over one hundred (100) private employment agencies presently operating in Jamaica. These services span both electronic and non-electronic services. The increasing use of electronic services in this industry is leading to greater efficiency in these services.

The job opportunities that are promoted are not limited to Jamaica, but include opportunities across the Caribbean. The services offered by these private companies include: i) the soliciting and storing of resumes from job seekers into a database, and the matching of these job seekers with jobs, when opportunities become available; ii) basic recruitment and screening services on behalf of employers utilizing the advertisement of jobs in newspapers or on their websites; as well as iii) the provision of more rigorous candidate selection exercises including detailed interviews, competence assessments psychometric testing, reference checks and background checks.

There are companies at the moment which offer a one-stop-shop solution to employers seeking to recruit personnel by providing complete recruitment and selection services on their behalf. These and other innovations in the private employment services industry have contributed to greater efficiency in the matching of the demand for labour with the supply of labour.

However, there is need to tighten the regulation of this industry to protect its integrity, to protect job seekers from exploitation, and to ensure that the industry continues to operate efficiently and effectively to the benefit of the labour market and ultimately to the economy. Of the private services present in Jamaica, only approximately one third have been granted licenses to operate by the MLSS. The MLSS performs monitoring of employment agencies and at the moment is on a drive to evaluate and provide licenses for those agencies which meet the proper criteria.

### **2.9 SOCIAL ISSUES IMPACTING THE LABOUR MARKET**

*In understanding the state of Jamaica's labour market, it has to be appreciated that there are certain social and cultural issues which have an impact on the current situation, specifically the low productivity problem and the general under-performance of the economy. The genesis of these problems is complexed and is closely connected with Jamaica's history, namely its colonial past. These socio-cultural factors include the following:*

- *Traditional insufficient trust between workers and management:- this feeds from a general social capital deficit within the society*
- *Discrimination by some employers against persons who live in inner-city communities*
- *Discrimination against women in the labour market*
- *A situation where the availability of remittances is used as an excuse to remain outside of the labour market*
- *Anti-academic attitude among youth, especially young males*
- *The so-called "get rich quick" mentality, which encourages work in the informal sector of the economy and in illegal activities*
- *Higher fertility rates among the poorest segments of the population:- parents often are not able to afford good education for all their children and many times, the social mores and values transferred from parents to children are not conducive to personal development and nation building*
- *Materialistic consumption patterns:- more emphasis is placed on material acquisition than on investing in personal development*
- *Impact of crime on productivity and on the labour market in general*
- *Underperformance of the public education system*
- *Insufficient orientation to productivity as a nation*
- *Existence of cultural mindset which encourages breaking rules and usurping authority*

## **2.9 LABOUR REFORM**

At the heart of any efficient labour market, lies an effective legal infrastructure to offer guidance on procedures and principles, and to offer protection of essential rights. Having said this, it is within the context of the ILOs focus on promoting the decent work agenda, that the GOJ along with the other social partners has made attempts to implement, maintain and improve on the various dimensions of decent work as enshrined in the principles and standards of the ILO.

As a signatory to the ILO convention C87 (Freedom of Association and Protection of the Right to organize, 1984) the government of Jamaica continues its efforts to uphold and attain the international standards prescribed by these instruments. Fundamental to this is the implementation and upgrading of various pieces of legislation and policies to legitimize these efforts. One piece of legislation which was amended in March 2002 through the effort of the social partners was the Labour Relations and Industrial Disputes Act.

The upgrading of the Occupational Safety and Health Act is also in progress. This revised legislation will fully embrace the standard of the ILO and further ensure a safer working environment.

Flexible work arrangements are being cited as one means of increasing job opportunities available to Jamaicans through the fostering of a more conducive investment climate. A green paper on flexible working arrangements was tabled in Parliament in 2002 and a National Tripartite Meeting on *flexibility in working time* was held in November 2003 in collaboration with the ILO<sup>8</sup>. This effort focused on continuing dialogue on flexibility in Jamaica, sharing national and international experiences and guaranteeing further

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<sup>8</sup> In 2003, the National Plan of Action on Flexibility in Working Time in Jamaica was adopted by a National Tripartite Meeting to guide further action towards the implementation of flexible working arrangements that balance the needs and preferences of employers, workers and their families, and the wider community. In order to formalize flexible working arrangements, the Government will have to amend laws to expand business' opening and closing times, eliminate restrictions on working hours for women, and ensure that adequate social protection with respect to flexibility in working time are provided for all workers.

inclusion of the social partners and civil society in the National Plan of Action forged at the workshop in 2002. The Plan was accepted by the Labour Advisory Committee and has been taken to Parliament. A joint select committee is presently deliberating on flexible work arrangement proposals.

The National HIV/AIDS workplace policy has been developed in collaboration with the relevant stakeholders. It is expected that the policy will be tabled in Parliament early in the 2007/2008 legislative year. The National Policy on Sexual Harassment is also being prepared by the Bureau of Women's Affairs. These policies need to be furthered by Parliament, as a matter of urgency, as having these in place will lay the foundation for the modernization of the labour market, and will set the stage for greater productivity and competitiveness within the economy, which is critical if Jamaica is to achieve the National 2030 Vision.

## **2.11 CONCLUSIONS AND RECOMMENDATIONS**

The situational analysis points to several conclusions along with recommendations for areas in need of improvement.

### **Productivity**

- The need to improve Jamaica's productivity via a programme of productivity management. This should address issues of capital investment, human resource development, management-employee relations and appropriate incentive systems. In addition, other factors that drive TFP should be given attention. These include better quality of the workforce in terms of education, skills, and expertise; efficient management techniques; improvements in organizational management; process redesign; the introduction of new technology and innovation; and a shift toward higher value-added processes and industries

### **Education, Training and Certification**

- There needs to be increased training investments at all levels in growing employment sectors. The current growth areas are tourism, especially hotels,

construction related to tourism and civil construction (e.g., ports and airports), bauxite mining and alumina processing, distributive trade, especially retail trade, information and communications services, education, and manufacturing of beverages and processed foods. We need to improve the educational level of our workforce. There is a definite link between the educational quality of our workforce and how attractive Jamaica will continue to be to investment. There is no doubt that Jamaica's prosperity and future depends heavily on the country having a well educated workforce, as the better educated the workforce becomes, the more the country will be populated by persons who are better equipped to innovate and increase productivity

