

COTE 2010

**LABOUR AND HUMAN
CAPITAL DEVELOPMENT**

*Examining the Levels of Human
Capital Development in Trinidad
and Tobago*

Rosa-Mae Whittier

Oilfields Workers' Trade Union

Friday October 8, 2010

Presentation Outline

- Examination of local labour market to determine the levels of Human Capital Development
- Human Capital Development and the local economy – a historical context
- The way forward towards increased Human Capital Development in Trinidad and Tobago

Determining the Levels of Human Capital Development in T&T – *An Examination of the Local Labour Market*

Labour Force By Sector

<i>Sector</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Other Agriculture, Forestry, Hunting and Fishing	3.93	3.01	2.57	3.62
Sugar	0.27	0.14	0.06	0.08
Petroleum and Gas	3.23	3.26	3.49	3.5
Construction	17.89	18.28	17.95	18.73
Wholesale/Retail Trade, Restaurant and Hotels	18.94	18.28	18.84	18.58
Transport, Storage and Communications	6.59	6.97	5.97	5.9
Finance, Insurance, Real-Estate and Business Services	8.59	8.39	9.79	7.64
Community, Social and Personal Services	30.16	31.61	30.92	31.49
Electricity and Water	1.53	1.38	1.18	1.11
Other Manufacturing	8.58	8.47	8.84	8.88
Other Mining and Quarrying	0.11	0.13	0.24	0.21
Not Stated	0.16	0.06	0.14	0.24

Labour Force By Income

<i>Monthly Income Group</i>	<i>2005</i> %	<i>2006</i> %	<i>2007</i> %
Less Than \$500	2.11	1.43	1.46
\$500 - \$999	3.76	3.43	2.13
\$1,000 - \$1,499	10.49	8.75	5.77
\$1,500 - \$1,999	11.62	9.82	8.40
\$2,000 - \$2,999	20.85	21.34	19.45
\$3,000 - \$3,999	12.60	14.57	16.08
\$4,000 - \$4,999	6.41	7.11	9.49
\$5,000 - \$5,999	4.60	4.76	5.82
\$6,000 - \$6,999	3.10	3.56	3.93
\$7,000 - \$7,999	1.76	1.76	2.59
\$8,000 - \$8,999	1.52	1.62	2.31
\$9,000 - \$10,999	1.48	1.83	2.40
\$11,000 - \$12,999	0.40	0.43	0.46
\$13,000 - \$14,999	0.10	0.17	0.20
\$15,000 and over	0.85	1.09	1.40
Not Stated/Not Applicable	18.34	18.30	18.12

Labour Force By Educational Attainment

<i>Educational Attainment</i>	<i>2005</i> %	<i>2006</i> %	<i>2007</i> %
No education	0.3	0.2	0.3
Primary: < Standard 5	1.5	1.2	1.4
Primary: > Standard 4	12.3	11.6	11.4
Primary with Training	14.8	14.4	13.9
Secondary: No Subjects	10.3	10.3	9.6
Secondary: 1-4 Subjects	5.0	5.1	5.3
Secondary: 5 or More Subjects	3.5	3.4	3.4
Secondary: No Subjects, Plus Training	14.9	15.3	16.0
Secondary: 1-4 Subjects, Plus Training	12.6	12.4	12.9
Secondary: 5 or More Subjects Plus Training	16.1	16.2	15.4
University Education (No Degree)	0.8	1.0	1.2
University Degree/Diploma/Certificate	7.4	8.4	9.0
Education in a Foreign Country/Other	0.4	0.4	0.3

Analysis

Labour Force By Sector:

Higher concentration in unskilled and semi-skilled sectors
Construction, Wholesale/Retail Trade, Com. Soc. Personal
Services, as compared to Petroleum & Gas and Finance, Insur.
R. Estate and Bus. Serv.

Labour Force By Income:

- Over the three years ('05, '06, '07) the two largest monthly income groups were: \$2,000 - \$2,999 and \$3,000 - \$3,999
- Higher concentration in lower end income range

	<u>'05</u>	<u>'06</u>	<u>'07</u>
Less than \$4000 per month	61.43%	59.34%	53.29%

Analysis (cont'd)

Labour Force By Educational Attainment:

Largest proportion of labour force, for the 3 yrs. – **below** tertiary education: Primary > Std. 4; Primary with training; Secondary no subjects; Secondary no subjects plus training; Secondary 1-4 subjects plus training; Secondary 5 or more subjects plus training

<u>Note:</u>	'05	'06	'07
Secondary: No Subjects (with and without training)	25.2	25.6	25.6

Summary

Higher concentration of labour force in :

- Unskilled and Semi-Skilled Sectors
- Lower monthly income ranges
- Lower levels of educational attainment

- These trends in the local labour market point to **relatively low levels of Human Capital Development (HCD)** in T&T

Analysis (cont'd)

HCD is *relatively low* in T&T, DESPITE the following:

Higher Enrollment Levels in Tertiary Education

- Enrollment in tertiary programmes has increased five-fold since 2001; 45% of student population in 2010, up from 9% in 2001

Significant Expenditure on Education and Training

- Expenditure on the GATE Programme, since inception: in excess of TT\$2.5b
- Education continues to receive the lion's share with respect to allocations of the National Budget. A trend which was maintained this year.

Budget Allocation 2010/2011: TT\$8.325 billion
(Education & Training)

Human Capital Development In T&T – A Historical Context

- Historically, the local economy, and other Caribbean Economies have been predicated on the use of cheap labour for the production of goods for export. Which goods, have traditionally had *little added value*.
- Given this, Human Capital Development, and improving the skills and the capacity of workers was not a priority.
- Modern Caribbean economies, in large part are still organized according to this traditional structure.
- As a result, Human Capital Development continues to suffer, as the data illustrates, despite high expenditure.

Going Forward

- Current situation must be reversed making Human Capital Development a priority.
- Achieving this would lead to increased levels of education and training across the labour force.
- This would translate into a reduced concentration of the labour force in lower end jobs.
- Such a trend would positively impact citizens' Standard of Living and National Development.

POLICY APPROACH – How can HCD levels be improved *Development and implementation of a specific Industrial Policy*

- Current situation of relatively low Human Capital Development, (as illustrated by the data) despite high enrollment levels and high levels of public spending on education and training suggest a misalignment between skills and the demands in the labour market
- The IP would identify the sectors to be targeted for Development within the local economy.
- The relevant job markets and corresponding vacancies, which are linked to this sector would then be identified and the Required training could be therefore be provided thereby serving to rectify the problem of misalignment.
- E.g.. Developing Tourism Sector

Increased Training and Re-Training At the Workplace

- Training at the workplace would ensure that workers are trained specifically to meet the needs of existing positions, again contributing to an improved alignment between the supply and demand of labour.
- Such training could include Apprenticeship Programmes
- Training at the workplace would also seek to ensure that the training provided also corresponds to non-traditional sectors (culture)
- Having firms involved in education and training would serve to create a shift in the production process where Human Capital Development is now seen as a priority

Conclusions

- Levels of HCD are relatively low in local labour market; despite higher enrollment and high public spending on education, suggesting that there is a misalignment in the labour market
- Lack of priority on HCD – historic trend
- Current situation needs to be reversed, which would promote improved SOL and National Development
- Improved HCD levels could be achieved by:
 - developing and implementing a specific Industrial Policy
 - increased training and re-training at the workplace