Labor Market Analysis Sint Maarten

Integrated report

Panteia

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Management Summary

Demand analysis

1. Both the hurricane(s) and COVID dealt a heavy blow to the economy and the labor market of Sint Maarten. In 2022 and 2023 the labor market is recovering. Due to the open economy and support from the European Netherlands, the recovery is quite fast.
2. The number of companies in Sint Maarten is increasing. In 2021 there were still many closures, but in 2022 there are several new companies starting their activities.
3. Employment is increasing in 2022. When comparing December 1, 2022, to December 1, 2019, existing companies have a larger workforce.
4. From the companies with at least 2 employees, almost half of the workers are working in companies with more than 100 employees. About a third of them are working in service professions, including hospitality professions (2022, Employer Survey).
5. About 60% of employees are in permanent service and 25% are employed with a contract for more than 6 months. Seasonal labor is most present within larger companies, especially cooks, other kitchen staff, cleaning staff and waitresses/waiters during high season (2022, Employer Survey).
6. Companies in electricity/gas/steam/air conditioning supply have notable problems with the outflow of personnel. Other companies with such problems are in the accommodation and food services sector and the transportation and storage sector (2022, Employer Survey). Moreover, health and education institutions are having problems with outflow of personnel to other countries (2022, interviews).
7. About half of the companies think little informal labor is used in their sectors. Larger companies and companies in construction, accommodation and food services, electricity/gas/steam/ air conditioning, finance and information/communication are most likely to think otherwise. The main reason companies give is cheap labor. Because of the hurricane(s) and COVID, the amount of undocumented foreign workers may have dropped. Estimates before 2002 suggest between 15,000 to 40,000 undocumented workers. Nowadays, the number of undocumented persons seems to be closer to 10,000, most of them workers. Still, Sint Maarten has the highest number of foreign workers in the Caribbean.
8. From December 2021 – November 2022) it was estimated that there were more than 4,100 vacancies within private companies (on 18,000 employees in December 2022). Companies are growing fast after a decline during the COVID-crisis (Employer Survey). The same is the case in other countries.
9. During the same year almost 3,000 vacancies were filled. On December 1, 2022, about 720 vacancies in the private sector were still open. Most of these are rather new vacancies that were still to be fulfilled (Employer Survey). Therefore, we estimate that about 3,500 of the vacancies in the business sector created in 2022 will in the end be fulfilled.
10. Most vacancies are within the accommodation and food services sector and the transportation/storage sector, and deal with service professions, ask for vocational education and provide a temporary with the perspective of a

permanent contract. Only 3% of vacancies are for a parttime position (Employer Survey).

11. Although there are no figures available for 2022, the NESC database can provide information regarding trends in the number of vacancies. The NESC database shows a fast decrease in vacancies in 2020 and 2021. This is especially the case with vacancies for positions in the lower salary ranges. There was also a large decline in the number of vacancies in the construction sector, while the number of vacancies for positions within health and social work has grown in the same years.

Supply analysis

12. From 2011-2016 and especially from 2011-2013, the population and the total labor force in Sint Maarten was growing rapidly. After 2016, both the population and labor force grew slower (related to the hurricane(s) and COVID crises) (Census and LFS data).
13. The population pyramid of Sint Maarten shows a relative absence of the 35-44 age group (and to a lesser extent of the 45-54 group (CIA, The World Factbook).
14. More than a half of the employees have the Sint Maarten (Dutch) nationality, about a third come from other Caribbean countries and a tenth from Europe or the United States. Almost two thirds have been educated at secondary level, of which almost a third by vocational training. In other words, vocational training at secondary level accounts for 20% of the workers (LFS 2018).
15. Of the employed labor force, some 20% is working in the public and semi-public sectors. Also, almost 20% is working in the construction sector. About 15% is working in the foods and accommodation sector. Employment in many sectors is linked to tourism (LFS 2018).
16. About 20% of the working population in 2017 was self-employed (LFS). Although we possess no recent figures, it is probable that after both the hurricane(s) and COVID-crises there are less possibilities to earn a good income through self-employment than before.
17. Of the employed labor force some 30% did not reach the level of secondary education, while more than 40% finished high school (secondary education). 20% enjoyed tertiary education (LFS).
18. In practice, many workers are making overtime. 3.5% of workers had (in 2018) a second job and 3.4% were looking for a second job. For a third of the working population their employment was influenced by the hurricane(s) in 2017 (less or more working hours, temporary closure of their company). The COVID crisis seems also to have caused closures and employees working (and getting paid) less hours, except in the health sector (interviews).
19. Unemployment is quite high. It is most prevalent among women, young people, and persons with a low level of education.
20. For more than 80% of the population the main source of income is salary. About 13% receive some kind of pension, while 2% was on welfare in 2018 (LFS 2018).
21. In 2018, more than 7% of the working population was looking for another job. The main reason was wanting to earn more (LFS).
22. There are no recent figures regarding the number of commuting workers from Saint-Martin to Sint Maarten. Whereas there is more employment in

Sint Maarten and the unemployment rate is much higher in Saint-Martin, one might presume that there is more labor migration from Saint-Martin to Sint Maarten than the other way around.

23. Due to the hurricane(s) and COVID, the amount of undocumented foreign workers may have dropped. Estimates before 2002 range between 15,000 and 40,000 undocumented workers. Nowadays, the number of undocumented persons seems to be closer to 10,000, with most of these being workers. Still, Sint Maarten has the highest number of foreign workers in the Caribbean.
24. A large number of students are leaving school with only secondary education and no professional/vocational training. There is too little capacity for internships within companies and (semi)public institutions. There is also restricted capacity for training of workers and unemployed persons (Education Inspectorate).
25. The restricted number of university courses available in Sint Maarten and the possibility of a bursary abroad are the main causes of students in Sint Maarten going to other countries, mostly to the Netherlands or the United States, for a university study. After completing their study, most of them stay abroad. The main reason for this is the opportunity for higher salaries in other countries (while the living standards are comparable to Sint Maarten). Moreover, Sint Maarten students are fluent in English and many of them also fluent in Dutch (interviews).

PESTLE and future outlook

26. Next year is an election year. This may influence labor market policies as carried out by the ministry of VSA. The main other political factor influencing the labor market is the availability of support measures from the Netherlands for recovery from the hurricane(s) (SXM TF) and COVID (the Country package/lLandspakket). The relevant part of the SXM TF was the EISTP, which is evaluated in the framework of this study. It closed at the end of February 2023 and has reached more than 2,000 trainees completing a vocational training. One of the objects of the Country Package is to establish a robust and affordable social security system. This also includes measures against illegal employment. Social dialogue is currently not functioning optimally; parties show considerable distrust in each other and take a suspicious stance towards any argument or resolution expressed by others.
27. Th economy is recovering from the two crises. A steady growth is expected, but there are still some challenges such as inflation and energy prices increasing due to the war in Ukraine. At the same time, there is still a strong dependence on tourism. Additionally, almost all goods must be imported from abroad.
28. The population of Sint Marten will grow steadily to 55,000 in 2050. This population will be ageing. Women’s labor participation will increase.
29. The availability of new technology will cause the upgrading of jobs, but also complex jobs might become easier. Technology may also influence working conditions.
30. There are some changes in labor regulation forthcoming which will make life better for employers and employees. However, procedures, especially concerning the subject of labor migration, are still complex and create difficulties for employers and employees.

31. Sint Maarten as a small country cannot make decisions about environmental policies on its own. Worldwide environment protection policies will affect Sint Maarten and therefore its economy and labor market. Furthermore, there is becoming less space on the island for new economic activities and traffic rows are growing.
32. More than half of the employers within large companies expect to hire more employees in the future. Only little more than 10% expects to hire less employees. For smaller companies this proportion is different. A little more than a third expects to hire more persons, while slightly more than a third of them expects to hire less personnel. The respondents from larger companies also expect an increase in the level of skills they will be asking for (Employer Survey).
33. Based on forecasts by the IMF and the World Bank, Sint Maarten's GDP will increase by 3.9% annually on average between 2022 and 2027. Because of the opportunities for digitization, we expect that labor productivity in Sint Maarten will grow more than in other Caribbean countries. Employment is estimated to increase with 5.3% in 2023, 3.8% in 2024 and on average 2.2% in 2025-2027.
34. GDP will especially increase in construction, real estate, trade, transport/storage/ITC, and food & accommodation services. In the same sectors there will be a substantial increase of employment (forecast by Panteia).
35. Consequently, unemployment will decrease from almost 10% to less than 9% in 2027 (Forecast by Panteia).

Discrepancies on the present and future labor market

36. *Quantitative discrepancies from the perspective of the demand side of the labor market.* According to the demand survey, more than 40% of the vacancies in the second half of 2022 were hard to fulfill. This is especially the case in technical sectors, the health and social sectors and with companies within accommodation and food services. The main reasons were the skills, work experience and the attitude of applicants. While not part of the survey, the public sector is, despite the job freeze, also having trouble getting the right personnel (Employer Survey).
37. More than 40% of companies expect vacancies to become harder to fulfill in the coming years. Only little more than 10% expects the opposite. More than half of the companies also expect problems to retain their employees Employer Survey).
38. *Quantitative discrepancies from the perspective of the supply side of the labor market.* Unemployment is still high and will decrease only slowly. This slow decrease is partly due to the lack of skills and motivation on the part of the unemployed, but also due to the competition from better skilled, better motivated, and cheaper labor from abroad.
39. *Qualitative discrepancies from the perspective of the demand side of the labor market*. Companies attach especially importance to basic skills (like language skills, numeracy, and basic digital skills), soft skills (communication, teamwork, adaptability, etc.) and professional knowledge. Larger companies attach more importance to diplomas/certificates than smaller companies; a quarter of them complain about the low level of education of applicants.

Most companies are judging the terms of employment they can offer in a positive way (Employer Survey).

40. *Qualitative discrepancies from the perspective of the supply side of the labor market.* There is little information about how workers judge their terms of employment. In 2018, over half of the employed had health insurance (59%) and paid vacation days (57%) and nearly half sick leave compensation (49%) (LFS).
41. *Intransperancies*. According to employers, the image of their company or the image or their sector, may not cause intransparency on the labor market. Only few of them have the perspective that people think negatively of their image (Employer Survey). We have no information from the side of workers or the unemployed on what they are thinking about working within a certain sector or company.
42. Intransparency in recruitment: Most job seekers are looking for a job by contacting businesses themselves or by responding to newspaper advertisements (LFS). Companies also place advertisements but also make use of social media quite a lot. The most successful channels are referral recruitment and social media (Employer Survey).

SWOT analysis

Strengths

- Recovery from COVID: a growth of labor market dynamics.
- High percentage of vacancies in the business sectors compared to the size of the workforce.
- Not only created new jobs but also a lot of workers shifting from one job to another.
- An increase of the level of education.
- Finally, the island's attractivity among tourists provides a major strength. The availability of jobs in tourism makes Sint Maarten also attractive for labor migrants from the Caribbean.

Weaknesses

- Little meaningful social dialogue taking place between social partners (and the government).
- Brain drain: higher education graduates staying abroad.
- High youth unemployment.
- Many workers earn an income below the minimum living standards.
- A lot of informal labor in Sint Maarten. Although its number may have decreased during the COVID-crisis, it may increase again during recovery.
- Government staff is small yet has many responsibilities.
- The lack of compliance monitoring.
- The open border with the French part of the island.
- The economy is heavily dependent on tourism and the tourism industry itself is highly affected by seasonal developments.

Opportunities

- The support in the framework of the Country Package.
- The EISTP program provided other opportunities, especially in the field of training workers.
- The increased use of the internet for recruitment purposes.
- The increased availability of all kinds of data and the technical feasibility of merging and analyzing data.
- Stimulating certain new types of tourism.

Threats

- Increase in inflation.
- Ageing of the population, a smaller than usual cohort of people aged 35-50 years old.
- The over-dependency of the economy on tourism.
- Natural disasters.
- The low level of compliance with (labor) regulations.
- Too much flexibility on the labor market.

Recommendations

Labor market policies

- Increase training of the unemployed and workers (EISTP-like).
- Reduce work stress: develop a system of sustainable employability, especially for elderly workers.
- Make use of web recruitment for NESC vacancies and find ways to publish vacancies from other organizations on the NESC website.
- Develop and use methods of cv parsing for job seekers with the NESC.
- Find ways to increase wages in the public and semi-public sectors (to keep and attract personnel – officials, teachers, nurses).

Labor market regulation

- Look for a strategy of "flexicurity": making flexible jobs more steady and steady jobs more flexible. On one hand it should be made more difficult to dismiss flexible workers, and on the other hand, procedures for dismissal should be less complicated.
- Change the requirements for study financing in stimulating a return to Sint Maarten, especially related to the Netherlands (which even plans a new way of stimulating Caribbean students to follow their studies in the Netherlands).
- Support systems with medium wages per year in case of seasonal labor (at the level of or exceeding the minimum wage level).
- Improve social dialogue, improve working of the SER.
- Increase compliance and monitoring of regulation.

Education and the labor market

- Create the requirements for a system of Lifelong learning (LLL).
- Improve the connection between the ministries of OJCS and VSA regarding labor market policies. The Ministry of OJCS (not just Education) also plays an integral part within the discussion, assistance, and restructuring of the labor market. If the government is aware of the gaps within the labor market, one can better guide students towards a career path that is much needed to fill those gaps.

- Improve the quality of teachers and instructors: train the trainers.
- Improve the vocational track of the education system by ensuring that the curriculum meets current and future labor market requirements (such as in tourism).
- Train for a career path instead of only a (starters) job.
- Establish a system in which companies are recognized as training companies according to clear criteria and in which professional practical supervisors are trained and certified.
- Improve the connection between (developments in) the labor market and educational programs in tertiary education.
- Develop a support structure for students with special educational needs.

Data and research

- Repeat the employer survey performed in the context of this study, but during a different season and with support from employers' organizations.
- Further improve the data of the Chamber of Commerce on companies in Sint Maarten.
- Analyze the 2022 census results from the perspective of information on LM discrepancies: what do they tell (the supply side perspective)?
- Better and transparent forecasting; look for consensus between economists responsible.
- Prepare databases for evaluation at the start of a certain program or project which would have to be evaluated.
- Systematically track students and monitor alumni success.
- Develop/adapt for SXM: systems of work force planning for companies.
- Start web analysis, as there are employers who already use the social media and the web for recruitment.

1 Introduction of the study

1.1 Background

Sint Maarten is a country in the Caribbean with over 40,000 inhabitants. Tourism is the main activity of its economy and tourism-related sectors account for about 45% of the national GDP. Before the hurricanes Irma and Maria in 2017, on average 2.3 million tourists visited Sint Maarten annually.[1] Since 2010, the country is an autonomous constituent of the Kingdom of the Netherlands.

The aftermath of hurricanes Irma and Maria left the island's critical infrastructure destroyed and its economy severely disrupted: Sint Maarten endured losses amounting to 260% of its GDP, leading to an economic decline of a cumulative 12% in 2017-2018.[2] Thanks to international recovery efforts in the years after the natural disasters, Sint Maarten's economy was functioning at about 60% of its pre-hurricane capacity in 2019 and further growth was anticipated for 2020 and 2021. However, the COVID-19 pandemic had a strong impact on the tourism-based economy. A national shut down and worldwide travel restrictions had strong implications for the labor market. The Government of Sint Maarten projects unemployment to have increased by 19% during the pandemic.[3]

Even though official data suggests most workers on the island have a permanent labor contract, Sint Maarten also attracts the largest population of migrants and workers with informal contracts among Dutch Caribbean islands. [4,5] The island also struggles with high youth unemployment rates and a low level of skilled workers.[6] Those characteristics make the labor market of Sint Maarten especially vulnerable to crises and emphasize the importance of social protection systems.

Social protection systems proved indispensable to diverting the immediate effects of the pandemic. Sint Maarten's government implemented extraordinary emergency measures to provide temporary assistance to citizens, workers, and economic units

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[1] World Bank, 'Sint Maarten: Overview', available at: https://www.worldbank.org/en/country/sintmaarten/overview#1, accessed 12 February 2023

[2] Ibid.

[3] Ibid.

[4] Central Bureau of Statistics (2019), 'Labor force on the Dutch Caribbean islands – Labor market force surveys', available at: https://www.cbs.cw/labour-force-on-the-dutch-caribbean-islands?origin=/labour-force-dutch-caribbean-islands

[5] International Organization for Migration (2021), 'Sint Maarten needs assessment on migration governance', available at: https://programamesoamerica.iom.int/sites/default/files/sint-maarten-needs-assessment-migration-governance.pdf

[6] World Bank (2018), 'International Bank for Reconstruction and Development Project Appraisal Document in the Amount of US 22,5 million to Sint Maarten for an Emergency Income Support and Training Project', available at: https://documents1.worldbank.org/curated/en/132261546980531248/pdf/PAD2908-PAD-PUBLIC-Disclosable-Project-Appraisal-Document-PAD.pdf

via ad hoc relief and stimulus packages. Such measures were widespread, quickly rolled out, and targeted to the most vulnerable groups.[7]

Another specific instrument that proved valuable to the economic recovery following the crisis was set up by the Government of the Netherlands in 2017, under the administration of the World Bank and implemented by the National Recovery Program Bureau (NRPB) on behalf of the Government of Sint Maarten and its partner organizations.

The Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF) fund has two main objectives: (1) post-hurricane recovery and reconstruction of Sint Maarten and (2) longer-term development priorities to strengthen the country's resilience. There are currently nine projects under the implementation of the fund, and one of them directly targets the labor market: the Emergency Income Support and Training Project (EISTP).

The EITSP has two components. Firstly, to provide temporary income support and health insurance to vulnerable groups in exchange for their participation in training, and secondly, to develop a social registry system for the use of the Ministry of Public Health, Social Development and Labor (VSA), aiming to strengthen the social protection system's capacity for shock response and protection of the most vulnerable.[8]

The Government of the Netherlands also had concerns regarding labor market policies on the island. In 2020, it conditioned its financial support to address the humanitarian needs of the island, also to labor market policy improvements. For instance, the Dutch government asked for new provisions for removing obstacles to hiring foreign workers, combating irregular employment, and reducing youth unemployment.

1.2 Assignment

The general objective of this assignment was to conduct a comprehensive labor market analysis of Sint Maarten, integrating both the demand and supply sides of the labor market. Panteia aimed to understand labor market dynamics, challenges and gaps, project future demands for jobs over the next 5 years and formulate recommendations for overall improvements on the labor market of Sint Maarten.

Specific objectives of this assignment were to conduct a labor supply analysis, a labor demand analysis and subsequently a forecast analysis of labor demand, as well as a macro-economic overview providing an interpretation of the relationship between economic growth and employment creation. Additionally, existing labor monitoring

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[7] International Labor Organization (2021), 'COVID-19 crisis and policy response in the English- and Dutch-speaking Caribbean, One year after: labour market and social protection responses from January through October 2021', available at: https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port_of_spain/documents/publication/wcms_823342.pdf

[8] World Bank (2021), 'Annual Report 2020: Sint Maarten Recovery, Reconstruction and Resilience Trust Fund', available at: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/857651615974163832/sint-maarten-recovery-reconstruction-and-resilience-trust-fund-annual-report-2020

tools currently in use by the Ministry of Public Health, Social Development and Labor Affairs (VSA) were to be reviewed.

Transparency and consistency of statistics
During the study's data collection stage, it became clear that providing a transparent and consistent dataset for Sint Maarten is a serious challenge. This has been noted before and forms a risk for fact-based policy making, negations with external providers of funds, and a clear grasp of the current and future situation of the Sint Maarten economy. Although this study does not foresee a thorough analysis of available data, it should note the relevance of good statistics.

Important examples of this are GDP and employment figures. Obviously, in addition to the size of Sint Maarten, there are many more problems to solve before transparent and consistent estimates can be developed. The impact of Irma and Maria and COVID, the open border with Saint Martin, with both profits and wages crossing the border, the unknown and variable size of the informal economy, the limited share of the primary and secondary sector, and the difficulty in judging actual export related to tourists are but a few of these.

However, looking at GDP figures developed during the past years it becomes clear that the figures vary substantially and in sometimes strange ways, also comparing years without the COVID or Irma shock effects. Moreover, figures for the same year can vary substantially between different updates of the figures, at both the general and the sectoral levels. This is particularly important as it also concerns the tourism sector, the focus of most policy development and support.

Some more information about views on the GDP figures are provided in the next chapter. Disregarding the debate, this study uses the most recent, official figures available, to the extent that they have been provided or are freely available on the Internet. This way, it is at the very least clear what has been done.

The assignment also included a results analysis of the Emergency Income Support and Training program (EISTP) launched after hurricane Irma to determine if it was effective in supporting its beneficiaries to improve their employability, and if not, to provide the reasons and recommendations for a different approach or adjustments to the EISTP.

1.3 Structure of the report

Panteia mapped both the demand and supply sides of the labor market of Sint Maarten. Data on labor demand was primarily collected through a survey among companies, supplemented by interviews and data from other sources. Information on the supply side was gathered from the Ministry of VSA (labor force surveys, NESC database, census) and other sources in addition to interviews with relevant stakeholders.

Underpinning Panteia's research is a PESTLE-analysis: an analysis of political, economic, societal, and demographic, technological, legal, and environmental factors influencing the labor market of Sint Maarten. Combining the results of this analysis

with a macroeconomic overview and the results of the supply and demand analyses, the research team produced a forecast analysis of labor demand and supply.
The report therefore follows the following sequence of the research project, with each step being a separate chapter:

There are several annexes to this report, some of which serve as stand-alone reports. These are: the results analysis of the EISTP programme (Annex 2), a review of the Labor Force Survey questionnaire (Annex 3), a web-vacancy analysis (Annex 4) and a short comparison of the labor markets of Sint Maarten and Saint Martin (Annex 5).

2 Labor demand

2.1 Recent economic developments

Developments on the demand side of Sint Maarten's labor market are largely determined by the state of the country's economy. When the economy grows, employment usually rises as well. However, the labor market generally responds to economic developments with some delay. Moreover, changes in the labor market tend to be somewhat less pronounced than those in the size of the economy. For example, 5% economic growth does not generally lead to 5% growth in labor demand. Part of growth is explained by the increase of labor productivity, which in its turn for a part is caused by technological progress.

Key macroeconomic indicators are gross domestic product (GDP) and labor productivity:

- GDP is calculated from the sum of the value added by businesses, households and governments to the goods and services they have had to consume to make their products.[9] This sum is known as value added 'in basic prices'. To arrive at GDP 'in market prices', the balance of taxes and subsidies on products and the difference between imputed and remitted VAT are added.[10]
- Labor productivity is a measurement of the efficiency with which work is done. For the economy as a whole, it is GDP (in market prices) divided by the volume of labor (in hours worked or labor years). For the labor productivity of sectors, gross value added in basic prices is used instead of GDP.[11]

Other relevant macroeconomic indicators include the consumer price index (CPI, inflation rate), public finances (budget deficit and public debt) and the balance of payments (summary of transactions with foreign countries).

The World Bank offers the following overview of recent macro-economic developments in Sint Maarten:

- Sint Maarten's economy is based on tourism. Restaurants, hotels, and other tourism-related sectors account for about 45% of Gross Domestic Product (GDP; around 1.2 billion dollar), with a per-capita GDP of USD 29,495 (IMF, February 2021). Tourism accounted for 73% of foreign exchange income in 2016, supported by large tourist arrival numbers. Prior to hurricane Irma, the country received an average of 1.8 million cruise ship passengers and 500,000 visitors by air annually.

[9] Products here include services.

[10] 'Bruto binnenlands product (marktprijzen) (BBP)', CBS. Available at: https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/bruto-binnenlands-product--marktprijzen----bbp--

[11] 'Arbeidsproductiviteit', CBS. Available at:https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/arbeidsproductiviteit

Many other – not directly tourism-related - sectors in Sint Maarten also depend heavily on tourism.

- Following the devastation caused by hurricanes Irma and Maria in 2017, Sint Maarten suffered damages and losses of around 260% of its GDP, destroying homes, schools, and restaurants, damaging critical infrastructure including the hospital and the airport terminal, and disrupting the tourism-based economy, dramatically reducing arrivals. Sint Maarten's economy contracted by a cumulative 12% in 2017-18 and public finances faced a sharp decline in tax revenue.
- Through rebuilding and recovery efforts, in 2019 Sint Maarten's growth was just rebounding to 5% when the COVID-19 pandemic hit, causing heavy income and job losses. In particular, micro-, small-, and medium-sized enterprises (MSMEs) endured significant capital losses due to the impacts of the hurricane(s) that were compounded by the pandemic.
- The global border closures and travel restrictions due to COVID-19 further exacerbated losses in tourism. According to the Government of Sint Maarten, the economy contracted by an estimated 24% in 2020, with major impacts on fiscal revenue (IMF, February 2021). Unemployment is projected to have increased to 19%, according to the government.
- Although the economic outlook remains challenging, after COVID Sint Maarten at first showed modest growth. This was further supported by investments in reconstruction and recovery from the Sint Maarten Irma Trust Fund for Reconstruction, Recovery and Resilience (SXM TF), financed by the Government of the Netherlands for up to Euro 470 million (2018-2025). The SXM TF is managed by the World Bank and is implemented in partnership with the Government of Sint Maarten as well as NGOs and local financial institutions. Trust Fund investments include major infrastructure projects, including the reconstruction of the hospital and the airport, and repairs to homes and schools. Funding is also in place to finance eligible NGO projects and provide loans and asset recovery grants to MSMEs. Disbursements under nine SXM TF projects rose to over USD 94 million during 2020.[12]

Right now (2022), St. Maarten's economy is doing well again (thanks in particular to the open economy). Based on the most recent report on economic indicators (2022Q3) by the Department of Statistics of Sint Maarten, the current national economic situation can be described as follows:

- The Consumer Price Index (CPI) for Sint Maarten in the third quarter of 2022 was 107.64. This represents a decrease of -0.92%, when compared to that of the second quarter of 2022. When comparing the consumer prices of the same period 12 months previously (the third quarter of 2021 to the third quarter of 2022), an increase of +3.45% is recorded. Compared to for instance the European Union countries this inflation rate is relatively low.
- Cruise passenger arrivals in the first three quarters of 2022 amounted to in total 504,730 against 26,207 in the same period in 2021. Stayover arrivals in the third quarter of 2022 amounted to 278,302 against 166,893 in the third quarter of 2021 (an increase of 67%). While the amounts of tourists are rising, the totals are still much lower than 2019 (1,632,000 cruise passenger arrivals) and 2012 (2,002,000).

[12] https://www.worldbank.org/en/country/sintmaarten/overview

- As far as container movements are concerned: in the first three quarters of 2022 91,846 TEU's were shipped against 77,051 in the same period in 2021 (+19%).[13]

As mentioned in the first chapter, serious doubts have been raised as to the quality of the process by several interviewees in the business sector and the education sector. The SHTA has published various documents and overviews of materials in which it calls for improvements, mainly referring to lack of transparency and consistency. SHTA concludes amongst others:

- There is ample reason to question the official GDP data set.
- The TES fails to account for activity on the French Side.
- Leading indicators suggest that official GDP is substantially higher than indicators would justify.
- Considering the drop in Tourism expenditure from the Pre-Irma highs, productivity in Sint Maarten has dropped significantly. A baseline GDP adjustment should be made accordingly.
- Sint Maarten needs reforms to create economic sustainability. The country packages were developed to meet that need. Unfortunately, the packages were developed in the absence of the social partners, on what appear to be inflated GDP numbers.[14]

Indeed, GDP figures developed during the past years show substantial variation, in sometimes strange ways, at both the general and the sectoral levels – not in the least the tourism sector. However, it goes beyond this study to investigate this issue in greater detail. This study uses the most recent, official figures available, to the extent that they have been provided or are freely available on the Internet.

2.2 Companies

> Next to the organizations in the public and semi-public sectors, the demand side of the labor market derives from the companies[15] on Sint Maarten. A company can be defined as an actual transactor in the production process characterized by independence with respect to decisions about that process and by offering its products to third parties. A company may have one or more locations (establishments) where business activities are carried out.
>
> Company dynamics involve the changes that occur within the company population: how many new companies are started (start-ups), how many existing companies cease operations (business closings/bankruptcies) and how many mergers and acquisitions take place.[16]

2.2.1 Number and characteristics of companies

The St. Maarten Chamber of Commerce & Industry (COCI) is a non-profit organization, one of whose roles is to ensure that all businesses and legal entities in St. Maarten are

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[13] http://stats.sintmaartengov.org/topics/Economic/quarterly/Economic_Indicators_Q3_2022.pdf

[14] SHTA, Sint Maarten Macro Economics; A non-exhaustive analysis of available data & suggestions going forward, 2021

[15] Companies here also include institutions (such as government, educational and healthcare institutions).

[16] 'Bedrijf', CBS. Available at:https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/bedrijf

registered in its commercial register. Therefore, the number of organizations registered with COCI is a (global) indication of the number of companies in Sint Maarten. Despite the lockdown measures implemented to combat the COVID-19 pandemic, the number of businesses conducting annual fee payment to COCI increased by 31% from 3,963 in 2020 to 5,208 in 2021 (including MSMEs and self-employed). Possible causes of this increase are the following:

- Increased economic activities during 2021 compared to 2020 that have stimulated positive movement in various sectors of the economy;
- COCI's compliance campaign, whereby businesses were reminded of their obligation to the Chamber;
- Continued salary support initiative provided by the Government to the business sector during 2021, to which an updated business excerpt or proof of registration from the Chamber is a requirement;
- The Enterprise Support Project under the NRPB, which provides financing to both new and existing businesses.[17]

In the framework of the preparations for the survey, Panteia's local partner in this research project SMCG compiled a list of companies with at least 3 working persons (the owner or manager and two employees). This list contains the following number of companies by sector:

Table 1 Number of companies by sector in which they primarily operate

Sector	No.	%
Retail	246	34.4
Hotels, accommodation and food services	103	14.4
Tourism other	83	11.6
Professional services incl transport	50	7.0
Real estate, housing	45	6.3
Healthcare	35	4.9
Construction/ energy, gas, water	33	4.6
Financial	30	4.2
Beauticians	24	3.4
Cleaning	22	3.1
Repair	21	2.9
Security	7	1.0
ICT/Media	6	0.8
Temping agencies	5	0.7
Manufacturing	2	0.3

[17] COCI (2022). Operations Annual Report 2021. Available at: https://www.chamberofcommerce.sx/wp-content/uploads/2022/04/COCI-Annual-Report-2021.pdf

Education non-public	2	0.3
Culture	1	0.1
Total	**715**	100%

Source: Panteia

Most companies operate in the retail retail (34%) and hotels, accommodation, and food services sectors (14%). The sectors tourism other, professional services including transport and real estate & housing follow at some distance (with 12%, 7% and 6% respectively). The remaining sectors each account for less than 5% of the companies.