- Promote initiatives which will increase the number of males relative to females who graduate with qualification from the secondary and the tertiary levels
- Worker assessment, certification and customer service training for all sectors and in particular the services industry. In light of regional integration efforts, certification programmes must ensure portability of skills across national borders. In addition, based on the existence of a large pool of uncertified workers there will be the need for the introduction of a massive national drive to certify workers with prior learning experiences

#### **Social Issues Influencing the Labour Market**

- Crime has a debilitating effect on the labour market and productivity, and needs to be curbed
- Jamaica suffers from insufficient social capital and this needs to be addressed
- Some of the values and attitudes that prevail in Jamaica at present are anti-developmental, and it is necessary to change these values and attitudes as a society, in order to increase productivity



### **Wages**

- There is the need for differentiation in earnings between persons who are certified and persons who are not. This will act as an incentive for individuals to ensure that they achieve a good education and that they pursue training and certification
- There is need for a shift towards productivity-based compensation in all sectors of the economy
- There is need for remuneration packages to be more competitive vis-à-vis other labour markets, in an effort to retain highly skilled labour and halt the brain drain

### **Employment Promotion**

- More employment creation initiatives are needed
- There needs to be the development of an entrepreneurial culture which involves entrepreneurship being taught in all public and private training institutions. In order to advance the culture, friendly government policies, technical and financial support systems must be in place to ensure that potential entrepreneurs can not only develop businesses, but also access adequate funding, monitoring and mentorship support for the continuity of their businesses
- The development and implementation of a policy of circular and temporary migration. This would include bilateral agreements for the training and supply of skilled personnel to job opportunities overseas. Areas of potential agreement include: health care, education, hospitality, construction, craftsmanship and other service related industries

### **Preparation for the World of Work**

- In terms of job readiness there is the recognition that globalization and technology as well as the services economy, are demanding that workers have higher levels of basic education, with requisite soft skills. Training programmes would need to emphasize communication and English Language, analytic skills to understand and solve problems, team work skills, and personal attributes such as initiative and responsibility

- Provision of expanded opportunities for the youth to gain valuable work experience. This could be facilitated through an expanded National Youth Service with extended attachment to public and private sector companies and agencies

#### **Empowering Disadvantaged Groups**

- The need for promotion of programmes which will counteract high female unemployment providing opportunities for women to access work in higher paying non-traditional areas
- The need to promote programmes that will assist persons with disabilities to have equal access to education, training and employment opportunities
- Initiatives need to be put in place to significantly reduce the level of youth unemployment

#### **Tripartite Collaboration**

- Create new, and enhance existing structures for the nurturing of more tripartite dialogue and better industrial relations

#### **Labour Market Information**

- The availability and dissemination of accurate and timely labour market information needs to be increased
- More forecasting and targeted research needs to be undertaken in the labour market, aimed at encouraging better quality planning in the labour market

#### **Labour Market Inactivity**

- Initiatives need to be put in place to increase male and female participation rates.
- The number of persons who are unemployed and who say that they do not want to work, is too high and this matter needs to be addressed as a matter of urgency, through conducting proper research into this phenomenon and putting in place programmes and initiatives in an attempt to radically reduce this figure

**Employment Services**

- There is a need to expand both government and private employment services to ensure a more efficient labour market
- There is the need for greater enforcement of laws relating to the operation of private employment agencies

**Legislation and Enforcement of Existing Laws**

- Legislative changes need to be implemented regarding the following issues:
  - flexibility in working time
  - occupational health and safety
  - other issues relating to the promotion of the decent work agenda

### 3. SWOT ANALYSIS

This section seeks to identify the strengths and weaknesses in the labour market infrastructure both at present and going forward, and also the opportunities and threats that exist, and which need to be taken into consideration in this planning process.

SWOT ANALYSIS	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Marginally increasing GDP</li> <li>• Increased FDI</li> <li>• Increased access to credit facilities for micro enterprises</li> <li>• Increased entrepreneurship</li> <li>• Declining unemployment rate</li> <li>• Increased output at the secondary and post secondary educational levels</li> <li>• Increased output of professionals, senior officials and technicians from tertiary institutions</li> <li>• Signing of MOU II which signals strengthening of social partnership and social capital</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Females lag behind generally in labour market indicators</li> <li>• Males lag behind generally in tertiary level educational output</li> <li>• High youth unemployment rate</li> <li>• Rising underemployment rate</li> <li>• Relatively poor labour and total factor productivity</li> <li>• Inadequately trained and certified labour force</li> <li>• Labour force deficient in necessary attitudes to compete in the new global economy</li> <li>• Insufficient access to LMI for all stakeholders</li> <li>• Inadequate application of available LMI by stakeholders</li> <li>• Insufficient innovation, creativity and flexibility within labour market</li> <li>• Insufficient tripartite dialogue and collaboration</li> </ul>

SWOT ANALYSIS	
	<ul style="list-style-type: none"> <li>• Insufficient awareness and implementation of decent work agenda especially among SMEs</li> <li>• Seeming inability of increasingly educated and certified workforce to translate education and training into increased productivity</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Globalization/regionalization is leading to more employment and entrepreneurial opportunities</li> <li>• Growth in access to tertiary education due to increased number of tertiary institutions entering Jamaica and to e-learning</li> <li>• Increased FDI can lead to increased jobs</li> <li>• The nature of the bulk of the FDI (i.e. the tourism industry), can have a multiplier effect in terms of creation of jobs in other areas of the economy</li> <li>• The increase in the general access to ICT can be used as a platform to drive entrepreneurship</li> <li>• The signing of MOU II may be used as a start in creating a wider programme of social partnership</li> <li>• LMIS may be utilized to share LMI in such a way that tertiary and</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• High proportion of the labour force insufficiently educated/certified, which threatens their ability to take advantage of new employment opportunities being created by globalization/regionalization and improvements in technology</li> <li>• High proportion of the labour force untrained:- threat to productivity</li> <li>• High proportion of working age persons outside the labour force do not want to work:- threat to nation-building</li> <li>• Poor performance of education system</li> <li>• High cost of tertiary training</li> <li>• Cultural mindset:- apparent anti-academic sentiments among youth</li> <li>• Brain-drain- caused by insufficient employment opportunities for the most educated and qualified persons:- threat to innovation and</li> </ul>

SWOT ANALYSIS	
<p>vocational institutions may be better able to tailor their programme offerings to suit the needs of the labour market</p>	<p>creativity</p> <ul style="list-style-type: none"> <li>• Low opportunity cost for pursuing education and training</li> <li>• High crime rate</li> <li>• Vulnerability of the economy (and therefore the availability of jobs) to natural disasters, and economic and political shocks</li> <li>• Vulnerability to the shift in FDI from Jamaica to other countries</li> <li>• Constant threat of improvements in industrial relations being eroded</li> </ul>

## 4. MONITORING & EVALUATION FRAMEWORK

The long-term process of planning for the Labour Market and Productivity Sector is guided by a Vision that describes a future for the sector that is desirable for its stakeholders and that can be achieved through their own efforts within a realistic time frame. The Sector Plan contains an overall Vision for the Labour Market and Productivity Sector, which reflects the contributions of the stakeholders represented on the Labour Market and Productivity Task Force and at stakeholder consultations held during the Vision 2030 Jamaica planning process.

