

## The effect failed education has on society, business & the development of the Bahamas

### BGCSE Statistics in 2012

Number of persons tested: 7117

<u>Grades</u>	<u>%</u>	<u>Number of students</u>	<u>Notes</u>
A	7%	498	Great grade and suitable for higher learning
B	11%	783	Good grade and suitable for higher learning
C	26%	1850	Fair cognitive skills & suitable for employment or vocational certificates
D	21%	1495	Lacking cognitive skills & suitability for general employ
>E	35%	2491	Seriously lacking cognitive skills (illiterate & innumerate)
Added statistics:	56%	3986	Total number of students lacking suitable education (D or lower)
	27%	1892	Delta between students having taken BJC and BGCSE. Where did they go?
	65%	5877	Annual number of young adults challenged to obtain middle income employ

### Observations:

#### Skewed results

It is widely accepted that the BGCSE comparative to other first world standardized tests are below par. This results in a lower comparative educational GPA on an international and or regional scale.

The above statistics include results from all the private schools and unfortunately separate results are not posted by the Government. If the private school BGCSE results were shown independently of the public

schools it would paint a more realistic picture of the educational challenges within the public schools. There are about 10,000 students enrolled in private schools as opposed to some 55,000 students in public schools, therefore 82% of the population attends public schools.

### **The knock on effect to the economy**

The data above would indicate that around 70% of persons reaching the age of 18 years of age will be challenged to attain college diplomas, certificates in higher learning and/or any executive or senior management position in the job market. This likely precludes this group from middle to high income employment earning potential and leaves them with middle to low income opportunities and/or unfortunately, higher earning criminal activities. This significant educational imbalance has created an education gap that has led to a wealth gap that is not healthy in any society.

Since the larger percentage of the available work force is only semi-literate and numerate, employers are faced with the problem of not being able to provide any upward mobility to their employees. This phenomenon seriously hinders the normal socioeconomic growth and development of the nation, limits businesses growth and results in limited national gross domestic product (GDP) outputs. Businesses are challenged to try and train the very people the education system has failed to educate properly during their 12 years in the school system. Ostensibly, this educational phenomenon has produced an undereducated work force that has hurt, and continues to hurt, GDP growth. This educational dilemma is one of the more significant contributing factors to the socioeconomic hardships (crime and unemployment) now being felt.

In successful economies, the undereducated minority are absorbed in productive manual labor or physically demanding jobs like farming, fishing, construction, manufacturing, mining and the like. Unfortunately Bahamian GDP is further hampered by two other conditions. The first being that the Bahamas has limited natural resources throughout the archipelago, thereby limiting industries like farming, manufacturing and mining. Second, a culture exists within many Bahamians of not wishing to work in certain manual labor positions or in physically demanding careers, and thus, industries like construction and farming are challenged to find Bahamians that will consistently show up to work and who are productive at a globally competitive level.

The lack of raw materials and productive farming has caused the economic focus to be on the nation's two biggest industries, tourism and banking. These sectors have guided the country into a primarily service sector driven economy for decades. Significant focus must be aimed at encouraging new industries and changing the cultural dislike of physical labor that, if addressed, will drive a more diverse economy.

This lack of an educated Bahamian work force and the cultural intolerance to physical labor has lead Bahamian and foreign employers to look to a supply of Caribbean, European and South, Central and North American workers that are better educated, skilled and willing to work in physically demanding careers. The educational divide will continue to cause socioeconomic problems for the Bahamas until its importance and interconnectivity into the greater economy is understood and addressed on a macro level. With such a large percentage of the populous falling into the undereducated category for the last 30 years, it is not surprising that the socioeconomic condition is deteriorating. Crime and unemployment are not core problems but rather symptoms of core problems that have not been adequately addressed for decades.

Adding to the Bahamian educational dilemma is the “brain drain”. When limited growth and opportunity are available to the educated, another social phenomenon comes into play, and this is the “brain drain”. The brain drain further exasperates the countries socioeconomic problems as those with the ability to improve the development of the country seek employment in countries that provide greater opportunity and a better safer lifestyle. The brain drain makes it that much harder for economic growth and recovery as many of the top 18% of students with A’s and B’s that sought higher education do not return to the Bahamas. The 18% A & B grade is already too low to sustain strong economic growth and so by losing any portion of these skilled Bahamians to other countries, the Bahamian economy continues to suffer and debt to GDP climbs.