2.2.2 Company dynamics

As far as company dynamics are concerned, the picture for 2021 is as follows:

- First time registrants (new businesses or existing companies choosing to register) increased by 20% from 643 in 2020 to 773 in 2021. Among the various types of businesses and entities as newly registered in 2021, sole proprietors were the most predominant with 290 entities, followed by private liability entities with 277, limited lability entities with 92, foundations with 81 and associations with 33.
- Business closures increased by 84% from 153 in 2020 to 782 in 2021. Apart from the negative impact of the COVID-19 pandemic on the business community, other reasons for the increase in business closure include the compliance campaign launched by the Chamber in which some businesses that were inactive and had outstanding fees opted to close. Other reasons are that some businesses closed as Sole Proprietors and converted into BVs and NVs, while others indicated to the Chamber that the taxing policies have hindered their business success. It should be noted however, that there was a possible cushioning of the business closures for the reporting period due to the available financing possibilities through Qredits[18], the Government salary support to businesses and the Enterprise Support Project by the NRPB.

2.3 Employment

> Employment is the fulfilled part of companies' demand for labor (occupied jobs) and can be expressed in the number of persons employed, the number of jobs held by employed persons, the number of working years of employed persons and the number of hours worked by employed persons. An employed person (employee or self-employed) may have more than one job. Labor years, a measure of labor volume, is calculated by converting all jobs (full-time and part-time) to full-time jobs. Labor volume can also be measured by the number of hours actually worked. Hours not worked due to vacations, reduced working hours, illness and the like do not count for this purpose, but overtime hours do.[19]

[18] Qredits helps entrepreneurs with loans, mentoring and business development. It is mainly aimed at SME's (micro-financing). See: https://stmaarten-en.qredits.com/

[19] 'Gewerkte Uren' (hours worked), CBS. Available at:https://www.cbs.nl/nl-nl/nieuws/2022/29/minder-sterke-toename-loonkosten-per-gewerkt-uur-in-2021/gewerkte-uren

As in the company population, there are dynamics within employment. These include personnel flows and job dynamics. Personnel flows involve the inflow, internal flow, and outflow of personnel from companies. Job dynamics involve the creation of new types of jobs and the disappearance of existing types of jobs at companies.

Besides formal employment there also can be 'informal' employment. Informal employment concerns the deployment of foreign workers without residence documents and work permits and/or the deployment of workers (whether or not foreign) for which no tax and social contributions are paid.

2.3.1 Number and characteristics of employed persons

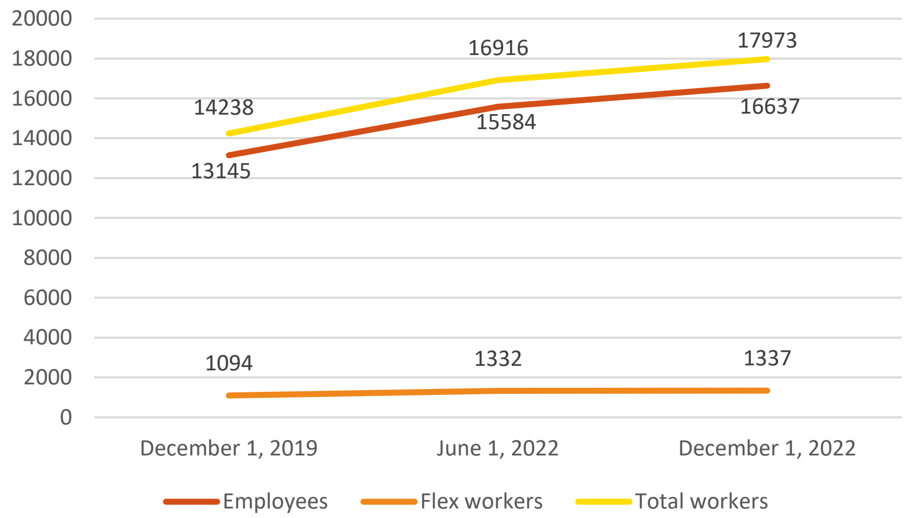
Number and characteristics of employed persons according to the employer survey (business sectors excluding self-employed)

The Panteia employer survey provides data on employment in the business sectors (except self-employed not working for companies).

Total number of workers (employees and flex workers)

The next figure shows the total number of workers of the companies in Sint Maarten, broken down by employees versus flex workers. Flex workers include temp agency workers, posted workers, self-employed workers, payrollers and other externally hired workers. In doing so, the figure distinguishes three reference dates: December 1, 2019 (before the COVID-19 pandemic), June 1, 2022, and December 1, 2022.

Figure 1 Total number of workers broken down by employees and flex workers, December 1, 2019, June 1, 2022 and December 1, 2022 (weighted numbers; companies in private sector with >1 employee)



Source: Employer Survey by Panteia

In total, on December 1, 2022, there were almost 18,000 workers in Sint Maarten in the business (private) sectors. This shows an increase of 6% compared to June 1, 2022 (low season) and about 26% compared to December 1, 2019 (not counting companies who had to close down). Most of the workers (16,640; 92.6%) were employees and the remainder (1,340; 7.4%) flex workers. Compared to both other reference dates, this distribution is fairly constant. That the share is similar on both reference dates in 2022 is remarkable. An explanation could be that companies use a different type of flex worker in the low and high season.

Employees by personal characteristics

As far as personal characteristics of the 16,640 employees (e.g., workers excluding flex workers) are concerned, for reference date December 1, 2022, the following picture may be sketched:

- Gender: Slightly more than half (52%) of the employees are men and slightly less than half of them (48%) women.
- Age: In terms of the age of employees, the center of gravity is in the middle age categories 25-44 years (45%) and 45-54 years (29.4%). A tenth (10%) are younger than 25 years and 15% 55-plus. Of the latter, 2 percentage points are 65-plus.
- Origin/nationality: More than half (54%) of the employees have the Sint Maarten (Dutch) and 3% the Saint Martin (French) nationality. Another 3% originate from the BES-islands (Bonaire, Sint Eustatius en Saba) and 31% from other Caribbean countries. A tenth has another nationality (of which 4 percentage points a European or American nationality).
- Educational level: As can be seen from the table below, the most common educational level of the employees is secondary education (43%), at some distance, followed by vocational training at secondary level (20%) and tertiary education (14%).

Table 2 Number of employees by educational level, December 1, 2022 (weighted and rounded numbers; companies in private sector with >1 employee)

Educational level	Number	%
No formal education completed	460	2.8
Primary education	1,630	9.8
Secondary education (incl. high school/college)	7,160	43.1
Vocational education	810	4.8
Tertiary education (university)	2,330	14.0
Vocational training secondary level	3,380	20.3
Vocational training post-secondary level	890	5.3
Total	16,640	100

Source: Employer Survey by Panteia

Workers by company characteristics

The following table shows the breakdown of the number of workers (e.g., employees and flex workers) on reference date December 1, 2022, by sector and company size respectively.

Table 3 Number of workers by sector, December 1, 2022 (weighted and rounded numbers; companies in private sector with >1 employee)

Sector	Number	%
Agriculture, forestry and fishing	10	0.1%
Manufacturing	160	0.9%
Electricity, gas, steam and air conditioning supply	310	1.7%
Construction	360	2.0%
Wholesale and retail trade; repair of motor vehicles/cycles	4,020	22.4%
Transportation and storage	1,110	6.2%
Accommodation and food service activities (hospitality)	4,740	26.4%
Information and communication	710	4.0%
Financial and insurance activities	170	0.9%
Real estate activities	20	0.1%
Professional, scientific and technical activities	180	1.0%
Administrative and support service activities	50	0.3%
Public administration and defense; compulsory social security	110	0.6%
Education	250	1.4%
Human health and social work activities	1,130	6.3%
Arts, entertainment and recreation	540	3.0%
Other service activities	3,950	22.0%
Activities of extraterritorial organizations and bodies	30	0.2%
Unknown	140	0.8%
Total	17,970	100.0%

Source: Employer Survey by Panteia

Three sectors stand out above the rest: accommodation and food service activities (hospitality) (26%), wholesale and retail trade (22%) and other service activities (also 22%). Together these three sectors account for 70% of the total number of workers. The sectors transportation & storage and human health and social work activities follow at distance (with both 6%). All other sectors have a share of less than 5%.

Table 4 Number of workers by company size (number of employees), December 1, 2022 (weighted and rounded numbers; companies in private sector with >1 employees)

Company size	Number	%
2 - 4	860	5%
5 - 9	1,730	10%
10 - 24	1,990	11%
25 - 49	2,590	14%
50 - 99	2,070	12%
100 - 150	3,050	17%
150 +	5,680	32%
Total	17,950	100.0%

Source: Employer Survey by Panteia

As the table shows, there is a clear relationship between size class and number of workers: the higher the size class, the higher the share in the total number of workers. The only exception to this is size class 50 - 99 employees.

Workers by job characteristics

The following tables show the number of workers (e.g., employees and flex workers) by professional group and working position respectively. Again, the reference date is December 1, 2022.

Table 5 Number of workers by professional group, December 1, 2022 (weighted and rounded numbers; companies in private sector with >1 employee)

Professional group	Number	%
Pedagogical professions	450	2.5
Creative and linguistic professions	30	0.2
Commercial professions	1,760	9.8
Business and administrative professions	1,130	6.3
Managers	2,030	11.3
Public administration, security and legal professions	710	4.0
Technical and production professions	1,090	6.1
ICT professions	240	1.4
Agricultural professions	10	0.1
Care and welfare professions	660	3.7
Service professions*	5,590	31.1
Transport and logistics professions	740	4.1
Other professions	3,530	19.7
Total	17,970	100

* Including professions in the field of accommodation and food service activities (hospitality).

Source: Employer Survey by Panteia

Most common professional group among workers are service professions (including hospitality professions) (31%). Managers, commercial professions, business & administrative professions and technical & production professions follow at distance (with 11%, 10%, 6% and 6% respectively).

Table 6 Number of workers by employment position, December 1, 2022 (weighted and rounded numbers; companies in private sector with >1 employee)

Employment position	Number	%
Employer	600	3.4
Self-employed	160	0.9
Employee in permanent service	10,660	59.3
Employee in temporary service (temp agency, secondment agency)	1,370	7.6
Casual worker	80	0.4
Unpaid family worker	10	0.1
Employee with a contract lasting less than 6 months	500	2.8
Employee with a contract lasting 6 months or longer	4,400	24.5
Intern	90	0.5
Other	110	0.6
Total	17,970	100

Source: Employer Survey by Panteia

In most cases, workers are in permanent service (59%) or have a contract lasting 6 months or longer (25%). About 8% work through a temp or secondment agency.

As far as working hours of the workers are concerned, 95% work fulltime (40 hours per week or more) and 5% parttime.

Seasonality of employment
Seasonal labor can be defined as the hiring of a person temporarily (for a few weeks or months) during (a) certain period(s) of the year for accommodating peaks of work. During the last year before the survey (December 2021 – November 2022), 17% of the companies deployed seasonal workers.

We analyzed the share of companies deploying seasonal labor by sector and company size respectively. In terms of sectors, industry excluded (100%, but only 1 respondent), the share of companies deploying seasonal labor is highest in the sector arts, entertainment and recreation (40%).

Construction (33%), electricity, gas, steam and air conditioning supply (29%), accommodation and food service activities (29%), information and communication (25%) and wholesale and retail trade (22%) follow at some distance.

In terms of company size, what is striking is that 40% of both the size classes 100-150 and 150+ employees indicated that they used seasonal labor. In the lower size classes this share is smaller. It varies from 0% in size classes 0 and 50-99 employees to 33% in the size class 25-49 employees.

In the survey, the large companies which deployed seasonal workers were asked some additional questions about seasonal work. Given the small number, (N=6) the results of these questions are not more than indicative:

- During the period in question, most seasonal workers were deployed in the months December, January, February, March, and April (and especially in the two first-mentioned months).
- Most companies (5 out of 6) only deployed seasonal workers form Sint Maarten. One company deployed seasonal workers from other (whether or not Caribbean) countries (not being Saint Martin or the BES-islands).
- Most prevalent among the deployed seasonal workers were service professions (especially cooks and other kitchen staff, cleaning staff and waitresses/waiters) followed by technical and production professions.

Number and characteristics of employed persons according to the LFS

The demand survey carried out by Panteia in 2022 did not relate to the public, health, and education sectors. Our most recent source for total employment is the Labor Force Survey (LFS) of 2018. In 2018, the employed labor force in Sint Maarten amounted 20,850 persons (0.5% less than in 2017 (see figure below).

Table 7 Employed labor force by sector, 2018

Industry	Employed	
Wholesale and retail trade; repair of motor vehicles and motorcycles	3,661	17.6%
Accommodation and food service activities	2,557	12.3%
Construction	2,452	11.8%
Public administration and defense; compulsory social security	1,728	8.3%
Transportation and storage	1,398	6.7%
Administrative and support service activities	1,311	6.3%
Education	1,080	5.2%
Human health and social work activities	919	4.4%
Other service activities	722	3.5%
Arts, entertainment and recreation	685	3.3%
Professional, scientific and technical activities	675	3.3%
Financial and insurance activities	529	2.5%
Manufacturing	471	2.3%
Information and communication	362	1.7%
Activities of households as employers, undifferentiated goods – and services – producing activities of households for own use	290	1.4%
Electricity, gas, steam and air conditioning supply	194	0.9%
Water supply; sewerage, waste management and remediation activities	128	0.6%
Real estate activities	120	0.6%
Agriculture, forestry and fishing	14	0.1%
Unknown	1,464	7.1%
Total	20,760	

Source: LFS 2018

2.3.2 This picture differs from table 5. The reasons for this are 1) Employment has changed due to COVID-19 and 2) This LFS table also includes people in the public (government) and semi-public (health/welfare and public education) sectors. Government and semi-public employment

Sint Maarten is a very small country and is one of the smallest in the world. Therefore, many services which are often separated from the national government in a bigger country, are part of the government organization in Sint Maarten (police, fire brigade, ambulance service, prison service etc.). As a result, the national government staff is relatively large. The table below shows its size and composition according to the formation plan.

Table 8 Government staff according to the formation plan, 2022

Management	SG:7	Heads: 57	Section heads: 64	Team leaders: 48
Total	**176**			
Percentage	**8.8%**			

Policy staff	Total	Policy	Executive policy	Policy support
VSA	23	12	8	3
VROMI	12	6	4	2
TEZVT	26	12	11	3
OCJS	34	18	14	2
FIN	13	6	6	1
AZ	46	31	10	5
JUS	30	8	20	2
Total	**184**	93	73	18
Percentage	**9.2%**	4.7%	3.7%	0.9%

Executive staff	
Total	**1,640**
Percentage	**82%**

Total	**2,000**

Source: P&O department of the Government of Sint Maarten

According to the formation plan, in total the government staff consists of 2,000 fulltime equivalents (fte). Since most civil servants work fulltime, the number of employees involved will be almost the same. This number includes a planned expansion of about 300 fte (particularly in the justice chain). By far the largest group of personnel is the executive staff, such as civil affairs desk employees, social service employees, prison officers, police officers, etc. (82%). Management and policy staff both make up around 9%. As far as policy staff is concerned, the number of employees varies from 12 at the Ministry of VROMI (Housing, Physical Planning, Environment and Infrastructure) to 46 at the Ministry of AZ (General Affairs). As far as the sufficiency of government staffing is concerned, Sint Maarten is not comparable to Aruba and Curaçao. In the latter countries there is too much government apparatus, whereas in Sint Maarten there is a relatively large understaffing.

This understaffing is unevenly distributed:

- The understaffing concerns mainly (managers and) policy officers at tertiary education level (HBO+), who must be well-versed in both professional and legal knowledge. Recruiting people for positions at this level is a big problem. Also, there has been a substantial exodus of higher educated staff (in two years 80 to 90 employees left) and this outflow still goes on. Causes are inter alia the employer image of the government among persons with tertiary education, the relatively poor terms of employment for this group compared to the private sector (and abroad) and politics in the organization. To work for the government, one must have the Dutch nationality. Moreover, their work also acquires good command of both the English and Dutch language and good writing skills. Another cause is the brain drain of students educated abroad (see below); most of the small group of former students who do return, start working in the private sector. Additionally, the lack of child- and after-school care in Sint Maarten plays a role in this respect (but this is also hampering recruitment for the private sector).[20]

- Specialist departments such as the police, tax authorities, customs and immigration are also substantially understaffed. This work often demands internal training. For this, the intake requirements are not high (maximum vocational education, MBO) and the local labor market can provide a sufficient number of candidates. Here, the problems are mainly financial in nature.
- In particular, the policy departments account for a substantial understaffing (about 50%). This concerns mainly (managers and) policy officers at tertiary education level (HBO+), who must be well-versed in both professional and legal knowledge. Their work also acquires good command of both the English and Dutch language and good writing skills.

The judicial system is not included in the formation plan mentioned above.
For this specific sub-sector, we therefore provide specific context:

- Understaffing within the police force concerns all layers of the organization, from management staff to police officers on the street, and is about 50%. In particular there are large shortages of detectives and support staff. Due to a hiring freeze, at the moment not much can be done in relation to personnel shortages. While recruitment for training programs is allowed, the police, coast guard, immigration and prison services try to find people in the same pool of potential employees, hence supply is limited. Other recruitment issues are the Dutch language requirement, as well as physical and psychological standards.
- The Joint Court of Justice[21] location on Sint Maarten consists of about 20 employees and also faces challenges to recruit new staff. A main issue here too is the Dutch language requirement, as the legal system is in Dutch. All judges working in the Joint Court are Dutch judges on special leave on a 5-year rotation. In addition to the language requirement, specific knowledge of one or more legal area(s) is a challenge in recruiting supporting staff.
- The prison and house of detention have general issues with working conditions of staff (e.g., security guards) and shortages due to lack of budget.
- The public prosecutor's office has 21 employees and no prominent recruitment issues.

Broadly speaking, the government does not have a recruitment problem when it comes to other positions. The supply for this group on the local labor market is large enough. Furthermore, the salaries in the lower scales are higher, the secondary terms of employment more favorable and the job security larger than in the private sector.

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[20] Further research is being carried out into the motives for personnel problems in government (by CurConsult in the framework of the Landspakket).

[21] Joint Court of Justice of Aruba, Curaçao, Sint Maarten, and of Bonaire, Sint Eustatius and Saba

Many people do not report ancillary jobs, but according to the government's HR department it is common for people to do something in addition to their government job. This is not only the case with government employees.

According to the Dutch Ministry of Foreign Affairs and Kingdom Relations (BZK), where possible the European Netherlands tries to provide help (technical assistance, e.g., around the Ministry of VROMI) to improve/increase the capacity of the civil service of Sint Maarten.[22]

2.3.3 Outflow of personnel

For the outflow of personnel there are two sources of information: the employer survey and the information about dismissals at the NESC (National Employment Services Center of the Department of Labor Affairs and Social Services of the Ministry of VSA). While the first source contains more specific information about the reasons for outflow and the way employers experience outflow, the NESC database makes it possible to compare the years 2018-2021 (figures on 2022 will only become available later).

Outflow of employees according to the employer survey

During the last year before the survey (December 2021 – November 2022), the total outflow of employees (excluding flex-workers) amounted to 3,852. The next two tables break down this outflow by sector and company size respectively.

[22] This subsection is largely based on information provided by the P&O department of the Government of Sint Maarten and interviews w Further research is being carried out into the motives for this. ith experts in this field.

Table 9 Outflow of employees (excluding flex workers) by sector, December 2021 – November 2022 (weighted and rounded numbers; companies in private sector with >1 employees)

Sector	Number	%
Agriculture, forestry and fishing	0	0.0
Manufacturing	30	0.7
Electricity, gas, steam and air conditioning supply	60	1.6
Construction	80	2.1
Wholesale and retail trade; repair of motor vehicles/cycles	660	17.1
Transportation and storage	180	4.7
Accommodation and food service activities (hospitality)	1,760	45.6
Information and communication	50	1.2
Financial and insurance activities	80	2.1
Real estate activities	0	0.0
Professional, scientific and technical activities	60	1.6
Administrative and support service activities	10	0.2
Public administration and defense; compulsory social security	20	0.5
Education	0	0.0
Human health and social work activities	150	4.0
Arts, entertainment and recreation	220	5.6
Other service activities	500	12.9
Activities of extraterritorial organizations and bodies	10	0.2
Unknown	0	0.0
Total	3,850	100.0

Source: Employer Survey by Panteia

The outflow is clearly concentrated in three sectors: accommodation and food service activities (hospitality) (46%), wholesale and retail trade (17%) and other service activities (13%). Together, these three sectors account for three-quarters (76%) of the total outflow. The sectors arts, entertainment & recreation, transport & storage, and human health & social work activities also have a substantial share in the outflow (6%, 5% and 4% respectively).

As far as company size is concerned, 40% of the outflow was at companies in the highest size class (150+). The companies in the classes 5-9, 10-24, 25-49 and 50-99 each accounted for over a tenth of the outflow. In the June- November 2022 period, the main reasons for the outflow of employees were ‘expiring of temporary contract’, ‘other job within the same sector’, ‘other job in another sector’ and ‘forced resignation due to bad performance’ (respectively 25%, 19%, 18% and 18%; multiple response question).

Only a small minority of the companies (overall roughly 6%) experienced the outflow as a (very) big problem (on a five-points scale from 1 = very small problem to 5 = very big problem). Leaving manufacturing aside (100%, but only 1 respondent), the sectors with the highest scores are:

- Electricity, gas, steam and air conditioning supply (33%);
- Human health and social work activities (18%);
- Accommodation and food service activities (hospitality) (16%):
- Transportation and storage (14%).

Furthermore, the sector other service activities scores 2%. In all other sectors none of the respondents experienced the outflow as a (very) big problem.

As far as company size is concerned, in particular the highest size classes (100-150 and 150+ employees) score high (both 60%). All the other size classes score around the overall average of 6% or lower.

Dismissals permits requested at the NESC

Despite the COVID pandemic, the number of dismissals permits requested at the NESC did not increase in the years 2020 and 2021. In 2021, there were 26 requests against 104 in 2018. Unfortunately, due to incomplete data, it is not possible to look at this in more detail.

2.3.4 Informal employment

Extent of informal employment

Asking companies directly if they deploy informal labor produces socially desirable answers. Most companies will say no, even if they do deploy informal labor. Therefore, in the survey companies were asked if they do experience other companies in their sector deploying informal labor. A five-point scale from 1 = very little or none to 5 = very much was used for this question.

Table 10 Companies experiencing other companies in their sector deploying informal labor by sector (companies in private sector with >1 employees)

Sector	%
Very little to no informal labor is deployed	41.3
Little informal labor is deployed	4.8
Little nor much informal labor is deployed	2.6
Much informal labor is deployed	7.9
Very much informal labor is deployed	7.4
Don’t know	28.0
Don’t want to say	7.9
Total	100.0

Source: Employer Survey by Panteia

Over 15% of all companies experience (very) much use of informal labor by other companies in their sector. This figure will actually be even greater given the high percentages 'don't know' and 'don't want to say' (28% and 8%).

The top 5 of sectors which relatively include the most companies experiencing deployment by other companies in their sector consists of:
1 Construction (67%);
2 Accommodation and food service activities (hospitality) (35%);
3 Electricity, gas, steam and air conditioning supply (33%);
4 Financial and insurance activities (33%);
5 Information and communication (25%).

Informal employment by company characteristics

As far as company size is concerned, it may be remarked that none of the companies in the highest size classes (100-150 and 150+ employees) experienced (very) much deployment of informal labor by other companies in their sector. In the other size classes, the share ranged from 6% (size class 10-24 employees) to 33% (size class 25-49 employees).

The large companies (50+) that experience to some extent deployment of informal labor in their sector, were asked to make an estimation of the share of informal employment in the total employment in Sint Maarten. Only 6 companies answered this question. Based on their answers, the share of informal labor can be estimated at 40% or employment.

Informal employment by job characteristics

According to the large companies that experience deployment of informal labor by other companies in their sector to some extent, this is most prevalent for the professional groups service professions, technical and productive professions and other professions (respectively 50%, 33% and 33% of the large companies indicated this; multiple-response questions; max 5 answers).

Reasons for deploying informal labor

Finally, in an open-ended question all companies were asked about other companies' reasons for deploying informal labor.

> **Reasons for deploying informal labor**
> According to the companies surveyed, by far the most important reason for other companies to deploy informal labor are the low labor costs ("cheap labor") (18 companies indicated this). Government bureaucracy, the work ethic of the informal workers and labor market shortages of local and documented foreign workers follow at some distance (6, 6 and 4 companies respectively). Other reasons mentioned were 'ease of entry', 'easier – quicker - day casual workers' and 'Illegal vendors working on the beaches and on the streets selling the same items'.

See also labor supply analysis (section 3.3.3 about foreign labor).

2.4 Vacancies

> Vacancies are the unfulfilled part of companies' demand for labor (unoccupied jobs). A vacancy can be defined as a job for which personnel is sought, either inside or outside a company or institution, that can be placed immediately or as soon as possible. A distinction is made between: vacancies created during a given reference period (e.g., 2019-2020), vacancies filled during that period and vacancies open at the end of that period (e.g., on December 31st, 2020).[23]
>
> The number of vacancies created is the result of expansion demand and replacement demand. Expansion demand (growth or contraction of employment) results from developments in production, labor productivity and/or working hours. Replacement demand results from job changes of workers and temporary or permanent outflow from the labor force. Temporary outflow from the labor force is partly voluntary in connection with training/study, care duties, etc. and partly involuntary in connection with long-term illness or partial disability. It can also be caused by the seasonal characteristic of labor; in this case it can mean that the same worker will return after a period of unemployment or employment in another type of job. Permanent outflow is caused by full disability, (early) retirement or death.

In the framework of this research, there were several sources of information available on the amount and characteristics of HR and vacancies on Sint Maarten:

- The demand survey carried out during December 2022 and January 2023 among companies (the business sectors) in Sint Maarten. The questionnaire for big(ger) companies was somewhat longer than for smaller companies. Managers or HR officers were asked for data and other types of information about a lot of aspects of job dynamics and HR in their companies. The information on vacancies concerns the period of June-November 2022.
- Information of the NESC on vacancies which were registered, mostly in the framework of applications for work permits, for the years 2018 – 2021. For this reason, it does not contain any vacancies from the government.
- Vacancies on the internet gathered by Panteia in the period October 2022 – February 2023. These also contain some vacancies in the public and semi-public sectors.

The main source of information is the demand survey. In the following, it will be supplemented by the information from the NESC database to show trends and some information on the salaries, levels of education and sectors related to these vacancies. While there are only (still) little vacancies on the internet, this source could hardly be used for the analysis. It shows, however, that especially government and the health and education sectors make use of the internet to recruit personnel.
As we have no information from survey data on labor market of the government., we will have to elaborate on the sources referred to above.

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[23] 'Vacature' CBS. Available at: https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/vacature

2.4.1 Number of new, fulfilled and open vacancies

As stated above, our main source for the number of vacancies is the employer survey. The recovery from the COVID-19 pandemic has brought along a growth of labor market dynamics. The percentage of vacancies in the business sectors compared to the size of the work force is about 22%. Of course, part of these vacancies seems not to be fulfilled (our estimation based on the ratio between new, fulfilled, and open vacancies is about 10-15% of all vacancies). Normally, the ratio between inflow and total number of employees is 10-15%. The estimated of almost 20% job dynamics for 2022 is considerably higher. We know that the same rise in labor market dynamics was the case in the United States and Europe. The recovery from the pandemic has not only created new jobs but has also seemingly highlighted that a lot of workers have been shifting from one job to another.

Number of new, fulfilled and open vacancies according to employer survey

New, fulfilled and open vacancies by company characteristics
In the last year before the survey (December 2021 – November 2022), in total more than 4,000 new vacancies arose and some 3,000 vacancies were fulfilled. At the end of the period in question, 722 vacancies were open and could still be fulfilled.

The following table breaks downs the number of new, fulfilled and open vacancies by sector.

Table 11 Number of new, fulfilled and open vacancies by sector, December 2021 – November 2022 (open vacancies at the end of this period) (weighted and rounded numbers; companies in private sector with >1 employees)

Sector	New	Fulfilled	Open
Agriculture, forestry and fishing	0	0	0
Manufacturing	90	50	20
Electricity, gas, steam and air conditioning supply	50	20	30
Construction	50	30	10
Wholesale and retail trade; repair of motor vehicles/cycles	430	380	90
Transportation and storage	950	490	230
Accommodation and food service activities (hospitality)	1,650	1,400	150
Information and communication	50	50	0
Financial and insurance activities	20	10	10
Real estate activities	0	0	0
Professional, scientific and technical activities	40	20	10
Administrative and support service activities	20	20	0
Public administration and defense; compulsory social security	20	20	0
Education	0	0	0
Human health and social work activities	180	140	80
Arts, entertainment and recreation	200	180	10
Other service activities	320	190	70
Activities of extraterritorial organizations and bodies	20	0	10
Unknown	50	10	0
Total	4,100	2,970	720

Source: Employer Survey by Panteia

The picture can be summarized as follows:

- The three sectors with the largest share of new vacancies are accommodation & food services (40%), transportation & storage (23%) and wholesale & retail trade (11%). Substantial numbers of new vacancies are also be seen in other service activities, arts, entertainment & recreation, and human health & social work activities (8%, 5% and 4%)
- In regards to fulfilled vacancies, the top 3 remain the same: accommodation & food services (47%), transportation & storage (16%) and wholesale & retail trade (13%). Again, the sectors other service activities, arts, entertainment & recreation, and human health & social work activities also show substantial numbers (6%, 6% and 5%).
- Looking at open vacancies, the transportation and storage sector have the most (32%), followed by accommodation & food services (21%) and wholesale & retail trade (13%).