### 4.1 Vision Statement

As presented in the introduction, the Vision Statement for the Labour Market and Productivity Sector for Vision 2030 Jamaica is:

*“An efficient and harmonious labour market sustaining a prosperous society and economy, supported by a trained, educated, productive workforce that is attractive to quality job creating investments”*

### 4.2 Strategic Planning Framework

The Sector Plan is designed to attain this vision through four (4) main goals:

- an efficient and effective labour market;
- higher levels of human and social capital formation and trust;
- full and satisfying employment; and
- A level of national productivity that is internationally competitive

The goals ensure that there are strong linkages between employers and individuals seeking employment which will facilitate a functioning labour market. They also ensure that the relationship between workers and employers is harmonious and mutually reinforcing, the terms and conditions of employment are satisfying and fulfilling for

employees and employers alike and that the labour force is well trained, thereby creating an environment in which productivity standards are internationally competitive. Table 12 below, provides a summary of the four goals aligned with the respective outcomes. This is followed by a table that outlines indicators and targets for the Labour market and Productivity Sector Plan.

**Table 12: Goals and Outcomes (Long Term -2030)**

<b>GOALS</b>	<b>OUTCOMES</b>
<b>1. An efficient and effective labour market</b>	1. Effective supply-demand link between labour market and education/training systems
	2. Adequate and effective employment services
<b>2. High levels of social capital formation within the labour market</b>	1. Building and maintaining a harmonious industrial relations climate
<b>3. Full and satisfying employment</b>	1. Increasing access to labour market information for informed decision making by stakeholders
	2. Highly qualified workforce
	3. Growing employment opportunities
	4. Fulfilling the decent work agenda
	5. Empowering disadvantaged groups
	6. Enabling Regulatory Framework
	7. Persons outside of the labour force who are of working age that do not want to work are integrated into the labour force
<b>4. National productivity that is internationally competitive</b>	1. Creating an environment that encourages and enables innovation, flexibility and productivity



#### **4.2.3 Sector Indicators and Targets**

The proposed indicators and targets for the Labour Market and Productivity Sector Plan over the period 2009 -2030 are presented in Table 13 below

**Table 13: Labour Market and Productivity Sector Plan – Indicators and Targets**

<b>Sector Indicators</b>	<b>Baseline</b>	<b>Targets</b>			<b>Comments</b>
	<b>2007 or Most Current</b>	<b>2012</b>	<b>2015</b>	<b>2030</b>	
<b>1. Labour productivity</b>	-0.83%				
<b>2. Labour absorption rate</b>	58.60%				
<b>3. Labour Force Participation rate</b>	65.30%				
<b>4. Rate of industrial resolution</b>	87.80%				
<b>5. Reported incidences of violation of labour laws</b>	5,885				

## 5. IMPLEMENTATION FRAMEWORK & ACTION PLAN

### 5.1 Implementation Framework

The implementation of the Labour Market and Productivity Sector Plan is an essential component of the implementation, monitoring and evaluation framework for the Vision 2030 Jamaica – National Development Plan.

The Plan is implemented at the sectoral level by ministries, departments and agencies (MDAs) of Government as well as non-state stakeholders including the private sector, NGOs and CBOs. The involvement of stakeholders is fundamental to the successful implementation of the National Development Plan and the Labour Market and Productivity Sector Plan.

#### Components of Vision 2030 Jamaica

The **Vision 2030 Jamaica - National Development Plan** has three (3) components:

1. **Integrated National Development Plan:**

The integrated National Development Plan presents the overall plan for Vision 2030 Jamaica, integrating all 31 sector plans into a single comprehensive plan for long-term national development. The integrated National Development Plan presents the National Vision, the four National Goals and fifteen National Outcomes, and the National Strategies required for achieving the national goals and outcomes.

2. **Medium Term Socio-Economic Policy Framework (MTF):**

The Medium Term Socio-Economic Policy Framework (MTF), is a 3-yearly plan which summarizes the national priorities and targets for the country and identifies the key actions to achieve those targets over each 3-year period from FY2009/2010 to FY2029/2030.

3. **Thirty-one (31) Sector Plans:**

At the sectoral level Vision 2030 Jamaica will be implemented through the strategic frameworks and action plans for each sector as contained in the respective sector plans. Vision 2030 Jamaica includes a total of thirty-one (31) sector plans covering the main economic, social, environmental and governance sectors relevant to national development.

#### 5.1.1 Accountability for Implementation and Coordination

The Cabinet, as the principal body with responsibility for policy and the direction of the Government, has ultimate responsibility for implementation of the National Development Plan. Each ministry and agency will be accountable for implementing the National Development Plan (NDP) through various policies, programmes and interventions that

are aligned with the strategies and actions of the NDP and the sector plans. A robust results-based monitoring and evaluation system will be established to ensure that goals and outcomes of the Plan are achieved. This system will build on existing national and sectoral monitoring and evaluation frameworks and will be highly participatory.

### **5.1.2 Resource Allocation for Implementation**

Vision 2030 Jamaica places great emphasis on ensuring that resource allocation mechanisms are successfully aligned and integrated with the implementation phase of the National Development Plan and sector plans. The requirements to ensure resource allocation for implementation will include alignment of organizational plans in the public sector, private sector and civil society with the National Development Plan, MTF and sector plans; coherence between the various agency plans with the National Budget; rationalization of the prioritisation process for public sector expenditure; and increased coordination between corporate planners, project managers and financial officers across ministries and agencies.

