



“Developing a framework for a more inclusive labor market in Curaçao”

Outcome of the Second Roundtable Discussion on Labor migration,
Curaçao, February 28th, 2023.



Human Rights Defense Curacao (HRDC)

Human Rights Defense Curaçao (HRDC) is a non-governmental organization that works to uphold human dignity and advance the cause of human rights for all people who are in Curaçao. To carry out our mission we are guided by international human rights treaties and standards.

HRDC is an independent, non-governmental organization that protects, defends, and advocates for the universal human rights and freedoms of everyone in Curaçao. We strive to achieve our mission through policy advocacy, capacity building, and strengthening public support for our work. We carry out our mission in close collaboration with a network of local and international partners.

Our vision is to work towards an equitable, intercultural and inclusive Curaçaoan society where everyone's universal rights and freedoms are respected regardless of age, gender, nationality, and race.

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Introduction

On February 28th, 2023, the Second Round Table Discussion ‘Developing a framework for a more inclusive labor market’ was organized by Human Rights Defense Curaçao (HRDC) under the auspices of the Social and Economic Council (SER). Approximately twenty representatives from different organizations including the International Labour Organization (ILO), the United Nations High Commissioner for Refugees (UNHCR), labor unions, employers organizations and other non-governmental organizations participated. At the end of the Round Table Discussion it was agreed upon that a summary would be drafted with the key take-aways.

Background and conclusions

The aim of the second round table was to provide building blocks to enable an inclusive labor market in Curaçao. In an inclusive labor market all people of working age who can and are willing to participate in paid work, have access to decent work¹ that contributes both financially and non-financially to the community as well as to their own development and that of their loved ones. Think of groups such as women, young people, low-skilled workers, migrants and refugees.

There is a necessity for an inclusive labor market due to global trends that also apply to Curaçao, more specifically, socio-demographic and socio-economic developments: a) the aging of the population which in the case of Curaçao has developed from a population that consisted of 16.1% of people aged 65 and older in 2017 to 20.7% in 2023². This trend is expected to continue; b) the continuous emigration of (young) skilled workers and professionals (brain drain); c) the diaspora living abroad that up until now has not returned to the island on a significantly large scale; d) the general mismatch between the supply and demand on the labor market; e) the lagging economic growth and poverty amongst groups within the community and f) the challenges facing public finances, specifically the financial sustainability of healthcare, social security, with an expected deficit developing from ANG 25,1 million in 2023, to ANG 44,6 million in 2026³, as well as the financial challenges for other public services. These trends all increase the sense of urgency for an optimalization of the labor market towards a more inclusive and productive one.

During the second round table, special attention was given to the position of an important group within the inclusive labor market, namely the position of Venezuelan migrants in an irregular situation⁴ in Curaçao. A group that both from the current humanitarian perspective as well as from the perspective of the long standing historic, family, economic, social, political and cultural bonds between Venezuela and Curaçao is a factor to be considered in future policy development.

¹Defined by the International Labour Organization as productive work for women and men in conditions of freedom, equity, security and human dignity, see also: <http://bitly.ws/BDKC>

²Source: Population and Housing Census 2011; Population Registry – CBS: www.cbs.cw

³Source: MvT op de Begroting van Curaçao voor het Dienstjaar 2023, deel Nota van Financiën, page 56, as provided by the SER.

⁴Please note that the term ‘illegal migrants’ is not used in this document as it is strongly condemned by the United Nations and the International Labour Organization.

Currently the policy is aimed at detention and deportation of migrants that reside irregularly and work informally on the island. However, the daily reality shows a different picture. Many participants of the round table discussion acknowledge that irregular migrants are on the island, they are working and living here. And even though they pay sales tax through the purchase of goods and services, they do not fully contribute to the local public facilities and services. Whereas initiatives to acknowledge this group as a potential target market can also offer opportunities. A recent example is the possibility for undocumented migrants to buy medical insurance⁵. This provides more security to these individuals and ensures that the costs for healthcare are not only covered by public finances. The ability to buy medical insurance is especially relevant within the context that currently, irregular migrants are receiving medical care, which contributes to financial challenges for the Curaçao Medical Center. The costs for emergency healthcare for the uninsured, which also includes (irregular) migrants, have risen to ANG 21 million since the opening of the hospital in 2019⁶. Thus, although irregular migrants participate in the country's daily life, they are especially vulnerable to exploitation and abuse due to their lack of a regular migration status, which puts them at constant risk of detention and deportation.