Some of the new vacancies which were created in the December 2021 – November 2022 period were still open in December 2022 and will still be fulfilled. We estimate that in the end, 3,500 of the vacancies created in this period will be fulfilled. For the rest, the companies involved must look for other (HR) solutions.

New vacancies by company size
More than half of the new, fulfilled, and open vacancies were at the largest companies, e.g., the category 150-plus employees (56%, 58% and 57% respectively). As far as new vacancies are concerned, the top 3 was completed by the categories 25-49 and 50-59 employees (10% and 9%). Runners-up among the open vacancies were the categories 10-24 and 50-59 employees (19% and 8%).

New vacancies by job characteristics
Next, the tables below present the breakdown of the number of new vacancies for larger companies in the last year before the survey (December 2022 – November 2022) by professional group, educational level, and type of contract respectively.

Table 12 Number of new vacancies by professional group, December 2021 – November 2022 (weighted and rounded numbers; companies in private sector with >50 employees)

Professional group	Number	%
Pedagogical professions	40	1.3
Creative and linguistic professions	0	0.0
Commercial professions	410	15.1
Business and administrative professions	60	2.3
Managers	70	2.6
Public administration, security and legal professions	50	1.6
Technical and production professions	100	3.6
ICT professions	0	0.0
Agricultural professions	0	0.0
Care and welfare professions	70	2.6
Service professions*	1,550	56.6
Transport and logistics professions	160	5.9
Other professions	230	8.2
Total	2,740	100

Source: Employer Survey by Panteia

* Including professions in the accommodations and food services (hospitality)

By far the most prevalent were new vacancies for service professions (57%). Commercial professions, other professions, transportation & storage professions, and technical and production professions followed at a distance (with 15%, 8%, 6% and 4% respectively).

The larger companies (50+) operating in the accommodation and food services sector were asked if they had new vacancies for hospitality professions (part of the service professions). In the period in question there were 135 new vacancies for this category. Most prevalent were vacancies for cooks, cleaning staff and management/general staff (including reception desk) (each 20%). Other kitchen personnel and waitresses/waiters were both good for 13% and security staff for 7% of the vacancies for hospitality personnel.

Table 13 Number of new vacancies by educational level, December 2021 – November 2022 (weighted and rounded numbers; companies in private sector with >50 employees)

Educational level	Number	%
No formal education completed	0	0.0
Primary education	50	2.0
Secondary education (incl. high school/college)	900	33.2
Vocational education	1,310	47.7
Tertiary education (university)	470	17.1
Total	2,740	100

Source: Employer Survey by Panteia

In nearly half the cases (48%), the educational level asked for in the new vacancies of larger companies was vocational education. This was followed by secondary education (33%) and tertiary education (17%).

Table 14 Number of new vacancies by type of contract, December 2021 – November 2022 (weighted and rounded numbers; companies in private sector with >50 employees)

Type of contract	Number	%
Permanent contract	160	5.9
Temporary contract with the perspective of a permanent contract	2,500	91.4
Temporary contract without the perspective of a permanent contract	30	1.0
Contract for a flexible number of hours per week	50	1.6
Trainee	0	0
Total	2,740	100

Source: Employer Survey by Panteia

By far the most common type of contract offered in new vacancies within larger companies is a temporary contract with the perspective of a permanent contract (91%). In only 6% of the cases it involved an immediate permanent contract.

As far as working hours offered in the new vacancies are concerned, in 97% of the cases it involved a fulltime (40 hours per week or more) and in 3% a parttime position.

New vacancies by seasonality of employment

Of the new vacancies in the last year before the survey (December 2022 – November 2022), 15% were for seasonal and 85% for non-seasonal work.

2.4.2 Characteristics of new vacancies; other data sources

2.4.3 Characteristics of new vacancies according to NESC data

The NESC vacancy data can be broken down by salary range, educational level, and sector. The following tables show the results of this. The vacancies registered by the NESC are on average having a relatively high salary.

Table 15 Number of vacancies registered by the NESC by monthly salary range (in ANG), 2018-2021

Salary range	2018	2019	2020	2021
0-2,000	554 (46%)	629 (46%)	228 (32%)	148 (28%)
2,001-3,500	330 (27%)	436 (32%)	186 (26%)	92 (17%)
3,501-5,000	168 (14%)	170 (12%)	102 (14%)	85 (16%)
5,001-7,500	104 (9%)	133 (10%)	97 (14%)	149 (28%)
7,501-9,000	25 (2%)	0	20 (3%)	8 (2%)
9,001-10,500	4 (0%)	0	10 (1%)	6 (1%)
10,501 +	23 (2%)	0	75 (10%)	44 (8%)
Total	1,208 (100%)	1,368 (100%)	718 (100%)	532 (100%)

Source: VSA

From this table we learn that the number of vacancies has declined quite rapidly during the COVID-crisis in 2020 and 2021. The steepest decline in number of vacancies in 2020 and 2021 can be seen in the low salary ranges. Vacancies in the highest ranges salaries seem to be relatively spared.

Table 16 Number of vacancies registered by the NESC by educational level, 2018-2021

Educational level	2018	2019	2020	2021
No education	162 (13%)	221 (16%)	69 (10%)	42 (8%)
Primary	4 (0%)	0	2 (0%)	0
Secondary	106 (9%)	105 (8%)	53 (7%)	49 (9%)
Vocational	159 (13%)	131 (10%)	73 (10%)	43 (8%)
Associates	12 (1%)	16 (1%)	8 (1%)	7 (1%)
Bachelors	67 (6%)	137 (10%)	95 (13%)	109 (20%)
Masters	25 (2%)	36 (3%)	26 (4%)	31 (6%)
Doctorate	0	0	0	0
Specialized certificate	673 (56%)	722 (53%)	392 (55%)	251 (47%)
Total	1208 (100%)	1368 (100%)	718 (100%)	532 (100%)

Source: VSA

In 2021, by far the most vacancies were at the specialized certificate level (47%), followed by the bachelor level (20%).

As salary range and level of education are usually interconnected, a similar trend can be seen in vacancies by educational level, where vacancies for “no education” were hit the hardest and those at bachelor and master level remain constant.

Table 17 Number of vacancies registered by the NESC by sector, 2018-2021

Sector	2018	2019	2020	2021
Manufacturing	12 (1%)	1 (0%)	1 (0%)	2 (0%)
Electricity, gas, steam and air conditioning supply	26 (2%)	0	3 (0%)	3 (1%)
Construction	346 (29%)	382 (28%)	99 (14%)	54 (10%)
Wholesale and retail trade; repair of motor vehicles and motorcycles	148 (12%)	46 (3%)	23 (3%)	18 (3%)
Transportation and storage	35 (3%)	19 (1%)	4 (1%)	8 (2%)
Accommodation and food service activities	62 (5%)	128 (9%)	66 (9%)	51 (10%)
Information and communication	2 (0%)	0	0	1
Financial and insurance activities	18 (1%)	5 (0%)	17 (2%)	12 (2%)
Real estate activities	5 (0%)	0	0	0
Professional, scientific and technical activities	137 (11%)	186 (14%)	110 (15%)	82 (15%)
Administrative and support service activities	87 (7%)	137 (10%)	63 (9%)	22 (4%)
Public administration and defense	0	0	0	0
Education	61 (5%)	70 (5%)	59 (8%)	54 (10%)
Health and social work activities	67 (6%)	105 (8%)	134 (19%)	143 (27%)
Arts, entertainment and recreation	2 (0%)	2 (0%)	2 (0%)	1 (0%)
Activities of households as employers	102 (8%)	94 (7%)	54 (8%)	32 (6%)
Activities of extraterritorial organizations and bodies	0	0	0	0
Other Service Activities	98 (8%)	186 (14%)	83 (12%)	49 (9%)
None	0	7 (1%)	0	0
Total	1208 (100%)	1368 (100%)	718 (100%)	532 (100%)

Source: VSA

As for the distribution by sector, the sharp decline over the years is mostly driven by decreases in vacancies for construction and service-oriented sectors like accommodation and food service, administrative services, activities of households as employers and "other service activities". All of these were major sources of vacancies in the years 2018 and 2019 but show a strong decrease in 2020 and 2021. The sectors of education and professional, scientific, and technical activities remained relatively constant, while the health and social work sector even showed an increase in 2020 and 2021. All of this is consistent with the fact that higher education and salary groups are relatively spared.

In 2021, most vacancies were in the sector health and social work (27%), followed by professional, scientific, and technical activities (15%). The sectors construction, accommodation and food service activities and education each accounted for 10% of the vacancies (closely followed by the sector other service activities with 9%).

Characteristics of new vacancies according to web analysis

The table below breaks down the number of internet vacancies monitored in the period end of October 2022 – end of January 2023 by sector.

Table 18 Internet vacancies for jobs in Sint Maarten, end of October 2022 – end of January 2023, by sector of company

Sector	N	%
Healthcare	41	20,6%
Government	38	19,1%
Hospitality/Tourism	27	13,6%
Financial	22	11,1%
Education	16	8,0%
Transport and Logistics	14	7,0%
Construction	14	7,0%
Retail	10	5,0%
Justice, Security and Public administration	10	5,0%
Legal	2	1,0%
Unknown	5	2,5%
Total	199	100,0%

Source: Analysis of internet vacancies by Panteia

Relatively most vacancies were in the healthcare, government, hospitality/tourism, and financial sectors (21%, 19%, 14% and 11% respectively). Together with education and justice/security healthcare and government account for most web-posted vacancies. Leaving out the government (in total 38 vacancies), the most vacancies were posted at the healthcare posting and placement agency TMI (25 vacancies), the Foundation for secondary education (13), the Princess Juliana airport (7), the American University of the Caribbean School of Medicine (6), ground handling and catering services company GCG Group (5) and financial services company Grant Thornton (4). The vacancies covered a wide range of professions. As far as educational level is concerned, most of the vacancies were at the vocational and the tertiary level. The latter will have been primarily directed abroad, because this group is hard to recruit in Sint Maarten. Some of the vacancy listings have the characteristics of so-called ‘bulk vacancies’ (i.e., vacancies for several positions). This was especially prevalent with the few vacancy postings in the hospitality/tourism sector.

2.5 Summary and conclusions

1. Both the hurricane(s) and COVID dealt a heavy blow to the economy and the labor market of Sint Maarten. In 2022 and 2023 the labor market is

recovering. Due to the open economy and support from the European Netherlands, recovery is quite fast.

2. The number of companies in Sint Maarten is increasing. In 2021 there were still many closures, but in 2022 there are several new companies starting their activities.
3. Employment is increasing in 2022. When comparing December 1, 2022, to December 1, 2019, existing companies have a larger workforce.
4. From the companies with at least 2 employees, almost half of the workers are working in companies with more than 100 employees. About a third of them are working in service professions, including hospitality professions (2022, Employer Survey).
5. About 60% of employees are in permanent service and 25% are employed with a contract for more than 6 months. Seasonal labor is most present within larger companies, especially cooks, other kitchen staff, cleaning staff and waitresses/waiters during high season (2022, Employer Survey).
6. Companies in electricity/gas/steam/air conditioning supply have notable problems with the outflow of personnel. Other companies with such problems are in the accommodation and food services sector and transportation and storage sector (2022, Employer Survey). Moreover, health and education institutions are having problems with outflow of personnel to other countries (2022, interviews).
7. About half of the companies think little informal labor is used in their sectors. Larger companies and companies in construction, accommodation and food services, electricity/gas/steam/ air conditioning, finance and information/communication are more likely to think otherwise. The main reason companies give is cheap labor.
8. From December 2021 – November 2022 it was estimated there were more than 4,100 vacancies within private companies (on 18,000 employees in December 2022). Companies are growing fast after a decline during the COVID-crisis (Employer Survey). The same is the case in other countries.
9. During the same year almost 3,000 vacancies were filled. On December 1, 2022, about 720 vacancies in the private sector were still open. Most of these are rather new vacancies that were still tol be fulfilled (Employer Survey). Therefore, we estimate that about 3,500 of the vacancies in the business sectors created in 2022 will in the end be fulfilled.
10. Most vacancies are within the accommodation and food services sector and transportation/storage sector, and deal with service professions, ask for vocational education and provide a temporary with the perspective of a permanent contract. Only 3% of vacancies are for a part-time position (Employer Survey).
11. Although there are no figures available for 2022, the NESC database can provide some information regarding trends in the number of vacancies. The NESC database shows a fast decrease in vacancies in 2020 and 2021. This is especially the case with vacancies for positions in the lower salary ranges. There was also a large decline in the number of vacancies in the construction sector, while the number of vacancies for positions within health and social work has grown in the same years.

3 Labor supply

3.1 Population

The labor supply is determined primarily by demographic trends. Population growth (positive or negative) is the resultant of natural increase (birth minus death) and the migration balance (immigration minus emigration). In addition to the size of the population, its composition by age is particularly relevant to the labor market. Demographic pressure is the sum of the number of persons aged 0 to 20 years and 65 years or older in relation to those aged 20 to 65 (green respective gray pressure). This figure provides insight into the ratio of the non-working part of the population (youth and elderly) to the working part of the population.

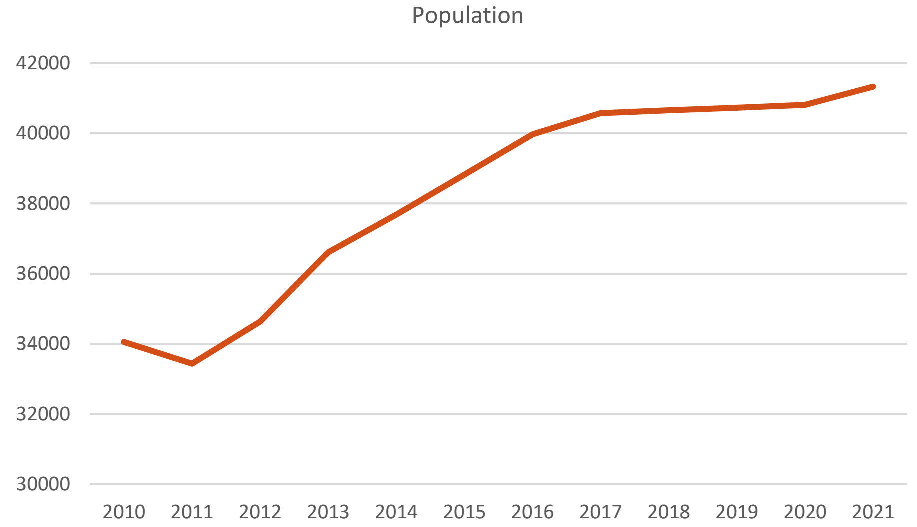
3.1.1 Population growth

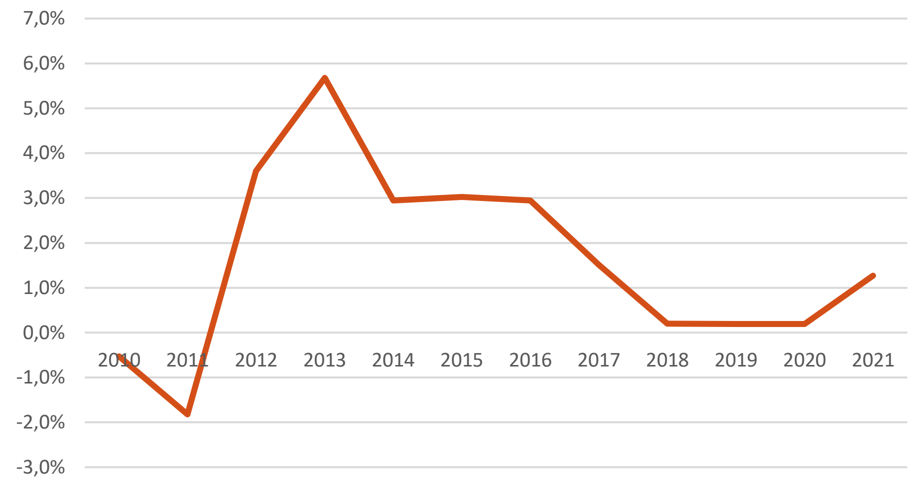
Between 1950 and 1990, the yearly population growth rate was between 5% and 10%. Especially in the 1980s the population grew rapidly because of the growth of tourism in those years. From the 1990s onward, the yearly growth rate clearly flattens out (between 0% and 5%).

Figure 2 shows the population growth in the period 2010-2021 (based on figures of CAS and World Bank). After a decline in 2011, in the following years the population increased substantially again. From 2017 - the year of Hurricane Irma - growth flattens out. On balance, between 2010 and 2021 the population increased from 34,000 to more than 41,000 (a total growth of 20%).[24]

[24] CAS, World Bank.

Figure 2 Population and yearly growth rate, Sint Maarten, 2010-2021





Source: Population: CAS; Yearly growth rate: CAS, World Bank; edited by Panteia

In addition to the official population number, there is a substantial group of undocumented persons in Sint Maarten. By definition, there is no registration of this group. Precise numbers are therefore unknown. Estimates range from 15,000 to 40,000 people.[25] At the moment however, even the lowest figure may be too high. Due to the hurricane(s) and COVID-restrictions there were less jobs for undocumented workers. COVID-restrictions also made it more difficult to get to the

[25] http://ser.sx/wp-content/uploads/2020/07/Annual-report-2019.pdf; https://www.volkskrant.nl/nieuws-achtergrond/de-wil-om-sint-maarten-op-te-bouwen-is-groot-maar-de-vraag-is-of-het-dit-keer-ook-echt-zal-lukken~b881cd8f0/; https://www.nrc.nl/nieuws/2022/08/02/sint-maarten-minder-afhankelijk-maken-van-toerisme-hoe-dan-a4138004; https://nos.nl/artikel/2079238-sint-maarten-broeinest-van-mensenhandel-en-uitbuiting. Nobody interviewed by the research team, however, knows the real sources of these estimates.

island. At this moment, the economy is growing, but still there are less tourists than before 2017.

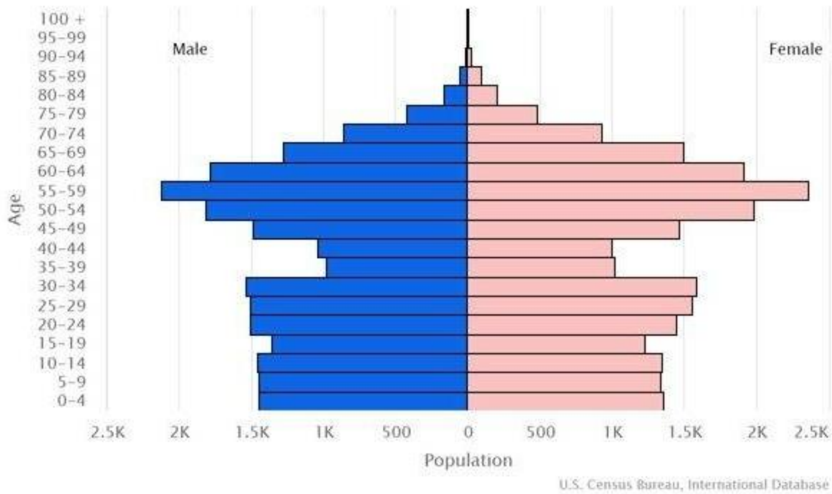
Even if the number of undocumented inhabitants is around 10,000, still, with an area of only 34 square kilometers, Sint Maarten is the most densely populated Dutch Caribbean Island.[26] The most populous areas are Lower Prince's Quarter (north of Philipsburg), followed closely by Cul de Sac.[27]

3.1.2 Population composition

Gender and age

The figure below shows the population pyramid for Sint Maarten. A population pyramid illustrates the age and gender structure of a country's population. [28]

Figure 3 Population pyramid, Sint Maarten, 2022 (est.)



Source: https://www.cia.gov/the-world-factbook/countries/sint-maarten/#people-and-society

The pyramid is shaped like an urn (or onion). The base is narrower than the middle groups. This indicates a declining birth rate and - as a result of that – the process of de-greening and ageing. In 2020, 19% of the population of Sint Maarten is 0-14 years, 13% 15-24 years, 39% 25-54 years, 17% 55-64 years and 12% 65 years and over.[29] With that, the demographic pressure[30] is approximately 40%.

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[26] https://www.worldometers.info/world-population/sint-maarten-population/

[27] https://www.cia.gov/the-world-factbook/countries/sint-maarten/

[28] The population is distributed along the horizontal axis, with males shown on the left and females on the right. The male and female populations are broken down into 5-year age groups represented as horizontal bars along the vertical axis, with the youngest age groups at the bottom and the oldest at the top. The shape of the population pyramid gradually evolves over time based on fertility, mortality, and international migration trends.

[29] https://www.cia.gov/the-world-factbook/countries/sint-maarten/#people-and-society

[30] . Demographic pressure is the sum of the number of persons aged 0 to 20 years and 65 years or older in relation to those aged 20 to 65 (green respective gray pressure). This figure provides insight into the ratio of the non-working part of the population (youth and elderly) to the working part of the population.

What further stands out is the comparatively small size of the age groups 35-39 and 40-44 years. That is atypical for an urn-shaped population pyramid. It may be explained by population growth in the 1980s. The young people who came Sint Maarten in these years are now some 45-65 years old. Most of their children are about 20-35 years of age. Another explanation may be that young people come to Sint Maarten for work and elderly people to enjoy the pleasant climate and the hospitality of this English-speaking country.

3.1.3 Population characteristics

Some other relevant characteristics of Sint Maarten's population are the following:

Table 19 Population characteristics Sint Maarten

Characteristics	Values
Fertility rate	1.99 children born/woman (2022 est.)
Birth rate	12.56 births/1,000 population (2022 est.)
Death rate	6.07 deaths/1,000 population (2022 est.)
Net migration rate	+ 5.83 migrant(s)/1,000 population (2022 est.)
Sex ratio	0.98 male(s)/female (2022 est.). In the lowest age groups, there are more males than females.
Median age	Total population: 41.1 years Male: 39.6 years Female: 42.7 years (2020 est.)
Life expectancy at birth	Total population: 79.26 years Male: 76.91 years Female: 81.73 years (2022 est.)
Ethnicity (by country of birth)	Sint Maarten 29.9%, Dominican Republic 10.2%, Haiti 7.8%, Jamaica 6.6%, Saint Martin 5.9%, Guyana 5%, Dominica 4.4%, Curacao 4.1%, Aruba 3.4%, Saint Kitts and Nevis 2.8%, India 2.6%, Netherlands 2.2%, US 1.6%, Suriname 1.4%, Saint Lucia 1.3%, Anguilla 1.1%, other 8%, unspecified 1.7% (2011 est.)

Source: https://www.cia.gov/the-world-factbook/countries/sint-maarten/#people-and-society

3.1.4 Migration

Sint Maarten's population has a large share of people born in (a wide variety of) other countries. Considered over a longer period, Sint Maarten has a positive migration balance. This is mainly caused by the strong growth of the tourism sector in the past decennia. The size of the native labor force was/is insufficient to meet the labor demand by the tourism and tourism-related sectors. St. Maarten's favorable geographic location also plays a role in this extensive immigration.

In comparison to countries like Curacao and Suriname, Sint Maarten population figures show less persons born in the Netherlands. This is partly caused by the fact that from the 1980s there were many jobs on Sint Maarten. People did not have to go to Europe to find a job (and grow children who could return to Sint Maarten). At the other hand, once people moved to Europe, the higher salaries over there will not have helped people to return.

3.2 The labor force

The potential labor force consists of all citizens aged 15 and older. Of these, a part has paid work (the employed labor force). Another part does not have paid work but is actively looking for it (unemployed labor force). In the case of Sint Maarten, employment is defined as all persons of 15 years and older who had a job or have their own business or performed any work for pay in cash or in kind for 4 hours or more during the week preceding the period in which employment is measured. Consequently, unemployment is defined as all persons of 15 years and older who did not have a job or have their own business or performed any work for pay in cash or in kind for 4 hours or more during the week preceding the period in which employment is measured and who are looking for such a job. Together, the employed and unemployed labor force make up the total labor force. The remaining part of the potential labor force is called the non-labor force (also known as the economically inactive). Of these, a part wants to work, but has not recently looked for or is not immediately available for work. [31]

Gross labor participation rate is the share of the total labor force in the potential labor force. Net labor participation rate is the share of the employed labor force in the potential labor force.

The unemployment rate is the share of the unemployed labor force in the total labor force. A person is considered employed when working minimum 4 hours a week.

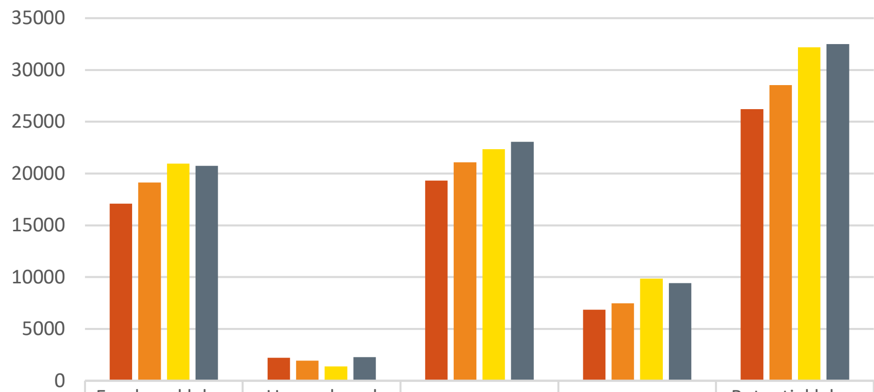
3.2.1 Developments within the labor force

The next graph shows the development of Sint Maarten's labor force in the period 2011-2018.

When interpreting this graph, the timing of the various surveys should be considered:
- 2011: Population Census, April 2011 (High Season);
- 2013: Labor Force Survey, June 2013 (Low Season);
- 2017: Labor Force Survey, February 2017 (High Season, prior to Hurricane Irma);
- 2018: Labor Force Survey, September 2018 (Low Season, about 1 year post Hurricane Irma);

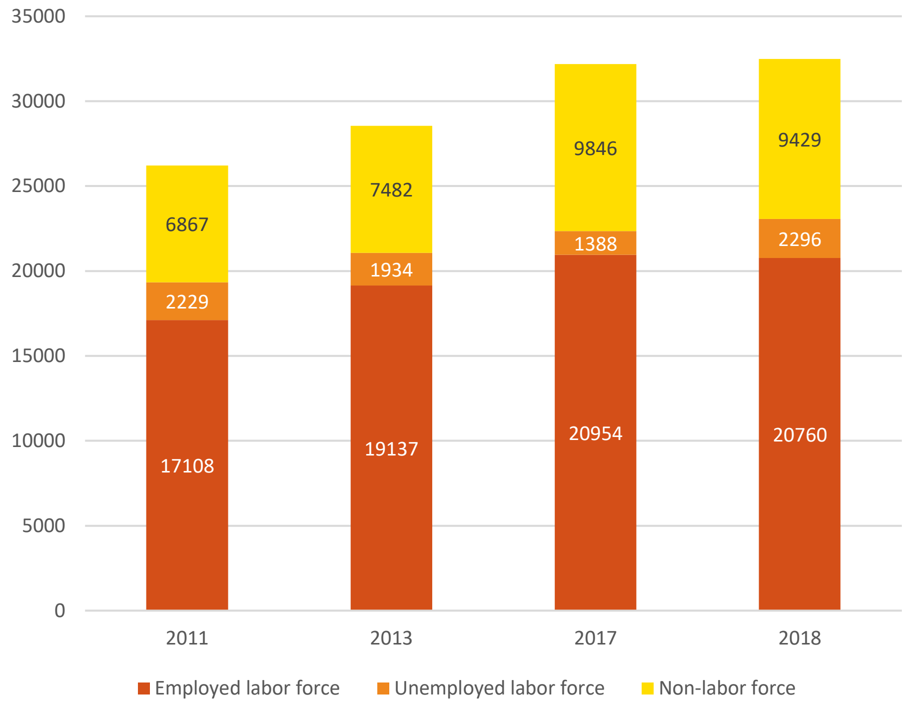
[31] 'Beroepsbevolking', CBS. Available at:https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/beroepsbevolking.

Figure 4 Labor force development, Sint Maarten, 2011-2018



	Employed labor force	Unemployed labor force	Labor force	Non-labor force	Potential labor force
2011	17108	2229	19337	6867	26204
2013	19137	1934	21071	7482	28553
2017	20954	1388	22342	9846	32188
2018	20760	2296	23056	9429	32485

2011 2013 2017 2018



Source: STAT (census 2011, LFS 2013-2018). Edited by Panteia.

The following conclusions may be drawn:
- Between 2011 and 2017, the potential labor force of Sint Maarten increased from 26,204 to 32,188 (a total growth of 22.8%). In 2018, there was a slight further growth to 32,485 (+0.9%).
- The total labor force grew from 19,337 in 2011 to 22,342 in 2017 (+15.5% in total). 2018 saw a further increase to 23,056 (+3.2%).

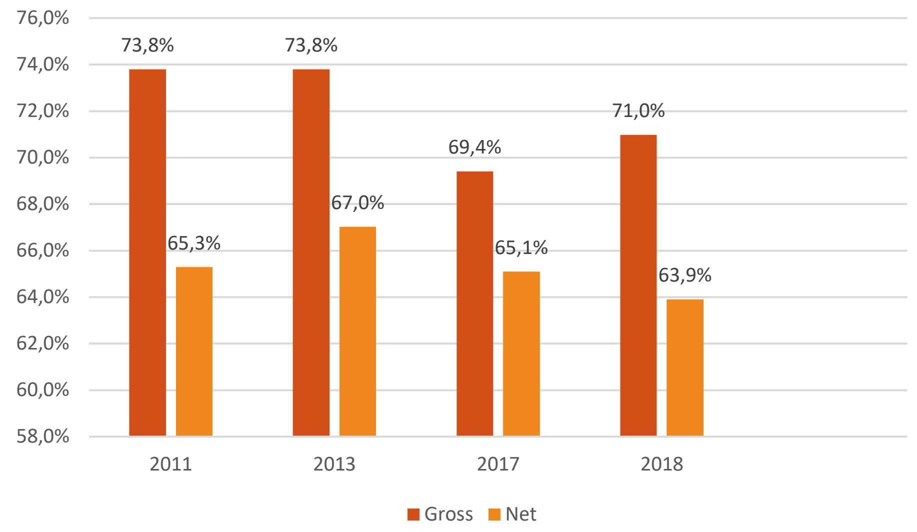
- Between 2011 and 2017 the employed labor force increased from 17,108 to 20,954 (+22.5% in total). This favorable development is in line with the growth of the economy of the island during this period.[32] In 2018, there was a slight decline to 20,760 (-0.9%).
- The unemployed labor force showed a decrease from 2,229 in 2011 to 1,388 in 2017 (-37.7% in total). Again, in line with the favorable economic development. However, in 2018 there was a very sharp rise to 2,296 (+65.4%). This was partly due to the difference in timing between the two surveys (high season vs. low season), but mostly to the disastrous economic impact of Hurricane Irma.
- Finally, the non-labor force grew from 6,867 in 2011 to 9,846 in 2017 (+43.4 in total) and then shrank to 9,429 in 2018 (-4.2%).

