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# **ST. KITTS AND NEVIS**

## **RETRAINING THE SUGAR WORKERS**



**ORGANISATION OF EASTERN CARIBBEAN STATES  
SECRETARIAT**

**OCTOBER 2005**



## **PREFACE**

The first field survey, on which this report is based, was undertaken in July 2005. The results of this survey were presented to stakeholders in St. Kitts in August. Additional fieldwork was undertaken in September, in order to further disaggregate the data that had been collected in the initial survey.

The OECS team was made up of Jacqueline Massiah and Sean Curtis Mathurin both of whom were responsible for data collection and analysis. Other persons in the OECS team included Beverly Best, Rodinald Soomer and Ezra JnBaptiste. Vasantha Chase coordinated the preparation of the report. The services of the OECS Secretariat in the field were made possible through funding from the United Nations Development Programme (UNDP).

Mr. Gordon Alert, Team Leader, of the Transition Management Office in St. Kitts acted as the local counterpart to the OECS team. Other local counterparts provided continuous support to this effort. Special mention must be made of the enumerators who assisted in administering the two questionnaires.

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## EXECUTIVE SUMMARY

On 30 July 2005, the sugar industry in St. Kitts and Nevis was closed resulting in the release of over one thousand workers, a figure that represents approximately twelve percent of the labour force. While basic services such as medical care, housing programmes for the more disadvantaged, and pension schemes will be supported by the government, programmes are also being put in place for retraining and retooling the displaced workers to enhance their marketability and to position them for re-entry into the general work force. This initiative aims to support, re-skill, and prepare the former employees of the St. Kitts Sugar Manufacturing Corporation (SSMC) for employment in the new growth sectors of the economy including tourism, telecommunications and information technology.

In preparation for that transition, the OECS was mandated by the Government of St. Kitts and Nevis to lead the process of defining the range of options best suited to retool and retrain those workers who have been displaced by the closure of the SSMC. As such the Secretariat has formulated a road map, which provides some direction on the alternatives envisaged in support of those workers who will need to transition to the non-agricultural sectors of the economy<sup>1</sup>.

In order to ensure that the retraining and retooling of the sugar workers focuses on real economic opportunities, and on the enhancement of the existing skill-sets of the workers, the OECS Secretariat conducted three related exercises in labour market data collection and analysis. The findings of the OECS study are articulated in this report.

The study revealed that 1,406 persons were employed by the SSMC (SSMC Personnel Department information) in July 2005 when the sugar industry ground to a halt. Of that number, approximately 80% were full time employees of SSMC while the balance represented seasonal part time cane cutters. More than 67.3% were over the age of 35 but less than 50. The nature of the sugar industry and its dependence on manual workers meant that the SSMC workforce comprised a larger percentage of unskilled/semi-skilled workers, with a very few (about 347) indicating some additional skills.

An examination of the potential job market revealed that the major sectors in the economy are that of Hotel & Restaurant, Financial Services and Wholesale & Retail sectors, those also accounting for the largest percentage of the various classifications of employees. Although the majority of survey respondents pointed to no shortage of skilled labour, the Hotel and Restaurant and Manufacturing sectors forecast approximately 77% and 8% respectively of 600 additional jobs that will be available over the upcoming 12 months. The Hotel and Restaurant forecast is consistent with the upcoming high tourist visitation season when the level of seasonal employment is

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<sup>1</sup> OECS Secretariat Road Map for Managing the Change Process: The case for Sugar Workers in St. Kitts and Nevis. May 2005.

traditionally high. However this implies that the displaced sugar workers will have to compete with the available skilled labour force.

Employers pointed to the desirability of skills such as attitude to work, team spirit, co-operation skills, adaptability and appearance. Most of the respondents also indicated that age was not as important a factor in the consideration for employment, a significant fact when one considers that most ex-sugar workers are over 35 years of age<sup>2</sup>.

An examination of the training needs of the displaced workers (371 respondents out of a total of 1108 displaced workers aged between 15 and 62) reveals expressions of interests in industries relating to Hospitality, Construction, Vehicle maintenance, and farming/fishing. Despite the potential number of jobs that may become available in the Hotel and Restaurant sector<sup>3</sup>, there is the concern that the small size of the labour market will not be able to absorb a number of displaced workers even after retraining. Consequently, retraining and retooling must reflect not only the workers stated needs and preferences, but also the requirements of the labour market. It will also be necessary therefore to create opportunities for self employment and micro-enterprise development.

This report focuses on analysing the fit between the existing labour market needs of the economy and the skill sets that the displaced sugar workers will need to possess or acquire to transition to other labour markets. It does not cover the entire range of interventions that will be necessary to manage that transition process. It should also be noted that the Labour Market Absorption Survey was not designed to capture data on new investments and establishments that have not started operating. The emphasis of training programmes would have to shift in response to new employment opportunities that such developments would generate in the medium term. It is worth noting however that the closure of the sugar industry will provide the basis for strengthening social capital through training and human resource development for a more competitive economy.

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<sup>2</sup> The St. Kitts & Nevis, Social Audit of the Sugar Industry, (ECLAC), revealed that the age groups 35-49 and 50-62 respectively comprised 46% and 22% of the workforce.

<sup>3</sup> The OECS Labour Market Absorption Survey has identified 541 jobs for H and R sector

## I. INTRODUCTION



Photos 1 and 2 Final Scenes in Sugar Production in St. Kitts and Nevis

### 1. BACKGROUND

The sugar industry in St. Kitts and Nevis has, historically, shaped the economic and social organisation of that nation; the crop still dominated the agricultural sector, until July 2005. With the closure of the 350-year-old sugar industry it is expected that sectors such as tourism, export-oriented manufacturing, and offshore banking will assume larger roles in the economy.

The sugar workers made up about twelve per cent of the labour force and a survey undertaken in 2002 by UNECLAC found that at least half of the workers were between 35 and 49 years of age; and many of them had worked in the sugar industry for more than 21 years<sup>4</sup>. It is estimated that at least seventy per cent of these workers will remain in the labour force for at least another 15 years<sup>5</sup>. Unfortunately, while many of the workers have remained in the industry for long periods, the industry has not provided skills enhancement, or occupational mobility; neither has there been income mobility.

On July 30<sup>th</sup>, the sugar industry was closed and in excess of one thousand workers of the St. Kitts Sugar Manufacturing Corporation (SSMC) were released with the provision of an E.C. \$44 million severance package. In addition, medical care will be provided to the sugar workers by the National Health Programme<sup>6</sup>; a housing scheme will be implemented for workers who do not own a home but have served the industry for more

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4 ECLAC. St. Kitts and Nevis. Social Audit of the Sugar Industry. LC/CAR/R.66 2002.

