



DRAFT

SHTA White Paper

Employment

Proposes solutions to Supply a Healthy Job Market

Problem: Employment

Resident Impact

The impact on residents includes: a large foreign working community, growing youth unemployment resulting in increased levels of crime, low spending power, little job security and brain drain.

Business Impact

The impact on businesses includes: high labor cost, restrictive labor legislation, unskilled labor pool, and the expensive and lengthy foreign labor/work permit process.

Visitor Impact

The impact on visitors includes: high expectation of the level of service, inability to communicate with foreign workers who lack knowledge of the local flavor.

Goal: A Healthy Job-Market Providing Secure, Well-Paying Employment

Proposed Solutions

Facilitation

- Flexibalization of Labor Laws
- Facilitate Work Permit
- Eliminate Abuse

Manage Growth

- Matching Skills to Demand
- Incentive Based Scholarships
- Long Term Job Planning

Increase Earnings

- Raising General Level of Education
- Improve Skills & Training
- Increasing Upward Mobility

Conclusion

A labor law needs to be developed to accommodate the needs of the only pillar of our economy, Tourism. In order for this to be successful, the following points need to be dealt with:

- Employment for Dutch Citizens
- Seasonal employment
- Management and control of new developments
- Efficient system to allow foreign labor

Flexibilization of Labor Laws:

Description

The dismissal law prevents employers from terminating employees without written permission from the Directorate of Labor. This ordinance, which is meant to protect employees from arbitrary dismissal, has instead created instability and uncertainty within the job market.

Benefits

Removal of the dismissal law would allow a more flexible use of labor and will lower the barrier for new employees to enter the labor market. In addition, it would promote employment of local labor. This would also diminish the need to undergo lengthy and expensive processes of acquiring foreign labor. Furthermore, flexibilization of the labor laws will assist in eliminating the abuse of six-month contracts and create more job security.

Reliability

Removal or flexibilization of certain restrictive labor laws can only be achieved if approved by the Central Government.

Restrictions

Although the abuse of six-month contracts would be eliminated, short-term contracts will still remain due to seasonal variation in demand in the tourism/ hospitality sector.

Suggestions/Action

- Continue lobbying for the abolishment of the Dismissal law. The dismissal rules should then be further developed.
- Form a Public/ Private delegation to approach the Central Government with its grievances.

Facilitate Work Permit

Description

The application process for work and residence permits is lengthy, expensive, cumbersome and complex. And, as a result, it is susceptible to corruption. Automation of this procedure would result in much more transparency and efficiency. Additionally, a simplified system would safeguard against manual manipulation.

Benefits

Facilitating the work and residence permit process will reduce the number of undocumented workers on the island. Moreover, it would improve the social standing of the current undocumented section of the population. These persons would then be contributing to the economy by paying taxes and would be eligible for similar benefits of Nationals such as loans and insurance policies. More importantly, the refusal of illegal children into the Public schools will be a thing of the past.

Reliability

Justice Minister David Dick has agreed that streamlining the process is necessary in order to manage immigration more effectively and to eliminate the possibility of corruption. A system is currently being created where work and residence permit applications could be submitted jointly. It is simply a matter of time before this is implemented.

Restrictions

There are not enough classes in schools to accommodate illegal children. In addition to this, if the permit application process becomes too transparent, the island can quickly become overpopulated leaving little room for local labor. Unemployment would still be a factor.

Suggestions/Actions

- Create a one-stop shop, where the residence and work permit applications could be submitted. This would result in a more transparent, automated process for the issuance of work and residence permits.
- Include a limit to the processing time of permit applications.
- The permits should retain a validity period
- Implement mandatory training by Employers for Nationals to be able to take over certain tasks from foreign workers.

Eliminate Abuse

Description

Short-term/ six-month contracts are meant to aid businesses that suffer from seasonality. However, lack of consistent controls encourages abuse and gives non-law complying companies an unfair advantage over good corporate citizens. Eliminating such abuse through adapted legislation and frequent controls would benefit the working population and the law upholding business community greatly.

Benefits

Employees will have a stronger sense of job security, which would create a more stable employment situation.

Reliability

Employers must see the repercussions of such abuse. Without this, their willingness to uphold the law will remain absent.

Restrictions

This is not top priority on Government's agenda and as such will remain to fall through the cracks.

Suggestions/Action

- Implement a proper management system to carry out the necessary controls
- Adaptation of the law

Matching Skills to Demand

Description

Currently, foreign labor is necessary because of a mismatch of skills on the local labor force to the demand of the business community. A better match of skills and demand will reduce this need, thus lowering the unemployment level on St. Maarten.

Benefits

A better match of skills to demand will lead to better job opportunities for employees, better pay, and more growth opportunities. In addition, St. Maarten nationals studying abroad will feel more obliged to return home. This will improve the current situation of brain drain. Financial benefits for businesses include lower costs in acquiring labor.