3.2.2 Labor participation

The following graph presents the development of the gross and net labor participation in Sint Maarten in in the period 2011-2018.

[32] SEO (2019). Kerncijfers Caribisch deel Koninkrijk. Economische, financiële en sociale ontwikkelingen 2010-2017.

Figure 5 Labor participation (gross and net), Sint Maarten, 2011-2018 (in %)



Source: STAT (census 2011, LFS 2013-2018). Edited by Panteia.

In the period 2011-2018, gross labor participation in Sint Maarten was between 70% and 74%. Net labor participation was between 64% and 67%.

Based on the CBS publication on 'Labour force of the Dutch Caribbean islands' (LFS 2017, therefore prior to Hurricane Irma) the picture of net labor participation in Sint Maarten in 2017 can be refined as follows:

- Men are more likely to work than women: 71% of men and 63% of women had paid work. These figures are comparable to those for the European Netherlands in the same year. Among young people aged 15 to 24 years labor participation was relatively low (31%). This is partly caused due to talented young people studying abroad and talent leaving for countries like the US and the Netherlands. Labor participation was highest in the age group 25 to 54 years (respectively: 25 to 34 years 76%, 35 to 44 years 79% and 45 to 54 years 83%). After age 55, there was a decline in labor participation: 66% of the 55 to 64-years-old and 35% of the 65 to 74-years-old were still in work. However, compared to the other Dutch Caribbean islands (13% to 18%) and the European Netherlands (11%[33]), the labor participation of the 65 to 74-years-old in Sint Maarten is quite high.
- Labor participation increases with the level of education. Respectively, the rates for lower, medium, and highly educated were 50%, almost 70% and almost 80%. [34]

3.2.3 The employed labor force

Because the census of 2022-2023 has not been finalized yet, hereafter we have chosen to present both figures from the 2017 LFS and the 2018 LFS. The main reason to do this is that the 2018 LFS is of course more recent, but the 2017 LFS is probably

[33] CBS Statline.

[34] CBS (2019). Labour force on the Dutch Caribbean islands.

showing better what might happen when Sint Maarten will be fully recovering from both the hurricane and COVID crises.

LFS 2017 (before Hurricane Irma)

By background characteristics, the employed labor force of Sint Maarten in 2017 can be described as follows:

- On the island, construction has for many years been the most important economic activity (sector) where people work. In 2017, this sector employed 19% of the workers on the island. Even more than construction for tourism purposes, the importance of the construction sector can be explained by construction of affordable houses and apartments.[35] Next to construction, the top five sectors with the most people employed consisted of accommodation and food services (15%), renting and other business support (7%), education (7%) and public administration (7%). Like construction, employment in many other sectors is largely linked to tourism.
- About a fifth (20%) of the employed labor force was self-employed. Of the employees, three-quarters worked on a permanent contract and a quarter had a temporary contract. This is comparable to the situation in the European Netherlands.
- More than 80% of the employed inhabitants had a full-time job (an average working week of 35 hours or more per week).[36]

LFS 2018 (after Hurricane Irma)

The picture of the island's employed labor force in 2018 is as follows (see also table 7):

- In 2018, the male-female split of the employed labor force was 53% to 47%
- Most common age groups were 25 to 44 years (47%) and 45 to 60 years (36%). About 9% was 15 to 24 years old and 8% 61 years or older (of which 4 %-points 65+ years).
- The top 3 sectors in which the most employed persons were active differs from that in 2017. The top 3 consisted of wholesale and retail (18%), accommodation and food services (12%) and construction (12%). Public administration (8%) and transport and storage (7%) complemented the top 5.
- The most prevalent professional groups within the employed labor force were service workers & shop and market sales workers (18%), technicians & associate professions (16%) and elementary occupations (16%). Legislators, senior officials & managers, and professionals followed at some distance (with respectively 13% and 12%).
- Of the employed labor force, 71% did not continue their studies beyond high school (secondary education). Of this group 4 %-points did not complete any formal education at all, 25 % -points completed primary education and 42 %-points complete secondary education. The share of employed with post-secondary or non-tertiary education as highest level of education amounted to 9% and that of employed with tertiary education to 20%.

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[35] In Sint Maarten, there is a shortage of affordable housing. Many local young people who have left the island to study elsewhere have difficulty finding an affordable place to live when they return. In the late 1990s, the St Maarten Housing Development Foundation was established, to stimulate the construction of affordable housing.

[36] CBS (2019). Labour force on the Dutch Caribbean islands.

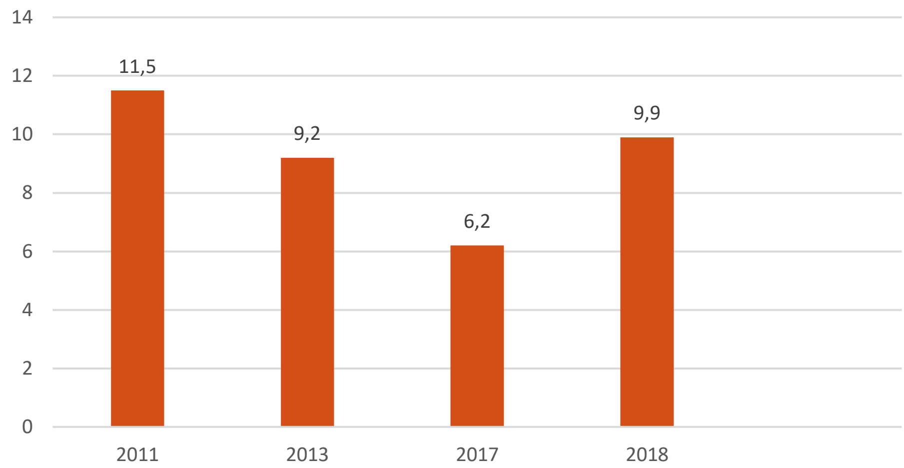
- Compared to the European Netherlands, on average employees in St. Maarten work many hours. 71% of the employed labor force worked 40-50 hours a week, The second largest working hours group was 20-39 hours a week (14%). This refers to the number of hours usually worked in practice, not the number of contracts.
- An employed person can have more than one job at a time. In 2018, 3.5% of the employed labor force had a second job. Furthermore, 3.4% indicated that they were looking for an additional job. For those who were looking for an additional job, wanting extra income was the top ranked reason, followed by having an unstable main job.
- 31% of the employed labor force indicated that their employment had been influenced by Hurricane Irma. Most mentioned as an influence were reduction of working hours, temporary closure of the company and extension of working hours (respectively 9%, 8% and 7%).[37]

As the 2022-2023 Census had not been finalized yet at the time of writing this report, we were unable to use more recent figures. For this reason, we have no knowledge what has happened to the number of self-employed persons and their income in particular. Just as happened elsewhere in relation to the COVID-crisis, self-employment may have dropped and moreover, there will have been less possibilities to earn a sufficient income for self-employed persons. Next to this, employment for employees may have dropped, as has been showed by the development of the number of vacancies shown in chapter 2, but at least this figure (and employment) seems to increase again in 2022. COVID may also have caused a reduction of working hours (except for the health sector) or the (temporary) closure of companies.

3.2.4 Unemployed labor force

The figure below shows the development of the unemployment rate in Sint Maarten in the period 2011-2018.

Figure 6 Unemployment rate, Sint Maarten, 2011-2018 (in %)



Source: STAT (census 2011, LFS 2013-2018).

[37] STAT (LFS 2018, report published in 2019)

Because Sint Maarten's employed labor force increased more than its total labor force, the unemployment rate almost halved from 11.5% in 2010 to 6.2% in 2017. This rate was in line with the average of 6.3% for the OECD countries that year.[38] As a result of the economic downturn caused by Hurricane Irma, in 2018 the unemployment rate rose again to 9.9%.[39]

LFS 2017 (before Hurricane Irma)

Regarding the composition of the unemployed labor force before the hurricane, the following might be noted:

- In 2017, women in Sint Maarten are more often unemployed than men (about 7% versus just over 5%).
- Though youth unemployment (15 to 24-year-old unemployed) declined between 2010 and 2017 (from 27.7% to 23.8%), it remained at a relatively high level. For comparison, the OECD average of youth unemployment stood at 13%. Unemployment declined further in the other age groups. The lowest rates in 2017 were in the age groups 45 to 54 and 54 to 64 years (2.7% and 2.5%). A frequently heard explanation is that young people leave the islands and start working elsewhere. However, it may also be that these older unemployed find a job after all or get discouraged and give up the job search.
- Unemployment is highest among the low-educated, followed closely by those with an intermediate level of education. The gap with highly educated people is large. Explanations for this are that highly educated people who do not find work leave the islands to work elsewhere, but also, for example, that highly educated people occupy low-skilled jobs.[40]

LFS 2018 (after Hurricane Irma)

By background characteristics, the unemployed labor force of Sint Maarten in 2018 can be described as follows:

- In 2018, the male – female split of the unemployed labor force was 37% to 63%. In 2018, women were more often unemployed than men (13% versus 7%). Compared to 2017, female unemployment remained constant; male unemployment nearly doubled.
- The largest age groups among the unemployed were 25-44 years (41%) and 45-60 years (38%) by some margin, followed by 18-24 years (18%). Elderly unemployed (61-65 years) accounted for 3%. The unemployment rates among the 25–44-year-olds (9%) and the 45 – 66-year-olds (10%) were close to the overall unemployment rate. The unemployment rate of the 61 – 65-year-olds (6%) was lower than the overall unemployment rate (because many of them already belonged to the non-labor force). The youth unemployment rate (15 – 24 years), continued to be the highest of all age groups (18%). This was almost two times the overall unemployment rate.
- The most common highest level of education among the unemployed was secondary education (43%), followed by primary education (35%) and tertiary education (12%). Post-secondary non-tertiary education and no formal education

[38] SEO (2019). Kerncijfers Caribisch deel Koninkrijk. Economische, financiële en sociale ontwikkelingen 2010-2017.
[39] STAT (LFS 2011-2018).
[40] CBS (2019). Labour force on the Dutch Caribbean islands.

accounted for 7% and 3%, respectively. The unemployment rate is lower when persons are better educated, except for those who completed no formal education (9%). The unemployment rates of the lowest levels of education (primary 13% and secondary 10%) were higher than the overall unemployment rate. The unemployment rates of those having furthered their studies after secondary school (post-secondary non- tertiary 8% and tertiary 6%) were lower than the overall unemployment rate.
- Of the unemployed labor force, 42% indicated that their unemployment was related to the passing of Hurricane Irma. About a quarter of this group cited that the company they were working for totally closed down as reason for their unemployment, and for the remainder the reason was that their employer needed less employees. Overall (related and unrelated to Hurricane Irma) the top 3 reasons for being unemployed consisted of 'the company I was working for closed down (30%), 'I can't find a job I like' (20%) and 'my contract ended' (12%).[41]

3.2.5 Non labor force

LFS 2017 (before Hurricane Irma)

In general, it is mainly young people and the elderly who are inactive on the labor market. Young people are mostly still in education and have not yet entered the labor market, while the elderly have often quit working and left the labor market. In 2017, 59% of the 15 to 24 years old and 64% of the 65 to 74 years old were economically inactive in Sint Maarten. However, it is striking that in Sint Maarten the share of people aged 65 to 74 years who are inactive on the labor market is low compared to the other Dutch Caribbean Island (80% to 86%). That means there are still many older people either working or looking for work.[42]

LFS 2018 (after Hurricane Irma)

The picture of the island's non labor force in 2018 is as follows:
- In 2018, the male – female split of the non-labor force was 34% to 66%.
- As to be expected, the largest age groups among the non-labor force were 61+ years (39%) and 15-24 years (27%). The age groups 25-44 years and 45-60 years old each accounted for 19% of the non-labor force.
- Apart from being retired (34%) or furthering studies (24%), there can be several other main reasons for being economically inactive. 8% of the respondents indicated being a housewife/-husband, 6% health, 4% disability (physical or mental) and 3% injury as reason. 'No work permit', 'too difficult to find a job' and 'no financial need to work' each scored between 2% and 3%.
- Almost half of the non-labor force (45%) has completed up to primary level education, just over a third (35%) up to secondary level education, 6% up to post-secondary non-tertiary level education and also 6% up to tertiary level education. The remaining 8% has not (yet) completed any formal education. Of those with no formal education and those have completed up to primary or secondary level education a part was still studying at a higher level (respectively 3%, 33% and 12%).

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[41] STAT (LFS 2018)

[42] CBS (2019). Labour force on the Dutch Caribbean islands.

- Respondents were also asked to indicate whether Hurricane Irma caused a change in their economic status. 10% answered this question with a yes. The effect was mainly the closure of the company one worked at or owned (respectively 66% and 10%), followed at some distance by dismissal and non-renewal of contract (5% each).

3.2.6 Benefit recipients

> Of the unemployed labor force, a part is the recipient of benefits (unemployment benefits, welfare benefits, disability benefits or pensions). For a smaller part, this is also the case with the non-labor force.

Social protection system

The ministry of Public Health, Social Development & Labor (VSA) ensures that residents of Sint Maarten have access to essential social protection provisions that are legally available to the population, directly via the services of the government and indirectly via services provided by the Social and Health Insurances (SZV), an execution agency of the abovementioned ministry. The social protection provisions that the government and SZV provide for the population by national ordinance are:

1. Financial Assistance;
2. Legal Aid;
3. General Old Age Pension (AOV);
4. Widow/Widower Pension and Orphan Pensions (AWW);
5. Sickness and accident insurance (ZV/OV);
6. General insurance special medical expenses (AVBZ);
7. Health Care;
8. Cessantia Benefit (severance pay).

In the framework of Country Package of the COHO[43] project, the government of Sint Maarten is working on reforming the current social protection system. Research has been/is being carried out in order to transform or establish efficient, effective, financially stable and sustainable social protection provisions based on required need.[44] See for more information on this reform the PESTLE-analysis.

Benefit recipients

The table below shows the sources of main income of individuals in Sint Maarten in 2018.

[43] COHO = Caribisch Orgaan voor Hervorming en Ontwikkeling: Caribbean Body for Reform and Development).

[44] Social Protection System Reform on Sint Maarten (PowerPoint presentation, undated).

Table 20 Source of main income, Sint Maarten, 2018

Source of main income	Male	Female	Total
Salary/Labour/Business	11,015	9,745	20,760
Old age pension SZV (AOV)	1,068	1,786	2,854
Welfare	138	316	454
Private old age pension	157	165	322
Property rental	116	130	245
Widow's pension		59	59
Scholarship		48	48
Study financing		45	45
Retaining pay/severance pay	42		42
Alimony		25	25
Child support		24	24
Other	121	98	218
Total	**12,657**	**12,440**	**25,096**

Source: STAT (LFS 2018)

As to be expected, the main source of income was salaries (83%). About 13% of the individuals received a pension (AOV, private pension, widow's pension). Nearly 2% was on welfare. About 1% lived off property rental.[45]

In 2021, there were a total of 11,532 recipients of social assistance, versus 9,867 in 2020 and 8,825 in 2019.[46]

3.2.7 Job seekers

> Job seekers are actively looking for work, regardless of whether they are part of the employed, unemployed or non-labor force.

Job seekers

In 2018, 7.4% of the employed labor force (over1.500 persons) was looking for a change from their main job.

By definition, all the unemployed are job seekers. The image of the unemployed job seekers for 2018 is as follows.

- In 2018, 41% of the employed labor force had been looking for a job for 1-3 years and 29% for 1-2 months.

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45 STAT (LFS 2018)

46 Source: VSA (e-mail; preliminary figures). The numbers in 2018 count to 4,340, but we do not have information on the amount of double sources of income.

- Of the unemployed, 76% were looking for a permanent job, 4% were looking for a temporary job and 20% did not care whether it was a permanent or temporary job.
- As for working hours, 73% were looking for a full-time job, 7% were looking for a part-time job and 20% did not care whether it was a full-time or part-time job.
- The top 5 of desired sectors to work in was in line with the picture for the sectors where employed persons work. The largest share of the unemployed (34%) had no preference in this regard, 19% wanted to work in the accommodation and food services, 11% in wholesale and retail, 8% in construction and 8% in administrative and support services.

3.3 Specific categories of labor supply

Broadly, four specific categories of labor supply can be distinguished: 1) labor market inflow from education; 2) job changes of employed people; 3) unused labor potential; 4) foreign labor. In addition, there is a category of "other potential labor supply" (partly overlapping with the unused labor potential), e.g., persons on a parttime contract who want to work fulltime.

The first category – representing the new supply of labor - is discussed in section 3.5, the other categories below.

3.3.1 Job changes of employed people

Job changes (job-job mobility) involve workers changing employers, whether within the same sector or not (intrasectoral vs. intersectoral labor mobility). **Job changers** also include workers who become self-employed (or vice versa). Job changes often involve upward labor mobility, creating entry opportunities for job seekers who rely on lower-level employment ("pull in the chimney").

A specific form of job changers are **professional changers**. These change not only jobs but also professions. This is referred to as lateral inflow.

The number of job changes is influenced by the business cycle: when the economy improves, and the labor market becomes tighter, more changes take place.
In 2018, 7.4% of the employed labor force (over 1,500 persons) were looking for a change from their main job. Most mentioned reason was wanting to earn more (39%), followed by wanting better working conditions (19%), wanting to work more hours (17%) and wanting a stable income (14%).[47] (see table below).

[47] STAT (LFS 2018)

Table 21 Reasons employed people for looking for another job, Sint Maarten, 1918

Reasons	Employed	
Want to earn more	598	38.8%
Want better working conditions	292	19.0%
Want to work more hours	265	17.2%
Want stable income	221	14.3%
Want a permanent job	132	8.6%
Want to work less hours	83	5.4%
Want a more challenging job	85	5.5%
Want to leave St. Maarten	25	1.6%
Total	**1,541**	

Source: STAT (LFS 2018)

No specific information is available on professional changers in Sint Maarten (yet).

3.3.2 Unused labor potential

Unused labor potential consists of underused part-time workers, unemployed and semi-unemployed. **Underused part-time workers** are part-time workers who want to work more hours and are immediately available to do so. **Unemployed** are, as mentioned earlier, people without paid work who have recently looked for work and are immediately available for work. **Semi-unemployed** are people without paid work who are either immediately available for work but have not recently looked for work or have recently looked for work but are not immediately available for work. These are part of the non-labor force.

Whereas there is no information on the semi-unemployed and the unemployed labor force in Sint Maarten has already been described in section 3.2.4, we only have to describe the number of underused parttime workers over here.

Underused part-time workers

In 2018, 78% of the total employed labor force (part-time and full-time workers) said that they were satisfied with how many hours they were working, 9% wanted to work less hours, and 9% wanted to work more hours.[48]

No specific information is available on underused part-time workers in Sint Maarten (yet). However, as the share of (small) part-timers in the employed labor force is relatively low, the number of underused part-time workers is also low (1.4% of the work force).

[48] STAT (LFS 2018)

3.3.3 Foreign labor

> Foreign labor involves cross-border commuters and labor migrants. **Cross-border commuters** in this case are workers who live on Saint Martin and work in Sint Maarten (inbound cross-border commuters) or workers who live in Sint Maarten and work on Saint Martin (outbound cross-border commuters). **Labor migrants** are foreign workers who (temporarily) live and work in Sint Maarten (inbound labor migration) or residents of Sint Maarten who (temporarily) live and work abroad (outbound labor migration). Labor migrants can have both a formal and informal status.

Cross-border commuters

There are no restrictions on crossing the border from Saint Martin to Sint Maarten and vice versa. Between both parts of the island, there is no physical border. People and goods can move about freely between Saint Martin and Sint Maarten.[49] Because of this and the small size of the island (34 km^2), inbound and outbound cross-border commuting is common in Sint Maarten. Exact figures on this are lacking. However, because employment in Sint Maarten is proportionately larger than in Saint Martin[50], the inbound border commute will most likely exceed the outbound border commute (see also annex 7).

Labor migrants

Labor migrants in Sint Maarten

The United Nation's International Organization on Migration (IOM) paints the following picture of (informal) labor migrants in Sint Maarten:

- Sint Maarten has been traditionally known to attract the highest percentage of migrants in the labor force among the Dutch Caribbean islands. In part, this has to do with its favorable geographic location.[51] Due to its location and the growth of the tourist sector, the island offers a future perspective for many people from the poor surrounding islands.
- The employment of foreign nationals is considered by the Ministry of Public Health, Social Development and Labor in the development and evaluation of labor policies. However, there are no specific provisions or mechanisms to promote extensive integration of migrants into the labor market.
- The National Ordinance on Labor by Foreigners ('Landsverordening Arbeid Vreemdelingen', AB 2015, no. 9) includes provisions for the employment of foreign nationals in Sint Maarten. As stipulated in the Act (Arts. 5 and 7) employers wishing to hire non-nationals must obtain an employment permit, which is exclusively linked to the employer, for a specific occupation and for a definite or indefinite period. Migrants with a valid employment and residence permit have access to both the public and private sector. Employment permits are only issued

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[49] https://www.sint-maarten.net/border-division

[50] It is estimated that in 2012, Sint Maarten accounted for half of the total population and 60% of employment. See: https://www.insee.fr/fr/statistiques/2527810

[51] Sint Maarten is located amid some former English colonies and close to Puerto Rico and the French island of Guadeloupe. It is centrally located on the trade line between the English, French and Spanish Caribbean with Europe and the United States. It is also the stepping stone between these islands and nearby Puerto Rico, which is attractive (for immigration, for example) because of the island's political ties to the United States.

when local workers are not capable or willing to fill the labor gap of Sint Maarten. There are no statistics available on the number and characteristics of the work permits issued by the ministry of VSA.

- Agreements pertaining to labor migration have been established with Saint Martin and the Kingdom of the Netherlands.
  Despite these legal and regulatory provisions, in Sint Maarten there are numerous labor migrants with an informal status. In 2019, the Social Economic Council ("Sociaal Economische Raad", SER) in Sint Maarten estimated that there are approximately 15,000 migrants living on the island with an irregular status, mostly originating from surrounding Caribbean islands.[52] Other estimates come to 20,000 to 40,000 undocumented people.[53] The latter estimate is from Prosecutor's Office ("Openbaar Ministerie", OM) of Sint Maarten (2016). According to the OM, many of them are refugees from Haiti. They are brought by people smugglers to St. Maarten where they are often exploited by their employers. Both the estimation of the SER and that of the OM are not supported by any other data.
  Due to their status, labor migrants with an informal status are highly vulnerable. This vulnerability has increased due to the COVID-19 pandemic (see below). Furthermore, informal labor migration leads to unfair competition on the labor market between residents working in the formal economy and migrants who engage in informal employment. Currently, while labor migrants with an informal status often face punishments for illegal labor, business owners who employ them do not.
- A specific (and criminal) form of informal labor is forced labor. The Penal Code (Art. 2:239) includes stipulations against forced labor, and persons are liable to up to 24 years of imprisonment or a fine for crimes related to forced labor. Such crimes do occur in Sint Maarten.[54] Asian and Caribbean, Colombian and Venezuelan (in this case specifically women) workers are most subjected to forced labor in Sint Maarten. However, there is currently no formal policy on the protection of labor migrants who are subjected to forced labor. [55]

Effect of COVID-19 on informal labor

As stated above, both the hurricane(s) and COVID crisis may have caused undocumented workers and their families to leave the island. This is still a high figure but is considerably lower than before the crises. According to the International Labor Organization (ILO), the COVID-19 pandemic has affected the informal economy disproportionately:

- On the one hand, in some cases, due to the fact that informality is more prevalent in sectors that require contact, such as commerce, restaurants, personal services, for example, workers and businesses in the informal economy have been more exposed to the virus that causes COVID-19, facing particular risk because by definition they lack social protection mechanisms for example.

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[52] http://ser.sx/wp-content/uploads/2020/07/Annual-report-2019.pdf

[53] https://www.volkskrant.nl/nieuws-achtergrond/de-wil-om-sint-maarten-op-te-bouwen-is-groot-maar-de-vraag-is-of-het-dit-keer-ook-echt-zal-lukken~b881cd8f0/; https://www.nrc.nl/nieuws/2022/08/02/sint-maarten-minder-afhankelijk-maken-van-toerisme-hoe-dan-a4138004

[54] In 2017 and 2018, government authorities for instance investigated a case of a construction firm who allegedly forced 20 workers to labor on a construction site, resulting in a fine for labor exploitation. In 2019, for the first time in seven years, Sint Maarten's authorities convicted someone of trafficking, who was sentenced to three years in prison for the exploitation of a victim in forced labor.

[55] IOM (2021). Sint Maarten needs assessment on migration governance. https://programamesoamerica.iom.int/sites/default/files/sint-maarten-needs-assessment-migration-governance.pdf

- On the other hand, in cases where restrictions to mobility where imposed, workers and economic units in the informal economy were also more effected as during confinement they could not operate as usual.[56] For this reason, in some cases, there have even been reductions in informality during the period of lockdown, accompanied by an increase in inactivity rates. When they do not work, informal workers typically do not declare themselves as unemployed, as for example, there are no unemployment insurance or similar benefits for them. However, there is a chance that jobs might recover, but predominately through growth and informal jobs.
- The COVID-19 crisis is leaving important scars in groups typically overrepresented in the informal economy, such as the youth, women and the less educated. At the same time, the crisis is leaving significant scars in the capacities of the labor market to generate formal jobs, which will probably take more time to recover.[57]

A realistic estimation of the present number of undocumented persons seems to be around 10,000. Most of them will be workers.

3.3.4 Other possible labor supply

> The category "other possible labor supply" (partly overlapping with the non-labor force consists of people with occupational disabilities, re-entrants, and pensioners. As regards **people with occupational disabilities**, particularly those who are partially disabled are relevant to the labor market. **Re-entrants** are employees (mainly female) who have left the labor market at some point, whether because of child or family care, but who want to return to work after some time. Finally, some **pensioners** want to continue working after retirement age.

People with occupational disabilities

An occupational disability means that a person is hindered by illness or (sensory, physical and/or intellectual) disability in obtaining a job or performing work. No information is available (yet) on the size of this group in Sint Maarten, the part of it that can work and the part that is actually working (with or without adjustments in the workplace and/or job coaching).

Re-entrants

In the past, re-entrants were mostly women who stopped working when they had children. Nowadays, however, these women often continue to work (partially). Another group of potential re-entrants are family caregivers. Due to the aging population and personnel shortages in the care sector, the demand for family care is growing. For part of the family caregivers, the combination of work and care is too heavy, so they stop working. At least some of them will become available to the labor market again over time. No information is available on the number of (potential) re-entrants in Sint Maarten (yet).

[56] Moreover, opportunities for working from home were (and still are) much more limited in the abovementioned sectors with a lot of informal employment than those in other sectors. See: https://www.ilo.org/americas/publicaciones/WCMS_813472/lang--en/index.htm

[57] ILO (2021). Breaking out of the informal economy: Does new technology hold the key? (Interview transcript) Available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/meetingdocument/wcms_800644.pdf

Pensioners

As already mentioned, in 2018 pension was the main source of income for 13% of Sint Maarten's individuals with any income. In absolute numbers, it concerned 3,235 people. For 88% of this group was old age pension from SZV (AOV) the main source of income, for 10% private old age pension and for the remaining 2% widow(er)'s pension.[58] Above is mentioned that 35% of the elderly people are still working.

3.4 Education and link between education and the labor market

> The new supply on the labor market consists of the labor market inflow from vocational education and higher education. These are the school leavers – whether or not (yet) graduated - who offer themselves on the labor market.

Each year about 500 young persons from Sint Maarten enter the national labor market.[59] It is important that their level and content of education fits to the vacancies of employers for which they would hire fresh school leavers.

According to a recent report from the Education Inspectorate this seems not to be the case. It states: "The relationship between the education sector (including teacher training) and the labor market is often limited and incoherent. Except for internship contracts, it is frequently characterized by a lack of structural consultation between vocational education and the business community regarding final attainment levels and course curricula." Also from the qualitative perspective, students in vocational training or higher education do not seem to learn the professional skills they need on the labor market. This is partly due to the content of curricula, as in the hotel/tourism sectors and partly due to the lack of training positions, as in the health sector. Moreover, a lot of the students are leaving school with only secondary education. They need further education at a later stage, but, except for the EISTP supported trainings during 2019-2021, there seems to be too little capacity for that type of Lifelong Learning. The exception is NIPA, but they can only train a part of the workers and unemployed.

Next to a lack of professional training, the education inspectorate points at a lack of qualified teachers and trainers (and teachers/trainers training) and at the fact that there is no independent institution which provides for forecasts of the labor market (for student graduates). Considering the last fact: a Raad Onderwijs Arbeidsmarkt (ROA) is in preparation.

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[58] STAT (LFS 2018)

[59] In fact, each year a little more than 550 young Sint Maarten people are leaving school. Some of them are studying abroad and stay abroad. Some others may have reasons not to look for a job immediately, e.g. because they get children. There may also be some students who already have a job (but at the same time, there may be other students looking for a job, while not leaving school.