5 Ibid

6 Press release from the Prime Minister's Office, July 28<sup>th</sup> 2005, "PM Douglas to shed light on the road ahead for St. Kitts and Nevis after sugar".

than 20 years and whose income levels place them below the poverty line; and the SSMC pensioners will be transferred to the Social Security Scheme with the guarantee that their pension receipts will not be reduced.

In addition, programmes are being put in place to ensure that the workers are re-trained and re-tooled for re-entry into the general work force. To this end, the Ministry of Social and Community Development, along with the Basic Needs Trust Fund, Advanced Vocational Educational Centre and the Clarence Fitzroy Bryant College, are implementing a Post-Sugar Social Reconstruction Project estimated to cost US \$6 million. This initiative will support, re-skill and prepare SSMC employees for employment in the new growth sectors of the economy including tourism, telecommunications and information technology. That project is expected, among other things, to deliver skills training, provide financial subsidies for persons involved in retraining, provide counseling in savings and investment behaviour, and prepare sugar workers to take up entrepreneurial opportunities.

The OECS Secretariat has been mandated by the Government of St. Kitts and Nevis to play the lead role in defining the range of options best suited to retool and retrain those workers who have been displaced by the closure of the SSMC. To this end, the Secretariat has formulated a road map, which speaks specifically to the type of alternatives envisaged in support of those workers who will need to move into the non-agricultural sectors of the economy<sup>7</sup>.

In order to ensure that the retraining and retooling of the sugar workers focuses on real economic opportunities, and on the enhancement of the existing skill-sets of the workers, the OECS Secretariat further conducted three related exercises in labour market data collection and analysis, namely (i) update the audit of the SSMC workers that had been undertaken by UNECLAC in 2002; (ii) a labour market absorption survey (survey of establishments) to obtain information on labour market needs; and (iii) an assessment of training needs and development of profiles for each of the categories of displaced SSMC workers requesting training. This Report and the analyses contained herein are informed by the aforementioned exercises, with the audit undertaken by UNECLAC in 2002 serving as a backdrop.

The first field survey was undertaken in July 2005. The results of this survey were presented to stakeholders in August. Additional fieldwork was undertaken, in September, in order to further disaggregate the data that had been collected in the initial survey.

The OECS team was made up of Jacqueline Massiah and Sean Curtis Mathurin, Beverly Best, Rodinald Soomer and Ezra JnBaptiste. Mr. Gordon Alert, Team Leader, of the Transition Management Office in St. Kitts acted as the local counterpart to the OECS team.



Photo 3 Gordon Alert,  
Team Leader of the Transition Management Office

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<sup>7</sup> OECS Secretariat Road Map for Managing the Change Process: The case for Sugar Workers in St. Kitts and Nevis. May 2005.



Other local counterparts provided continuous support to this effort. Special mention must be made of the enumerators<sup>8</sup> who assisted in administering the two questionnaires<sup>9</sup>.

## **2. SURVEY METHODOLOGY**

As already mentioned, the fieldwork was targeted at (i) the sugar workers, and (ii) potential employers.

### **i. Sugar Workers**

In July a questionnaire was administered to the sugar workers<sup>10</sup> to gather information on:

- Educational background
- Skill areas
- Academic/vocational/technical interests

In order to ensure that a representative sample of the workers was interviewed, the questionnaires were administered, simultaneously, in three estates, during the period 15<sup>th</sup> to 19<sup>th</sup> July. A total of 428 questionnaires were administered. The purpose of this survey was two fold: (i) to ascertain the additional skill sets that the respondents possessed outside those skills that they needed to work at SSMC; and (ii) to identify their training needs.

A second instrument was used to gather information from the personnel records of the SSMC. This information was also used to profile the SSMC workers<sup>11</sup> and to ascertain whether the findings of the 2002 UNECLAC Audit still remained current in 2005

The information collected through the two instruments provided useful information for profiling the various categories of sugar workers. While the data was not sufficiently disaggregated to provide the detailed type of information necessary for the design of training programmes that would better equip the displaced sugar workers for the wider job market, further analysis of data generated from the original questionnaires provided some guidance.

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8 Teachers, community development officers and staff of the community college.

9 One questionnaire focused on training needs of the sugar workers while the other focused on the absorptive capacity of the private sector to employ the displaced sugar workers.

10 This questionnaire was administered by members of the Social Action Committee.

11 The ECLAC database became available only after the OAKS had undertaken the survey.



Photo 4 Sugar Workers Meet with the Prime Minister

Photo 5 Workers at a meeting outside the Factory's Social Centre



## ii. Employers

A labour market survey was undertaken to gauge the ability of the private sector to absorb some of the displaced sugar workers. The survey also sought to capture information on the needs of the employers so that the training/re-training of ex-sugar workers could be targeted to employer needs. The questionnaire instrument i.e. St. Kitts Labour Market Absorption Survey was designed by the OECS Secretariat with input from the

International Labour Organisation (ILO)

The OECS Secretariat developed the sample selection and survey method. The implementation of the survey was a collaborative undertaking between the OECS Secretariat and Transition Management Unit in St. Kitts.

From a list consisting of approximately 250 establishments, a sample of one hundred and five (105) establishments was randomly selected, using a crude probability proportionate to size (PPS) sampling method. The population was stratified by industry (sector), in order to ensure that there were sufficient numbers of establishments selected in those industry-size groupings that were of particular interest as being possible sources of employment for the displaced sugar workers.

The questionnaire instruments<sup>12</sup> were administered through a personal interview method, using a team of experienced enumerators. The survey consisted of single-visit interviews conducted in most cases with a human resource officer from each target establishment. The initial survey was conducted from the 15<sup>th</sup> – 19<sup>th</sup> of August 2005, with a follow-up survey conducted from 20<sup>th</sup> – 23<sup>rd</sup> of September 2005. The follow-up survey sought to capture disaggregated data on forecasted job opportunities.

The establishment list from which the sample was drawn was obtained from the Central Statistics Office (CSO). Adjustments were not made for non-response in the calculation of the estimates.

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12 All the questions were close ended.

## II. PROFILE OF RESPONDENTS

### 1. THE SUGAR WORKERS

According to the Personnel Department in the SSMC, 1406 persons were employed in July 2005. This represented an increase of only 17 persons since the 2002 audit that was undertaken by UNECLAC. About 80% of the workers were full time while the remaining 20% were part-time seasonal workers who worked in the fields as cane cutters. The majority of the workers (67.3%+) were more than 35 years old but less than 50 years of age. It is thus estimated that about 60% of the workers would remain in the labour force for at least another 12 years. Since the sugar industry is very dependent on manual workers, the SSMC workforce was made up of a larger percentage of unskilled/semi-skilled workers who will now need re-training to be absorbed by the job market.

