A. EXECUTIVE SUMMARY

1. The present report concludes the second phase of the cooperation between CARICOM countries and the World Bank to build skills for a competitive regional economy. It focuses on the nurse labor and education markets of the English-speaking CARICOM. The topic was suggested by Ministers of Health concerned with chronic staffing shortages in local health facilities and anecdotal evidence of high migratory outflows. The chronic staff shortages are likely to hamper the quality and efficiency of health services, both of which are critical factors in attracting international businesses and retirement locales. The rationale for focusing on nurses was that they compose the largest group of health care professionals in the ES CARICOM and play a critical role in strengthening health services in the face of the demographic and epidemiological transition in the region. Moreover, major achievements in improving and harmonizing curricula, degrees, and licensing procedures among the English-speaking countries of CARICOM facilitate the international competition for this globally scarce human resource.

2. The chief objective of this second research phase was to produce a comprehensive assessment of the nurse labor and education markets of the ES CARICOM. Despite major research efforts, data limitations remained a significant problem. However, information gathered was sufficiently robust and complete to provide for the first time a comprehensive picture. As we elaborate in this report, it shows a highly fragile supply-side equilibrium that will be increasingly insufficient to meet local demand.

3. We estimated that approximately 7,800 nurses constituted the active supply in the region. This translates into a nurse per 1,000 population ratio of 1.25 with roughly 1 nurse per 1,000 population directly providing care. These levels compare unfavorably to those in OECD countries where ratios tended to be 10 times higher. Over 90 percent of all nurses practicing in the ES CARICOM were employed in the public sector. Less than 10 percent of were providing primary care; a level which is likely insufficient to effectively respond to the health challenges associated with the demographic and epidemiological transitions occurring in the English-speaking CARICOM.

4. The demand for nurses exceeded supply in the region with approximately 30 percent of all approved positions vacant. Vacancy rates may understate the true needs of poorer countries in the region. They were calculated based on approved positions in the public sector for which there is funding and are, thus, subject to budgetary constraints. Furthermore, based on our analysis, it did not appear possible to fill these vacant positions by mobilizing trained nurses who were inactive as rates of participation in the labor market were extremely high.

5. Annual attrition rates were about 8 percent with outmigration the main source. Canada, the UK, and the US represented the primary destination countries. We estimated that the number of English-speaking CARICOM-trained nurses working abroad was roughly three times the number working in the English-speaking CARICOM. To our knowledge, this ratio of health migrants compared to the locally remaining stock is without parallel in the world. Our analysis also showed that current rates of emigration appeared to be lower than in the past. Furthermore, we found that individual countries’
were not substantially impacted by intra-regional migration, but this may change with the full implementation of the Caribbean Single Market Economy.

6. Emigration appeared not only to cause significant shortages of nurses in the region, but the brightest nurses were the ones leaving to work abroad. Our research suggests migratory flows were primarily driven by wage differentials, network effects, and worker dissatisfaction at home.

7. We identified 43 pre-service (general nursing) programs producing slightly less than 600 graduates per year. Combined with recent initiatives to recruit nurses from abroad, this translated into a net increment rate of approximately 10.5 percent. With the increment rate slightly above the attrition rate, the supply-side equilibrium was insufficient to fill existing vacancies in the short, medium and long-term.

8. In the case study countries, we observed three types of nursing schools with different levels of autonomy as well as sources of funding; public, semi-autonomous, and private schools. Nurse education programs in the region tended to be publicly provided. In addition, governments co-financed autonomous and private nursing schools. However, we observed an early trend towards co-payments by students. Information from a survey of Jamaican nurses showed that there was an increase in the proportion of students paying for their own tuition. Publicly financed and provided nurse education as well as publicly financed and provided health care appeared to preclude private providers offering nurse training programs despite high levels of unmet demand.

9. Our data suggested that the number of annual graduates was highly constrained by low completion rates. We estimated that on average only approximately half of the students in the case study countries completed their studies. These low pass rates raised concerns about the quality of education.