3.4.1 Structure of the education system

Sint Maarten has an education system that encompasses pre-school, primary, secondary, special and tertiary education, along with government subsidized and private institutions. The education system is based on that of the European Netherlands, with American/Canadian and Caribbean influences. All children receive the same primary education, whereas secondary education is tied to different academic levels. The placement process is monitored by the Ministry of Education, Culture, Youth and Sport (MECYS) and determines whether students receive a more academic form of secondary education (CXC, havo or vwo) or a vocational form (PSVE), the latter being subdivided according to placement criteria for several streams or programs (VSBO/PSVE-TKL, or VSBO/PSVE-PBL/PKL).[60] Below secondary, post-secondary non-tertiary and tertiary education in Sint Maarten is being described.

Secondary education

Sint Maarten offers multiple types of secondary education programs:

- VSBO: Voorbereidend Secundair Beroeps Onderwijs
- TKL: Theoretisch Kadergerichte Leerweg
- VSBO TKL: Voorbereidend Secundair Beroeps Onderwijs Theoretisch
- Kadergerichte Leerweg (similar to vmbo-t/mavo)
- HAVO: Hoger Algemeen Vormend Onderwijs
- VWO: Voorbereidend Wetenschappelijk Onderwijs
- PBL: Praktisch basisgerichte leerweg
- PKL: Praktisch Kadergerichte Leerweg/praktisch VMBO
- PSVE: Preparatory Secondary Vocational Education
- IB: International Baccalaureate
- CSEC: Caribbean Secondary Examination
- CCSLC: Caribbean Certificate of Secondary Level Competence
- CAPE: Caribbean Advanced Preparatory Examination
- CIA: Ontario Secondary School Program
- LU: American High School Program.[61]

In 2021/2022, in total 3,817 students attended secondary education on the island.[62] The table below breaks down this number by school board and school.

[60] https://www.nuffic.nl/sites/default/files/2020-08/onderwijssysteem-curacao-st-maarten-en-bes-eilanden.pdf; https://www.scholaro.com/pro/Countries/St-Maarten/Education-System

[61] UNICEF (2020). Situation Analysis on Children and Adolescents on Sint Maarten.

[62] Inspectorate of Education (2021)

Table 22 Student attending secondary education, Sint Maarten, 2021/2022

Board	Secondary school	Number of students	Language of instruction
FAVE	St. Maarten Academy Academic VSBO/PSVE	404 261	English English
CBAF	Charlotte Brookston Academy	123	English
SKOS	St. Dominic High School & IB	323	English
DPE	St. Maarten Vocational Training School	225	English
MAC	MAC Comprehensive Secondary Education	234	English
SVOBE	Sundial	257	English
	Milton Peters College	907	
	- VWO	57	Dutch
	- HAVO	222	Dutch
	- TKL	237	Dutch
	- CCSLC	175	English
	- PBL/PKL	216	English
Private		86	English
Private		90	English

Source: Inspectorate of Education (2021)

Vocational education

As far as vocational education is concerned, the picture is as follows:

- SBO (‘secundair beroepsonderwijs’, secondary vocational training) was introduced to Sint Maarten in 2004-2005. SBO has two learning routes (‘werkend leren’ (WL, working learning) and ‘lerend werken’ (LW, learning working). These routes can be followed at four levels of qualification, comparable with the Dutch mbo-levels 1, 2, 3 and 4 (assistant, professional, professional officer, and middle management officer). Its educational programs range from 1 to 4 years.[63] SBO is offered by the Sint Maarten Vocational Training School (SMVTS).[64]
- The National Institute for Professional Advancement (NIPA) offers advanced vocational education for students who want to further their education after secondary schools and adults already in the workforce. NIPA’s programs are tailored to the needs and interests of the labor market and the wider Sint Maarten community. Apprenticeships vary from short (partial qualifications over a few weeks) to full levels, up to 4 years, and cover many relevant areas.[65]

According to local experts, the courses of NIPA are more relevant to vocational education in Sint Maarten than the SBO offered by SMVTS. All in all, the scope of vocational education in Sint Maarten is limited. Due to low job prospects, there is high crime among young people.

[63] https://www.nuffic.nl/sites/default/files/2020-08/onderwijssysteem-curacao-st-maarten-en-bes-eilanden.pdf
[64] https://www.scholaro.com/db/Countries/St-Maarten/Education-System
[65] https://www.nipa.sx/

Higher education

The Government of Sint Maarten maintains a comprehensive bursary program for young people intending to study further at an institution of higher vocational or scientific education, whether on the island itself or on the South American, North American, or European mainland. The granting of this Study Financing considers current and future labor needs on Sint Maarten.[66]

There are two universities in Sint Maarten.

- The first is the American University of the Caribbean, School of Medicine in Cupecoy. This is an offshoot of a Florida-based university. Here students can complete their first two years of their academic medicine study.
- The second is the University of St. Martin (USM) in Philipsburg. It offers programs in conjunction with offshore institutions, including associate degree courses in business, liberal arts, applied science and hospitality. After acquiring the Associate Degree students can move on to a bachelor's program of 2 years at several collaborating universities, such as Mount Saint Vincent University in Canada and the University of the Virgin Islands. Furthermore, USM offers a 4-year teacher training leading to a Bachelor of Education qualification.[67]

The main problem for the labor market for high educated graduates is that students supported by the bursary go to study in the (European) Netherlands or the United States and sometimes to other countries, but do not return after their study. In fact, this seems to be the case with most students from outside the EU who come to the Netherlands, while the stay rate in the US even seems higher (while also some of the international student in the Netherlands move to the US or the UK after graduation). The explanation seems to be that salaries abroad and especially the US seem to be much higher than in Sint Maarten. Moreover, graduates originating from Sint Maarten are English-speaking while their Dutch language, especially after having studied in the Netherlands, is much better than that of other international students. In both Europe and the US there are severe shortages on the labor market for the higher educated. So, graduates from Sint Maarten get a well-paid job easily.

In 2020, over 11,000 young people from the Caribbean part of the Kingdom - the countries of Aruba, Curaçao, Sint Maarten and the special municipalities of Bonaire, St. Eustatius, and Saba – were studying in the Netherlands, most of them in higher vocational education. Almost half of the young people on the six islands left for the Netherlands between 2013 and 2017, CBS calculated. Two thirds did so to study. [68] Specific recent figures for Sint Maarten are not available. We only know the figure that in 2014, 131 Sint Maarten students were studying abroad.

A peculiar development is that Dutch government is planning to create a so-called Koninkrijksbeurs for students from the Caribbean part of the Netherlands. This will attract even more young people from Sint Maarten to Europe, because this bursary is not only for higher, but also for vocational education. While it will be officially

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[66] https://www.smn-news.com/index.php/st-maarten-st-martin-news/39384-research-and-survey-labor-demand-on-st-maarten.html

[67] https://www.scholaro.com/db/Countries/St-Maarten/Education-System; https://www.nuffic.nl/sites/default/files/2020-08/onderwijssysteem-curacao-st-maarten-en-bes-eilanden.pdf

[68] https://www.trouw.nl/binnenland/studeren-in-nederland-voor-caribische-jongeren-vaak-een-koude-douche~b85b85d8/

directed at the Caribbean labor market, the effect will also be that even more students with some kind of training will migrate from the islands.[69]

3.5 Summary and conclusions

1. From 2011-2016 and especially from 2011-2013, the population and the total labor force in Sint Maarten was growing rapidly. After 2016, both the population and labor force grew slower (related to the hurricane(s) and COVID crises) (Census and LFS data).
2. The population pyramid of Sint Maarten shows a relative absence of the 35-44 age group (and to a lesser extent of the 45-54 group (CIA, The World Factbook).
3. More than a half of the employees have the Sint Maarten (Dutch) nationality, about a third come from other Caribbean countries and a tenth from Europe or the United States. Almost two thirds have been educated at secondary level, of which almost a third by vocational training. In other words, vocational training at secondary level accounts for 20% of the workers (LFS 2018).
4. Of the employed labor force, some 20% is working in the public and semi-public sectors. Also, almost 20% is working in the construction sector. About 15% is working in the foods and accommodation sector. Employment in many sectors is linked to tourism (LFS 2018).
5. About 20% of the working population in 2017 was self-employed (LFS). Although we possess no recent figures, it is probable that after both the hurricane(s) and COVID-crises there are less possibilities to earn a good income through self-employment than before.
6. Of the employed labor force, some 30% did not reach the level of secondary education, while more than 40% finished high school (secondary education). 20% enjoyed tertiary education (LFS).
7. In practice, many workers are making overtime. 3.5% of workers had (in 2018) a second job and 3.4% were looking for a second job. For a third of the working population their employment was influenced by the hurricane(s) in 2017 (less or more working hours, temporary closure of their company). The COVID crisis seems also to have caused closures and employees working (and getting paid less hours), except in the health sector (interviews).
8. Unemployment is quite high. It is most prevalent among women, young people and persons with a low level of education.
9. With more than 80% of the population the main source of income is salary. About 13% receive some kind of pension, while 2% was on welfare in 2018 (LFS 2018).
10. In 2018, more than 7% of the working population was looking for another job. The main reason was wanting to earn more (LFS).
11. There are no recent figures regarding the number of commuting workers from Saint-Martin to Sint Maarten. Whereas there is more employment in Sint Maarten and the unemployment rate is much higher in Saint-Martin, one

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[69] See: https://www.rijksoverheid.nl/actueel/nieuws/2023/01/17/landen-koninkrijk-zetten-stappen-voor-vergroten-studiesucces-caribische-studenten

might presume that there is more labor migration from Saint-Martin to Sint Maarten than the other way around.

12. Due to the hurricane(s) and COVID, the amount of undocumented foreign workers may have dropped. Estimates before 2002 range between 15,000 and 40,000 undocumented workers. Currently, the number of undocumented persons seems to be closer to 10,000, with most of these being workers. Still, Sint Maarten has the highest number of foreign workers in the Caribbean.
13. A large number of students are leaving school with only secondary education and no professional/vocational training. There is too little capacity for internships within companies and (semi)public institutions. There is also restricted capacity for training of workers and unemployed persons (Education Inspectorate).
14. The restricted number of university courses available in Sint Maarten and the possibility of a bursary abroad are the main causes of Sint Maarten students going to other countries, mostly to the Netherlands or the United States, for a university study. After completing their study, most of them stay abroad. The main reasons for this are the opportunities for higher salaries in other countries (while the living standards are comparable to Sint Maarten). Moreover, Sint Maarten students are fluent in English and many of them also in Dutch (interviews).

4 PESTLE and future outlook

4.1 PESTLE of developments in the (near) future

4.1.1 Introduction

For a good analysis of the future labor market of Sint Maarten it is necessary to analyze the contextual factors that influence it. The so-called PESTLE analysis provides a tool to adequately identify these factors. The relevant contextual factors in a PESTLE analysis are the following:

- **P**olitical factors;
- **E**conomic factors;
- **S**ocietal and demographic factors;
- **T**echnological factors;
- (Changes in) **L**aw
- **E**nvironmental factors.

Below, successively we go into these contextual factors. In doing so, where possible and useful, we also indicate in what sense/direction they affect Sint Maarten's labor market. The last section summarizes these effects.

4.1.2 Political factors

Both labor demand and supply may be influenced by political decisions (national and international) and the policies based on these. The Ministry of Public Health, Social Development and Labor (VSA) is responsible for the development and implementation of labor market policies in Sint Maarten. Currently, the most relevant labor-market related policy measures are the economic recovery measures following Hurricane Irma and the COVID-19 pandemic, respectively:

- Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF);
- Sint Maarten Country Package ("Landspakket").

Finally, there will be elections in 2024. 2023 being the last year of the present government may also influence investments in the economy and labor market.

Ministry of Public Health, Social Development and Labor (VSA)

The mission of the Ministry of VSA is to

- promote a healthy and social supportive community.
- prevent unhealthy living conditions, protect socially vulnerable groups, promote employment opportunities and the general wellbeing of the society.
- promote the general wellbeing and quality of life of the population by means of services such as of health protection, health promotion, labor mediation, labor & dismissal licenses, emergency medical services, social security, community development and social work & counseling and supervision.
- secure accessibility to health insurance and social security systems.

The multi-annual policy objectives of VSA, stated on the website of the Ministry, were chosen and adapted based on the government program 2012-2014), but seem still to be valid. These read:

- Strengthening government's social agenda and - for that - signal and intervene in health risks, potential labor conflicts and social risks of vulnerable groups in society in a timely manner;
- Renewing and /or modifying policies, programs, activities, and legislation to enhance social cohesion and quality of life in the areas of: a. safety, b. public health, c. social affairs, d. community development, e. labor, f. employment.;
- Reducing bureaucracy by working transparently, effectively and efficiently in the interest of customer service;
- Strengthening supervision on and adherence to legislation & guidelines in public health, social security and labor to contribute to a foundation built on strength and decisiveness;
- Strengthening national, regional, and international cooperation & partnerships.

The department most relevant to this study within VSA is the Department of Labor Affairs. This government executing agency is charged with the responsibility of all matters pertaining to labor such as registration of the unemployed and job seekers, dismissals, complaints, vacancies, and employment permits to name a few.[70]

Labor market effect(s) VSA: mainly indirect effects (creating preconditions for the adequate functioning of the labor market)

Sint Maarten Reconstruction, Recovery, and Resilience Trust Fund (SXM TF)

Following the devastation caused by Hurricane Irma in September 2017, the Government of Sint Maarten embarked on a large-scale program to build back a more resilient Sint Maarten. This program is laid down in the National Recovery and Resilience Plan (NRRP). A significant part of the NRRP is funded by the Sint Maarten Recovery, Reconstruction and Resilience Trust Fund (SXM TF).[71]

The SXM TF (USD 512 Million) was set up by the Government of the Netherlands in 2017, under the administration of the World Bank and implemented by the National Recovery Program Bureau (NRPB) on behalf of the Government of Sint Maarten and its partner organizations. SXM TF has two main objectives:

1. Post-hurricane recovery and reconstruction of Sint Maarten.
2. Longer-term development priorities to strengthen the country's resilience. [72]

As the project implementation unit of the Government of Sint Maarten, the NRPB is responsible for the preparation, implementation and evaluation of projects that are financed by SXM TF (and – if applicable – additional sources of funding). The box below shows the SXM TF projects currently under implementation and in preparation, respectively.[73]

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[70] http://www.sintmaartengov.org/government/VSA/Pages/About.aspx

[71] https://nrpbsxm.org/

[72] https://www.sintmaartenrecovery.org/about-us

[73] https://nrpbsxm.org/projects/

SXM TF projects under implementation

- Airport Terminal Reconstruction Project
- Digital Government Transformation Project
- Emergency Debris Management Project
- Emergency Income Support and Training Project (EISTP)
- Emergency Recovery Project
- Enterprise Support Project
- Hospital Resiliency and Preparedness Project
- Resources for Community Resilience
- Child Resilience and Protection Project

SXM TF projects in preparation

- Solid Waste Management and Environmental Improvement
- Fostering Resilient Learning Project
- Improving Mental Health Services in Sint Maarten Project
- Housing Project

The Emergency Income Support and Training Project (EISTP) directly targets the labor market of Sint Maarten. EISTP has two components:

1. To provide temporary income support and health insurance to vulnerable groups in exchange for their participation in training,
2. To develop a social registry system for the use of the Ministry of VSA, aiming to strengthen the social protection system's capacity for shock response and protection of the most vulnerable.[74]

The next box describes the EISTP in more detail.

EISTP

Challenges

One of the major labor market challenges in Sint Maarten is the low level of education and relevant market skills among persons of working age. As early as 2016, the International Monetary Fund noted that there was a mismatch between the country's labor supply skills and the skills needed by employers. On top of this, there is a lack of technical and vocational training institutions and certifying agencies in-country. The EISTP steps in to improve people's professional skills and thereby their employability through training and re-training.

Approach

The EISTP (USD 22.5 Million) is built upon an initiative by the tourism industry which launched the Sint Maarten Training Foundation (SMTF) with Government support (Ministry of VSA) to implement the SMTF project, a private not-for-

[74] https://www.sintmaartenrecovery.org/projects/emergency-income-support-and-training-project

profit institution partners with other institutions. The project started in August 2018 and consists of the following components:

- *Skills Training*: A balanced combination of in-class theoretical and practical training as well as training in socio-emotional skills. Courses range from culinary skills, bartending, hospitality services, technical training including construction, electrical skills, carpentry and property management, culture and history classes, and English skills. The emphasis is on construction and hospitality training. Upon successful completion, participants receive a certificate.
- *Financial support*: Temporary income support (a stipend) to participants. It also includes health insurance for students and a reimbursement for transportation costs directly linked to the training.
- *Social Registry*: Identification and registration of socio-economic needs of individuals and households. The social registry system to be developed will help to identify those in long-term poverty and help provide quick responses in post-disaster situations (by having a ready list of those least likely to be able to cope with a shock).

In December 2021, restructuring the EISTP was approved to expand and strengthen employment services of the National Employment Service Centre and extend the closing date of the EISTP to February 2023 given delays brought by COVID-19.

Results so far

The EISTP was set up to reach up to 1,800 under and unemployed. Until now more than 2,000 trainees have completed the vocational training. Some participants have left the program as hotels are resuming business while new participants are entering the program. Early anecdotal testimony from participants indicates high levels of satisfaction with the program and its benefits. Several participants have also underlined the effect of the program on their career ambitions. See also Annex 1 for the evaluation of the EISTP.

A Socioeconomic Needs Assessment was launched in June 2022 that will provide crucial data on benefits and inform future social programs. [75]

The World Bank recently observed that some structural problems such as hardship in acquiring permits, access to the island by international consultants and firms, and the absence of a legal framework allowing for the continuous on-island presence of the World Bank decrease the effectiveness of the SXM TF as a whole. [76]

Labor market effect(s) SXM TF as a whole: more demand for labor

Labor market effect(s) EISTP: higher qualified supply of labor

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[75] https://www.sintmaartenrecovery.org/projects/emergency-income-support-and-training-project

[76] World Bank 'Annual Report 2020: Sint Maarten Recovery, Reconstruction and Resilience Trust Fund' World Bank, 2020. Available at: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/857651615974163832/sint-maarten-recovery-reconstruction-and-resilience-trust-fund-annual-report-2020

Sint Maarten Country Package

In December 2020, St. Maarten and the Netherlands signed the mutual arrangement for the implementation of the Sint Maarten Country Package.[77] The ratification of this arrangement paved the way for the realization of a wide range of reforms and investments. These should contribute to the strength and resilience of the economy and society of Sint Maarten, which are better equipped to withstand crises with new opportunities for citizens and companies. The next box shows the themes of the country package.

Themes of the Country Package

The Sint Maarten Country Package includes measures within the following themes:

A. Financial management. Goal:
   - managing and bringing into line the financial management and financial supervision based on the need for government to be 'in control'.

B. Cost and effectiveness of the public sector. Goal:
   - increasing the efficiency of the public sector by reducing the public wage bill (in line with the Caribbean average of 10% of GDP) and reducing the costs of the public sector in general terms.
   - increasing the quality and effectiveness (including implementation capacity) in the public sector.

C. Taxes. Goal:
   - the re-establishment of a robust system of taxation with a broad basis that contributes to a fair(er) distribution of income, encourages the economy and implementation and control by the Tax and Customs Administration;
   - realizing adequately structured tax services.

D. Financial sector. Goal:
   - establishing a stable financial sector that is fully able to fulfil its role in support of the real economy.
   - establishing an appropriate means of regulating the financial sector, with adequate supervision and governance of compliance.
   - establishing a watchdog that can respond effectively and in good time in the event of problems with financial businesses.

E. Economic reform. Goal:
   - establishing a sound, dynamic and resilient economy.
   - establishing a robust and affordable social security system, that applies stimuli at the ideal point.

F. Healthcare. Goal:
   - managing and ensuring continued management of COVID-19.
   - securing the continuity of acute care.
   - the efficient structuring of care and establishing a robust and affordable care system.

G. Education. Goal:
   - establishing basic quality in education;
   - establishing a solid link between education and the labor market;
   - establishing good transition between systems of education (in the European Netherlands and elsewhere).

[77] Similar Country Packages have been established for Curacao and Aruba.

H. Strengthening the rule of law. Goal:
   - contributing to the reinforcement of the rule of law, by under all circumstances focusing on reinforcing border supervision, the approach to tackling financial and economic crime and improving the detection system.

The themes and measures in the Sint Maarten Country Package are periodically elaborated in an Implementation Agenda.[78] This agenda is jointly determined by the Minister of General Affairs of Sint Maarten and the Temporary Work Organization (TWO) of the European Netherlands.[79] The implementation agenda is further elaborated by Sint Maarten in action plans per theme. [80] The TWO monitors the progress of the implementation of the action plans and periodically report on it in implementation reports.[81]

Based on the most recent Implementation Agenda (1 October – 31 December 2022), the box shows the current situation regarding the Sint Maarten Country Package.

State of affairs regarding the Country Package
The Implementation agenda 1 October – 31 December 2022 for the Sint Maarten Country Package sketches the following picture:
- In the fourth quarter of 2022, efforts will be made to strengthen the mutual coherence of all Sint Maarten government programs and projects – across themes – and the way in which the individual activities can reinforce each other. A clear link is made with the National Development Vision of Sint Maarten.[82] Sint Maarten and the TWO have therefore agreed to formulate a medium to long-term change strategy in the fourth quarter, in which interdependencies, dependencies and required external resources are identified.
- Regarding financial management, further steps are being taken to set up the budget process and actions will be taken to reduce the lead time of the annual accounts process.
- Efforts will be made for the Tax and Customs Administration to structurally strengthen the audit capacity by developing a multi-year work-study program, whereby aspiring auditors are coached in carrying out audits as part of their training. This contributes to building sustainable audit capacity and to increasing the number of audits by the Tax and Customs Administration for the coming years.
- Agreements will be made this quarter about the way in which an integral audit of government bodies can be carried out, looking at organizational,

[78] https://english.coho-acs.com/documents/publicaties/2022/country-package-sint-maarten-1-october---31-december-2022/14/country-package-sint-maarten-1-october---31-december-2022

[79] The TWO is part of the Ministry of the Interior and Kingdom Relations of the European Netherlands and supports and monitors the agreed reforms in Curaçao, Aruba and Sint Maarten. The TWO is the predecessor of the Caribbean Agency for Reform and Development (COHO) that will be established by law and is an administrative body with independent tasks.

[80] https://english.coho-acs.com/coho-st.-maarten/action-plans-st.-maarten

[81] https://english.coho-acs.com/coho-st.-maarten

[82] http://www.sintmaartengov.org/government/AZ/Department%20of%20Interior-and-Kingdom-Relations-BAK/Pages/National-Development-Vision.aspx

operational, and technical aspects. An exit survey will also be conducted among officials who have left.

- The study on the social security system is being finalized and preparations are being made for an integrated socio-economic reform agenda. The first short-term measures against illegal employment are being implemented. The permit system for companies is being revised and the provision of information about starting a business is being improved. The legal and financial contours of the General Health Insurance will be clearly mapped out this quarter, so that its introduction on 1 January 2024 will be feasible. The final report of the education system screening will be delivered this quarter.[83]

Labor market effect(s) Country Package: more demand for labor; higher qualified supply of labor

In 2024 there will be general elections. Although there are still no concrete plans available, in most countries the last year before general elections a cabinet will be much more active with investments in the economy and social sphere and consequently in the labor market. Of course, financing by the Country Package will help.

Labor market effect(s) Country Package: more demand for labor

Social dialogue

During many interviews that were held during this study, it became very clear that there is a substantial level of distrust between the parties that should ideally find each other in an effective tripartite dialogue. Instead, arguments and initiatives from other parties are often considered and commented on with suspicion. The study does not foresee in a full-scale analysis of social or tripartite dialogue, but it is nonetheless very clear that the impact of dialogue is far below what it could be. What should be the future to work towards? What do employers need to be able to hire local youth for structural jobs? What are the problems the government encounters in the context of compliance monitoring? What should students and employees learn? Examples of questions best answered, and problems best solved based on dialogue.

As an example of the current issues and without the intention to put the blame on one party: the Employer Council Sint Maarten published a White Paper[84] stating that social dialogue is not as it should be and asks the SXM government to collaborate on improving the situation, referring to ILO agreements. The Employer Council continues to state that for St Maarten's country status means that it is cosignatory to International Labor Organization (ILO) conventions related to tripartite dialogue.[85]

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[83] https://english.two-acs.com/latest/news/2022/10/14/implementation-agenda-fourth-quarter-2022

[84] Employer Council Sint Maarten, *A responsibility of being a nation; White paper on the worrisome state of the St Maarten Tripartite Dialogue*, not dated. According to the White paper, the Employer Council exists of the four employer organizations on St Maarten that have been recognized by the ILO: the St Maarten Marine Trades Association (SMMTA), Sint Maarten Timeshare Association (SMTA) the Indian Merchants Association (IMA) and the St. Maarten Hospitality and Trade Association (SHTA). The ECSM holds 2 of 3 employer seats in the SER (Social Economic Council).

[85] For instance Convention C144 (tripartite consultations on international labor standards), Convention 87 (freedom of association) and Convention 88 (labor services convention).

Challenges identified in the White Paper are for instance: insufficient consultation of tripartite bodies, and in particular the private sector, when important decisions needed to be taken pertaining to economic and labor policies during the pandemic, and for structural reforms in the areas of labor, taxation, and healthcare based on reports from organizations such as the IMF and the World Bank.

An appeal filed in Court by the ECSM regarding the behavior of the St Maarten government in the context of the appointment of a member and an acting member to the SER has recently been ruled against by the international Court of Appeals of Aruba, Curacao, and Sint Maarten. [86] Regardless of the full story that may be behind this, it is very clear that the relationship between social partners is way below par.

4.1.3 Economic factors

> Economic developments (to be expected) may also influence demand (mostly) and supply on the labor market. The demand for products and services influences the demand for labor. At the supply side, the economic situation may encourage or discourage people to offer themselves to the labor market.
>
> A distinction can be made between macro-economic developments[87] and sectoral economic developments. Regarding the latter, economic developments within the tourism sector are particularly important for St Maarten.

Macro-economic developments

Sint Maarten's economy is based on tourism. Following the devastation caused by hurricanes Irma and Maria in 2017, (cruise passenger and stayover) arrivals substantially declined. Although the economic outlook remains challenging, modest growth was already projected in 2021 at 3.5% of GDP. Some of this growth was supported by investments in reconstruction and recovery from the Sint Maarten Trust Fund for Reconstruction, Recovery and Resilience (SXM TF, see above).[88]

In August 2022, IMF sketches the following economic outlook for Sint Maarten for the period until 2027:

- Strong tourism recovery late 2021 has continued in 2022 with only mild headwinds from the latest COVID-19 developments, implying an expectation of 7.5% in 2022. Economic activity is expected to recover to pre-pandemic levels in 2023 and to pre-hurricane levels by the end of the forecast horizon (i.e., 2027).
- External inflation pressures, exacerbated by the war in Ukraine, is forecast to raise annual inflation in 2022 to nearly 6%. The external current account deficit is expected to widen on tourism-related imports and Trust Fund-related imports but close gradually going forward. Fiscal deficits are expected to decline, and debt-to-

[86] https://ser.sx/ser-sint-maarten-verheugd-over-de-uitspraak-in-de-hoger-beroepszaak-tussen-ecsm-en-de-regering-van-sint-maarten/

[87] Macroeconomics is a branch of economics that studies how an overall economy—the markets, businesses, consumers, and governments—behave. Macroeconomics examines economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.

[88] https://www.worldbank.org/en/country/sintmaarten/overview

GDP fall, but they may reverse if the social security and health system is not reformed.

- The outlook is subject to substantial risks including shocks to tourism demand from the pandemic or partner country growth as well as ever-present hurricane-risk.[89]

In addition to this forecast by the IMF, the Ministry of Tourism, Economic Affairs, Transportation & Telecommunication (TEATT), pointed out the following developments:

- Tourists are finding St. Maarten again. In the first quarter of 2022, 194,516 passengers by plane called at the island. According to the Ministry of TEATT, this puts St. Maarten on track to reach 90% of 2019 numbers in 2022. Cruise tourist numbers are also on an upward trend, with strong growth in the first quarter of 2022 at 291,497. Furthermore, arrival numbers for mega yachts have continued to rise steadily since the island reopened in 2017 after Hurricane Irma. All in all, compared to the first quarter of 2021, the number of visitors increased by more than 200%. However, there are signs that at the moment mainly less wealthy Americans are coming to St Maarten and that the wealthier more often visit the French part of the island. Despite these growing numbers, the island is not yet at the strength before the pandemic. There is also strong competition with other Caribbean islands and internationally. To attract more tourists (especially from the Netherlands and France), in March 2022 the "We Are Open" campaign was launched.[90]

According to a forecast by the Port St. Maarten Group (PSG), during the current six-month high season for cruise ships (November 2022 to April 2022) approximately one million cruise passengers will visit and explore Sint Maarten. PSG management based this forecast on cruise line itineraries for the period mentioned.[91] Cruise lines are also experiencing higher passenger spending levels, from which the destinations benefit. Looking at the 2023 calendar year, the numbers are still a bit under pre-pandemic levels due to having a soft off season. The off season is a point of focus for PSG, but limited options are available due to less ships being in the region during that period as they switch to other cruise line itineraries in the Mediterranean and Alaska.[92] The effects of the pandemic and ships/equipment being sold will have an impact until more ships are deployed by the various cruise lines. Positive news is that new-built ships are moving ahead, and several are being launched on an annual basis. The hopes are that in the coming year or two the Caribbean summer months will normalize once again to pre-pandemic levels. Given the strong competition, PSG must continue to differentiate their offerings and services from the other destinations in the Caribbean. At the same time, they are also reliant on those destinations to continue to enhance

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[89] IMF (2022). Kingdom of the Netherlands - Curaçao and Sint Maarten. 2022 Article IV consultation discussions. Press release; and staff report. IMF Country Report No. 22/270. Available at: https://www.imf.org/en/Publications/CR/Issues/2022/08/09/Kingdom-of-the-Netherlands-Curaao-and-Sint-Maarten-2022-Article-IV-Consultation-Discussions-521977

[90] https://caribischnetwerk.ntr.nl/2022/04/22/verdere-groei-toerisme-van-groot-belang-voor-sint-maarten/

[91] More than 133,000 visitors are expected in November 2022, 196,000 in December 2022, and for the start of the new year, close to a quarter of a million passengers (230,000) in January 2023, followed by 157,000 in February 2023, 159,000 in March 2023 and 142,000 in April 2023.