In the 2002 audit it was discovered that sugar workers worked an average of 21 years in the industry. Despite this, the industry has not been a source of skills enhancement, occupational or income mobility<sup>13</sup>. Gender differentials were also evident. Women accounted for less than 30% of the work force; 81% of them were employed in field operations; and their average monthly salary was about \$900 as opposed to \$1,500 for men.

**Table 1 Profile of Age, Gender and the Department of Employment**

Employment at the SSMC											
Age	Field		Factory		Administration		Railway		Other		Total
	M	F	M	F	M	F	M	F	M	F	
15-24	17	0	32	1	2	1	52	3	19	2	129
25-34	40	13	17	6	5	15	48	2	24	4	174
35-49	118	104	67	1	18	16	59	8	89	24	504
50-62	63	74	33	1	17	2	42	2	56	11	301
63+	32	22	6	0	3	1	9	0	16	3	92
<b>TOTALS</b>	<b>270</b>	<b>213</b>	<b>155</b>	<b>9</b>	<b>45</b>	<b>35</b>	<b>210</b>	<b>15</b>	<b>204</b>	<b>44</b>	<b>1200<sup>14</sup></b>

Source: OECS Survey

Those workers who fell into the category of cleaners and persons who picked up cane along the tracks have been categorised as "Other".

As shown in Table 1, 40.3% of the workforce was employed in field operations. These persons are largely unskilled labourers. The Railway Department employed 225 persons, all of whom had some level of mechanical or engineering skills. Fourteen per cent of the workers were employed in the Factory where the work necessitated some skills in operating machines. Eighty persons, or 7% of the SSMC workforce, were employed in administrative functions.

<sup>13</sup> UNECLAC, page ix, 2002

<sup>14</sup> 206 of the respondents did not identify which department they worked in.

Only 101 respondents identified their educational background. Of these persons, 72% indicated secondary or post secondary education; 3 of the respondents have university degrees<sup>15</sup>. According to the UNECLAC Audit, almost all of the persons employed in the sugar industry have been to school, though levels of certification are low. It is assumed that this one of the reasons why only 8% of the total of 1200 respondents had identified their level of education.

**Table 2 Education by Age, Gender and Level of Attainment**

Educational Attainment											
Age	Primary		All-age/ Post Primary		Secondary		Post Secondary		University		Total
	M	F	M	F	M	F	M	F	M	F	
15-24	0	0	0	0	1	1	0	0	0	0	2
25-34	0	2	0	0	4	13	1	1	0	0	21
35-49	0	0	2	0	17	12	3	2	1	0	37
50-62	3	0	1	0	23	1	8	1	2	0	39
63+	0	0	1	0	1	0	0	0	0	0	2
TOTALS	3	2	4	0	46	27	12	4	3	0	101

Source: OECS Survey

In 2002, the UNECLAC Audit<sup>16</sup> reported that

- nearly two thirds of the under 24 age group had attained secondary school education as opposed to the other end of the age continuum (63+) of whom only 4.2% had attended secondary school;
- attendance in secondary schools had not led to certification for the majority of the sugar workers; and
- 80% had not received any kind of educational certification.

The 2002 profile remains unchanged today. Consistent with the absence of certification, most sugar workers had not received any kind of vocational or technical training. Those who had received training were mostly male; they had received construction-related and vehicle maintenance training. Those with post secondary and university education were senior managerial and professional staff.

In the design of retraining and remedial programmes it must be recognised that the unskilled/semi skilled SSMC workers, and those who were involved in elementary jobs, may experience greater difficulty being retrained because of their limited skills and low educational levels and/or non-certification. The 2002 UNECLAC Audit reports at that time over two thirds of the persons who were interviewed expressed no interest in working elsewhere: Indeed 17% of the respondents had reported that they were not interested in any other kind of work, because the sugar industry was, "the only work they knew" or the "work to which they were accustomed".

<sup>15</sup> This compares with the data provided in the ECLAC Audit.

<sup>16</sup> 1142 respondents

While the response rate on the questions pertaining to educational levels was very low, more persons responded to the question on the skills they possessed in addition to the skills that they required for jobs in SSMC. This information is provided in table 3 below.

**Table 3 Additional Skills Possessed by SSMC Workers**

Additional skills possessed by SSMC Workers															
Age	Hospitality		Construction Related		Vehicle Maintenance		Secretarial/ IT		Farming/ Fishing		Clothing & Textile		Other		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
15-24	0	0	8	0	0	1	0	1	4	0	0	0	2	0	16
25-34	0	1	11	0	5	1	0	1	11	2	0	0	7	8	47
35-49	2	10	24	3	10	1	3	3	46	20	0	7	12	24	165
50-62	0	4	9	1	4	0	0	0	31	18	1	1	17	16	102
63+	0	0	2	0	0	0	0	0	9	2	0	0	2	2	17
<b>TOTALS</b>	<b>2</b>	<b>15</b>	<b>54</b>	<b>4</b>	<b>19</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>101</b>	<b>42</b>	<b>1</b>	<b>8</b>	<b>40</b>	<b>50</b>	<b>347</b>

Source OECS Survey

The "Other" category captures those persons who either did not respond to the question or who identified some other skill that was not included in the choice of options. This "Other" category is now broken down as follows:

**Table 4 Additional Skills Classified as "Other"**

<i>Type of Skill</i>	<i>Number of Persons With skills</i>
<b><i>Cleaning/domestic</i></b>	14
<b><i>Police Officer /Security Guard</i></b>	5
<b><i>Landscaping</i></b>	4
<b><i>Chauffer</i></b>	4
<b><i>Welding</i></b>	5
<b><i>Engineering</i></b>	2
<b><i>Environmental management</i></b>	2
<b><i>Music (pannist)</i></b>	2
<b><i>Machinist</i></b>	3
<b><i>Hairdressing</i></b>	2
<b><i>Electronics</i></b>	2
<b><i>Heavy equipment operator</i></b>	1
<b><i>Accounting</i></b>	1
<b><i>Drawing</i></b>	1
<b><i>Soil conversation</i></b>	1
<b><i>Not specified</i></b>	37

Source: OECS Survey

The 9 persons involved in clothing and textile are actually involved in tailoring.