BAHAMAS GOVERNMENT DEBT TO GDP



SOURCE: WWW.TRADINGECONOMICS.COM | THE CENTRAL BANK OF THE BAHAMAS

Data source: <http://www.tradingeconomics.com/bahamas/government-debt-to-gdp>

## **Good governance is essential**

As GDP growth is explicitly linked to aggregate supply (productive capacity), and the Bahamas has a limited number of tools in its tool box to influence socioeconomic growth, it must be intensely cognoscente of its macro drivers of GDP growth. Good governance is essential over the long haul and the failure to provide it will result in the continued systemic eroding of the countries national security and stability.

Unfortunately many of the policies maintained by successive governments over the last half century have further exasperated the core problems the nation faces. Core government issues like education, accountability, transparency, even enforcement of the rule of law, efficiency, private sector collaboration etc. are critical to responsible and good governance. The diagram below outlines the pillars of good governance and any failure of these fundamental drivers' results in continued national underperformance.



As an example, and given the aforesaid issues, the Government's work permit policies cause further burden to GDP growth. The cost of work permits, the burden of obtaining them and the restrictive issuance of them hinders and discourages businesses from expanding thus reducing GDP growth, increasing the cost of doing business and negatively impacting the ease of doing business. While the work permit policy may be good for politics, given the current high unemployment levels, it negatively impacts Bahamian GDP growth. Simply put, the Bahamas must adopt an immigration policy that provides a concurrent plan; one, to allow businesses to bring in educated lower, middle and upper management that then provides businesses the ability to grow and hire more undereducated Bahamians and, two, to provide the incentives and initiatives noted below that will improve the education level at all levels over the short, medium and long term.

The Government should be vigorously pursuing a number of educational plans that provide the following:

1. Significant tax and work permit fee discounts to employers who provide industry recognized certification programs and applicable higher learning opportunities to their Bahamian staff.
2. Apprenticeship programs instituted into the high school curriculum for grades 10 through 12. This program must be a public-private partnership (PPP) that is industry driven to assure the greatest success.
3. Accountability at every level of the educational system. The MOE, principals and faculty must be accountable to deliver better results. Teacher testing and evaluations are critical with mandatory training for those teachers that do not meet a passing grade. Merit based pay for teachers and principals.

4. Implement mandatory “Character and Virtue Development” programs in all grade levels. Essential character and virtue life skills are not being taught to children due to the break down in parenting and the family structure.
5. Remove work permit fees for all teachers or certified instructors who are hired by schools, colleges, associations or businesses to teach students or train staff.

The Bahamas must focus on economic development by creating a socioeconomic vision for the country that starts with education high on the agenda. The policies of the past are no longer applicable to the global environment the Bahamas now finds itself in.

### **The risk of doing nothing**

**Security:** National security is at risk as we see direct correlations between the failing educational system and increases in criminal activity and violent crimes. The under educated will fall victim to illegal activity if they have no hope or ability to become productive members of our society. People with no hope, in many cases, turn to crime for temporary or permanent relief. If the educational system is not fixed, increases in crime and unemployment will continue, and the Bahamas will be hard pressed to maintain stability and security.

**Productivity:** When consideration is given to the lack of basic educational and cognitive skills being attained by the majority, then it is a fait accompli that poor work ethics and practices evolve. This leads to lower productivity, competitiveness and GDP growth.



Data source: <http://www.tradingeconomics.com/bahamas/gdp-growth-annual>

**Competitiveness:** The Bahamas is surrounded by a number of countries that may not have our proximity to the USA but they do have raw materials for manufacturing, good soil and water for farming, a cheaper labor force, a more educated labor force, and they are focused on improving their economies. Cuba, The Dominican Republic, Jamaica, Dominica and Trinidad are examples of governments seeking change. If we fail to educate our people we will become a less competitive and less desirable a country to do business with. Trinidad and the Dominican Republic have both signed up to the mandates of the Open Government Partnership (OGP) and are leading the charge to modern governance in the region. The Bahamas has rested on its laurels of proximity to the USA for far too long, and it's clear that many other Caribbean countries are now aggressively becoming far more competitive and progressive in the way they drive their socioeconomic growth.