10. Our analysis indicated that there was an insufficient number of nurse tutors. This shortage is likely to be the major constraint to expand and strengthen nurse training capacity in the region. We estimated that the student to tutor ratio was 30:1. Given the need for tutors with specialized training skills and the need for providing personal attention to students through active-learning methodologies, it was likely that this ratio was too high to achieve high quality levels.

11. Our analysis did not identify any demand-side constraints to significantly scale-up nurse training in the English-speaking CARICOM. It showed that between the years 2004-2006, there were on average three qualified candidates competing for every position in nurse training programs.

12. All countries in the region have taken significant steps to increase the quantity and quality of nurse graduates. In 2006, an estimated 1,000 nursing students graduated in the five case study countries, a record high during the period we examined. In addition, efforts were made to improve curricula and pedagogical approaches as well as to harmonize nurse education programs.

13. Nonetheless, we estimated that under current policies, with the notable exception of training as the exclusive source of increments in line with the principle of self-sufficiency, the gap between demand for and supply of nurses will widen from 3,400 nurses today to 10,700 nurses in 2025. Given this predicament, we examined the impact
of different policy action on future shortages focusing on supply-side interventions. Specifically, we investigated the feasibility and impact of expanding training capacity and improving completion rates. Both approaches seemed generally feasible. However, they would require a substantial increase in the number of nurse tutors. In the short-term, this potential constraint could likely be relaxed through a variety of innovative measures such as promoting one-year online courses for nurse tutor education or by importing nurse tutors through bilateral arrangements with high capacity countries.

14. Maximizing the completion rate and increasing intake by 50 percent would result in a 230 percent increase in the annual number of nurse graduates, which would translate to an increase of 2,200 nurses by 2015 and 6,200 by 2025. Maximizing the completion rate and increasing intake by 100 percent would result in a more than three-fold increase in the number of nurse graduates, which would translate to an increase of 3,100 nurses by 2015 and 9,600 by 2025. Even though this second, more aggressive scenario would result in increments into the labor market significantly exceeding attrition, these efforts would still be insufficient to meet the demand for nurses in the region by 2025. In fact, with the exception of St. Vincent and the Grenadines, no country would meet its demand for nurses. We estimated that the costs of expanding training capacity and improving completion rates between 2009 and 2020 would total between US$ 17 and US$ 31 million depending on the scenario.

15. With the current high migration and high subsidization levels, benefits accrue to the student and economies abroad, while increased costs are exclusively born by the English-speaking CARICOM governments. Nurse training in the English-speaking CARICOM could be financed under a model that more fairly assigns costs to those who benefit. Our analysis showed a pattern of costs and benefits that suggest a tripartite financing model of nurse training, including contributions from students, local, and foreign governments.

16. Current shortages could easily be exacerbated as the fragile supply-side equilibrium erodes. As factors controlling attrition are primarily beyond the control of local governments, changes in the external environment could quickly destabilize this delicate balance. Relaxed entry regulations in destination countries outside the region may lead migration to return to or exceed historic levels. In addition, with the full implementation of the CSME, increased levels of intra-regional migration along socio-economic and wages gradients are likely, threatening the fragile supply-side equilibrium in some of the ES CARICOM countries.

17. Compounding this potential of increased emigration, our survey data showed that high levels of dissatisfaction existed among nurses in the region. In addition, our survey suggested that a major impediment to emigration was the lack of knowledge about migration logistics and work opportunities. Outflows and in turn nurse shortages would worsen as non-migrants who have considered the possibility of emigrating become more informed about their options.

18. If the English-speaking CARICOM is to address current and future nurse shortages, be increasingly protected against a large outflow of nurses, and simultaneously recognize an individual’s right to freedom of movement and right to access health services, then various policies must be examined. The most important policies include (i)
increasing completion rates; (ii) increasing nurse training capacity through increasing the number of nurse tutors; (iii) managing migration; (iv) mobilizing the inactive supply; and (v) improving the allocation of existing human capital must all be explored. Focusing on strategies (i), (ii), and (iii) are critical as they represent the biggest areas of current losses.

19. In the short term, we believe that addressing completion rates may be the best entry point to bolster the workforce in the region. With only an average of 55 percent of students graduating in the region, drop-outs represent a tremendous loss of potential human resources. Because many schools in the region have substantially higher completion rates, we believe that region-wide improvements in completion rates are possible. Strategies, such as establishing national monitoring systems on retention, increasing the flexibility of the curriculum to accommodate different schedules and interests, creating smaller learning groups and identifying peer mentors have all been shown to improve retention of students.