It is notable that more than 50% of the respondents claimed that they had skills in farming and/or fishing. While it is true that there were a number of workers, especially those who were involved in field operations, who are part time farmers and fishers, there is also concern that persons claimed agricultural skills because of the perception that they would get access to public lands for establishing farms. Interestingly, in the 2002 Audit, mature workers aged between 50 and 62 years reflected on their long years of involvement in agriculture, and expressed the

greatest desire for training in agriculture and for land and finance for self employment in that sector.

Finally, 81% of the respondents who identified additional skills were more than 35 years of age.

All of these persons with additional skills were, at the time of their employment with SSMC, involved in some other part-time or full time occupation.

## **2. THE EMPLOYERS (Surveyed Establishments)**

A total of 62 establishments were surveyed. The following is a breakdown of the establishments by sector of economic activity:

**Table 5 Distribution of Respondents by Economic Sector**

The sectoral distribution of the establishments surveyed revealed that 30%, 20% and 15% of the respondents were in the Hotel& Restaurant, Financial Services and Wholesale & Retail sectors respectively (Table 5). The aforementioned sectors therefore accounted for the majority of the sectors surveyed, endorsing the assertion that St. Kitts and Nevis, like most of the other Member States of the OECS, has moved or is moving away from the traditional productive sectors/sub-sectors to the services sectors.

<b>Economic Sectors</b>	<b>Percentage</b>
Wholesale & Retail	15%
Hotel & Restaurant	30%
Construction	8.3%
Manufacturing	10%
Financial Services	20%
Agriculture	1.7%
Other	15%
Total	100%

Source: OECS Survey

Furthermore, these findings are of significance for the training or retraining of the displaced ex-sugar workers. As was indicated by the employers who were surveyed, any training or retraining of ex-sugar workers should emphasize customer service/communication skills, sales and marketing skills and other skills that are valued in the services sector.

Analysis of information relating to employment showed that the Hotel & Restaurant, Wholesale & Retail and Financial Services sectors accounted for the largest percentage of the various classifications of employees (Table 6). The economic sector labelled 'Other', which accounted for 15% of the classifications, included courier companies, airline companies, shipping companies, etc.

Further examination of the employment findings of the survey revealed that the majority of the establishments surveyed registered low levels of current total employment ranging from a total employment of 0-10, to 11-25 to 26-35 (Figure 1). Conversely, only a few establishments have employees totalling in excess of 70 employees. The significance of this is that theoretically, larger establishments (with reference to the number of employees) are expected to have a bigger capacity to absorb some displaced workers.



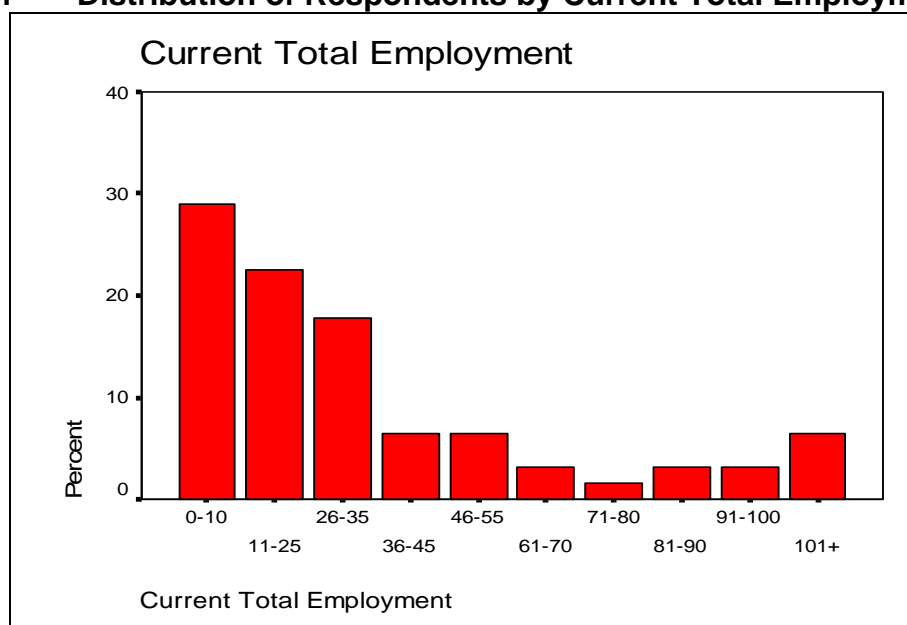
But, if the number of these large establishments is limited, then the absorption of the displaced ex-sugar workers by the private sector may prove to be quite a challenge.

**Table 6 Distribution of Respondents by Economic Sector and Employee Classification/Type**

Economic Sectors	Employee Classification/Type 1		Employee Classification/Type 2		Employee Gender	
	Wage-Earner	Salaried Employee	Permanent Employee	Temporary Employee	Male Employee	Female Employee
Wholesale & Retail	16%	17.5%	13.8%	26.1%	16.1%	14.8%
Hotel & Restaurant	34%	25%	29.3%	30.4%	28.6%	27.8%
Construction	10%	7.5%	8.6%	4.3%	8.9%	7.4%
Manufacturing	12%	7.5%	10.3%	8.7%	10.7%	11.1%
Financial Services	12%	25%	20.7%	17.4%	17.9%	22.2%
Agriculture <sup>17</sup>	2%	2.5%	1.7%	-	1.8%	1.9%
Other	14%	15%	15.5%	13%	16.1%	14.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: OECS Survey

**Figure 1 Distribution of Respondents by Current Total Employment**



Source: OECS Survey

<sup>17</sup> Most Agricultural establishments are family operated and do not hire persons



Although the majority of the surveyed establishments are fairly small and have employees totalling from 0 – 25, the survey found that 61% of the respondents expect changes (additions) in employment during the next 12 (twelve) months. When the respondents were asked whether, during the last 6 months, they had experienced any shortages of skilled labour in relation to the filling of vacancies, the majority, 70% to be precise, answered ‘No’ (Table 7). This implies that skilled labour is quite readily available in St. Kitts and Nevis and that the displaced sugar workers will need to compete with this skilled labour.