Reliability

This can only be achieved through better cooperation of the industry with the education facilities. Government also needs to take up some responsibility in creating a better match of skills to demand on the island.

Restrictions

The employed population may not be willing to undergo training; this may also be the case for unemployed persons. Their lack of willingness could result in wasted funds and no real solution to the problem.

Suggestions/Actions

- More training institutes with a broader spectrum of courses
- Government financial support in training the local labor force
- Mandatory training sessions for all unemployed persons in their field of employment
- Employers financial support and arrangement of flexible work schedules to allow employee training

Incentive Based Scholarships

Description

Special incentive scholarships need to be put in place for needed occupations in order to motivate students to choose an industry that needs them. Similar incentives should also be made for students studying abroad to ensure their return home and boost local employment. These students are skilled, often experienced and easily integrated into our society.

Benefits

Educated locals will give businesses an assurance of long-term skilled professionals in their organization. For the island, such incentives would result in a lack of brain drain, building of a more acceptable workforce and better match of skills to demand. Overall, this would form the basis for sustainable development.

Reliability

A public - private partnership in the area of education and training needs to be set up.

Restrictions

The finances allocated to invest in education, the motivation of students and the guarantee that these incentives will convince students to return.

Suggestions/Actions

- Recruitment plan, with incentives and good benefits, for students studying abroad.

Long Term Job Planning

Description

By awarding permits based on the added value to the island, in the terms of employment opportunities, we will be able to better ensure long term job planning.

Benefits

Long term planning for economic developments and their impact on the labor market will give training and educational facilities the time it needs to produce well-skilled employees-to-be. This will reduce the island's dependency on foreign labor and will increase professionalism on the job market.

Reliability

In order to ensure long-term job planning through managed growth, the responsible Government department would have to ensure that requests for new developments follow a new procedure taking into account the relief these developments will bring to the current employment situation.

Restrictions

Willingness of Government to screen requests for new developments.

Suggestions/Actions

- Implement new policy when issuing permits (Added Value Investments)

Raising General Level of Education

Description

The level education has a direct influence on employment. With St. Maarten having a high drop out and illiteracy rate, it is necessary for businesses to seek foreign employment. The general education level on the island needs to be increased to ensure that businesses are guaranteed quality employees.

Benefits

The raising of the overall level of education on the island increases the chances for residents to participate and reap the benefits of our economy. Further, the transition to better employment or becoming an entrepreneur is easier. Generally, a better education leads to better job possibilities, careers and earning capabilities in the future.

Reliability

Again, this is dependent on the budget of the Island Government and their willingness to invest in education.

Restrictions

Compulsory education may increase the flow of illegal immigrants looking for proper schooling for their children.

Suggestions/Actions

- Compulsory education for all
- Compulsory training for all non-degree holding adults

Improve Skills and Training

Description

The availability of further training and education needs to be available to ensure constant growth in skills and experience for better career possibilities. Whether through the company or a formal training institution, employees need to know that they will not be kept in the same position for the rest of their lives. They need to feel like the company believes in them that they would invest in their education and future. This will also go a long way in ensuring employee loyalty.

Benefits

Continued training will lead to improved performance by employees and would give them a better chance for career enhancement, not to mention the high possibility of increased earnings. Employers also improve the quality of their services through better-trained employees.

Reliability

Investment into the working population is reliant on the business community. Employers need to understand the benefits of investing in their employees. On the other hand, Government needs to work on providing similar training to the unemployed section of the population. Increasing the education level of the local population could reduce the need for foreign labor, thus helping to manage immigration.

Restrictions

Employees may take advantage of the company's investment and leave for a more lucrative position elsewhere. Also, improving the skills on a local level could possibly lead to stricter immigration practices.

Suggestions/Actions

- Promote upward mobility through skills & training
- Provide skills & training based on a predetermined contract
- Introduce skills & training as part of compulsory education

Increase Upward Mobility

Description

One of the greatest challenges faced by employers is finding and keeping qualified employees. Employers must find ways to create jobs that offer upward mobility opportunities for their employees. Chances for upward mobility and career growth within a company are necessary to ensure that experience gained is recognized and appreciated.

Benefit

Employees who are involved in an upward mobility program that has the potential to increase their income and status will set personal goals that are in-line with company goals and objectives. This level of commitment will encourage employees to work hard to improve their performance and that of the company. This change in attitude could result in low employee turnover and increased retention.

Reliability

Employers must realize the benefits for the company with regards to acquiring and retaining quality labor.

Restrictions:

With employees moving upward on the organizational ladder, there will be a constant need for line workers.

Suggestions/Actions:

- Create upward mobility ladder for those employees that show an interest in career enhancement.
- Combine upward mobility program with annual certification training courses.