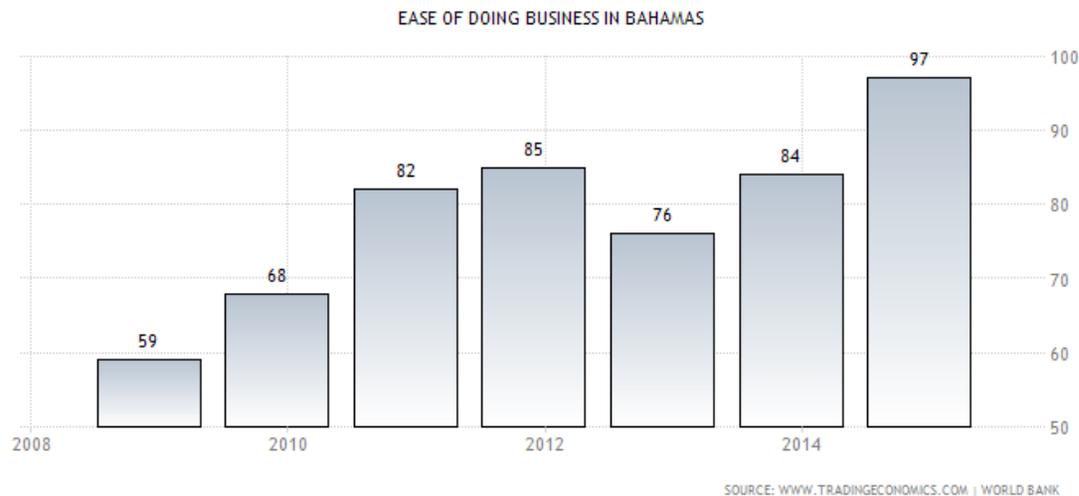
**Poor Governance:** As the populous becomes less educated and cognoscente, so then does the level of candidate available for election within government. This leads to a significant risk of persons seeking nomination and election to government as a means of employ instead of serving ones country. The needs of the nation are put behind the needs of the political party and or the elected. Nepotism, cronyism and corruption then ensue. An educated society is essential to the process of selecting and providing good governance within any successful nation, and so it must be made abundantly clear to all citizens that the nation's BGCSE grade point average is a clear indication of any governments desire to move the nation forward. If any political party is not seriously examining, analyzing and determining tangible and actionable ways to seriously improve the education system (not maintain the status quo D or D- BGCSE GPA) over the short, medium and long term then they have no place in todays governance. Opportunity and success will not avail themselves to an ignorant and or undereducated Bahamian people.

### **Call to action**

To date, two Caribbean countries have signed up to Open Government Partnership (OGP). Both Dominican Republic and Trinidad & Tobago have shown a commitment to open and accountable governance. Within our region Panama, Costa Rica, Mexico, Columbia, Guatemala and Honduras are also signed up to the OGP mandates of modern, open and accountable governance. The Bahamas must decide whether it wish to lead follow or be left behind.

It is critical that the Bahamas accept its shortcomings and begins to discuss and act on ways to encourage new era of leadership focused on open and accountable governance. Based on a number of socioeconomic

indicators, it is evident that no government over the last 30 years has resolved to the socioeconomic disorders. Education, crime, unemployment, government debt, government services and efficiency, taxes, cost of doing business, ease of doing business and GDP growth have all remain flat or lost ground. The status quo must change or at the current rate the Bahamas will become a failed state in less than 10 years.



Data source: <http://www.tradingeconomics.com/bahamas/ease-of-doing-business>

The Organization for Responsible Governance seeks to encourage change through the collaboration and cooperation of politicians and the public who seek a brighter Bahamas that provides opportunity for all. Join ORG now and be a part of the collective voice for a brighter Bahamas.