**Table 7    Employers’ Responses to Expected Changes in Employment and Experience of Shortages of Skilled Labour**

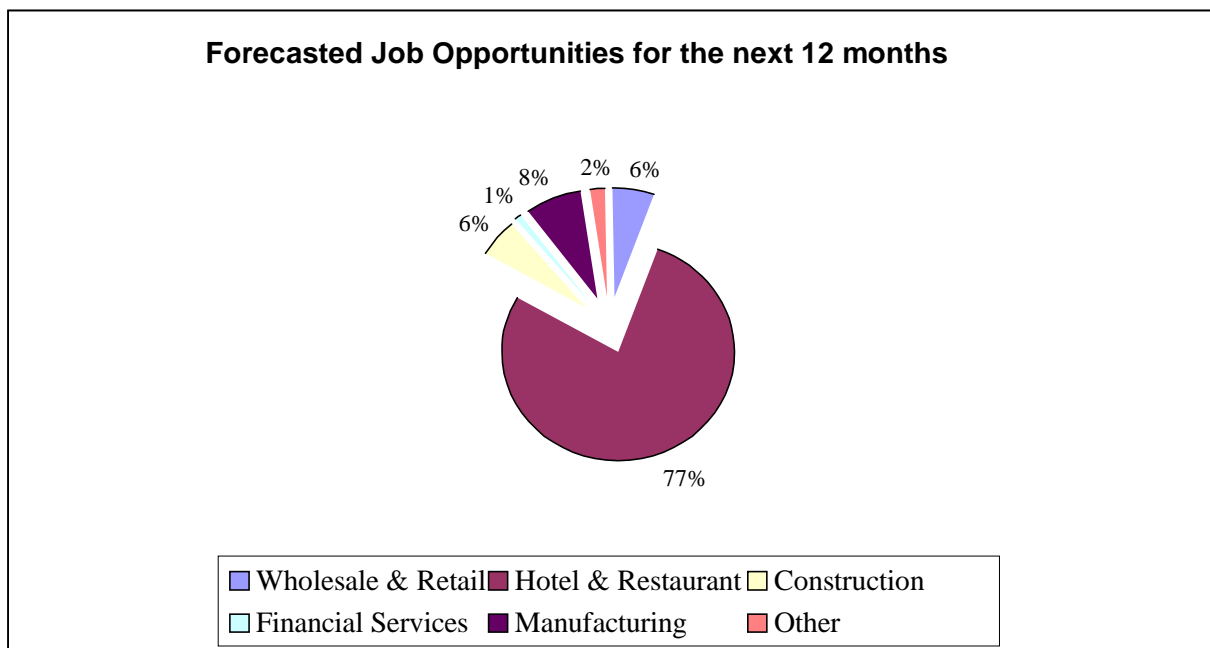
<i><b>Response</b></i>	<i><b>Expected Changes in employment next 12 months</b></i>	<i><b>Experienced shortages of skilled labour (within last 6 months)</b></i>
<b>Yes</b>	61%	30%
<b>No</b>	39%	70%
<b>Total</b>	100%	100%

Source: OECS Survey

### III. EMPLOYMENT OPPORTUNITIES

The survey respondents forecast approximately 600 additional job opportunities for the coming 12 months. Hotel & Restaurant and Manufacturing accounted for the bulk of that forecasted number. Respectively, Hotel & Restaurant and Manufacturing accounted for approximately 77% and 8% of the forecasted job opportunities (Figure 2). This is explained by the introduction of a new product line by one manufacturer, along with expected conventional increases in employment during the high tourist occupancy season. It should be noted also that approximately 78% of the job opportunities in the Hotel & Restaurant sector are seasonal in nature.

**Figure 2 Distribution by Economic Sector of Forecasted Job Opportunities for the next 12 Months**



Source: OECS Survey

Disaggregation of the forecasted job opportunities for the next 12 months revealed that the occupation of waiter/waitress and room attendants accounted for the majority of forecasted job opportunities (Table 8). Whilst supervisors accounted for a fair share of the forecasted job opportunities, it must be pointed out that the majority of the job opportunities for supervisors are in the Hotel and Restaurant sector.

Table 9 presents the responses pertaining to changes to a select number of economic indicators. Regarding the economic indicator 'Sales/Production' the majority (59.6%) of respondents indicated an increase. Additionally, approximately 53% and 72% of the respondents respectively, indicated that the number of staff hired and the number of laid off staff remained unchanged.

**Table 8 Distribution of Forecasted Job Opportunities by Occupation Title**

<i><b>Occupation Titles</b></i>	<i><b>Number of Forecasted Job Opportunities</b></i>	<i><b>Occupation Titles</b></i>	<i><b>Number of Forecasted Job Opportunities</b></i>
<b>Cook</b>	23	Sales Representative	6
<b>Banquet Server</b>	25	Packers/Handlers	2
<b>Waiter/ess</b>	122	Carpenter	8
<b>Hostess/Cashier</b>	23	Mason	18
<b>Bartender</b>	29	Equipment Operators	3
<b>Food Runner</b>	6	General Labourers	5
<b>Stewards</b>	17	Administrative Assistant	6
<b>Attendants</b>	75	Technician	5
<b>Laundry Houseman</b>	5	Pastry Chef	2
<b>At Your Service Agent/Runner</b>	9	Baker	1
<b>Clerk</b>	26	Line Workers	6
<b>Bellman</b>	5	Machinist	2
<b>Doorman</b>	1	Operation Manager	1
<b>Rooms Control Agent</b>	1	Mechanic	3
<b>Guest Relations Agent</b>	2	Body Man	1
<b>MRT- Make Ready Team</b>	29	Manager	7
<b>Seamstress</b>	1	Operators	20
<b>Bar Back</b>	6	Mechanical Engineer	1
<b>Recreation Agent</b>	3	Concierge	1
<b>Fitness Trainer</b>	1	Driver	4
<b>Lead Massage Therapist</b>	1	Gardener	7
<b>Receptionist</b>	2	Project Officer	2
<b>Hair Stylist</b>	5	Housekeeper	2
<b>Nail Technician</b>	2	Secretary	5
<b>Aesthetician</b>	1	Customer Service Representative	3
<b>Massage Therapist</b>	4	Financial Services Coordinator	1
<b>Supervisor</b>	37	Heavy Equipment Operator	3

Source: OECS Survey

**Table 9 Employers' Responses to Changes to Economic Indicators**

Percentage of respondents expecting	Economic Indicator		
	Sales/Production	Number of Staff Hired	Number of Laid off staff
Increased	59.6%	46.9%	8%
Unchanged	30.8%	53.1%	72%
Decreased	9.6%	-	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: OECS Survey

## 1. SKILLS AND CHARACTERISTICS

This section presents information on the respondents' assessment of a select number of skills as well as whether employers have undertaken or intend to undertake any changes to their organisational structure and/or changes in production technology.

An examination of the respondents' assessment of desirable characteristics/skills listed in Table 10 reveals that soft skills such as attitude to work, team spirit, co-operation skills, adaptability and appearance were very important (or more important) to the respondents than the hard skills (i.e. IT skills, Education). Interestingly, soft skills of the above-mentioned are fundamental to the operations of the services sector. A further interesting finding is that roughly 4% of the respondents indicated age to be very important. Conversely, approximately 19%, 25% and 37% respectively indicated that age was not important, hardly important and partially important. The significance of all of this is that most ex-sugar workers are over 35 years of age<sup>18</sup>.