[92] https://www.thedailyherald.sx/islands/one-million-cruise-passenger-visits-expected-in-upcoming-high-season

their offerings as well, as an itinerary is ideally based on a few attractive destinations and not just one.[93]

The conclusion may be, that when there are no new economic disturbances, the economy will grow steady during the coming years. It is likely that the labor market, and especially the brain drain of higher educated youngsters will hamper further development of the economy instead of the contrary.

Labor market effect(s) macro-economic recovery: more demand for labor
Labor market effect(s) recovery tourism/hospitality: more demand for labor

4.1.4 Demographic and other societal factors

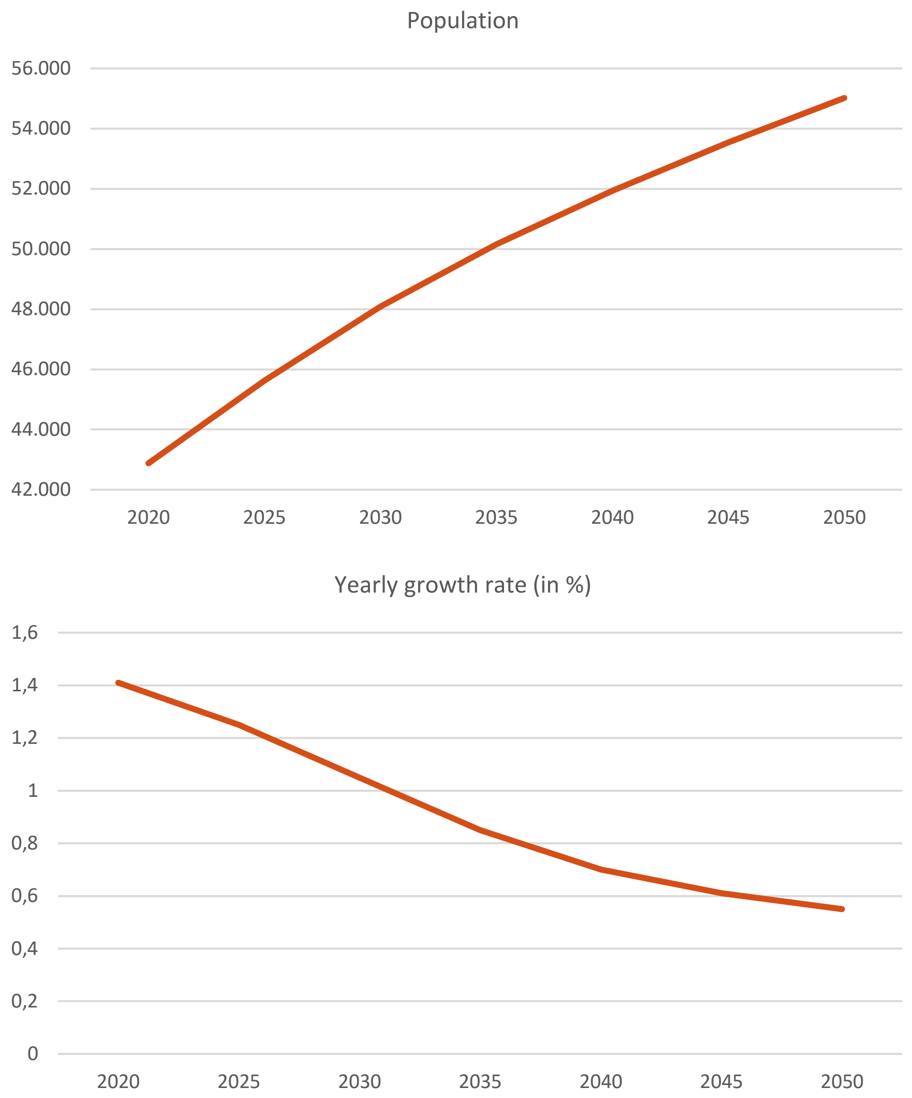
> Societal factors (which include demographic developments) can affect the labor market in several ways. Most important is the effect on the size and composition of the labor supply. At the same time, there may also be effects on the size and composition of the consumption/production of goods and services and the resulting demand for labor.

Demographic developments

Population growth in the (near) future
According to the UN's World Populations Prospects (2019 Review), between 2020 and 2050 the population of Sint Maarten will continue to grow to about 55,000.[94] However, population growth flattens out further (see figure below).

[93] https://www.thedailyherald.sx/islands/one-million-cruise-passenger-visits-expected-in-upcoming-high-season
[94] https://www.worldometers.info/world-population/sint-maarten-population/

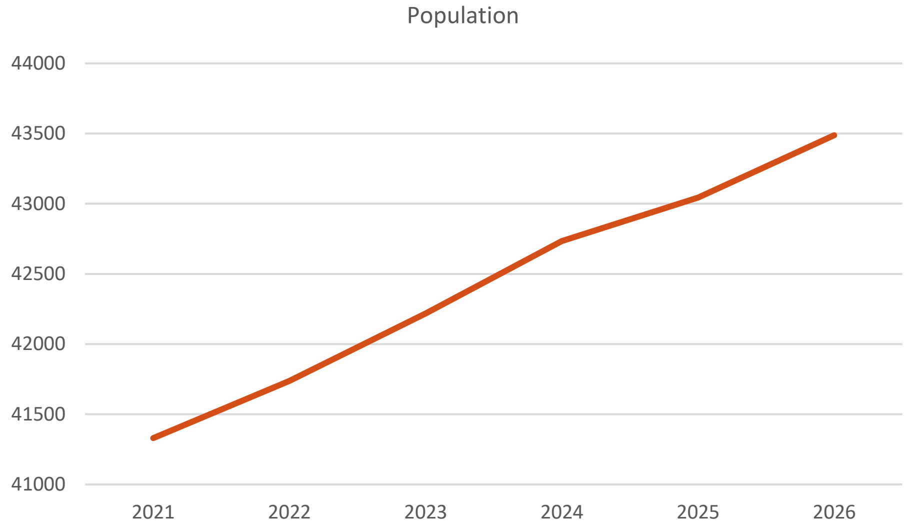
Figure 7 Population projections, Sint Maarten, 2020-2050

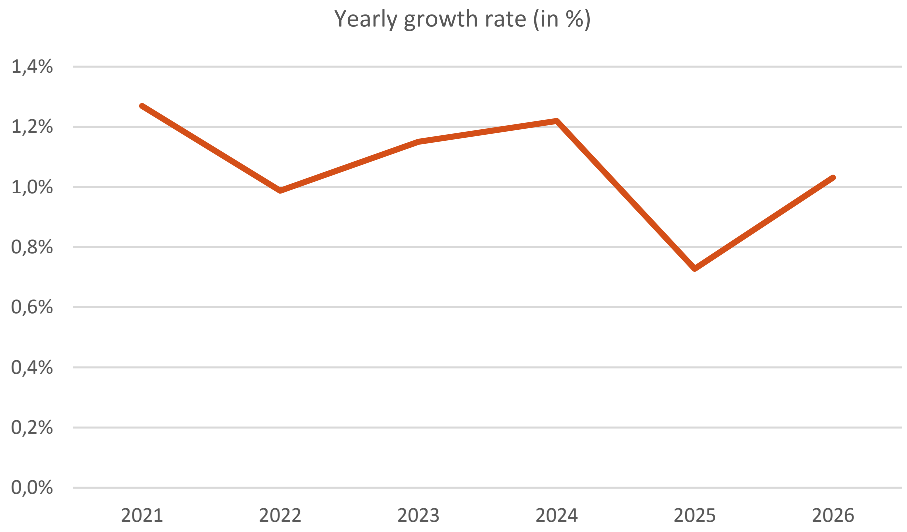


Source: https://www.worldometers.info/world-population/sint-maarten-population/; edit Panteia.

The figure below focuses on the expected population growth in the medium term (2021-2026; based on projections by CAS and World Bank). In the medium term, the growth rate of Sint Maarten's population fluctuates but on average is decreasing. The population in 2026 is expected to be about 43,500.

Figure 8 Population projections, Sint Maarten, 2021-2026





Source: Population: CAS; Yearly growth rate: CAS, World Bank; edited by Panteia

Labor market effect(s) population growth: more supply of labor; more demand for labor

Composition of the population

At the same time, the composition of the population might change. Birth figures of little less than 2 suppose that there will be a slight decrease in the number of children. On the other hand, not only there will be an ageing population in Sint Maarten itself (also due to improvements in health services and medication) but also people from abroad will come to buy apartments or houses to live in Sint Maarten. These elderly people need more health care, at the same time as health care budgets are under constraint and recruitment of health care personnel is also a problem. Another development might be that higher educated people of 20-35 years old will leave the island for Europe or the US, while persons of about the same age from the Caribbean will come to work on Sint Maarten (and will get labor permits when shortages will grow). Some of them may also be well educated, but more probably the education level of these new arrivals will be lower than that of the Sint Maarten people leaving abroad.

Labor market effect(s) population composition: more supply of LE labor, less supply of HE labor, more demand for (workers in) health care

Other societal developments

Other labor-market relevant societal developments include the following:

- Social interactions between French and Dutch part of the island: Politically, the island of Saint Martin/Sint Maarten is divided into a French (mainly French speaking) and a Dutch (mainly English-speaking) part. In practice, however, the population more or less forms one community. There are intensive social interactions between the two parts of the island. This includes cross border commuting (in both directions, but predominantly from Saint Martin to Sint Maarten). Annex 1 compares the labor markets of both countries. The box below summarizes the most important results of this comparison.

Labor markets of Saint Martin and Sint Maarten compared

Partly because of their location, Saint Martin and Sint Maarten are both subject to constant migratory dynamics. Economically, both parts of the island are highly dependent on tourism and thus exposed to the vagaries of climate, fluctuations in exchange rates and economic migrations. Given the small area of the island as a whole and the free movement between the French and Dutch side, the labor markets of both countries are interconnected. Based on an analysis of the labor markets of both countries[95], the following conclusions can be drawn about the interactions between the labor markets of Saint Martin and Sint Maarten:

- Tourism employment is largely concentrated in Sint Maarten. However, there are spillover effects. Saint Martin benefits from the many tourist arrivals (especially cruise passengers) in Sint Maarten.
- Saint Martin performs economically less well than Sint Maarten. Proportionally there is less employment, and the unemployment rate is much higher. Based on this it can be assumed that there is more border commuting from Saint Martin to Sint Maarten than the other way around. Presumably some of this is informal labor.
- Fewer migrants born in the Kingdom of the Netherlands (mainly Sint Maarten) live in Saint Martin than the other way around (3% versus 6%). To a large extent, the migration motive of both groups of migrants will be labor.

Labor market effect(s): more supply of labor (partly informal labor)

- Organized crime: Sint Maarten is known for rather extensive organized crime. Crime in Sint Maarten is characterized to a large extent by its transitory nature.

[95] https://www.insee.fr/fr/statistiques/2527810 . Insee Dossier Guadeloupe, Antilles, Guyane. Saint-Martin. Terre d'accueil et des contrastes. December 2016.

One of the most clear-cut forms of crime on the island is drug-related crime. In addition, there are financial and economic crimes and – the most relevant with respect to the labor market – human smuggling (in some cases even human trafficking). [96]

Labor market effect(s): more supply of informal labor

- Undocumented people: Partly because of human smuggling (and trafficking), there are many undocumented people in Sint Maarten. Undocumented people who work do so in the informal economy. The informal economy has mostly disadvantages. Wages are low and insecure, the workers work long hours, their working conditions are poor, they cannot fall back on a social safety net, are not entitled to pensions or health insurance, and they often have no opportunity for education. They also must fend for themselves when problems arise. Sint Maarten's society as a whole misses out on tax revenue by the extensive informal economy.

  Labor market effect(s): more supply of informal labor; less favorable terms of employment and working conditions

- Single-parent families: Single-parent families can be considered a form of 'household dilution'. An increase of the number of households means more consumption/production and thus more demand for labor. Sint Maarten (like many other Caribbean countries) has many single-parent families. This is largely culturally based. These single-parent families usually involve single motherhood. Many mothers raise their child(ren) from the beginning without a cohabitating partner. Often, they can fall back on the wider family network (for example, to care for the children while they are at work).[97]

  Labor market effect(s): more demand for labor

- 'Feminization' of the labor force: Although less strong than in the past, women's labor participation is still increasing. However, women work part-time more than men. This is especially true in sectors such as healthcare and education.

  Labor market effect(s): more supply of labor

- Upgrading of the labor force of Sint Maarten itself (except for people leaving the island and new arrivals): Due to longer learning of young people and elderly and low educated people leaving the labor market, the average educational level of the labor force is increasing. Currently, also the EISTP and the measures within the theme Education of the Sint Maarten Country Package have a positive effect in this respect.

  Labor market effect(s): higher qualified supply of labor

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[96] https://zoek.officielebekendmakingen.nl/kst-31200-IV-6-b1.pdf
[97] https://www.nji.nl/culturele-diversiteit/ouderschap-in-een-migratiecontext#alleenstaand-ouderschap

- Vision on work: Citizens' vision on work, which influence study and career choices and thus the labor supply for certain occupations/sectors, differ by generation. The older generations, who began their careers in the 1970s and 1980s, often had their study and career choices determined primarily by ideological considerations. The younger generations, i.e., Millennials (born between 1981 and 1996) and Generation Z (also known as Gen Z, born between 1997 and 2012) are proportionally more attached to a good salary and job security. Yet for them, work content and 'purpose' (having an impact on society) are also important factors in their study and career choices. Commitment among young people to addressing climate change is high. Also, COVID-19 has increased their awareness of the social importance of professions such as schoolteachers and nurses. This influences their study and career choices.

  Labor market effect(s): shift in supply of labor

- Hybrid working: For some time now, many (especially younger) workers have preferred hybrid working (i.e., alternating between working at the office and working from home or another location, also known as time- and location-independent working). Digitization makes this increasingly possible. During the COVID-19 crisis, many people worldwide were forced to work from home (teleworking). This has accelerated the phenomenon of hybrid working. Characteristics of hybrid working include more flexible working hours, reduced travel times, more efficient working, more work happiness, and a better work-life balance.[98]
  In some sectors (such as public administration and professional services, with proportionally many high educated workers) there are more possibilities for hybrid working than in others (such as tourism/hospitality, commerce, personal services, construction with comparatively many low educated workers).[99] The latter are overrepresented in the sectoral structure of Sint Maarten.

  Labor market effect(s): higher labor productivity -> less demand for labor; more favorable working conditions

[98] https://www.fnv.nl/werk-inkomen/veilig-gezond-werken/hybride-werken
[99] https://www.ilo.org/americas/publicaciones/WCMS_813472/lang--en/index.htm

4.1.5 Technological factors

> Technological factors, such as digitization, automation and robotization, can have both quantitative and qualitative effects on the labor market. At the demand side, applying (new) technology generally leads to increased labor productivity and thus labor savings. There is also an influence on the requirements for the quality of labor. The latter effect can work both ways (lower qualification requirements as complex work becomes easier; higher requirements as new, more complex jobs emerge). At the supply side, there may be effects on working conditions making the work more attractive.

General developments

Increasing digitization, automation and robotization have been taking place in almost all sectors for some time. In many sectors, the COVID-19 crisis has added to this. As a result, mainly practical skilled work (i.e., work at the lower levels of secondary vocational education) is disappearing. These are often jobs that, especially with allowances for irregular work, could provide a reasonable income. The groups that used to do this type of work are therefore increasingly reliant on jobs with poor terms of employment and working conditions.

Conversely, technology can also create jobs. For example, a recent study by Panteia shows that care technology makes it possible to effectively deploy people at lower levels of secondary vocational education in healthcare. Actions become simpler because of technology and nursing personnel (at higher secondary vocational level or lower tertiary level) can watch from a distance.[100] Such possibilities also exist in the metal (and electrotechnical) industry.[101]

Furthermore, digitization, automation, and robotization also requires personnel: technicians to install and maintain the new equipment and then ICT workers, ICT-trained personnel and, for example, process operators to use it.

Labor market effect(s) general technological developments: more demand for ICT-related labor; overall higher labor productivity -> less demand for labor (especially at the lower levels of secondary vocational training)

Sectoral developments

Specific developments in the field of digitization, automation, and robotization differ per sector. Below we go into (worldwide) developments in the most relevant sectors for Sint Maarten:

- Tourism/hospitality (accommodation and food services): Digitization, automation and robotization in tourism/hospitality could include digital booking and check-in; opening the (room) door with a smartphone instead of a key; excursions with

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[100] https://panteia.nl/nieuws/meer-kansen-op-banen-voor-zorgmedewerkers-op-mbo-1-en-mbo-2-niveau-door-inzet-zorgtechnologie/
[101] https://www.fme.nl/onderzoeksrapport-panteia-skills-voor-de-toekomst-de-metaal-en-metalektro

information through augmented reality glasses instead of a guide; QR ordering systems, digital menus and/or direct contactless payments; use of robots in service etc.[102]

Labor market effect(s): higher labor productivity -> less demand for labor

- (Wholesale and) retail: In the retail sector, COVID-19 has accelerated the process of digitization, automation and robotization. Trends in this sector, in addition to increasing online sales (whether or not combined with physical sales), include self-scanning by consumers, digital price tags, deployment of service robots, automation and robotization in warehouses and distribution centers (see also below) and the use of unmanned transport (over short distances).[103] Blockchain and Artificial Intelligence (AI) are also being applied, albeit still on a modest scale.[104]

  Labor market effect(s): higher labor productivity -> less demand for labor

- Construction: Key trends in the construction sector are smarter construction (digitization and robotization) and in-house production. In-house production can be defined as the robotized production of turnkey buildings or infrastructural works or components thereof (prefabs). Within the installation subsector, conceptual, integral working is growing. Integral building approaches result in buildings that incorporate many smart installations and systems that together ensure sustainability and user-friendliness. Developments in the completion and maintenance subsector include decluttering (i.e., workers being able to perform different types of work) and smart inspection in maintenance (use of sensors and drones). The latter also applies to the infra subsector. Another trend in this subsector is increasing use of more sophisticated machinery. [105]

  Relevant for the construction sector is also 'wearable technology'. This is technology built into clothing or other accessories that always remains in contact with the human body. The technology is used to improve comfort, efficiency and/or safety. An example in this respect are the so-called exoskeletons. With the use of exoskeletons, older people, or people with (some) physical limitations can perform heavy work for longer.[106]

  Labor market effect(s): higher labor productivity -> less demand for labor; more favorable working conditions

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[102] https://www.travelpro.nl/vakantietrends-volgens-tui-digitalisering-bewegen-en-bewust-eten/; https://www.lightspeedhq.nl/blog/qr-bestellen-in-de-horeca/; https://waldnet.nl/wn/nieuws/68456/Digitalisering_biedt_kansen_voor_horeca_in_2021.html

[103] https://trendrapport.s-bb.nl/handel; Panteia (2017). Trends in de detailhandel en de betekenis voor de factor arbeid. Deelrapport 4: PESTLE-analyse.

[104] Belastingdienst en FutureConsult (2022). Overzicht trendkaarten Belastingdienst 2022; https://www.ing.nl/zakelijk/kennis-over-de-economie/uw-sector/detailhandel/ki-in-retail.html

[105] SBB (2020). Trendrapport Techniek en gebouwde omgeving.

[106] https://www.bouwendnederland.nl/nu-bouwen-aan-morgen/voorbeelden-uit-de-praktijk/wearable-technology; https://nos.nl/video/2442515-marcel-hoopt-langer-door-te-stuccen-met-zijn-exoskelet

- Public administration: Most relevant for the public administration sector is digitization. The Digital Government Transformation Project (USD 12 Million), one of the SXM TF projects, aims at enhancing the access, efficiency, and resilience of public services for citizens and businesses. Given Sint Maarten's vulnerability to natural disasters, business continuity and systems resilience are critical. Bringing key government services online can make the country more resilient to future disasters, while also making citizens' and businesses' daily lives easier. The box below describes this project in more detail.

> **Digital Government Transformation Project**
> The project finances digital platforms and associated institutional, regulatory reforms to lay the foundations for digital government. Digital government can help citizens receive faster responses to requests, use online payment options, and digitally access public services such as receiving certificates of good conduct, and filing building permits. The business community will also benefit through automating processes, such as economic license acquisition. Access to government services will be available on kiosk machines, an online portal, and mobile applications, which are expected to enhance access, efficiency, and speed of public services. The project will also improve local capacity and assist the Government to recover from disasters, pandemics, and cyber-attacks.
>
> The NRPB will coordinate closely with the Ministry of General Affairs to implement this project. The establishment of a Digital Leadership Team by Sint Maarten's Government further underlines the country's commitment to digital transformation.[107]

With respect to digitization of the public administration, the following can further be noted:

- The use of digital data and digital systems by the public administration enables more processes and tasks to be performed automatically. Automation gives staff time to take on other tasks.
- Artificial intelligence (AI) is the ability of a system to interpret external data, recognize patterns in it and use these patterns. AI enables further automation of public administration processes and tasks and providing customized services. An example of this is matching of vacancies and candidates with AI support. Problems concerning the outcome of these processes favoring men and young people for example, have been tackled recently.
- The increasing dependence on digital systems and the Internet means that if there is a failure or blockage, because of cyber sabotage or otherwise, entire organizations can grind to a halt. The damage can be enormous. This is certainly true for the public administration: incidents, that cripple digital systems, or data theft can have far-reaching consequences for citizens or businesses. In the future, the efforts, and costs to avoid this will only increase.[108]

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[107] https://www.worldbank.org/en/news/press-release/2021/03/19/sint-maarten-trust-fund-approves-12-million-for-a-digital-government-transformation-project

[108] Based on ongoing research by Panteia commissioned by the Dutch Tax Administration.

Labor market effect(s): higher labor productivity -> less demand for labor

- Logistics (transportation and storage): Further digitization, automation and robotization are also taking place in logistics. This primarily involves the deployment of robots (pick robots, drones and so on) in warehouses and distribution centers. However, robotization is costly and thus not for every logistic company. Another form of digitization, automation and robotization in logistics is unmanned transport (via road, rail, water, or air). Long-distance unmanned transport has not actually passed the experimental stage.

  Labor market effect(s): higher labor productivity -> less demand for labor; more favorable working conditions

E-formality

According to the ILO, technology can have both a positive and negative impact in the world of work. On the negative side, for example, it can create new forms of informal employment in the gig economy. On the positive side, it can contribute to formalizing informal work. The ILO speaks in this context of e-formality:

- E-formality means applying digital technologies to support the design and implementation of so-called "e-formalization policies". This relates to e-government initiatives or rather the digitization of public services that facilitate the transition to formality, directly or indirectly. At its core, e-government aims at improving the connection between citizens and their governments and making public service delivery more effective, accessible, and responsive to their needs. It also increases participation in decision-making and makes public institutions more transparent and accountable.
- The ILO identified three pathways towards formality. First, creating productive employment, second, formalizing informal workers and enterprises in their current positions and third, preventing the informalization of the labor market. In practice, these can be achieved through increasing productivity, improving norms or regulations, providing incentives, and improving enforcement systems. E-government helps to facilitate access to social protection, simplify regulations and procedures, increase the productivity of Micro, Small and Medium Enterprises (MSME's) and support labor inspection. By way of examples, ILO points at:
  - mobile payment services for social security contributions with "M-PESA" in Kenya,
  - e-business and e-tax in Estonia,
  - digital wage payment systems in the construction sector in China,
  - application of digital tools in business operations such as the "Concanaco" tablet project in Mexico, and
  - digital labor inspector programs in Sri Lanka.[109]

Labor market effect(s): shift from informal to formal labor

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[109] https://socialprotection.org/discover/multimedia/podcast-breaking-out-informal-economy-does-new-technology-hold-key-world-work

4.1.6 (Changes in) law

> (Changes in) law may be of influence on both the demand and supply side. This is especially the case with labor law of course, but also other types of laws and law enforcement may be important.

Form of state

Sint Maarten is a so-called centralized unitary state whose government consists of the King of the Netherlands (represented by the governor) and the Sint Maarten Council of Ministers together. The people are represented by the States of Sint Maarten. Sint Maarten has only one tier of government: the country.[110]

Within the European Union (EU), Sint Maarten has the status of Overseas Countries and Territories (OCT's). OCT's enjoy wide-ranging autonomy, covering areas such as economic affairs, employment market, public health, home affairs and customs, while the Member States tend to remain responsible for defense and foreign affairs.[111]

Administration of justice

The administration of justice in Sint Maarten is organized somewhat differently than in the European Netherlands. There is only one judicial college for the Dutch OCT's Aruba, Curaçao and Sint Maarten and the Caribbean Netherlands (i.e., the special municipalities Bonaire, Sint Eustatius, and Saba). That is the Common Court of Justice. The judges of the Common Court administer justice both at first instance and on appeal (but not in the same case). It is not mandatory on the islands to litigate with a lawyer.

After the appeal, a party – both in civil law (including labor law), criminal law and tax law – can appeal in cassation to the Supreme Court in The Hague. If the Supreme Court overrules the judgment of the Common Court, the case returns to the Common Court. The case is then further heard by three judges who have not yet ruled on the case.[112]

Labor law

Relevant legislation in the field of labor law in St. Maarten are the following:

- Provisions regarding the employment contract are contained in the Civil Code, Book 7A, 7th Title A: Of contracts for the performance of labor ("Burgerlijk Wetboek Boek 7A, 7de titel A: Van de overeenkomsten tot het verrichten van arbeid"). [113]
- The National Ordinance on Minimum Wages ("Landsverordening minimumlonen") (AB 2013, GT no.10) contains the laws and regulations in the field of minimum (hourly) wages.

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[110] https://nl.wikipedia.org/wiki/Koninkrijk_der_Nederlanden#Aruba,_Cura%C3%A7ao_en_Sint_Maarten

[111] https://www.europa-nu.nl/id/vkwfhduj68y8/nieuws/questions_and_answers_the_eu_overseas?ctx=vh7dotcxc5zm&tab=0

[112] https://www.hogeraad.nl/over-ons/rechtspraak-eilanden/

[113] https://lokaleregelgeving.overheid.nl/CVDR142369

- The Labor Regulation (“Arbeidsregeling”) 2000 is relevant regarding provisions related to working hours, working time and overtime. [114]

An overview of the most important provisions in the field of labor law in Sint Maarten can be found at this website: https://www.doingbusinessdutchcaribbean.com/st-maarten/employment-sxm/

Labor market effect(s): more favorable terms of employment and working conditions

Social protection system

In the framework of Country Package, the government of Sint Maarten is working on reforming the current social protection system. Research has been/is being carried out to transform or establish efficient, effective, financially stable and sustainable social protection provisions based on required need. More specifically, it concerns research into:

1. the possibility of transforming the Cessantia Benefit (a lump sum severance payment[115]) into an Unemployment Benefit. Currently there is no unemployment provision for workers who become unemployed via regular unemployment or mass unemployment due to crises.
2. the possibility of establishing a Mandatory Second Layer Pension for private sector employees on Sint Maarten (on top of the General Old Age Pension (AOV)). Currently such a second layer pension is only mandatory for civil servants.
3. the possibility of the formalization of the EISTP to ensure that residents in the future continue to have the relevant income and training support in case of emergencies.
4. the Financial Assistance provision that provides unemployed residents with welfare to meet part of their basic needs. Research is being carried out to ascertain the quantity of residents in need of assistance; the basic allowance required for basic needs and ascertain the budget needed for the provision.
5. the General Old Age Pension (AOV) of Sint Maarten to determine if other measures can provide the same budgetary effects for sustainability of the AOV Fund in the years to come, other than increasing the pension age from 62 years at the moment to 66 years in 2025.

The overall effect of the reform regarding the first three mentioned social protection provisions are essential to support the last two measures. [116] As already mentioned, the study on the social protection system reform is being finalized and preparations are being made for an integrated socio-economic reform agenda. [117]

Labor market effect(s): more favorable financial situation for the unemployed and economically inactive people

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[114] https://lokaleregelgeving.overheid.nl/CVDR10375

[115] Cessantia is the severance payment (a onetime monetary compensation) an employee might be entitled to by law, if his employment agreement is terminated through no fault on his part or for a reason that cannot be attributed to the employee (provided the employee has been employed for at least one year). This cessantia payment is calculated based on the years of service. The employee must claim his cessantia pay within one year after termination of the employment agreement. See: https://www.doingbusinessdutchcaribbean.com/st-maarten/employment-sxm/cessantia-sxm/:

[116] Social Protection System Reform on Sint Maarten (PowerPoint presentation, undated).

[117] https://english.two-acs.com/latest/news/2022/10/14/implementation-agenda-fourth-quarter-2022

Regulation of labor migration

The following laws and regulations are relevant to regulating labor migration and administrative enforcement in the area of human smuggling and trafficking:

- The National Ordinance on Admission and Deportation ("Landsverordening toelating en uitzetting") and the accompanying Admission Decree regulate matters surrounding the admission of foreigners, (supervision of) their stay in St. Maarten and, if there is reason to do so, their deportation.[118]

  Labor market effect(s): less supply of informal labor

- The National Ordinance on Labor by Foreigners ("Landsverordening arbeid vreemdelingen') (AB 2015, no. 9) and the accompanying Implementing Decree include provisions for the employment of foreigners in Sint Maarten. As stipulated in the Act (Arts. 5 and 7), employers wishing to hire non-nationals must obtain an employment permit, which is exclusively linked to the employer, for a specific occupation and for a definite or indefinite period. Migrants with a valid employment and residence permit have access to both the public and private sector. Employment permits are only issued when local workers are not capable or willing to fill the labor gap of Sint Maarten.[119]

  Labor market effect(s): less demand for informal labor

Law enforcement

One of the themes of the Sint Maarten Country Package is 'Strengthening the rule of law'. Goal of this theme is contributing to the reinforcement of the rule of law, by under all circumstances focusing on:

- reinforcing border supervision,
- the approach to tackling financial and economic crimes, and
- improving the detection system.[120]

Labor market effect(s): less supply of informal labor; less demand for informal labor

4.1.7 Environmental factors

> Environmental factors relate to developments in both the physical environment and the working and living environment. They can affect labor demand and/or labor supply. The effect differs per factor.