## **5.2 Action Plan**

The Action Plan represents the main framework for the implementation of the Labour Market and Productivity Sector Plan for Vision 2030 Jamaica. The tracking of implementation of the Sector Plan will take place through the Action Plan as well as the framework of sector indicators and targets.

The Action Plan contains the following elements:

- i. Sector Goals
- ii. Sector Outcomes
- iii. Sector Strategies
- iv. Sector Actions
- v. Responsible Agencies
- vi. Timeframe

## Action Plan

### Goal 1: An Efficient and Effective Labour Market

Outcomes	Strategies
Effective supply- demand link between labour market and education/training systems	1.1.1 Promote career guidance programmes and contextualize secondary and post-secondary levels to facilitate informed career choices 1.1.2 Promote work experience programmes at the secondary and post-secondary levels 1.1.3 Promote industry involvement in the output of the education and training systems
Adequate and efficient employment services	1.2.1 Broaden the geographical and occupational scope of the Government Employment Services 1.2.2 Improve the effectiveness of the Electronic Labour Exchange (ELE) 1.2.3 Enforce regulation of employment services sector to ensure their effectiveness and minimize the exploitation of job seekers

STRATEGIES	SPECIFICATIONS	TIMEFRAME	RESPONSIBILITY	ESTIMATED COSTS
1.1.1 Promote career guidance programmes and contextualize secondary and post-secondary levels to facilitate informed career choices	1.1.1.1 Mandatory career guidance at the secondary and post-secondary levels to facilitate informed career choices	2008-2015	– HEART (Career Development Services Unit) – MOE (Guidance & Counselling Unit)	TBD
	1.1.1.2 Provide timely labour market demand and supply information to inform decision making for all stakeholders	2008 - 2012 (On-going)	MLSS, STATIN, PIOJ, HEART	TBD
	1.1.1.3 Develop new /reproduce existing career guidance materials for wider distribution	2008 - 2010	HEART, MOE, JEF (through JYEN), MLSS	TBD

## *L M& P Sector Plan – Implementation Framework & Action Plan*

STRATEGIES	SPECIFICATIONS	TIMEFRAME	RESPONSIBILITY	ESTIMATED COSTS
<b>1.1.2</b> Promote work experience programmes at the secondary and post-secondary levels	<b>1.1.2.1</b> Collaborate with the education/training systems and employers to coordinate and monitor the strengthening of the internship system for secondary and post secondary students (utilize existing summer and other programmes, bring structure to those that are unstructured etc.)	Phase 1 (Sit. Analysis) : 2008-2009  Phase 2 (Project formulation) : 2009-2011  Phase 3 (Roll-out) : 2011-2015  Phase 4 (Momentum, full outcome) : 2015-2030	– Ministry of Labour (Lead Agency) – Ministry of Education (including HEART) – NYS – Private Sector (including umbrella organizations and SMEs e.g. PSOJ, JEF, JCC and trade unions)	TBD
<b>1.1.3</b> Promote industry involvement in the output of the education and training systems	<b>1.1.3.1</b> Expand the number of firms participating in internship programmes	2008-2011 (on-going)	MLSS(Lead) JEF, JCTU, MOE	TBD
	<b>1.1.3.2</b> Assist firms in designing model programmes for internship	2009-2011	MLSS, HEART	TBD
	<b>1.1.3.3</b> Strengthen and standardize supplementary “World of Work” Programmes	2008-2009 (on-going)	HEART (Lead) MOE	TBD
	<b>1.1.3.4</b> Replicate the methodology of industry lead groups across the education system in the establishment of occupational standards and work certification	2008-2014	MOE Professional Organizations	TBD
<b>1.2.1</b> Broaden the geographical and occupational	<b>1.2.1.1</b> Establish additional facilities in all Parishes to facilitate access to GES (e.g. buildings and computer equipment)	2008-2012	MLSS	TBD

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STRATEGIES	SPECIFICATIONS	TIMEFRAME	RESPONSIBILITY	ESTIMATED COSTS
scope of the Government Employment Services	<b>1.2.1.2</b> Partner with government and other agencies that provide public access to the Internet and other employment services.	2008-2012	MLSS	T BD
	<b>1.2.1.3</b> Promote the use of the GES, by entities with vacancies and individuals seeking jobs, in all occupational categories	2008-2009	MLSS	TBD
	<b>1.2.1.4</b> Widen/Strengthen the range of services provided by the GES to job-seekers	2008-2010	MLSS	TBD
<b>1.2.2</b> Improve the effectiveness of the Electronic Labour Exchange (ELE)	<b>1.2.2.1</b> Raise public awareness of the existence of the ELE	2008-2009	MLSS	TBD
	<b>1.2.2.2</b> Strengthen career counselling and guidance to applicants	2008-2010 (all parishes)	MLSS	TBD
	<b>1.2.2.3</b> Expand services to employers (eg. recruitment, screening, selection, reference and background checks and psychometric testing etc.)	2008-2012	MLSS	TBD
<b>1.2.3</b> Enforce regulation of employment services sector to ensure their effectiveness and minimize the exploitation of job seekers	<b>1.2.3.1</b> Regular publication of licensed employment agencies (overseas and local)	2008	MLSS	TBD
	<b>1.2.3.2</b> Ensure that the fines for non-compliance remain relevant	Periodic Review	MLSS	TBD
	<b>1.2.3.3</b> Expand the administrative capacity of the MLSS' monitoring machinery	2008-2010	MLSS	TBD

**Goal 2: High Levels of Social Capital Formation within the Labour Market**

<b>Outcomes</b>	<b>Strategies</b>
Building and maintaining a harmonious industrial relations climate	2.1.1 Build a model of trust and understanding among major stakeholders (Government, employers and workers). 2.1.2 Improve the industrial dispute resolution mechanism 2.1.3 Promote existing and create new mechanisms for defining and imparting shared values