**Table 10 Employers' Assessment Response to a Select Number of Skills**

Characteristics/Skill	Response					Total
	Not Important	Hardly Important	Partially Important	Important	Very Important	
IT Skills	16.4%	16.4%	18.2%	25.5%	23.6%	100%
Team Spirit	-	-	11.7%	25%	63.3%	100%
Age	19.3%	24.6%	36.8%	15.8%	3.5%	100%
Appearance	1.7%	6.9%	8.6%	34.5%	48.3%	100%
Attitude to work	-	-	3.3%	8.3%	88.3%	100%
Education	3.4%	3.4%	36.2%	41.4%	15.5%	100%
General work experience	1.7%	13.6%	52.5%	20.3%	11.9%	100%
Vocational Skills	1.8%	22.8%	33.3%	31.6%	10.5%	100%
Co-operation Skills	-	3.4%	8.6%	31%	56.9%	100%
<b>Adaptability</b>	-	1.7%	15.5%	27.6%	55.2%	100%

Source: OECS Survey

<sup>18</sup> The St. Kitts & Nevis, Social Audit of the Sugar Industry, (ECLAC), revealed that the age groups 35-49 and 50-62 respectively comprised 46% and 22% of the workforce.

Information on changes by way of technology or organization of work revealed that during the last 2 years approximately 36% of the respondents did make some sort of change technologically or organizationally (Table 11). Likewise, approximately only 30% plan to undertake any major changes in either technology or work organization.

**Table 11 Employers' Responses to Changes in Technology and Organisation of Work**

<b>Response</b>	<b><i>Has the company made any changes in technology or the organisation of work during the last 2 years</i></b>	<b><i>Is your company planning any major changes in either technology or work organisation</i></b>
<b>Yes</b>	<b>35.5%</b>	<b>30.4%</b>
<b>No</b>	<b>64.5%</b>	<b>69.6%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: OECS Survey

## 2. EMPLOYEE TRAINING AND RECRUITMENT

This section of the report seeks to identify the recruitment methods and training methods of the private sector based on the employers' responses to specific questions in the questionnaire instrument. The survey revealed that the majority of the respondents indicated in-house/on-the-job training as their chosen method of continuing training of employees (Figure 3). Training at vocational training institutions and through equipment suppliers were not chosen methods of continuing training of employees by the respondents.

**Figure 3 Distribution of Responses by Method of Continuing Training of Employees**

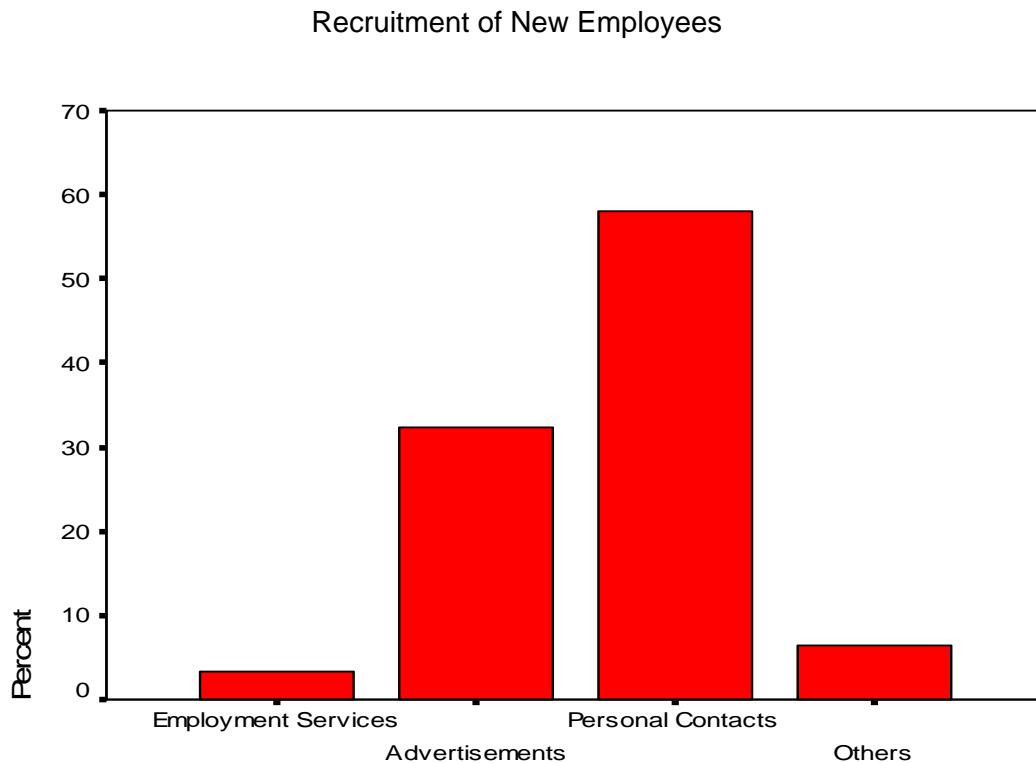


Source: OECS Survey

N.B. Responses (1) In house/on-the-job training, (2) Through private training providers (3) Others

The bar chart below (Figure 4) shows the distribution of respondents on the basis of the methods used to recruit new employees. This chart reveals that the majority of respondents recruit new employees by way of personal contacts or references, as opposed to the more formal/conventional methods of advertising or going through training institutions or educational institutions. Consequently, if a substantial number of ex-sugar workers are to be absorbed by the private sector, mechanisms would have to be put in place to ensure that the recruitment of the ex-sugar workers is undertaken via a systematic approach as opposed to an ad hoc/informal approach.

**Figure 4 Distribution of Responses by Recruitment Method**



Source: OECS Survey

N.B. Responses. (1) Through the employment services (2) By advertisements in papers and journals (3) Through personal contacts (4) Others

#### IV. TRAINING NEEDS OF DISPLACED SUGAR WORKERS

The previous section attempted to disaggregate the survey data so as to obtain the number of forecasted job opportunities by occupation; however the survey was not able to ascertain the training needs and skill requirements for each of the job opportunities. This section will provide profiles on the sugar workers according to their requests for training. This is with a view to assisting with the matching of forecasted job opportunities with the training needs of the sugar workers, so that the supply of retrained displaced sugar workers can be aligned with the demand requirements for that labour. It is important to note here however, that the labour demand is being measured up against the types of training that the sugar workers have requested. It is safe to assume that the sugar workers have requested training without any prior knowledge of the existing and forecasted requirements of the labour market.