In order to move forward, first calls are made by some stakeholders to speak up about the daily reality: migrants, both regular and irregular, are on the island and many more regular migrants will be necessary to contribute to the economy, to stimulate economic growth and to provide the government with the income necessary to realize and maintain the current and future welfare of the population as well as the desired level and quality of public services.

In addition, Curaçao has a considerable informal labor market (the exact size of this group and contribution to the economy requires additional research and analysis), which enables incoming (irregular) migrants to blend in within the existing informal structure, thus increasing the size of this informal market and undermining the efforts done to formalize work and ensure both employees and employers comply with local laws and pay the required taxes.

An inclusive labor market calls for a more integral approach across Ministries including policies aimed at economic development and (social) entrepreneurship, population, migration and integration and policies regarding education, social development, skills development and life-long learning. To develop, monitor and evaluate policy, reliable, high quality and current data is needed. Not only about (irregular) migrants, but also general data regarding the currently available and needed skills, educational level and demands of the labor market.

Key take-aways moving forward

Given the above, the second round table shows the willingness and commitment of stakeholders to realize a more inclusive labor market in collaboration with government bodies. Moving forward, a few key take-aways have been formulated that can act as guiding principles for follow-up actions and next steps.

⁵ Source: Antilliaans Dagblad, Thursday March 30th, 2023, page 5.

⁶ Source: Antilliaans Dagblad, Thursday March 16th, 2023, pages 1 and 4.

- *Focus on a nation-wide paradigm shift and a focus on the upgrading of the (local) workforce:* to realize an inclusive labor market with decent work for all (including access to social security), a nation-wide paradigm shift is necessary within the community regarding the ability and willingness to work, the necessity and facilities to continuously develop oneself and pursue lifelong learning and to incorporate and accept both high and low skilled workers from abroad;
- *All stakeholders contribute to an inclusive labor market from their specific role:* government bodies as (co-)developers of integrated policy and policy execution and as facilitators of multistakeholder collaboration, the private sector as a driving force for economic growth in conjunction with a societal responsibility, non-governmental organizations, labor unions, political, social and religious organizations as contributors and key change agents in the community and the (local) media as communicators both to and from the community;
 - *Incorporate a regional perspective:* ensure collaboration with Aruba, Bonaire and other neighboring countries such as Colombia and the Dominican Republic where applicable. Both on the topic of realizing an inclusive labor market through a, possibly joint, workforce analysis and the subsequent development of (shared) educational opportunities, facilities and recognized educational or acquired skills standards. A regional perspective can also have an added value on the topic of successful integration of migrants in order to prevent unwanted side effects such as a large influx of migrant workers to only one island or a sub-optimal use of limited resources regarding the successful integration (work, education, housing, cultural and social integration etc.) of migrants.

Next steps

- *Evaluate, update and modernize relevant policies while ensuring policy coherence:* given the abovementioned socio-demographic and socio-economic developments, relevant policies should be updated and modernized. This includes a population policy that identifies the desired population growth to ensure a sustainable development of Curaçao where the desired quality of life is maintained. In order to realize the desired population growth, attention is needed for migration policies that focus on obtaining and successfully integrating both highly specialized and lower skilled migrants while simultaneously safeguarding and upgrading the local labor market. Special attention should also be given to an evaluation of policies. Specifically regarding the irregular migrant population, an evaluation of previously executed local initiatives such as Brooks Tower and Integrashon Responsabel can also provide insights on how to move forward.
- *Conduct a national workforce analysis focused on the desired economic development:* identify mismatches between the skills and competencies supplied by the current workforce and the current and future labor market skills needed in key sectors for economic development of the island. This includes identifying both the qualitative and quantitative mismatches. Identify what interventions are needed to ensure that the current workforce obtains the necessary skills for future employability and the jobs of the future, and develop a national education/ development plan that includes the workforce in the public and private sector as well as (future) entrepreneurs. In order to ensure an inclusive labor market with sustainable growth, it is important to bridge both the quantitative and qualitative workforce gap. The focus should not only be on increasing the size of the workforce, but also on developing a