<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
<b>2.1.1</b> Build a model of trust and understanding among major stakeholders (Government, employers and workers).	<b>2.1.1.1</b> Communicate best practices and through a collaborative approach, promote the adoption of the Labour Relations Code among employers and employees	2008-2013	JCTU, MLSS & JEF	TBD
	<b>2.1.1.2</b> Promote (ILO) Core labour standards and worker rights and obligations among all employers and employees)	2008-2013	JCTU, MLSS & JEF	TBD
<b>2.1.2</b> Improve the industrial dispute resolution mechanism	<b>2.1.2.1</b> Amend the LRIDA to allow access for non-unionized employees to the dispute resolution mechanism	2008-2010	JCTU, MLSS & JEF	TBD
	<b>2.1.2.2</b> Increase the number of IDT panels and administrative support	2008-2010	MLSS (Lead) JCTU and JEF	TBD
	<b>2.1.2.3</b> Strengthen and modernize the pay and conditions of employment branch of the MLSS to enhance responsiveness	2008-2011	MLSS	TBD

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<b>2.1.3</b> Promote existing and create new mechanisms for defining and imparting shared values	<b>2.1.3.1</b> Institutionalize the schedule of regular meetings for the LAC to make it more effective	2008	MLSS	TBD
	<b>2.1.3.2</b> Create sectoral consultative bodies to improve the effectiveness of the LAC	2008-2009	MLSS (Lead) JCTU and JEF	TBD
	<b>2.1.3.3</b> Encourage other fora for collaboration between stakeholders in the labour market	2008-2009	MLSS (Lead) JCTU and JEF	TBD
	<b>2.1.3.4</b> Ensure teaching of labour laws is included in the secondary/high school curriculum and as foundation course at the university/tertiary level	2008-2014	MLSS and MOE	TBD
	<b>2.1.3.5</b> Develop and implement orientation programme for companies, emphasizing training in basic labour relations principles and practices (including a procedural and best practices manual)	2008-2011	MLSS	TBD

### **Goal 3: Full and satisfying employment**

<b>Outcomes</b>	<b>Strategies</b>
Increasing access to labour market information for informed decision making by stakeholders	3.1.1 Strengthen the LMIS 3.1.2 Intensify the utilization and application of research e.g. best practices, case studies 3.1.3 Expand research development in LMI
Highly qualified workforce	3.2.1 Encourage the development of a workforce that is more adaptable, flexible and willing to learn
Growing employment opportunities	3.3.1 Promote entrepreneurship 3.3.2 Widen the modes of employment



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	generation
Fulfilling the decent work agenda	3.4.1 Advance and enforce mechanisms for adequate social protection for workers
Empowering special groups (seniors, youth, challenged, persons with gender-related challenges and tertiary/post secondary level students)	3.5.1 Introduce a variety of programmes to increase employment among the youth and women in the labour force 3.5.2 Remove discriminatory practices based on sex, class and ethnicity 3.5.3 Create avenues for increased participation of challenged persons in the labour market
Integrate into the labour force, persons who are of working age and are outside of the labour force because they do not want to work	3.6.1 Conduct research into this category of persons 3.6.2 Acting upon the reasons gathered from the research, conduct interventions to increase the labour market participation among persons in this category

<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
<b>3.1.1</b> Strengthen the LMIS	<b>3.1.1.1</b> Evaluation of the national LMIS housed at the MLSS	2008-2010 (On-going thereafter)	PIOJ and MLSS	TBD
	<b>3.1.1.2</b> Conduct an intensive marketing and promotion campaign for the system	2008-2010 (initial marketing thrust) On-going	MLSS, trade unions, employers organizations, training institutions	TBD
	<b>3.1.1.3</b> Bolster the administrative capacity of the LMIS	2008-2010	MLSS	TBD
	<b>3.1.1.4</b> Improve the LMI data collection and analysis capabilities of STATIN and other agencies by increased human and capital resources	2008-2013	MLSS, PIOJ, HEART and STATIN	TBD
<b>3.1.2</b> Intensify the utilization and application of research (e.g. Best practices)	<b>3.1.2.1</b> Conduct regular forums on LMI involving all stakeholders	Bi-annually	MLSS, PIOJ, HEART, trade unions, employers organizations, training institutions	TBD

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<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
and case studies)	<b>3.1.2.1</b> Incentivize the application of best practices and case studies	2009-2011	MLSS	
	<b>3.1.2.2</b> Utilize new media to promote best practices, achievements and case studies	2009-2011 (initial marketing thrust) On-going	MLSS	TBD
	<b>3.1.2.3</b> Utilize economic and LM analysis to support the development of cottage industries in rural areas, niche industries etc.	2009-2015	MLSS, JTI, other related agencies	
<b>3.1.3</b> Expand research development in LMI	<b>3.1.3.1</b> Engage institutions and companies in conducting research relevant to LM issues and sharing the results	2008-2010	MLSS, private sector organizations	TBD
	<b>3.1.3.2</b> Collaborate with universities to increase the capacity to undertake research in LM issues	2008-2013	MLSS, universities	TBD
<b>3.2.1</b> Encourage the development of a workforce that is more adaptable, flexible and willing to learn	<b>3.2.1.1</b> Collaborate with the MOE and other relevant organizations to give support to the speedy and full implementation of the recommendations of the Education Task Force	2008-2030	MLSS, MOE	TBD
	<b>3.2.1.2</b> Advocate for education and training to relate to the new labour market environment (cf. CBET)	2009-2016	MLSS, MOE, HEART	TBD
	<b>3.2.1.3</b> Advocate for the development of a workforce with a minimum of secondary	2008-2016 (On-going)	MLSS, MOE	TBD

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<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
	education and certification in particular areas of emphasis including English, Mathematics, IT, a science subject, a Technical/Vocational subject and a foreign language			
	<b>3.2.1.4</b> Promote life-long learning in the workplace through avenues such as umbrella organizations	2008-2010 (On-going thereafter)	MLSS	TBD
<b>3.3.1</b> Promote entrepreneurship	<b>3.3.1.1</b> Conduct regular entrepreneurship forums islandwide	2009-2016	MLSS, HEART, JBDC etc.	TBD
	<b>3.3.1.2</b> Encourage entrepreneurial learning as a core component of education and training programmes	2009-2016	MLSS, education and training institutions and programmes	TBD
	<b>3.3.1.3</b> Collaborate with relevant agencies to remove bureaucratic and administrative barriers to entrepreneurship	2009-2016	MLSS, Min. of Finance, Bureau of Standards, Companies Office of Jamaica etc.	TBD
<b>3.3.2</b> Widen the modes of employment generation	<b>3.3.2.1</b> Institute more circular and temporary planned migration programmes	2008-2013 (On-going)	MLSS	TBD
	<b>3.3.2.1</b> Promote job sharing to increase employment and productivity	2013-2030	MLSS, JEF, trade unions etc.	TBD
<b>3.4.1</b> Advance and enforce mechanisms for adequate social protection for workers	<b>3.4.1.1</b> Conduct public education campaign to increase awareness re conditions of employment, employer and employee rights and responsibilities	2009-2012	MLSS, Media (JIS, PBC etc.)	TBD