Geography: size, geographic position and insularity of the country

<u>Constraints due to small country size</u>

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[118] https://lokaleregelgeving.overheid.nl/CVDR142597

[119] https://programamesoamerica.iom.int/sites/default/files/sint-maarten-needs-assessment-migration-governance.pdf; https://lokaleregelgeving.overheid.nl/CVDR142001

[120] https://english.coho-acs.com/coho-st.-maarten/action-plans-st.-maarten. Theme H.

As already mentioned, Sint Maarten has an area of only 34 square kilometers (mostly quite mountainous). Small Caribbean islands, such as Sint Maarten, face specific constraints as compared with larger countries. According to ECLAC[121], these constraints center around trade with external partners and the potential for economic diversification and may be considered economically disadvantageous:

- Dependence on a narrow range of primary products.
- Small domestic markets and high dependence on a limited range of export markets.
- Reliance on imports and limited import-substitution possibilities.
- High public debt and high fiscal and current account deficits.
- A small country like Sint Maarten will be stronger affected by globalization trends than larger countries. A possible effect is for example more chances for relocation of management of companies.
- Classification as middle-income countries, which renders them ineligible for concessionary and development financing.
- Brain drain to more developed countries.
- Deficiencies in statistical systems (acquisition, storage, analysis, and dissemination of basic data that are relevant to development planning).[122]

The small size (and mountainous nature) of Sint Maarten in combination with the high population density also severely limit the space for the construction of houses and buildings and cause substantial rush hour traffic jams.

Labor market effect(s): less demand for labor; little diversification in demand for labor; less supply of labor

Favorable geographic location

Sint Maarten is located amid some former English colonies and close to Puerto Rico and the French island of Guadeloupe. It is centrally located on the trade line between the English, French and Spanish Caribbean with Europe and the United States. It is also the steppingstone between these islands and nearby Puerto Rico, which is attractive (among others for immigration) because of the island's political ties to the United States. Because of this favorable geographic location and – partly because of that - the prosperous development of the tourist sector, the island offers a future perspective for many people from the poor surrounding islands. [123]

Labor market effect(s): more supply of labor (partly informal labor)

Insularity

The insularity of St. Maarten – in combination with the size of the country - affect the possibilities and thus the costs of international transport:

- Compared to other countries transport costs associated with international trade tend to be relatively high per unit of export. This arises because of the separation

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[121] ECLAC is UN's Economic Commission for Latin America and the Caribbean.

[122] https://www.cepal.org/en/publications/38366-case-small-island-developing-states-caribbean-challenge-building-resilience

[123] https://repository.wodc.nl/bitstream/handle/20.500.12832/1626/1463_volledige_tekst_tcm28-69360.pdf?sequence=2&isAllowed=y

of the island by the sea thereby constraining them to use air and sea transport for trading.

- Furthermore, a small economy such as that of Sint Maarten tends to require relatively miniscule and fragmented cargoes, leading to high per unit costs of transport.
- Moreover, the small size of Sint Maarten tends to present access challenges to major sea and air transport routes, and the limited capacities preclude them taking advantage of modern and technologically advanced and efficient modes of transport. This may be a barrier to expanding international trade. [124]
- The insularity of Sint Maarten - in combination with the many bays - make border control more difficult. As a result, the country is vulnerable for human smuggling/trafficking. [125]

Labor market effect(s): less demand for labor; more supply of informal labor

Physical environment: natural disasters, climate change and litter and dumping waste

Vulnerability to natural disasters and external shocks

Sint Maarten is vulnerable for natural disasters caused by hurricanes, localized flooding events and landslides, earthquakes, and volcanic eruptions. In 2017 Sint Maarten was hit hard by Hurricane Irma (followed by Hurricane Maria). In 2021, the La Soufrière volcano on the island of Saint Vincent and the Grenadines, 500 km away, erupted. Sint Maarten was vigilant, but serious damage from ash clouds fortunately did not occur.[126] The impact of a natural disaster, such as a hurricane, on a small island economy is relatively large in terms of damage per unit of area and costs per capita. Natural disasters negatively impact on infrastructure, cause considerable losses in the agricultural sector (though relatively small in Sint Maarten), the disruption of internal and external communication services and sometimes result in injury or death among human populations.[127]

Labor market effect(s) in the short term: less demand for labor (lockdown; business termination); less supply of labor (migrants staying away; injured or dead inhabitants)

Labor market effect(s) in the longer term: more demand for labor (recovery and reconstruction)

Addressing climate change and realizing energy transition

Especially for coastal and island states, climate change is a great challenge because of their vulnerability to the adverse effects of sea level rise and to the impacts of natural disasters. According to a 2014 report by the Nature Foundation[128], if sea level rise

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[124] https://www.cepal.org/en/publications/38366-case-small-island-developing-states-caribbean-challenge-building-resilience

[125] https://repository.wodc.nl/bitstream/handle/20.500.12832/1626/1463_volledige_tekst_tcm28-69360.pdf?sequence=2&isAllowed=y

[126] https://dossierkoninkrijksrelaties.nl/2021/04/09/sint-maarten-waakzaam-vulkaan-st-vincent-op-uitbarsten/

[127] https://www.cepal.org/en/publications/38366-case-small-island-developing-states-caribbean-challenge-building-resilience

[128] https://naturefoundationsxm.org/

continues, St. Maarten will look very different in a few decades. Philipsburg, the international airport, the cruise terminal, all the beaches and large parts of the sea level territory will have disappeared under water by then.[129] Addressing the impacts of climate change and realizing savings in the energy sector will require improvements in energy efficiency and the employment of renewable energy technologies. [130]

In August 2021, Sint Maarten, UN's Island Resilience Partnership (IRP)[131] and GridMarket[132], announced a public private partnership dedicated to helping Sint Maarten transition to a clean, resilient, and affordable energy generation. Sint Maarten joins the Independent State of Samoa, the Kingdom of Tonga, and other governments around the world that have joined IRP and are leveraging the GridMarket platform to achieve their United Nations Sustainable Development Goals (SDGs).

In this framework, the abovementioned partners will work together to identify, design, procure, and install distributed energy assets and make corresponding infrastructure upgrades. GridMarket will facilitate and procure a turnkey solution that will provide the national utility, NV GEBE, with a comprehensive grid optimization plan and country-wide transition to renewable, resilient, and distributed energy. The transformation will align with the Build-Back-Better principle, allowing Sint Maarten to be resilient in the face of future natural disasters and accelerate its long-term climate mitigation and adaptation goals.[133]

At the recent UN climate summit in Egypt, an agreement was reached on a global climate damage fund. Through that fund, rich western countries, which emit an abundance of CO2, will pay for the climate damage of smaller non-western countries. Exactly what the fund will look like and which countries will have to pay is not yet clear. Nor has it yet been determined which countries are entitled to compensation.[134] So, currently it is unclear whether or not Sint Maarten will receive compensation.

Labor market effect(s): more demand for labor

Waste management and environmental improvement

One of the SXM TF projects in implementation is the Emergency Debris Management Project (EDMP). This project's main objectives are to collect and process debris caused by the hurricanes Irma and Maria, improve the management of the solid waste disposal sites, and search for future waste management solutions for Sint Maarten.[135] Apart from the litter and dumping waste in nature, there are problems (i.e. signals of corruption) around the official landfill in Philipsburg.[136] Currently, the

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129 https://caribischnetwerk.ntr.nl/2014/05/13/rapport-klimaatverandering-bedreigt-sint-maarten/

130 https://www.cepal.org/en/publications/38366-case-small-island-developing-states-caribbean-challenge-building-resilience

131 https://sdgs.un.org/partnerships/island-resilience-partnership

132 https://gridmarket.com/

133 http://www.sintmaartengov.org/PressReleases/Pages/Sint-Maarten-announces-partnership-with-GridMarket-and-the-Island-Resilience-Partnership-to-achieve-key-energy-and-carbon-g.aspx

134 https://www.nrc.nl/nieuws/2022/11/20/klimaattop-bereikt-akkoord-en-stemt-in-met-schadefonds-a4148800

135 https://nrpbsxm.org/edmp/

136 https://caribischnetwerk.ntr.nl/2018/10/05/afvaldump-sint-maarten-corruptie-en-veel-geld-verdienen/

SXM TF project Waste Management and Environmental Improvement is in preparation. No further information on this project is available yet.

Labor market effect(s): more demand for labor

4.1.8 Conclusions

The previous sections have reviewed many contextual factors that influence the labor market of Sint Maarten. The table below summarizes these factors and indicates in what sense/direction they affect Sint Maarten's labor market.

Table 23 **Results PESTLE analysis labor market Sint Maarten**

Contextual factors		Labor market effects
P	**Political factors**	
P	(Policies of) the Ministry of VSA	Mainly indirect effects (creating preconditions for the adequate functioning of the labor market)
P	SXM TF as a whole	More demand for labor
P	SXM TF project EISTP	Higher qualified supply of labor
P	Sint Maarten Country Package	More demand for labor; Higher qualified supply of labor
P	General elections in 2024 – investments of government	More demand for labor
E	**Economic factors**	
E	Macro-economic developments (recovery overall economy)	More demand for labor
E	Sectoral economic developments (recovery tourism/hospitality and tourism-related sectors)	More demand for labor
S	**Demographic and other societal factors**	
S	*Demographic developments*	
S	Population growth	More supply of labor; More demand for labor
S	Population composition: brain drain and newcomers	Decline in the level of education of labor supply
S	De-greening and aging	Less supply of labor; Available labor supply more dependent on physically and/or psychosocially less heavy work More demand for (workers in) health care
S	Positive migration balance	More supply of labor (partly informal labor)
S	*Other societal developments*	
S	Intensive social interactions (including cross border commuting) between the French and Dutch side of the Saint-Martin/Sint Maarten Island	More supply of labor (partly informal labor)
S	Organized crime (human smuggling/trafficking)	More supply of informal labor
S	Undocumented people	More supply of informal labor; Less favorable terms of employment and working conditions
S	Single-parent families (a form of 'household dilution')	More demand for labor
S	'Feminization' of the labor force (increasing labor participation of women)	More supply of labor
S	Upgrading of the labor force	Higher qualified supply of labor
S	Differences between generations in vision on work	Shift in supply of labor
S	Hybrid working (accelerated by COVID-19)	Higher labor productivity -> less demand for labor; More favorable working conditions Given the sectoral structure of the economy, in Sint Maarten possibilities for hybrid working are relatively limited
T	**Technological factors**	
T	*General technological developments*	
T	Digitization, automation and robotization	More demand for ICT-related labor;

		Overall higher labor productivity -> less demand for labor (especially at the lower levels of secondary vocational training)
T	*Sectoral technological development*	
T	Tourism/hospitality: Among others digitization in food and accommodation services and augmented-reality tours without a guide.	Higher labor productivity -> less demand for labor
T	(Wholesale and) retail: Among others increasing online sales, digitization in shops and automation and robotization in warehouses/distribution centers	Higher labor productivity -> less demand for labor
T	Construction: Among others smarter construction (digitization and robotization), in-house production (prefabs), integral building approaches in completion and maintenance, use of sensors and drones for maintenance checks and use of 'wearing technologies' (such as exoskeletons)	Higher labor productivity -> less demand for labor; More favorable working conditions
T	Public administration: Mainly digitization (especially the SXM TF project 'Digital Government Transformation Project' deserves mention'	Higher labor productivity -> less demand for labor
T	Logistics: Most relevant is the increasing deployment of robots (pick robots, drones and so on) in warehouses and distribution centers	Higher labor productivity -> less demand for labor; More favorable working conditions
T	*E-formality*	
T	E-formality = digitization of public services facilitating the transition to formality, directly or indirectly.	Shift from informal to formal labor
L	**(Changes in) Law**	
L	State form (centralized unitary state; OCT) and administration of justice (different from the Netherlands)	-
L	Labor law (Civil Code Book 7A, National Ordinance on Minimum Wages, Labor Regulation)	More favorable terms of employment and working conditions
L	Reform of the social protection system (in the framework of the Sint Maarten Country Package)	More favorable financial situation for the unemployed and economically inactive people
L	Regulation of labor migration (National Ordinance on Admission and Deportation, National Ordinance on Labor by Foreigners)	Less supply of informal labor; Less demand for informal labor
L	Strengthening law enforcement (in the framework of the Sint Maarten Country Package)	Less supply of informal labor; Less demand for informal labor
E	**Environmental factors**	
E	*Geography*	
E	Constraints due to small country size (constraints around trade and economic diversification; limited space for constructing houses/buildings; rush hour traffic jams)	Less demand for labor; Little diversification in demand for labor; Less supply of labor
E	Favorable geographic position	More supply of labor (partly informal labor)
E	Insularity	Less demand for labor; More supply of informal labor
E	*Physical, working and living environment*	
E	Vulnerability to natural disasters	In the short term (i.e., during/after disaster): • Less demand for labor (lockdown; business termination); • Less supply of labor (injured or dead inhabitants; labor migrants staying away) In the longer term: • More demand for labor (recovery and reconstruction)
E	Addressing climate change and realizing energy transition (through a public private partnership between Sint Maarten, IRP en GridMarket)	More demand for labor
E	Waste management and environmental improvement (SXM TF projects: Emergency Debris Management Project (in progress) and Waste	More demand for labor

	Management and Environmental Improvement (in preparation))	

4.2 Expectations of employers' demand

> Expected labor demand is the expected expansion and replacement demand in the next five to ten years.

In the survey, large companies were asked to indicate on a five-point scale (from 1 = much less to 5 = much more) whether they expect to need more or less personnel in the coming five years. The results (by category of workers) are as follows:

- Workers (employees and flex workers): More than half of large companies (53%) expect to need (much) more workers. A minority of them (13%) expect to need (much) less workers.
- Employees: More than half of large companies expect to need (much) more employees. About a fifth of them (19%) expects to need (much) less employees.
- Flex workers: As far as flex workers are concerned, roughly a third of the large companies (36%) expect to need (much) more. Just over a fifth (21%) expect to need (much) less flex workers.
- Seasonal workers: A third of large companies (33%) expect to need (much) less seasonal workers and a quarter of them (25%) (much) more.
- Foreign workers: Finally, half of the companies (50%) expect to need (much) less foreign workers and slightly over a fifth of them (21%) much more.

Smaller companies were only asked about their expected personnel needs as a whole. Compared to large companies, smaller companies less often expect to need (much) more personnel (37%) and more often expect to need (much) less personnel (28%).

Furthermore, in an open-ended question, large companies (50+) could indicate what changes they expect in their personnel needs in the next five years in qualitative terms. About 40% of the companies did not expect changes, 60% did.

> **Expected changes in personnel needs in qualitative terms**
> Mostly, large companies expect an increase in the level of knowledge, skills and/or competencies they require of their personnel (9 out of the 10 companies that answered this question[137], indicated this). One company expects a change in profile of its workers because of the energy transition e it concerned an increase in the level in knowledge skills and competencies.

[137] One company answered here to expect an increase in its labor demand, but this is a change in quantitative terms.

4.3 Outlook

4.3.1 Size and structure of the economy of Sint Maarten

This section first presents an economic outlook for the economy of Sint Maarten for the years 2022-2027. First, the size and structure of the economy are briefly presented. Next, the outlook is presented, starting at the macro-economic level, and subsequently focusing on the sectoral pattern of GDP and employment growth. Data from various authoritative sources are used, including STAT, IMF, World Bank and CBS (Statistics Netherlands). Nevertheless, several assumptions had to be made.

According to STAT, the 2018 GDP of Sint Maarten amounted to USD 1.2 billion, which is equivalent to USD 26,000 per head of population. Sint Maarten ranks third in the Caribbean areas reviewed (see Table 24), slightly higher than Curaçao and Saint Martin, and lower than the US Virgin Islands and Puerto Rico.

Table 24 GDP Sint Maarten and selected Caribbean areas

Area	Population	GDP (mln USD)		Per capita GDP (1 000 USD)
US Virgin Islands	104 078	3,8	(2013 est.)	36
Puerto Rico	3 098 423	103,1	(2020 est.)	33
St. Maarten	**42 846**	**1,2**	**(2021 est.)**	**28**
Curaçao	152 379	3,9	(2019 est.)	25
Trinidad & Tobago	1 405 646	33,2	(2020 est.)	24
Saint Martin (FR)	32 792	0,8	(2014 est.)	24
Aruba	122 230	2,6	(2020 est.)	21
Barbados	302 674	4,7	(2020 est.)	15
Dominican Republic	10 694 700	78,9	(2020 est.)	7

Source: IMF, WorldoMeter,Statistics Netherlands

In terms of the number of jobs, construction, food and accommodation services, business services, and culture, recreation and other services are the largest sectors in Sint Maarten, comprising over one half of the total number of jobs (Table 32). Business services, accommodation and food services, real estate activities, transport, storage and information and communication services, and construction are the largest sectors when measured by GDP; they contribute over 50% to total GDP.

Accommodation and food services as well as transport are clearly related to tourism in Sint Maarten. The large size of the construction sector is to a large extent related to reconstruction works after hurricane Irma; also, works are required to cater for infrastructure to absorb future tourism, especially if there is a shift towards stay-over tourism. Real estate is connected to this development.

Table 25 GDP, employment, and labor productivity by economic sector, Sint Maarten, 2018

Sector	ISIC	Employment		GDP		Labor productivity (*)
		number		*mln USD*		*1 000 USD/worker*
Total	A-U	19 296	*(100%)*	1 180	*(100%)*	61
Agriculture, mining and quarrying, manufacturing	A -C	485	*(3%)*	17	*(1%)*	35
Energy, water, waste management	D -E	322	*(2%)*	29	*(2%)*	90
Construction	F	2 452	*(13%)*	36	*(3%)*	15
Trade	G	3 661	*(19%)*	185	*(16%)*	51
Transport, storage, information and communication	H+J	1 760	*(9%)*	160	*(14%)*	91
Food and accommodation services	I	2 557	*(13%)*	80	*(7%)*	31
Banking and insurance	K	529	*(3%)*	82	*(7%)*	155
Real estate activities	L	120	*(1%)*	149	*(13%)*	1 240
Business services	M -N	1 986	*(10%)*	119	*(10%)*	60
Government	O	1 728	*(9%)*	151	*(13%)*	87
Education	P	1 080	*(6%)*	61	*(5%)*	56
Medical and social services	Q	919	*(5%)*	55	*(5%)*	60
Culture, recreation, other services	R -U	1 697	*(9%)*	59	*(5%)*	35

(*) GDP per worker

Source: Panteia based on STAT

On average, a worker in Sint Maarten contributes USD 61,000 to GDP; this is the concept of labor productivity. The high average labor productivity is affected by outliers banking and insurance, and in real estate activities. Within the largest sectors, workers in transport, storage and information and communication services, and in the trade sector have the highest labor productivity. Labor productivity in accommodation and food services is only one half of the same in the total economy; in construction, labor productivity is even lower.

From these differences in labor productivity, it follows that the sectoral pattern of economic growth significantly affects future labor demand. For instance, high GDP-growth in real estate activities will have a limited impact on the number of employed.

4.3.2 Development of the economy of Sint Maarten 2022-2027

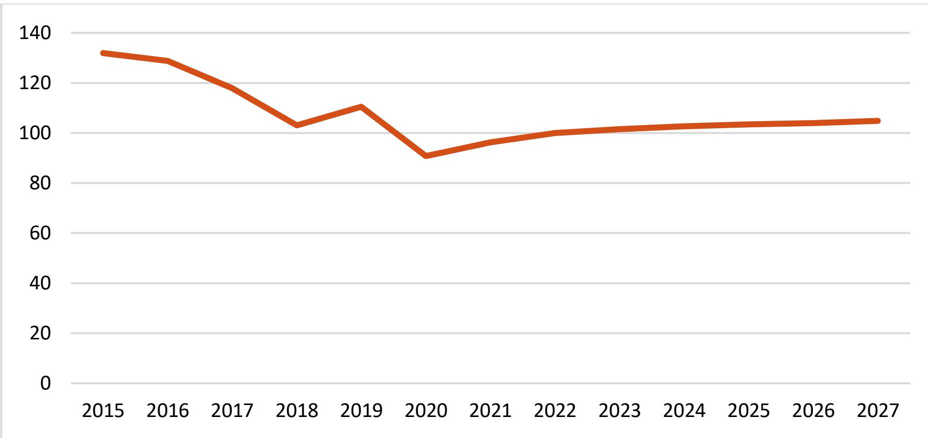
The IMF has presented a forecast for GDP growth in Sint Maarten[138]. We complement these with forecasts from the World Economic Outlook (World Bank) for other areas in the Caribbean region for the years up to 2027. According to these forecasts, Sint Maarten's GDP is to increase by 3.9% annually on average between 2022 and 2027 (Table 26). Sint Maarten slightly lags behind Barbados and the Dominican Republic but outperforms Aruba and Puerto Rico. Real per capita GDP is set to increase by 3% between 2023 and 2027 (Figure 9).

Table 26 GDP-growth Sint Maarten and selected Caribbean areas (%)

Area	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average 2023-2027
St. Maarten	0.3	0.5	-7.0	-11.7	8.8	-16.5	7.3	7.5	5.0	4.0	3.0	2.0	2.0	3.2
Barbados	2.4	2.5	0.5	-0.6	-1.3	-13.7	0.7	10.5	5.0	3.0	2.6	2.3	1.8	2.9
Aruba	3.6	2.1	5.5	5.3	0.6	-18.6	17.2	4.0	2.0	1.2	1.2	1.2	1.2	1.3
Dominican Republic	6.9	6.7	4.7	7.0	5.1	-6.7	12.3	5.3	4.5	5.0	5.0	5.0	5.0	4.9
Puerto Rico	-1.0	-1.3	-2.9	-4.2	1.5	-3.9	2.7	4.8	0.4	-1.6	-1.0	-0.5	.,0	-0.5

Source: Panteia, based on IMF and World Bank

Figure 9 Real GDP per capita, Sint Maarten, index 2021= 100



Source: Panteia, based on IMF, World Bank, and Statistics Netherlands

The second determinant of employment is labor productivity, as employment equals GDP divided by labor productivity. Data supplied by the ILO allow for an analysis of labor productivity trends in the overall economy of a few Caribbean countries, from which it appears that labor productivity is almost constant in most countries (the

[138] IMF (2022). Kingdom of the Netherlands - Curaçao and Sint Maarten. 2022 Article IV consultation discussions. Press release; and staff report. IMF Country Report No. 22/270. Available at: https://www.imf.org/en/Publications/CR/Issues/2022/08/09/Kingdom-of-the-Netherlands-Curaao-and-Sint-Maarten-2022-Article-IV-Consultation-Discussions-521977

Dominican Republic, showing steady productivity improvement, being the exception to this rule). We performed a statistical extrapolation of labor productivity trends in Barbados and Puerto Rico, which we assume representative for Sint Maarten. In 2023, the post-COVID recovery, labor productivity is expected to increase significantly – after a strong decrease in 2020 and 2021. In view of the circumstances mentioned in the PESTLE analysis, we expect a somewhat better performance in Sint Maarten compared to extending historical trends for Barbados and Puerto Rico (from which a slight decline would follow). This is in particular because of the many opportunities for digitization in many sectors (see PESTLE analysis).

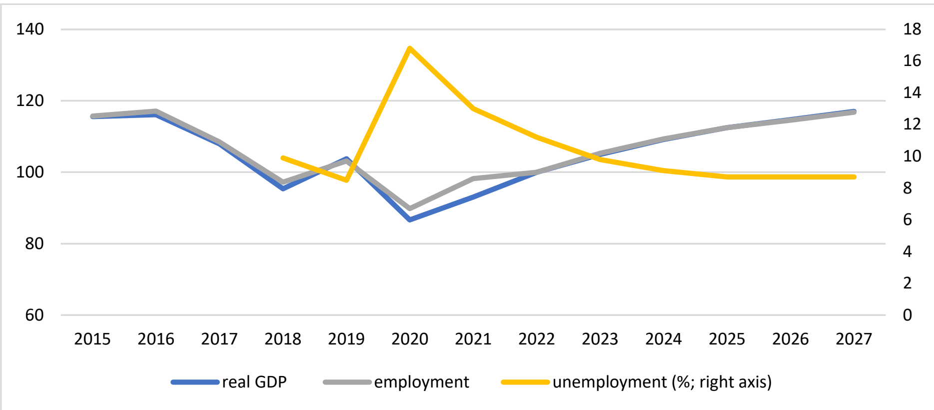
Table 27 Real GDP-growth, labor productivity and employment in Sint Maarten

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Av. 2023-2027
Real GDP	0.3	0.5	-7.0	-11.7	8.8	-16.5	7.3	7.5	5.0	4.0	3.0	2.0	2.0	3.2
Labour productivity	-1.3	-0.7	0.4	-1.5	2.5	-4.1	-1.8	5.6	-0.3	0.2	0.1	0.1	0.1	0.0
Employment	1.6	1.2	-7.4	-10.3	6.1	-12.9	9.3	1.8	5.3	3.8	2.9	1.9	1.9	3.2

Source: Panteia based on STAT and ILO

As a result, employment is expected to increase, in 2022 and 2023, but also during 2023-2027. During these years, employment is expected to grow faster than population; as a result, one would expect unemployment to decrease, which is in line with IMF expectations. According to that forecast, the unemployment rate should gradually decrease from almost 17% in 2020, to 8.7% in 2027 (Figure 10).

Figure 10 Real GDP, employment and labor productivity (index, 2022= 100), and unemployment (% labor supply) in Sint Maarten



Source: Table 28 and IMF (unemployment)

4.3.3 Development by economic sector

GDP

Real GDP in agriculture, government, education, and medical and social services is assumed to follow the development of population. The share of manufacturing and energy, water, waste management, as well as of banking and insurance, remains constant (note that these sectors make up less than 10% of total GDP). Developments in trade, transport, storage, information and communication, food and accommodation services, and culture, recreation, and other services are highly dependent on tourism; it is expected that Sint Maarten will continue to promote tourism, and hence, above average growth is expected. In the near past, development of the construction sector and the related real estate activities are to a large extent determined by aftermath of hurricane Irma. In the future, as additional infrastructure is required to cater for increasing tourism activities, above average growth is expected. See Table 28.

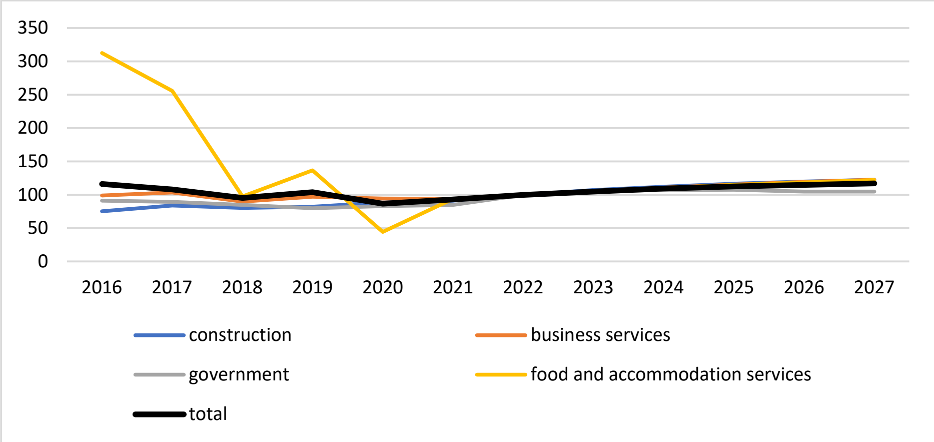
Table 28 Real GDP-growth by broad economic sector in Sint Maarten 2023-2027

Sector	ISIC	Average 2023-2027
		% p.a.
Total	A-U	3.2
Agriculture, mining and quarrying, manufacturing	A -C	2.2
Energy, water, waste management	D -E	2.8
Construction	F	4.2
Trade	G	4.1
Transport, storage, information and communication	H+J	4.1
Food and accommodation services	I	4.1
Banking and insurance	K	2.8
Real estate activities	L	4.2
Business services	M -N	1.0
Government	O	2.2
Education	P	2.2
Medical and social services	Q	2.2
Culture, recreation, other services	R -U	4.2

Source: Panteia

Figure 11 shows that the Sint Maarten economy has suffered significantly from the decrease in food and accommodation activities, which were heavily impacted by hurricane Irma and the COVID pandemic. Even though the sector is expected to recover after 2022, its 2027 size is still well below the same a decade before.

Figure 11 Real GDP four largest sectors and total, Sint Maarten (index, 2022= 100)



Source: STAT (until 2021), Panteia

4.3.4 Labor productivity and employment

In government, education, medical and social services, and culture, recreation, and other services, labor productivity is expected to improve only slightly between 2022 and 2027. This follows from the PESTLE analysis (see section 4.1). In agriculture, mining and quarrying, manufacturing, energy, water, and waste management, labor productivity growth is only slightly below average. Due to economies of scale[139], construction experiences significant labor productivity growth. Sectors related to tourism – trade, transport and storage, information and communication, food and accommodation services – could achieve economies of scale if tourism increases further, especially when there is a shift towards stay-over tourism. Remaining services activities could achieve some extra productivity growth in view of digitization. See Table 29.

Table 29 Real GDP-growth, labor productivity and employment by broad economic sector in Sint Maarten during 2023-2027

Sector	ISIC	GDP	labor productivity	employment
		% p.a.		
Total	A-U	3.2	0.0	3.2
Agriculture, mining and quarrying, manufacturing	A -C	2.2	0.0	2.2
Energy, water, waste management	D -E	2.8	0.0	2.8
Construction	F	4.2	0.0	4.1
Trade	G	4.1	0.3	3.8
Transport, storage, information and communication	H+J	4.1	0.3	3.8

139 It is expected that construction will grow in the near future as well, as infrastructure for tourism has to be build.