workforce that is able to meet the highly specialized skills that employers require in specific sectors. Lastly, identify the additional number of people and (educational/ professional) requirements needed from abroad through immigration and formalize this in migration policies.

- *Incorporate the output of the second round table and the involvement of stakeholders in the current Landspakket implementation agenda:* the perspective of an inclusive labor market can be an addition to the implementation agenda part E1 regarding the labor market as well as the position of (irregular) migrants on the labor market which touches part E3 of the implementation agenda. An inclusive labor market also links to the connection between education and the labor market, as mentioned in part G1 of the implementation agenda. On the topic of the informal labor market (part E2), a broader discussion about the historic and cultural background of informal work both by the local and migrant workforce is a relevant topic for further discussion about the inclusive labor market.
 - *Organize a multistakeholder conference and develop a manifest about the inclusive labor market:* identify solutions for an inclusive labor market which focuses on increasing the labor market participation of the local workforce and also includes the successful integration of (irregular) migrants already living in and working on Curaçao as well as future migrants. This manifest should present interventions aimed at increasing the employability and development of the current (local) workforce. The manifest should also include how relevant stakeholders will be actively involved since they can provide an important contribution and can also be drivers of change.
- Enable a paradigm shift regarding the position and importance of migrants for Curaçao:* develop
- interventions such as communication campaigns that change the current narrative about migrants and focus on the historic contribution and successful integration of migrants in the community and the possibilities for the future.
 - *Develop a policy framework to collect relevant (policy) data to enable informed decision making regarding the inclusive labor market including (irregular) migrants:* even though a complete data set is currently not available with regards to (irregular) migrants, first steps can be done based on collecting data samples instead of larger population data. This data could provide input about the potential contribution to taxes, social security, etc., as well as the skills and background of these groups and provides a more factual presentation to facilitate further discussion and policy development.
 - *Focus on the effective integration of migrant groups and learn from (regional) best practices:* ensure a central coordination point exists, for instance a non-profit or governmental organization, that gathers and validates information regarding the skills, competencies, educational background of migrants through intake-procedures and focuses on guiding these groups towards successful integration to work, education, healthcare, required documentation, language lessons, etc. Although the local context is

⁷ <https://www.two-acs.com/over-two/documenten/publicaties/2023/01/18/uitvoeringsagenda-curaçao-1-januari--31-maart-2023>

unique, (regional) best practices can provide insight. Examples mentioned by the UNHCR⁸ include a local integration program in Mexico. This initiative showed positive results: 60% of the participants moved out of poverty, the employment rose from 73% unemployed to 92% employed whereas 100% of their children went to school compared to 82% before the start of the initiative. This initiative provides insights into the role of, in this case, field offices that match migrant groups with job offers and provide psychosocial support. Another example is an Ecuadorian initiative that promotes the role of the private sector in the socio-economic inclusion of refugee persons and their communities through an ‘Inclusive company seal’. This seal provides visibility to and incentivizes employers. The general idea can be compared to seals such as ‘Best place to work’. In both examples, participating companies indicate a very low turnover rate of employees, a high motivation of employees and more diversity which can all lead to higher revenues. Both initiatives have led to higher employment, higher tax compliance, higher educational participation and more effort to integrate groups in the community with a potential benefit to have more protected workers through more formal work and through better working conditions.

⁸ UNCHR Regional Economic Inclusion Initiatives, presentation given during Second Round Table on February 28th, 2023.