Comments on Cost-Benefit Analysis of Immigration in Barbados

1. In my Cost-Benefit Analysis (CBA) of Immigration in Barbados, I used two scenarios; one with approximately 30,000 CARICOM immigrants in the island, and the other with approximately 15,000 immigrants. Although the data was only made available recently, it had been thought for some time that the number of CARICOM immigrants in Barbados at the end of 2007 ranged from a minimum of 15,000 to a maximum of approximately 35,000. My own experience led me to believe that the number was closer to 30,000. Since the beginning of 1993 I have been going to the Cheapside Market at least twice a month to purchase vegetables, fruit, and meat. In 1993 if I met or encountered thirty individuals, at most two were immigrants. By the end of 2007, out of thirty individuals that I met or encountered while shopping, at least ten were immigrants. Also note that in 1993 there was only one immigrant vendor, at least that I was aware of, selling in the Cheapside Market or on its outskirts. At the end of 2007, out of a total of around one hundred stall spaces, about twenty were occupied by immigrants, mainly Indo-Guyanese.

2. Some individuals argue that casual observation is not appropriate for making inferences, but that stance is badly mistaken. In fact, in most areas of human activity, the first indication that patterns are changing is based on what we observe, either by seeing or listening. For example, leprosy was eradicated in Barbados years ago, but if five doctors reported that they each diagnosed three patients with leprosy in the past six months, then one can reasonably conclude that leprosy was re-introduced into the island and that its incidence was on the rise. You do not need exact data on the total number of individuals with leprosy to make that conclusion. For me the process is exactly the same with regard to the immigrants, and the claim that use of such a process is profiling is specious and utter rubbish. If I have been undertaking a particular activity over a long period, and during that time I observed, either by seeing or listening, that some individuals undertaking the same activity had different accents, with some being of a different race, to that of the traditional Barbadian population, then I can conclude that the demographics of the island were changing. When I added my observations to similar observations of other individuals I know and who resided in all parts of the island, then I was able to make the inference that the number of CARICOM immigrants in the island at the end of 2007 ranged from 15,000 to 35,000, with the actual number being closer to 30,000.
3. Given the comments at (1) and (2), hence my use of the 30,000 and 15,000 scenarios. As I alluded to earlier, the actual number of immigrants who entered the island between 1995 and 2007 and did not leave was slightly over 30,000, as confirmed by Senator Maxine McClean when she appeared on ‘The People’s Business’ programme on CBC. Here again, given everything we know about the immigration process for regularizing the status of immigrants, I was able to reasonably conclude that vast majority of those immigrants were illegal, i.e. had overstayed in the island and the bulk of those who were working did not have work permits.

4. With regard to my assumptions about the composition of the immigrant population under study, for both scenarios I assumed that 20% of the immigrants were children. Although we do not yet have the actual numbers, it was and is well known that children of school age constituted and continue to constitute some of the immigrant population. If the bulk of the immigrant population was illegal, then the bulk of the children would also be illegal and would therefore not have access to public schools. There is a limit to the number of children that the private schools can absorb, and it was therefore reasonable to conclude that the bulk of the children were not getting an education. The non-attendance of the children at school would pose a serious problem since most of those who did not benefit from an education would mature into illiterate adults. Note though that the assumption relating to children was not critical to the analysis. As I indicated in the article, the critical number was that of the overall total of immigrants. If we assumed that there were no children at all, but that the total number of immigrants under study was 30,000, then the 5,000 children would be replaced by 5,000 adults. Those 5,000 adults, given our analysis, would have been unemployed. A similar conclusion would be reached if the total number of immigrants was 15,000. I would now like to think that the nitpicking regarding to the analysis as it related to children was totally misplaced out of ignorance or bias for whatever reason; there is absolutely no benefit to a host country importing unemployment or illiteracy.

5. With regard to our employment/unemployment analysis, we had assumed that the natural rate of unemployment was 4.1%. Natural unemployment is a feature of all economies, but the rate can vary from one economy to the next. The 4.1% rate we used was that applicable to the United States of America, but one can legitimately argue that because of
the more developed nature of the United States economy the natural rate of unemployment for that country would be lower than that for Barbados. If we accepted that line of thought, then modifications to my analysis would lead to the conclusion that the presence of the large immigrant population posed greater problems than initially highlighted. This would be the case since for both scenarios, the higher the natural rate of unemployment in Barbados, the lower the number of jobs that one could assume were held by immigrants at the expense of bona fide Barbadians, and hence the greater the unemployment level for immigrants. As I indicated at (4), any policy that results in the importation of unemployment into a host country is a fundamentally flawed policy.

6. For the amplification of the other aspects of our employment/unemployment analysis, some background data is necessary. In the CBA article, I made reference to aggregate data available for the second quarter of 2007. I will now provide some detailed data available for 2005 to highlight the robustness of my initial analysis, where the overall aggregate figures for 2005 were not significantly different from those of 2007.