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<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
	<b>3.4.1.2</b> Increase the capacity of the relevant agencies to advance the decent work agenda through the monitoring, regulating and enforcement of adequate social protection for workers	2009-2012	MLSS (PCEB, Social Security, NIS, Occupational Safety & Health), and other relevant agencies (Min. of Justice, Min. of Nat'l. Security etc.)	TBD
	<b>3.4.1.3</b> Establish mechanism to ensure that all work arrangements are formalized	2009-2019 Immediate and on-going	MLSS, Min. Industry & Commerce, Municipal Authorities, Min. of Nat. Security, PIOJ	TBD
<b>3.5.1</b> Introduce relevant programmes to increase employment among the youth and women in the labour force	<b>3.5.1.1</b> Introduce and expand existing youth specific programmes (JAMVAT, SLTOPS, NYS Corps Programme, HEART Apprenticeship Programme, Management Trainee Programmes etc.)	2009 (Immediate and on-going)	MLSS, HEART, Min. responsible for Youth and Gender Affairs), JBDC, Min. of Industry and Commerce, Tertiary Institutions etc.)	TBD
	<b>3.5.1.2</b> Introduce and expand existing gender specific programmes (Women in Non-traditional Occupations Programmes etc.)	2009 (Immediate and on-going)	MLSS, HEART, Min. responsible for Youth and Gender Affairs), JBDC, Min. of Industry and Commerce, Tertiary Institutions etc.)	TBD
	<b>3.5.1.3</b> Promote and expand opportunities for entrepreneurship programmes among youth and women (JBDC, EXIM and other micro- financing facilities etc.)	2009 (Immediate and on-going)	MLSS, HEART, Min. responsible for Youth and Gender Affairs), JBDC, Min. of Industry and Commerce, Tertiary Institutions etc.)	TBD
<b>3.5.2</b> Remove discriminatory practices based on age sex, class, religion, sexual orientation, HIV status and	<b>3.5.2.1</b> Introduce/strengthen legislation to address discriminatory practices	2009-2013 Immediate and on-going	MLSS	TBD
	<b>3.5.2.2</b> Strengthen monitoring and enforcement capacity of	2009-2012 On-going	MLSS, Trade Unions, Womens' Bureau, other interest groups.	TBD

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<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
ethnicity	the relevant agency			
	<b>3.5.2.3</b> Initiate public awareness to influence behaviour change among employers and employees	2009-2012 On-going	MLSS	TBD
<b>3.5.3</b> Create avenues for increased participation of challenged persons in the labour market	<b>3.5.3.1</b> Institute incentive schemes to encourage employers to employ challenged persons	2009-2012 Immediate & On-going	MLSS	TBD
	<b>3.5.3.2</b> Change building codes to mandate all places of work to facilitate physical access by employees who are challenged	2009-2014	MLSS, Parish Councils	TBD
	<b>3.5.3.3</b> Facilitate positive discrimination to encourage increased employment of challenged persons	2009-2014	MLSS	TBD
	<b>3.5.3.4</b> Create programmes to increase the training opportunities for challenged persons	2009-2015 Immediate & On-going	MLSS, HEART, Disabilities Foundation etc.	TBD
	<b>3.5.3.5</b> Provide user-friendly facilities for challenged persons at public cyber-centres/internet cafes	2009-2015	MLSS, HEART, Jamaica Library Service, Disabilities Foundation etc.	TBD
<b>3.6.1</b> Conduct research into this category of persons	<b>3.6.1.1</b> Conduct a special module of the JSLC focussing on persons outside the labour force who do not want to work	2009	STATIN, PIOJ	TBD
<b>3.6.2</b> Acting upon the reasons gathered from the research,	<b>3.6.2.1</b> Encourage programmes geared at promoting employment from home	2009-2015	MLSS, JBDC, HEART, other training institutions	TBD

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STRATEGIES	SPECIFICATIONS	TIME FRAME	RESPONSIBILITY	ESTIMATED COSTS
conduct interventions to increase the labour market participation among persons in this category	<b>3.6.2.2.</b> Conduct skills training programmes targeting this group	2009-2015	MLSS, STATIN, PIOJ, JBDC, HEART, other training institutions	TBD
	<b>3.6.2.3</b> Implement programmes geared at encouraging people in this category to have a positive attitude towards work	2009-2020	MLSS,	TBD
	<b>3.6.2.4</b> Extend Steps to Work- type programme to this group	2009-2020	MLSS, PIOJ	TBD
	<b>3.6.2.5</b> Institute programmes to assist displaced workers to re-enter the labour market	2009-2015	MLSS	TBD

**Goal 4: National Productivity that is Internationally Competitive**

Outcomes	Strategies
Creating an environment that encourages and enables innovation, flexibility and productivity	<p>4.1.1 Develop and implement a national productivity promotion programme</p> <p>4.1.2 Promote the use of improved technology for greater productivity</p> <p>4.1.3 Develop and promote flexible arrangements, policies and legislation to enhance productivity</p> <p>4.1.4 Increase opportunities for linkages with regional and global enterprises</p> <p>4.1.5 Encourage the development of programmes in the education and training systems to induce innovation and creativity</p> <p>4.1.6 Promote a national programme of re-socialization to improve work ethics, values, attitudes and behaviour within the workforce</p> <p>4.1.7 Develop and implement a national productivity management programme</p>