20. In the medium term, increasing nurse training capacities appears to be the most viable option to meet the demand for nurses in the English-speaking CARICOM. Our analysis showed that unlike other regions in the world, the capacity of the education system is not a binding constraint to scaling up the number of nurses. Infrastructure constraints can be relaxed with additional financing. Clinical opportunities exist in substantial excess of what is being utilized for training. However, creative strategies need to be used to address the insufficient number of nurse tutors. English-speaking CARICOM countries should consider promoting policies, many of which can be developed under the Global Agreement on Trade in Services, such as (i) training nurse tutors outside the region; (ii) using in-service programs offered on-line; (iii) allowing for the temporary recruitment of nurse tutors from Canada, the UK and the US; and (iv) drawing on the Diaspora to meet the needs for tutors with specific clinical skills and areas of expertise.

21. Managed migration policies attempt to reconcile two human rights - the right to freedom of movement and the right to access to health services. Because these rights may be at odds, practical implementation of these ideas has in general been difficult, technically as well as politically. Globally, well-documented and evaluated systemic approaches are scarce. Regionally, a managed migration program emerged just recently and gathered support from several stakeholders. However, upon a recent review, initiatives remained largely driven by individual countries or individual organizations with little impact to date. However, the threat imposed by the growing demand for nurses in prime destination countries on the current fragile supply-side equilibrium in the English-speaking CARICOM warrants that all policy options be carefully revisited and explored.

22. As noted earlier, all case study countries were engaged in activities and/or had plans to improve the quality of nurse education and increase the number of nurses trained. Consultations with individual countries should take place to assess these plans. In the course of our research, we learned that monitoring and evaluation data of the nurse labor and education markets were scarce. Given the potential fragility of the ES CARICOM nurse labor market, it is critical that countries more closely monitor nurse labor market (e.g. vacancy levels, skill-mix, and attrition including migration) and nurse education market (e.g. student to tutor ratios, intake rates, and completion rates).
23. Ultimately, we believe that a false dichotomy exists between choosing to focus on increasing nurse training capacity versus focusing on managing migration; in fact, both must be done jointly and immediately. If the ES CARICOM is to address current and future nurse shortages, be increasingly protected against a large outflow of nurses and simultaneously recognize an individual’s right to freedom of movement, the ES CARICOM must both increase the number of nurse graduates and manage migration.

24. A regional effort to strengthen and scale-up nurse training is critical to success. The scarcity of tutors, the intra-regional distribution of health care capacity and the limited number of institutions offering higher degrees warrant regional coordination. Ideally, country initiatives would be collated into a single, regional strategy. Moreover, the implementation of the CSME and associated increases in intra-regional migration requires a coordinated approach to govern the nurse education and labor markets.

25. Managing migrations requires reaching out to destination countries, the goal being to establish and agree on annual flows, cost-sharing arrangements for necessary investment in nurse training capacity and technical support. Such agreements would be in the best interests of both source and destination countries, as they make flows more transparent and predictable and facilitate workforce monitoring and planning on both ends. It would help destination countries that struggle to achieve self-sufficiency in reconciling immigration policies with foreign policies. However, as for efforts to strengthen and scale-up training capacity, only a regional initiative is likely to succeed. Given the discrepancies between the sizes of workforces in the ES CARICOM vis-à-vis Canada, the UK, and the US, only a joined approach of ES CARICOM countries would create a win-win situation. More recent experiences of attempts to manage migration suggest that small scale initiatives do not sustain the interest of destination countries (Dawson 2006).

26. Efforts to strengthen and scale-up training capacity and manage migration should be combined with financing reforms that more fairly assign costs to those who benefit. A tripartite financing model appeared to be most appropriate with contributions from governments in the ES CARICOM, from governments in destination countries and students themselves.

27. Collectively, the discussed actions have the potential to stabilize the delicate demand and supply equilibrium of nurses in the ES CARICOM. Swift corrective measures are of utmost importance.