**Exhibit 1: Labour Force and Employment Levels in 2005 and 2007**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Labour Force ('000 Persons)</th>
<th>Total Employed ('000 Persons)</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Quarter 2007</td>
<td>145.0</td>
<td>133.3</td>
<td>8.1</td>
</tr>
<tr>
<td>Fourth Quarter 2005</td>
<td>145.8</td>
<td>132.7</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Exhibit 1 shows that the total labour force for the second quarter of 2007 was 0.5% less than that for the fourth quarter of 2005, but that the total number of persons employed was 0.5% higher.

**Exhibit 2: Employment Levels in Selected Sectors for 1991 and 2005**

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture and Fishing</th>
<th>Construction and Quarrying</th>
<th>Commerce</th>
<th>Other Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>6.2</td>
<td>9.3</td>
<td>16.6</td>
<td>19.1</td>
<td>51.2</td>
</tr>
<tr>
<td>2005</td>
<td>4.4</td>
<td>13.6</td>
<td>18.6</td>
<td>30.1</td>
<td>66.7</td>
</tr>
</tbody>
</table>

7. Since the aggregate data for the second quarter of 2007 was not statistically significant to that for the fourth quarter 2005 (see Exhibit 1), I have assumed that employment by
sector for 2007 was also not significantly different from that of 2005. In Exhibit 2, the employment figures for the four selected sectors were averages for the two years shown, 1991 and 2005. Exhibit 2 shows that total employment for the four sectors was 15.7 thousand more in 2005 than in 1991.

8. I chose 1991 as the base year since the mass migration to Barbados from other CARICOM countries, particularly Guyana, began sometime after that year. The four sectors I have chosen to highlight; Agriculture and Fishing, Construction and Quarrying, Commerce, and Other Services; were those in which the bulk of the employed immigrants found jobs.

9. The first point that is clearly evident from Exhibit 2 is that if the number of immigrants under study in Barbados in 2007 was 30,000 including 5,000 children of school age, then even if the total increase in jobs of 15.7 thousand went to immigrants, there would still be approximately 10,000 immigrants unemployed. Of course, the assumption that all the new jobs created between 1991 and 2005 went to immigrants is unrealistic, and one would therefore initially conclude that unemployment among immigrants would be much higher than 10,000 individuals. Note, however, that the official data does not capture the exact actual number of persons employed since it is not possible to accurately estimate that figure, particularly for some sectors such as Other Services, and therefore the unaccounted for employment, particularly for immigrants, would serve to offset the initially assumed unemployment figure that was much higher than 10,000 persons. Thus, assuming that the official data would have captured all of the employed immigrants with work permits and some without, then one can reasonably conclude that somewhere in the vicinity of 10,000 adult immigrants out of the total of 30,000 immigrants present in Barbados in 2007, including 5,000 children of school age, would have been unemployed or under employed or engaged in unlawful activities. Of course, if there were no school children, then the unemployment figure would be approximately 15,000 adult immigrants.

10. In my cost-benefit analysis article I indicated that if there were 30,000 immigrants present in Barbados in 2007, approximately 8,500 adults were unemployed or underemployed or engaged in unlawful activities. That figure was based on the assumption that immigrants had approximately 6,000 jobs that under normal
circumstances would have gone to Barbadians. When I relax that assumption, then the number of unemployed adults would be greater than 8,500. It is important to recognise that relaxing that assumption does no harm to the initial analysis. That is the case since relaxation of the assumption would mean that the unemployment level for bona fide Barbadians that could have been attributed to the presence of immigrants would have been lower, and that the unemployment level for immigrants would have been higher. Once again, as I indicated earlier, any governmental policy that results in the importation of unemployment is fundamentally flawed, and the higher the level of imported unemployment the more flawed is the policy.

In summary, the above analysis corroborates the initial analysis in the ‘Barbados – Cost-Benefit Analysis of Immigration’ article. For the initial article, the figures I used were based on intuition and were meant to be indicative. The aggregate analysis that I have just demonstrated justifies the conclusions of the initial analysis, regardless of whether the figures I used in the earlier analysis were accurate or not.

Putting together these comments on my CBA article has been cathartic. It has reinforced the belief that for those of us who seek to comment objectively on national issues, then we must be very familiar with the environment in which we live and also have a firm grasp of the technical issues. Those of you who sought to criticise the initial article without any basis for doing so, I wish to say the following. If you are unfamiliar with the environment, in this case Barbados and its economic fundamentals, then any comments you make are going to be spurious and off the mark. If you are a jackass or an idiot fool, then you clearly would not know what you are talking about. If you are biased or prejudiced for whatever reason, including being a political yardfowl, then your comments are going to reflect your prejudice.

Lastly, those of you who try to make out a case for the illegal immigrants on the grounds that they are not a burden on the social services of the country miss the point. You may not be a burden now, but at some time in the future you will become one. For me, the approach is quite simple. You are illegal and you will pose problems for the country in the future; therefore you should leave voluntarily or be removed involuntarily.