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<b>STRATEGIES</b>	<b>SPECIFICATIONS</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>ESTIMATED COSTS</b>
<b>4.1.1</b> Develop and implement a national productivity promotion programme	<b>4.1.1.1</b> Conduct a Public Education & Awareness campaign	2008-2011	JPC, JCTU, JEF, MLSS, JCC and other private sector umbrella organizations	TBD
	<b>4.1.1.2</b> Develop and make available user-friendly analytical tools (software) to promote a culture of measurement	2009-2013	JPC	TBD
	<b>4.1.1.3</b> Develop a “National Productivity Competition” (Public and Private)	2009 (on-going)	JPC, JCTU, JEF, MLSS, JCC and other public and private sector umbrella organizations	TBD
	<b>4.1.1.4</b> Expand the “Be Productive and Prosper Campaign” to the secondary and post secondary levels	2008 (on-going)	JPC, MOE, HEART, private education/training institutions	TBD
<b>4.1.2</b> Promote the use of improved technology for greater productivity	<b>4.1.2.1</b> Provide incentives to encourage the adoption and effective utilization of technology/innovation geared at improving productivity (reduce import duties, access to low interest credit etc.)	2009-2019	JPC, Ministry of Finance	TBD
	<b>4.1.2.2</b> Facilitate the provision of expertise to assist in the re-training of human resources	2008 (on-going)	JPC	TBD
<b>4.1.3</b> Develop and promote flexible arrangements, policies and legislation to enhance productivity	<b>4.1.3.1</b> Facilitate flexibility in working arrangements through amendment of legislation	Agreement required	MLSS	TBD
	<b>4.1.3.2</b> Establish employer and employee partnerships to fully implement agreement to provide after care facilities for public	2010-2020	JCTU, Min. with responsibility for the Public Service	TBD

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STRATEGIES	SPECIFICATIONS	TIME FRAME	RESPONSIBILITY	ESTIMATED COSTS
	sector workers			
	<b>4.1.3.3</b> Encourage private sector organizations to establish employer/employee and employer/employer partnerships to provide after care facilities for workers	2010-2030	JPC, MLSS, Min. of Finance, JCTU, private sector umbrella organizations	TBD
	<b>4.1.3.4</b> Quantify productivity loss as a result of excessive travel time and advocate for solutions	2009-2011	JPC, Min. of Transport, PIOJ	TBD
<b>4.1.4</b> Increase opportunities for linkages with regional and global enterprises	<b>4.1.4.1</b> Develop and maintain a database of international best practices (by sector and industry etc.), and make available	2008-2009 (on-going)	JPC	TBD
	<b>4.1.4.2</b> Proactively identify potential linkages with productivity promotions organizations	2009-2011	JPC, JTI	TBD
<b>4.1.5</b> Encourage the development of programmes in the education and training systems to induce innovation and creativity	<b>4.1.5.1</b> Collaborate with the MOE and other training providers to incorporate productivity concepts into the core curricula at various levels	2009-2012	JPC, MOE, private training providers	TBD
	<b>4.1.5.2</b> Establish a “train the trainer” programme as a mechanism for the continuous training in productivity improvement techniques	2009-2012	JPC, JEF, JCTU	TBD
	<b>4.1.5.3</b> Institute programmes to encourage firms to	2009-2012	MLSS, JPC, SRC, universities and other training institutions	TBD



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STRATEGIES	SPECIFICATIONS	TIME FRAME	RESPONSIBILITY	ESTIMATED COSTS
	provide funding to training/educational institutions for them to design innovations for the development of these firms			
<b>4.1.6</b> Promote a national programme of re-socialization to improve work ethics, values, attitudes and behaviour within the workforce	<b>4.1.6.1</b> Establish work-based ethics training at all levels of the workforce	2009-2012	MLSS, JCTU, JEF and other umbrella private sector organizations	TBD
	<b>4.1.6.2</b> Develop a values and attitudes index relating to workplace ethics	2010-2012	MLSS, JCTU, JEF and other umbrella private sector organizations, PIOJ	TBD
	<b>4.1.6.3</b> Establish a tripartite Monitoring Committee to review the state of values and attitudes in the workplace and inform training	2009-2010	MLSS, JCTU, JEF and other umbrella private sector organizations	TBD
<b>4.1.7</b> Develop and implement a national productivity management programme	<b>4.1.7.1</b> Facilitate the implementation of productivity-based compensation systems in public and private sector organizations	2008-2012 (on-going)	MLSS, JPC, JCTU, JEF	TBD
	<b>4.1.7.2</b> Maintain a national Macro-Productivity Indicators database	2008 (Immediate & on-going)	JPC	TBD

## 6. MONITORING & EVALUATION FRAMEWORK

### 6.1 Monitoring and Evaluation Framework

#### 6.1.1 Institutional Arrangements

A number of institutions and agencies, including the following, will be involved in the monitoring and evaluation framework for the National Development Plan and the Labour Market and Productivity Sector Plan:

1. **Parliament:** The Vision 2030 Jamaica Annual Progress Report, will be presented to the Parliament for deliberations and discussion.
2. The **Economic Development Committee (EDC)** is a committee of Cabinet chaired by the Prime Minister. The EDC will review progress and emerging policy implications on the implementation of Vision 2030 Jamaica and the relevant sector plans.
3. **The National Planning Council (NPC)** is a consultative and advisory body which brings together top decision-makers in the Government, private sector, labour and civil society. It is proposed that the NPC accommodates discussion on the Plan at least once every quarter as a national consultative forum on the implementation of Vision 2030 Jamaica.
4. The **Vision 2030 Jamaica Technical Monitoring Committee (TMC)**, or Steering Committee, is to be chaired by the Office of the Prime Minister and will provide oversight for the technical coordination and monitoring of the Plan and reporting on the progress of implementation.
5. The **Vision 2030 Jamaica Technical Secretariat** to be institutionalized within the PIOJ will play a leading role in coordinating implementation, analyzing social

and economic data and information, consolidating sectoral information into comprehensive reports on Vision 2030 Jamaica's achievements and results, maintaining liaisons with sectoral focal points in MDAs, and supporting the establishment and operation of Thematic Working Groups.

6. **Ministries, Departments and Agencies (MDAs)** represent very important bodies within the implementation, monitoring and evaluation system. They are the Sectoral Focal Points that will provide data/information on a timely basis on the selected sector indicators and action plans, and be responsible for the timely preparation of sector reports that will feed into the Vision 2030 Jamaica Annual Progress Report. For the Labour Market and Productivity Sector Plan, the main MDAs comprising the relevant Sectoral Focal Point will include Labour Market and Productivity.
7. **Thematic Working Groups** are consultative bodies aimed at providing multi-stakeholder participation in improving the coordination, planning, implementation and monitoring of programmes and projects relevant to the NDP and sector plans, including the Labour Market and Productivity Sector Plan. TWGs will be chaired by Permanent Secretaries or senior Government officials and shall comprise technical representatives of MDAs, National Focal Points, the private sector, Civil Society Organizations and International Development Partners. TWGs will meet a minimum of twice annually.