**Table 12 Requests for Training in New Skills**

Skills Training requests															
Age	Hospitality		Construction Related		Vehicle Maintenance		Secretarial /IT		Farming/ Fishing		Clothing & Textile		Other*		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
15-24	1	1	4	1	1	1	3	2	5	0	0	0	4	1	24
25-34	1	4	12	0	4	0	4	3	7	0	0	0	8	5	48
35-49	7	24	19	5	13	0	5	4	38	8	0	5	15	34	177
50-62	3	7	13	0	1	0	2	4	29	10	0	4	11	17	101
63+	0	1	2	0	0	0	0	0	7	1	0	2	6	2	21
TOTALS	12	37	50	6	19	1	14	13	86	19	0	11	44	59	371

Source: OECS Survey (The categories for training were derived from the UNECLAC Audit.)

\* Refer to Table 13 below for a disaggregation of this category.

While only 371 persons had responded to questions on their training needs, the survey suggests that there are 1108 persons aged between 15 and 62 years of age who have been displaced by the closure of the SSMC. Of the entire SSMC labour force, 731 persons were employed in the largely unskilled sectors of the industry. These persons will need specialised training that may also have to include adult education classes in numeracy and literacy. Furthermore, the OECS survey of employers suggests that, “*any training/re-training of ex-sugar workers should emphasise customer service/communication skills, sales and marketing skills and other skills that are valued in the service sector*”. It may be useful to note that in discussions with the members of staff of the Personnel Office of the SSMC it was revealed that there is very little interaction or conversation between the workers in the more manual operations of the industry. When this information is applied against employer requirements for “soft skills” including communication and customer relation skills, it is clear that any training for the majority of the displaced sugar workers should include customer service oriented skills.

A total of 103 persons had identified, “Other” as a training requirement. There were an additional 978 persons who did not select a training option or were not interviewed. Of these persons 65% were men. In addition, 68 % of these respondents, irrespective of gender, worked in the field or in the factory. Twenty-six persons have CXC and other tertiary level certification:

15 persons certified at CXC/GCE level

7 persons with post secondary qualifications (Associate Degree/Diploma)

3 persons with a BSc.

1 person with an MSc.

Further investigation revealed that these persons with the certification actually worked as professionals and technicians in crop production.

**Table 13 Profile of workers requesting “Other”\* training**

<b>Selections</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Needlecraft/Basketry/Craft	0	3	3
Interior Decorating	0	2	2
Machinist/Machine Operator	4	0	4
Domestic/Cleaning	1	8	9
Customs Officer	1	0	1
Electronics	3	0	3
Road Construction	1	0	1
Electrical Engineering	1	0	1
AC/Refrigeration	1	0	1
Environmental/ Solid Waste Worker	1	2	3
Sugar Trail Guide	2	0	2
Scavenger	0	1	1
Supervisory/Management/Business	5	1	6
Rehab Therapy	1	0	1
Welding	2	0	2
Accounting	0	1	1
Child Care/Day Care	0	13	13
Video graphics	1	0	1
Driver/Chauffeur	2	0	2
Entrepreneur	0	1	1
Fire Officer	1	0	1
Cake/Pastry Making & Baking	1	1	2
Upholstering	0	3	3
Industrial Site	0	1	1
Landscaping	6	3	9
Photography	1	0	1
Field Work	1	0	1
Vocational	0	1	1
Security Guard	0	3	3
Medical	1	0	1
Nothing specified/Anything	7	15	22
<b>TOTALS</b>	<b>44</b>	<b>59</b>	<b>103</b>

\* Refer to Table 12.

Table 13 has reproduced the responses from persons wanting training outside of those areas that had been identified in the questionnaire. While the list is lengthy and in many cases shows only one response, there are a few categories that warrant mention:



Craft making  
 Childcare  
 Landscaping  
 Domestics/cleaners  
 Business Management

There may be other persons, particularly women, who may be interested in finding employment opportunities/training in some of these categories.

With reference to Table 12 above, 371 respondents stated that they wanted training, which, for purposes of analysis, was classified into 7 categories. Two of the sectors stand out in the analysis: Hospitality and Secretarial/IT. Fifty-eight persons have requested training in the hospitality sector; previously 17 persons had indicated skills suitable for that industry (Refer to Table 3). Similarly, 31 persons have requested secretarial/IT training; 8 persons had indicated that they already had such skills.

In construction, the same numbers of persons who already have skills have requested training. Training in agriculture/fishing was requested by 110 persons compared to the 146 who claimed that already have the necessary skills. In the case of vehicle maintenance, 24 persons have requested training; 22 persons already have some skills in vehicle maintenance.

The study was not able to ascertain whether those persons who had already identified owning additional skills requested training for those same skills. If the assumption is made that those with skills did not request training in the same skills, then the total number of displaced sugar workers for each specific class of skills can be summed up as shown in Table 14 below. The question, however, is how many of these persons can be placed in jobs appropriate to their existing and/or new skills.

**Table 14: Total Number of Persons Available if Training is Provided<sup>19</sup>**

<i>Hospitality</i>	<i>Construction Related</i>	<i>Vehicle Maintenance</i>	<i>Secretarial/ IT</i>	<i>Farming/ Fishing</i>	<i>Clothing &amp; Textile</i>	<i>Other</i>	<i>Total</i>
75	127	46	39	353	20	193	853

The OECS Labour Market Absorption Survey, for instance has identified 541 jobs that will soon become available in the Hotel and Restaurant Sector. There are at least six other projects, three of which are already under construction. Unfortunately, the study was not able to ascertain the employment opportunities that will be become available through these projects. Be that as it may, it is reasonable to suggest that some of the 75 displaced workers who already have the skills or who have requested training in the hospitality sector may be absorbed by that sector. It is therefore recommended that the Transition Management Office organise an information event/fair where prospective employers and employees can meet.

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<sup>19</sup> Source OECS Survey

There is nevertheless concern that the labour market, because of its small size, will not be able to absorb a number of the displaced workers even after they have been retrained. Will St. Kitts and Nevis need an additional 46 motor mechanics, even if most of them become self-employed? The retraining and retooling of the displaced workers must therefore not only reflect the workers stated needs and preferences for training but must also reflect the requirements of the labour market. In addition, because of the smallness of the labour market, opportunities must be created to stimulate self-employment and micro-enterprise development. A number of the responses summarised in Table 13 clearly point to opportunities for micro-enterprise development: craft making; interior decorating; child care/day care; cake/pastry making and baking, etc.

