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The Brain Drain in the Caribbean

The reality facing school leavers in the Caribbean is graphically illustrated by a commentary entitled "The Silent flight of our youth" in the Barbados *Daily Nation* newspaper of July 1. The writer, a secondary school leaver about to head to Canada to pursue his university degree, writes "Many are unable to find meaningful employment and more alarmingly an increasing number are leaving the island altogether." He goes on to quote information from the Barbados Statistical Services to the effect that unemployment in the 15-24 year-old age group ranges from 20 to 30 percent. He also quotes information from the Caribbean Development Bank that more than 70 percent of Caribbean nationals with tertiary education live and work outside the region.

The wisest counsel for many young people who "even after years of academic achievement, face a job market that is stagnant, overly competitive or just not equipped to absorb them", is to migrate abroad. In North America and Europe they will find markets that are broader and deeper where they may deploy their skills. Caribbean markets offer job opportunities in tourism, the oil industry, and in a few countries, manufacturing and agriculture, along with wholesale, retail, public service and other strictly domestic activity. Those whose talents and interests lay beyond these areas must seek opportunities for personal and professional development outside the region. In areas where the Caribbean does employ skilled labour the path to the top is short, with few senior posts on offer. As individuals deepen their knowledge and skills they find there are no openings for further advancement at home.

Reinforcing the effects of these push factors that drive skills away from the Caribbean are the pull factors of the attractive lifestyles on offer in the urban centres of North America and Europe. Cities such as New York, Washington DC, Miami, Toronto and London offer richer, fuller experiences for social life and professional activities than can be found anywhere in the Caribbean. There is more interesting, varied and challenging work, and more options and better quality of entertainment, education, health services, recreation, travel and other activities for personal development and enjoyment.

The cultural industries and sports are a Caribbean success story. Notable examples include music, literature, cricket, athletics, motor sport, horse racing and surfing. Experience has shown that for a majority of those who make their living in these professions, a base in North America or Europe offers better prospects of success and a superior quality of life than is possible from the Caribbean. This is unsurprising because the international finance and marketing institutions and the purchasing power which make the cultural activities viable are all located in major markets. They include publishers, streaming services, booking agents, distribution networks, social media networks, international broadcasters, etc.

Caribbean governments may provide incentives to retain skills by improving their international competitiveness and attracting investment to increase productive capacity and the demand for skilled workers. Investors, local and foreign, are attracted to projects which promise to be inherently profitable. Investors make an assessment of whether a proposed hotel or production facility will find a market where they can earn a return that covers the cost of building and operating the plant. The factors they will take into account include the prices of the competition which they will have to match with their product, the cost of supplies and services, the unit labour costs, and the costs of finance. Their decisions are also influenced by the exchange rate; a country with a currency which suffers frequent changes and crises will be at a disadvantage. Another major consideration is the burden of permissions and regulations that must be negotiated in order to get investment off the ground.

Arguably, the emigration of skills is a very significant avenue by which Caribbean families have improved the quality of their lives during the era of Independence. Generations of skilled Caribbean people have now migrated abroad, maintaining links with extended families that include those that remain behind. These family trees provide improved life chances for all, both those who have emigrated and those who have remained in the Caribbean. The United Nations Department of Economic and Social Affairs reports that in 2024 the proportion of the population born in Guyana that lives abroad is 57%. That is almost as high as for Puerto Rico (60%). The proportions for other Caribbean countries are 44% for Jamaica, 41% for Suriname, 35% for St Vincent and the Grenadines, 30% for St Kitts-Nevis, 22% for Trinidad and Tobago, 17% for Haiti, 17% for the Dominican Republic, 14% for Antigua and Barbuda and 7% for Barbados.

Emigration is now a worldwide phenomenon: 3.5% of the world's population in 2024 lived in a country other than the country of their birth.

In order to maximize the benefit for their citizens from a tide that will not be arrested or reversed, Caribbean governments should ensure stable exchange rates and efficient public administration to provide the best platform for job-creating investment at home.

At the same time governments should remove any disincentive to the emigration of those who can find no suitable domestic opportunity to employ their skills and pursue their interests and abilities.

My Economic Letters may be found under "Commentary" at <u>DeLisleWorrell.com</u>.