### **6.1.2 Indicator Framework and Data Sources**

Appropriate indicators are the basic building blocks of monitoring and evaluation systems. A series of results-based monitoring policy matrices will be used to monitor and track progress towards achieving the targets for the NDP and sector plans, including the Labour Market and Productivity Sector Plan. The performance monitoring and evaluation framework will be heavily dependent on line/sector ministries for quality and timely sectoral data and monitoring progress.

The results-based performance matrices at the national and sector levels comprise:

- At the national level, 60 proposed indicators aligned to the 15 National Outcomes
- At the sector level, a range of proposed indicators aligned to the sector goals and outcomes
- Baseline values for 2007 or the most recent past year
- Targets which outline the proposed values for the national and sector indicators for the years 2012, 2015 and 2030
- Data sources which identify the MDAs or institutions that are primarily responsible for the collection of data to measure and report on national and sector indicators
- Sources of targets
- Links to existing local and international monitoring frameworks such as the MDGs

Some gaps still exist within the performance matrix and a process of review to validate the proposed indicators and targets is being undertaken. This process is very technical and time consuming and requires significant cooperation and support from stakeholders and partners. The performance monitoring and evaluation framework will be heavily dependent on ministries for quality and timely sectoral data and monitoring progress. The system will benefit from our existing and relatively large and reliable statistical databases within the Statistical Institute of Jamaica (STATIN) and the PIOJ.

### **6.1.3 Reporting**

The timely preparation and submission of progress reports and other monitoring and evaluation outputs form an integral part of the monitoring process.

The main reports/outputs of the performance monitoring system are listed below.

1. **The Vision 2030 Jamaica Annual Progress Report** will be the main output of the performance monitoring and evaluation system.

2. **The annual sectoral reports** compiled by the Sectoral Focal Points for submission to the Vision 2030 Jamaica Technical Monitoring Committee. These will be integrated into the Annual Progress Report.
3. **Other products** of the performance monitoring system include issues/sector briefs and research reports.

#### **6.1.4 Capacity Development**

There is recognition that building and strengthening technical and institutional capacity for the effective implementation, monitoring and evaluation of the NDP and the Labour Market and Productivity Sector Plan is critical for success. This calls for substantial resources, partnership and long-term commitment to training MDA staff. Training needs will have to be identified at all levels of the system; a reorientation of work processes, instruments, procedures and systems development will have to be undertaken; and staffing and institutional arrangements will need to be put in place. Partnership with the Management Institute for National Development (MIND) and other institutions will also be required to provide training in critical areas such as results-based project management and analysis, monitoring and evaluation, and data management to and public sector staff.

# APPENDICES

**APPENDIX I****List of Acronyms**

BRD	Barbados
BYoND	Building Youth for National Development
CAN	Canada
CARICOM	Caribbean Community
CBET	Competency-Based Education & Training
CPI	Consumer Price Index
CSEC	Caribbean Secondary Educational Certificate
CSME	Caribbean Single Market & Economy
CVQ	Caribbean Vocational Qualification
DOM	Dominican Republic
ELE	Electronic Labour Exchange
ESSJ	Economic and Social Survey Jamaica
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GES	Government Employment Services
GOJ	Government of Jamaica
HEART	Human Employment and Resource Training
	Human Immunodeficiency Virus/Acquired Immune Deficiency
HIV/AIDS	Syndrome
IDT	Industrial Disputes Tribunal
ILO	International Labour Organization
IMF	International Monetary Fund
IRL	Ireland
JAMVAT	Jamaica Values and Attitudes Project
JBDC	Jamaica Business Development Centre
JCTU	Jamaica Confederation of Trade Unions
JEF	Jamaica Employers Federation
JPC	Jamaica Productivity Centre
JYEN	Jamaica Youth Employment Network
LMI	Labour Market Information
LMIS	Labour Market Information Systems
MFP	Multi Factor Productivity
MIDA	Micro Investment Development Agency
MLSS	Ministry of Labour and Social Security
MPF	Medium Term Policy Framework
MUS	Mauritius
MYS	Malaysia

NCU	Northern Caribbean University
NDP	National Development Plan
NIS	National Insurance Scheme
NTA	National Training Agency
NYS	National Youth Service
OECD	Organization for Economic Co-operation and Development
PDU	Plan Development Unit
PIOJ	Planning Institute of Jamaica
SGP	Singapore
SME	Small and Medium-Sized Enterprise
STATIN	Statistical Institute of Jamaica
SWOT	Strength, Weakness, Opportunity, Threat
T-21	Threshold 21
TF	Task Force
TFP	Total Factor Productivity
TTO	Trinidad & Tobago
UCC	University College of the Caribbean
USA	United States of America
UTech	University of Technology
UWI	University of the West Indies
YEN	Youth Employment Network



**APPENDIX II****References**

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**APPENDIX III****Labour Market and Productivity Task Force**

Mr. Martin Brown	Statistical Institute of Jamaica
Mrs. Helene Davis-Whyte	Jamaica Confederation of Trade Unions
Dr. Charles Douglas	Jamaica Productivity Centre
Mrs. Yvonne Gordon	Office of the Services Commission
Mr. Robert Gregory	Jamaica Trade and Invest
Mrs. Merrit Henry	University of the West Indies
Mrs. Audrey Hinchcliffe (Chairperson)	Jamaica Employers Federation
Mr. Benthon Hussey (Deputy Chairperson)	Labour Market Specialist
Rev. Adinhair Jones	National Youth Service
Mr. Tom McArdle	HEART Trust/ NTA
Mr. Errol Miller	Ministry of Labour and Social Security
Mrs. Andrea Miller-Stennett	Ministry of Labour and Social Security
Mr. Shirlee Morgan	Ministry of Education and Youth
Mrs. Gillian Rowlands	Hamilton Knight Associates
Mrs. Maria Walters	Ministry of Finance and Planning
Mrs. Phyllis Wilks	Statistical Institute of Jamaica
Ms. Valerie Veira	Jamaica Business Development Centre
Mr. Douglas Webster	Ministry of Industry, Tech., Energy & Commerce
Mr. Maurice Harris	Planning Institute of Jamaica
Mr. Charles Clayton	Planning Institute of Jamaica
Mrs. Angella Taylor-Spence	Planning Institute of Jamaica
Mrs. Sandra Ward	Planning Institute of Jamaica