Most of the workers, especially those who had worked in field operations, seem to want to seek a livelihood in farming and/or fishing. Most feel that they have the skills; others may see this as an opportunity to acquire land. The questions that need to be asked here are:

- How will these persons get access to land?
- Do they have the experience and skills to undertake farming as a business enterprise and not for subsistence purposes?
- What is the market potential for increased food production?
- Does the Ministry of Agriculture have the necessary infrastructure to assist these farmers?

Additionally, in the 2002 Audit, persons engaged in non-sugar agriculture raised concerns over the seasonal nature of farming because of the absence of irrigation, the need for support from agricultural extension, including support with securing markets. Those persons also felt that the government should make provisions for leasing economically viable plots of land, subsidies and interest-free loans, and training in agricultural methods.

These are only a few of the issues that the St. Kitts Transition Management Office will have to grapple with as it actively seeks to lead the process of re-absorption of displaced sugar workers into the wider economy.

Below are profiles on each category of persons requesting training. It is hoped that this detailed profiling will assist in designing training modules that are relevant and specific to the needs and abilities of the displaced workers.

### **Profile of Workers requesting training in Hospitality Industry**

- 58 persons have requested training
- More than 60% requesting training are women and more than 35 years of age
- 65% worked in field operations
- About 80% of the women are heads of households
- Less than 20% of this group of workers has a secondary source of income
- 2 persons have secondary school certification while one other persons has post secondary school certification; the rest do not have any school certification

### **Profile of Workers requesting training in Construction related employment**

- 69 persons have requested training
- More than 94% are men
- 46% are more than 35 years of age
- More than 50% of the men worked in the factory, railway or administration
- 30% of the men worked in the field
- 4 women have requested training
- 14% of men had another source of income
- 77% of the men are heads of households
- None of the persons have secondary school certification
- At least 32 of the persons have completed primary school education

### **Profile of Workers requesting training in Motor Vehicular Maintenance**

- 24 persons have requested training
- More than 90% are men
- 9 persons are less than 34 years of age
- All of the persons worked in the field, railway or factory
- All persons have some level of experience in vehicular maintenance
- No one had another source of income
- 58% were heads of households

### **Profile of Workers requesting training in Secretarial/IT Sector**

- 31 persons requested training
- 58% of men and 42% of women have requested training
- The majority, irrespective of gender are less than 49 years of age
- 7 of the women worked in the field while 8 worked in administration
- 2 of the men worked in administration while the remaining 17 worked in jobs that did not require any administrative or IT skills
- 58% of the women were heads of households, the vast majority of whom had depended on SSMC for their livelihoods
- 66% of the men were heads of households with no other source of income

### **Profile of Workers requesting training in Farming/Fishing**

- 110 persons requested training
- 84% are men, the vast majority of whom are above 35 years of age
- More than 90% of the persons, irrespective of gender, worked in field operations
- 82% of the men were heads of households while less than 20% of the women were heads of households
- 82% of the men had a source of income other than that from SSMC
- 73% of the women did not have any other source of income
- Most of the persons are already involved in some type of farming and/or fishing activity on a part-time basis

### **Profile of Workers requesting training in “Other”**

- 103 persons have requested training in various types of skills not in the survey categories
- 45 were men, of whom 24 had worked in field operations
- 14 of the men had been involved in some type of artisan job
- 58 were women, of whom 68 had worked in the field
- 5 of the women had been employed in administrative jobs
- 8 % of the women and 20% of the men had a second source of income

## **VI. CONCLUSIONS**

The results of these exercises in data collection and analysis undertaken by the OECS Secretariat are intended to inform or give guidance, as opposed to providing specific answers and interventions. It is clear that a number of policy and programme initiatives will be necessary to assist displaced sugar workers and their families make the transition out of the sugar industry. The assistance will have to include training, social protection programmes, including the provision of social safety nets; support for the development of micro-enterprise through microfinance; redeployment of displaced sugar workers into other sectors of the economy and the management of the actual transition. Many of these issues have already been highlighted and put into context in the Road Map prepared by the OECS Secretariat.

This report has focussed solely on evaluating the fit between the labour market needs of the economy and new skill sets that the displaced sugar workers will need to acquire. This report does not cover the entire gamut of interventions that will be necessary to effect the transition process. It should also be noted that the Labour Market Survey was not designed to capture data on new investments and establishments that have not started operating. The emphasis of training programmes would have to shift in response to new employment opportunities that such developments would generate in the medium term.

The strength of the Labour Market Survey is that it is statistically representative of the existing population of establishments within St. Kitts. The survey highlighted the increased importance of the services sector to St. Kitts and Nevis as reflected in the number of establishments operating in that broad sector. The findings of the survey endorsed the need to incorporate in the training or retraining of ex-sugar workers, skills content and other features that are particularly suited to services sector employment. The training provided should therefore not only address economic opportunities but should also assist in enhancing communication and other social skills.

Most of the persons who identified training needs were older persons who had high levels of dependency and whose competencies were quite limited. An intensive remedial programme aimed at numeracy and literacy is also deemed necessary for a number of these persons.

The displaced workers have a limited range of interests in training, confining themselves largely to the hospitality industry, motor mechanics, and construction. There is also a very large group of workers who wish to be involved in fulltime farming. Since many of the sugar workers have family obligations it may be necessary to provide them with a stipend while they are undergoing training.

Those persons under 50 years of age could be retrained to apply for some of the job opportunities identified through the survey. There is concern, however, that the persons trained, especially outside of the hospitality industry, may overwhelm the demand represented by the respective job opportunities. At the same time, there is also concern that these persons will have to compete with others in the marketplace that are better qualified. One way of addressing this issue, at least in the short term, is to ring fence some of the jobs for which the workers have some skill sets and can be easily trained. The market must, on the other hand, be willing to absorb these persons and to provide them with further in-service training.

It may be difficult to train the mature workers beyond 50 years of age. Although the men in this age group had a diversity of jobs in the industry, like their female counterparts, they have tended to be, overwhelmingly, in elementary jobs. These persons will probably have fewer economic options and may be more interested in self-employment or increasing skill levels to become engaged in agricultural endeavours. Some persons may also wish to leave the work force and to retire in dignity.

The closure of the sugar industry has undoubtedly brought anxiety and uncertainty. The sugar industry has, after all, been responsible for the economic livelihoods of generations of Kittitians. On the other hand, the opportunity for restructuring, brought by the closure of the sugar industry, will provide the basis for strengthening social capital through training and human resource development for a more competitive and service oriented economy.