Food and accommodation services	I	4.1	0.3	3.8
Banking and insurance	K	2.8	0.0	2.8
Real estate activities	L	4.2	0.0	4.1
Business services	M -N	1.0	0.0	1.0
Government	O	2.2	-0.1	2.3
Education	P	2.2	-0.1	2.3
Medical and social services	Q	2.2	-0.1	2.3
Culture. recreation. other services	R -U	4.2	0.0	4.2

Source: Panteia

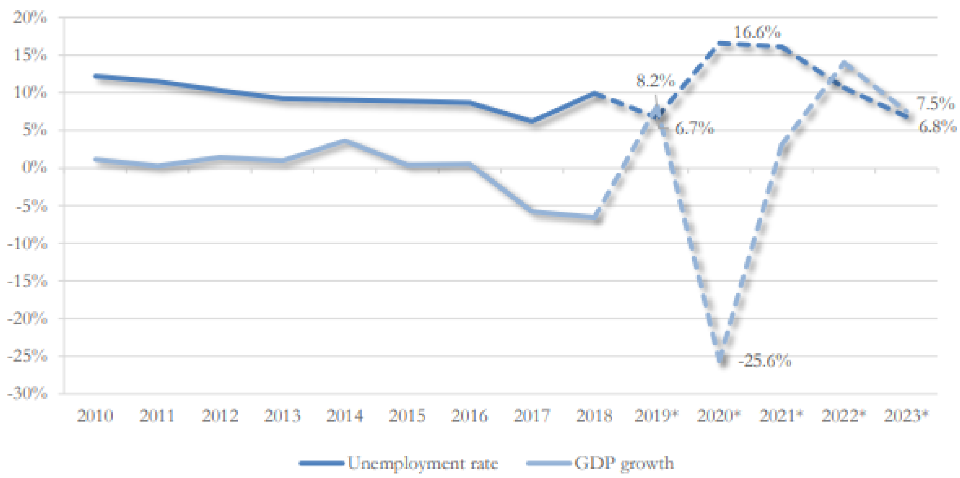
Combined with the expected sectoral GDP-growth, significant employment growth will occur in tourism-related sectors – trade, transport and storage, information and communication, food and accommodation services. Also, in banking and insurance, and real estate activities, the number of jobs will increase more than average during 2023-2027. The other sectors, in particular the public sector, will lag behind average growth. For the construction sector, this is the result of improvements in labour productivity, which cause employment to grow less than average, with well above average GDP-growth.

4.3.5 Projections of labor supply

Projections by CBSC

Amid the COVID-19 crisis, in April 2020 the Central Bank of Curaçao & Sint Maarten (CBSC) made labor market projections for the period 2019-2023. The figure below shows the main results for St. Maarten.

Figure 12 Labor market projections, Sint Maarten, 2019-2023



	2018	2019	2020	2021	2022	2023
Employment	20,850	21,767	19,911	20,206	21,717	23,166
Unemployment	2,296	1,566	3,959	3,879	2,585	1,695
Labor force	23,146	23,333	23,870	24,085	24,302	24,861
Unemployment rate	9.9%	6.7%	16.6%	16.1%	10.6%	6.8%
GDP growth	-6.6%	8.2%	-25.6%	3.1%	14.0%	7.5%

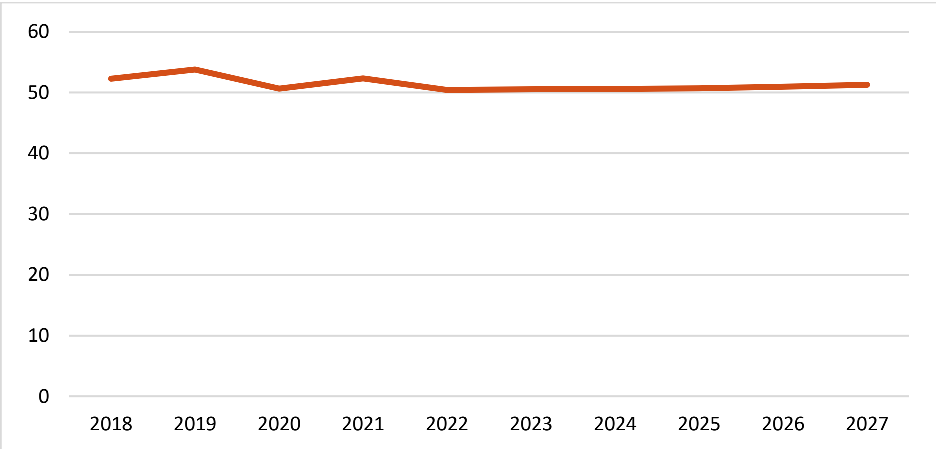
Source: CBCS (2020). A projection of the labor market situation in Curaçao and Sint Maarten amid the COVID-19 crisis

According to the projections, the unemployment rate in Sint Maarten dropped from 9.9% in 2018 to 6.7% in 2019. This was caused primarily by the real GDP expansion of 8.2% in 2019, reflecting a recovery after the deep contraction in 2017-2018 on the back of the massive destruction caused by Hurricane Irma in 2017. The unemployment rate is projected to reach 16.6% in 2020, caused primarily by the deep economic contraction of 25.6% related to the COVID-19 virus. The number of people unemployed is projected to rise by 2,393 in 2020 compared to 2019. The labor market is projected to recover gradually to the pre-crisis situation after three years. As from 2020, the labor force is projected to increase. The population is projected to increase (albeit at a slower pace compared to the pre-COVID-19-crisis period (see also above)). No additional migration is expected. Even though Sint Maarten has experienced several economic shocks in the past due to hurricanes, the country did not experience significant emigration waves.[140]

Labor supply and unemployment

Labor supply consists of employed and unemployed persons. In the recent past, total labor supply as a fraction of total population has been fairly constant at between 45 and 50%. With no impact of the covid-pandemic anymore, it is assumed that this fraction will slightly increase from 2022 onwards. Several factors contribute to this increase, amongst others, an increase in the share of persons between 15 and 75 years of age. It builds on the assumption that the brain drain will not increase any further in the years to come.

Figure 13 Labor supply as fraction of total population



Source: Panteia, IMF, Statistics Netherlands

[140] CBCS (2020). A projection of the labor market situation in Curaçao and Sint Maarten amid the COVID-19 crisis

Taking into account expected population growth, this means that labor supply will increase from 20,347 persons in 2022, to 25,379 in 2027. In view of expected employment, this means that the number of unemployed decreases from 2,503 in 2022, to 2,208 in 2027 (this is consistent with IMF expectations). See Table 30.

Table 30 Employment, unemployment, and total labor supply, Sint Maarten, 2018-2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Employment	19,296	20,477	17,828	19,495	19,844	20,895	21,687	22,318	22,740	23,171
Unemployment (%)	9.9	8.5	16.8	13.0	11.2	9.8	9.1	8.7	8.7	8.7
Unemployed (#)	2,120	1,902	3,600	2,913	2,503	2,270	2,171	2,127	2,167	2,208
Labour supply	21,416	22,379	21,428	22,408	22,347	23,165	23,858	24,445	24,907	2, 379
Population	4, 985	41,608	42,310	42,846	44,318	45,845	47,155	48,202	48,896	49,489
Labour supply (% population)	52	54	51	52	50	51	51	51	51	51

Source: Panteia, based on various sources; the unemployment rate is consistent with Figure 10.

It should be noted that both employment and labor force refer to official data. This is because both are derived from the labor force survey (LFS), which is a survey amongst the Sint Maarten population where the official population register is used as the sample frame. Hence, persons illegally staying in Sint Maarten are excluded. Also, persons living in Saint Martin are excluded.

Forecast of vacancies: not possible

Finally, it is not possible to forecast the number of vacancies for the coming years. There is no information on trends in vacancies. We only have the Employer Survey of 2022 and information of VSA on registered vacancies for some years which only concern part of all vacancies in Sint Maarten.

4.4 Summary and conclusions

1. Next year is an election year. This may influence labor market policies as carried out by the ministry of VSA. The main other political factor influencing the labor market is the availability of support measures from the Netherlands for recovery from the hurricane(s) (SXM TF) and COVID (the Country package/lLandspakket). The relevant part of the SXM TF was the EISTP, which is evaluated in the framework of this study. It closed at the end of February 2023 and has reached more than 2,000 trainees completing a vocational training. One of the objects of the Country Package is to establish a robust and affordable social security system. This also includes measures against illegal employment. Social dialogue is currently not functioning optimally; parties show considerable distrust in each other and take a suspicious stance towards any argument or resolution expressed by others.
2. Th economy is recovering from the two crises. A steady growth is expected, but there are still some challenges such as inflation and energy prices increasing due to the war in Ukraine. At the same time, there is still a strong

dependence on tourism. Additionally, almost all goods must be imported from abroad.

3. The population of Sint Marten will grow steadily to 55,000 in 2050. This population will be ageing. Women's labor participation will increase.
4. The availability of new technology will cause the upgrading of jobs, but also complex jobs might become easier. Technology may also influence working conditions.
5. There are some changes in labor regulation forthcoming which will make life better for employers and employees. However, procedures, especially concerning the subject of labor migration, are still complex and create difficulties for employers and employees.
6. Sint Maarten as a small country cannot make decisions about environmental policies on its own. Worldwide environment protection policies will affect Sint Maarten and therefore its economy and labor market. Furthermore, there is becoming less space on the island for new economic activities and traffic rows are growing.
7. More than half of the employers within large companies expect to hire more employees in the future. Only little more than 10% expects to hire less employees. For smaller companies this proportion is different. A little more than a third expects to hire more persons, while slightly more than a third of them expects to hire less personnel. The respondents from larger companies also expect an increase in the level of skills they will be asking for (Employer Survey).
8. Based on forecasts by the IMF and the World Bank, Sint Maarten's GDP will increase by 3.9% annually on average between 2022 and 2027. Because of the opportunities for digitization, we expect that labor productivity in Sint Maarten will grow more than in other Caribbean countries. Employment is estimated to increase with 5.3% in 2023, 3.8% in 2024 and on average 2.2% in 2025-2027.
9. GDP will especially increase in construction, real estate, trade, transport/storage/ITC, and food & accommodation services. In the same sectors there will be a substantial increase of employment (forecast by Panteia).
10. Consequently, unemployment will decrease from almost 10% to less than 9% in 2027 (Forecast by Panteia).

5 Mismatch between labor demand and supply

5.1 Quantitative labor market discrepancies

Quantitative discrepancies exist when there is an absolute shortage of supply or demand for labor (personnel shortages or personnel surpluses) on (a certain segment of) the labor market of St. Maarten. Indicators for this include the vacancy rate, the unemployment rate, the labor market tension, the fulfillability of vacancies and the extent to which personnel shortages hinder business operations:

- The vacancy rate reflects the number of vacancies open per 1,000 employee jobs.
- The unemployment rate is the share of the unemployed labor force in the total labor force.
- Labor market tension is the ratio between the demand for labor (number of vacancies) and the supply of labor (number of recent graduates, job changers, unemployed).
- The fulfillability is the extent to which employers say they can fill their vacancies.
- An indicator is also the extent to which personnel shortages, according to employers' own statements, hinder their business operations.

5.1.1 Personnel shortages

At this moment, the vacancy grade (the number of vacancies per 1,000 persons in employment) is quite high. Normally this should be around 10-15%, whereas currently it is close to 20%. Whereas this shows that a lot of people are shifting from one job to another, this is not indicating as such that there are severe problems on the labor market. However, it is becoming more and more difficult to find personnel. There is already a growing number of hard-to fulfil vacancies.

Number and characteristics of hard to fulfill new vacancies
Of the new vacancies in the period considered by the survey (June-November 2022), on average 41% was hard to fulfill (according to the companies themselves).

Sectors with an above-average share of hard to fulfill vacancies were manufacturing (75%), construction (54%), professional, scientific, and technical activities (53%), human health and social work activities (47%) and accommodation and food service activities (42%).

Larger companies with hard to fulfill vacancies were asked for which professional groups they would describe their new vacancies as most hard to fulfill. This was done by means of a multiple-response question (maximum 5 answers). Most hard to fulfill were vacancies for service provisions and technical & production professions (both 33% of the large companies) followed by vacancies for managers (22%).

Large companies operating in the accommodation and food services sector with hard to fulfill vacancies for hospitality personnel were subsequently asked for which specific categories these vacancies were the hardest to fulfill (multiple-response question; maximum 5 answer). On this, cooks, cleaning staff and management/general staff (including reception desk staff) scored the highest.

All companies with hard to fulfill vacancies were asked for which educational level their vacancies were the hardest to fulfill (multiple-response question; maximum 3 answers. The top 3 consisted of secondary education (including high school/college), vocational education and tertiary education (41%, 32% and 30% respectively).

Causes of new vacancies being hard to fulfill
The top five of most mentioned causes of new vacancies being hard to fulfill in the period December 2021 – November 2022 were as follows (multiple-response question; maximum 5 answers):

1 Required skills insufficiently present among applicants (61% of the companies with hard to fulfill vacancies);
2 Required work experience is lacking among applicants (48%);
3 No correct attitude (motivation) of applicants (46%);
4 Professional knowledge of applicants is insufficient (32%)
5 Specialist work (32%).

Now the economy is growing, it will be harder to fulfil vacancies. At first, this is true for vacancies for highly educated specialists, such as technicians, teachers, doctors, and nurses. Because of the brain drain (graduates not returning after their study abroad), this has become a more general problem. In particular, the public sector has had problems in recruiting the right type of personnel. Secondly, the problem fulfilling vacancies will also grow with specialist positions for which vocational training is needed.

5.1.2 Personnel surpluses/unemployment

Besides companies with (hard to fulfill) vacancies, normally there are also companies with redundant employees. In the survey, larger companies were asked some questions on the number and characteristics of redundant employees and the causes of their redundancy in the period December 2021 – November 2022. However, they all answered either that there were no redundant employees in that period or that they could not or would not tell this. Based on this, it can be concluded that there were few redundant employees (at least at larger companies).

The main shortage of jobs is reflected by unemployment. This has been described in Chapter 3. In September 2022, CBCS published new projections of Sint Maarten's unemployment rates for 2022 and 2023: respectively 11.4% and 8.7% (versus 15% in 2021).[141] These are more less in line with the projections of the IMF (August 2022):

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[141] CBCS (2022). Economic Bulletin. Navigating soaring prices. September 2022

11.2% in 2022 and 9,8% in 2023 (versus 13.0% in 2021).[142] According to our forecast (Chapter 4) unemployment will decrease further but will not disappear. Youth unemployment may be declining even faster as is normally the case as economy grows.

This does not mean, however, that all unemployment will disappear. In the end, although this may take maybe some 10 years, there may be the level of 'equilibrium' unemployment. This means that unemployment will consist of two groups: the unemployed who for several reasons (insufficient skills, physical handicaps, personal problems, elderly who are almost pensioned) will not get a job anyway, and those between jobs (but unemployed because they cannot start in their new jobs, seasonal labor).

For the coming years, a section of the unemployed will get a job. There will, however, be heavy competition from labor migrants coming from abroad. Sometimes they will have the right skills, sometimes they will be more motivated to work under physical strains, but also foreign labor is cheaper than hiring someone from Sint Maarten itself.

5.2 Qualitative labor market discrepancies

Qualitative discrepancies mean that supply and demand on (a certain segment of) the labor market of Sint Maarten both are sufficient, but that these do not match qualitatively. On the one hand, this mismatch can relate to (the requirements that employers impose on) the knowledge, competences, and skills[143] of employees/ job seekers. On the other hand, it may relate to (the requirements that employees/ job seekers impose on) the terms of employment and working conditions:

- Terms of employment are the terms and conditions under which work is performed.
- Working conditions involve the physical and psychosocial environment in which work is performed.

Terms of employment and working conditions are partly determined by law (see section 4.1.6), partly by social dialogue between organizations representing the interests of employers and employees, respectively, and partly by individual employers.

5.2.1 Job requirements

Skills demands

The table below shows the importance companies attach to the various job requirements for workers (employees and flex workers). In the survey, respondents were asked to answer the questions concerned for applicants for the most common

[142] IMF (2022). Kingdom of the Netherlands - Curaçao and Sint Maarten. 2022 Article IV consultation discussions. Press release and staff report. IMF Country Report No. 22/270

[143] Basic skill (such as language skills, numeracy, basic digital skills, problem-solving skills), professional skills, IT skills, soft skills, foreign languages

position within the company. A five-point scale was used here (from 1 = very unimportant to 5 = very important). The table presents the percentage distribution.

Table 31 Importance companies attach to job requirements (distribution in %)

Job requirement	1: Very unimportant	2	3	4	5: Very important
Diplomas/certificates	13.8	18.6	28.7	15.4	23.4
Professional knowledge	5.3	8.5	22.9	25.5	37.8
Work experience	2.7	7.5	24.1	29.4	36.4
Basic skills*	2.7	5.3	17.0	22.3	52.7
Professional skills	2.7	8.6	18.9	30.3	39.5
IT-skills	20.0	2.4	24,3	17.8	12.4
Soft skills**	4.3	8.7	13.6	19.6	53.8
Foreign languages	10.3	16.3	38.0	21.7	13.6

*Language skills, numeracy, basic digital skills

**Such as: communication, teamwork, problem-solving, time management, critical thinking, decision-making, organizational, stress management, adaptability etc.

Source: Employer survey by Panteia

Companies attach the most importance to basic skills, soft skills, and professional skills (75%, 73% and 70% (very) important; average score 4.17, 4.10 and 3.95 respectively). The least importance is given to foreign languages and diploma’s/ certificates (35% and 38% (very) important; average score 3.12 and 3.16 respectively). The fact that many employers find professional knowledge and professional skills important fits to the fact that most employers are asking vocational training for their vacancies.

The scores are different for the various sectors:

- Of the companies in the accommodations/food and retail/wholesale sectors respectively 50% and 45% finds diplomas/certificates unimportant.
- Of the companies in the accommodations/food sector 29% finds professional knowledge unimportant.
- 17% of the companies in the construction sector finds work experience very unimportant.
- 71% of the companies in the accommodations/food sector and 45% of the companies in the retail/wholesale sector find IT skills unimportant.
- Of the companies in the accommodations/food sector 31% find soft skills unimportant.
- Of the companies in other services sectors 62% and of the companies in retail/wholesale 59% find soft skills very important.

There are also differences between employers with and without hard-to-fill vacancies:

- Employers with hard-to-fill vacancies find diplomas/certificates and IT skills less important than employers without hard-to-fill vacancies.
- Employers with hard-to-fill vacancies find professional knowledge, work experience, knowledge of foreign languages and basic, professional, and soft skills just as important as employers without hard-to-fill vacancies.

Regarding the size of companies, it is possible to point at the following:

- Larger companies attach more importance than smaller companies to diplomas/certificates, professional knowledge/skills, work experience and soft skills.
- Larger companies find basic skills and foreign languages, on the other hand, less important.
- Regarding digital skills, there is not much difference between larger and smaller companies.

Skills gap
Large companies (50+ workers) were also surveyed about the (possible) skills gap within their company. Firstly, they were requested to indicate the share of their company's current employees (e.g., workers excluding flex workers) insufficiently equipped for their job. The average percentage is 11%. Next, companies with insufficiently equipped employees were asked in which professional groups insufficiently equipped employees are most prevalent. Only 7 of the large companies answered this question (and nearly all with 'don't know'). Therefore, in this respect no clear picture can be sketched, A third question involved what causes employees to be insufficiently equipped for their job (multiple-response question; unlimited number of answers). The five most-mentioned causes were:

1 Too low level of education (26% of the large companies with insufficiently equipped employees);
2 Lack of motivation (17%);
3 Lack of specific skills (13%)
4 Too little work experience (13%);
5 Lack of professional subject-specific knowledge (9%).

5.2.2 Terms of employment and working conditions

The table below shows the attractiveness of terms of employment and working conditions of the companies to (potential) employees according to companies themselves. Again, a five-point scale was used here (from 1 = very unattractive to 5 = very attractive). The table presents the percentage distribution.

Table 32 Attractiveness of terms of employment and working conditions to (potential) employees according to companies (distribution in %)

Terms/conditions	1: Very unattractive	2	3	4	5: Very attractive
Salary and salary scales	2.7	5.4	37.3	34.1	20.5
Other primary terms employment*	2.2	7.8	31.3	27.9	30.7
Secondary terms of employment **	13.5	20.2	29.8	21.3	15.2
Safety at work	0.5	1.6	13.7	25.7	58.5
Physical labor strain	5.6	15.0	36.1	21.7	21.7
Psychosocial labor strain	4.5	7.4	38.6	29,0	20.5
Work-private balance	0.5	3.3	29.7	26.9	39.6

*Other financial terms of employment (for example vacation pay, pension, overtime pay and expense allowance), working hours, working time,

**Such as: company car, training opportunities, travel allowance, group health insurance, savings leave plan, arrangements for working from home etc.

Source: Employer Survey by Panteia

According to the companies, their attractiveness lies primarily in safety at work and work/life balance (84% and 67% (very) attractive); average scores 4.40 and 4.00 respectively). Least attractive are their secondary terms of employment (37% (very) attractive); average score 3.04).

Since this is based on the estimation by the companies, employees themselves may have (very) different ideas. We have no information on this matter, but in the LFS 2018, respondents were asked to indicate what benefits (secondary terms of employment) were available at their place of work (multiple responses were allowed). Over half of the employed had health insurance (59%) and paid vacation days (57%), nearly half sick leave compensation (47%) and over a third vacation pay (36%) and/or bonuses and uniforms provided by the employer (34%).[144]

[144] STAT (LFS 2018)

Table 33 Benefits available at the workplace, Sint Maarten, 2018

Benefits available	Employed	
Health insurance	12,277	59.1%
Paid vacation days	11,858	57.1%
Sick leave compensation	9,733	46.9%
Vacation pay/bonuses	7,548	36.4%
Clothing/uniform provided	7,012	33.8%
Weekly rest days	5,877	28.3%
Pension plan	4,918	23.7%
Training and promotion possibilities	4,477	21.6%
Paid overtime (in cash or time back)	4,459	21.5%
Unpaid lunch hour	4,198	20.2%
Paid lunch hour	2,405	11.6%
Company phone	2,286	11.0%
Other	1,783	8.6%
Food/meal provided	1,144	5.5%
Company car	1,097	5.3%
Cost of living salary adjustment	991	4.8%
School expenses covered/assistance with schooling	943	4.5%
House/rent provided by employer	627	3.0%
Gas vouchers	93	0.4%
Phone credit	73	0.4%
None	3,090	14.9%

Source: STAT (LFS 2018)

It seems employers are more optimistic about the terms of employment and working conditions compared to the terms of employment and working conditions the workers really have.

5.2.3 Labor relations

Although there is a package of labor market regulation in Sint Maarten, the position of the worker is most of the time quite weak compared to that of the employer. The exception relates to jobs at the high end of the scale, for which it is hard to find replacement if somebody is fired or leaves at his or her own will. For lower educated workers, most of the time it is easy for employers to find replacements.

This is partly accomplished by getting a work permit for foreign workers. When unemployment and especially youth unemployment is still high, it is important not to provide work permits for positions which can be filled in by persons with little education and/or little work experience.

In the near future, however, things might change. As pointed out above, unemployment may decrease to the level of the equilibrium unemployment. When this occurs, it will be much more important to pay attention to keeping the employees a company already has. Hopefully, this will also mean that labor relations will improve. Otherwise, employers will keep asking for work permits for foreign workers which will cost them a lot of time and in the end will be more expensive than paying attention to your own work force.

5.3 Intransparencies on the labor market

> Intransparencies mean that supply and demand on (a certain segment of) the labor market of Sint Maarten both are sufficient and do match qualitatively but cannot find each other. This may on the one hand have to do with the employer image of sectors and/or individual employers among employees/ job seekers (and vice versa) and on the other hand with the recruitment and selection behavior of employers respectively the search behavior of (unemployed and working) job seekers.

5.3.1 Employer image

Employer image is the image that exists of an organization (or a sector as a whole) as an employer. The table below shows the attractiveness of terms of employment and working conditions of the companies to (potential) employees according to the companies themselves. Again, a five-point scale was used here (from 1 = very unattractive to 5 = very attractive). The table presents the percentage distribution. Since the above is based on self-estimation by the companies, if asked (potential) employees may have (very) different ideas.

Table 34 Attractiveness of terms of employment and working conditions to (potential) employees according to companies (distribution in %)

Terms/conditions	1: Very unimportant	2	3	4	5: Very important
Salary and salary scales	2.7	5.4	37.3	34.1	20.5
Other primary terms employment*	2.2	7.8	31.3	27.9	30.7
Secondary terms of employment**	13.5	20.2	29.8	21.3	15.2
Safety at work	0.5	1.6	13.7	25.7	58.5
Physical labor strain	5.6	15.0	36.1	21.7	21.7
Psychosocial labor strain	4.5	7.4	38.6	29.0	20.5
Work-private balance	0.5	3.3	29.7	26.9	39.6

*Other financial terms of employment (for example vacation pay, pension, overtime pay and expense allowance), working hours, working time

**Such as: company car, training opportunities, travel allowance, group health insurance, savings leave plan, arrangements for working from home etc.

Source: Employer Survey by Panteia

According to the companies, their attractiveness lies primarily in safety at work and work/life balance (84% and 67% (very) attractive); average scores 4.40 and 4.00 respectively). Least attractive are their secondary terms of employment (37% (very) attractive); average score 3.04).

When we look at the differences between companies of a certain size, what is striking is that on 5 out of 7 terms/conditions size class 100-150 employees scores highest and size class 50-99 employees lowest. It concerns salary (scales), primary and secondary terms of employment, safety at work and work-private balance. Furthermore, the highest size class (150+) scores the lowest on both physical and psychosocial labor strain. Here, the highest scores are for the size class 50-99 and 2-4 employees respectively.

Employer image is the image that exists about an organization (or a sector as a whole) as an employer. The employer image of (the sector of) the companies in Sint Maarten (as estimated by themselves on a five-point scale from 1 = very negative to 5 = very positive) can be described as follows:

Table 35 Employer image according to the companies themselves

Employer image	**1: Very negative**	**2**	**3**	**4**	**5: Very positive**
Employer image of company	0	1.7	15.3	33.3	49.7
Employer image of sector as a whole	0	1.7	18.8	38.1	41.5

Source: Employer survey by Panteia

By far the most companies think their image as an employer is (very) positive (83%; average score 4.31. A slightly smaller share is of the opinion that the employer image of their sector as a whole is very positive (79%; average score 4.19).

Broken down by sector, both for the employer image of the company and that of the sector as whole the average score on the five-points scale varies from 3.5 to 5. In most cases, the score for the employer image of the company is higher than that for the sector as a whole.

Again, the above is based on the self-estimation by companies. (Potential) employees could have a (substantial) different view on this.

5.3.2 Recruitment and job seeking

Recruitment can be described as the recruiting, selecting and hiring qualified candidates for the current and future fulfillment of personnel needs in labor organizations.

The top five of recruitment channels used by companies in Sint Maarten consist of (multiple-response question; unlimited number of answers):

1 Social media (43% of the companies);
2 Newspapers (40%);
3 Referral recruitment (38%);
4 Internal recruitment (24%);
5 Own recruitment site of company (16%).

In the Labor Force Survey (LFS) 2018, respondents were also asked to indicate in what way(s) they had been looking for work (more answers were allowed). Most of the unemployed persons (49%) had been looking for a job by contacting the business themselves, closely followed by responding to newspaper ads (42%) (see table below).

Table 36 Ways unemployed looked for work, Sint Maarten, 2018

Ways looked for work	Unemployed	
I contacted the business myself	1,118	48.7%
I responded to newspaper ads	971	42.3%
Through friends/family/word of mouth	466	20.3%
I responded to online ads	407	17.7%
Through the Labour Department	349	15.2%
I placed an advertisement myself	128	5.6%
Other means	233	10.2%

Source: STAT (LFS 2018)

As far as the channels through which companies actually fulfill their vacancies are considered, the five most important channels are (multiple-response question; unlimited number of answers):

1 Referral recruitment (25% of the companies)
2 Social media (24%);
3 Newspapers (21%);
4 Internal recruitment (13%);
5 Own recruitment site of company (13%).

In general, the recruitment channels of companies fit to the channels job seekers use to find (another) job. While both parties make use of vacancy advertisements quite a lot, referral recruitment (including contacting companies by job seekers) and social media seem to be the most successful channels.

5.4 Expected mismatch between labor demand and supply

> Expected mismatch between labor demand and supply is the expected mismatch between demand for and supply of labor in the next five to ten years.

5.4.1 Employers' expectations

A minority of all companies (13%) expect that their vacancies will become (much) easier to fulfill in the coming five years. This is offset by 41% of companies expecting their vacancies becoming (much) harder to fulfil. About 30% of companies expect the fulfillability of their vacancies to remain the same. The other 14% could not or would not answer this question.

According to large companies (50+) the main causes of vacancies becoming harder to fulfill are less inflow into the labor market from education and the increase of the required level of education (both 22% of large companies). More competition with other employers in the sector and a change in required skills followed at short distance (17%). Work is becoming more complex completed the top 5 (13%).

Over a quarter of large companies (28%) expect some or large personnel shortages in the next five years, offset by over a fifth (22%) expecting some surpluses. Also, over a quarter (28%) expect shortages nor surpluses. The remaining 22% could not or would not answer this question. The largest shortages are expected by large companies for technical and production professions, managers, and pedagogical professions (each 30%) and at tertiary and vocational educational level (60% and 40%). The largest surpluses are expected for commercial professions, business & administrative professions and service professions (23%, 17% and 17% respectively) and at secondary educational level (56%).

All companies were asked what they see as the main bottlenecks in their human resources policy in the next five years (multiple-response question; max 5 answers). The top 5 consisted of:
1 Retaining the right employees (55% of all companies);
2 Recruiting new employees (53%);
3 Qualification of employees (47%):
4 Age structure of personnel (19%);
5 Seasonality of the work (19%).

5.5 Summary and conclusions

1. *Quantitative discrepancies from the perspective of the demand side of the labor market.* According to the demand survey, more than 40% of the vacancies in the second half of 2022 were hard to fulfill. This is especially the case in technical sectors, the health and social sectors and with companies within accommodation and food services. The main reasons were the skills, work experience and the attitude of applicants. While not part of the survey,

the public sector is, despite the job freeze, also having trouble getting the right personnel (Employer Survey).

2. More than 40% of companies expect vacancies to become harder to fulfill in the coming years. Only little more than 10% expects the opposite. More than half of the companies also expect problems to retain their employees Employer Survey).
3. *Quantitative discrepancies from the perspective of the supply side of the labor market.* Unemployment is still high and will decrease only slowly. This slow decrease is partly due to the lack of skills and motivation on the part of the unemployed, but also due to the competition from better skilled, better motivated and cheaper labor from abroad.
4. *Qualitative discrepancies from the perspective of the demand side of the labor market*. Companies attach especially importance to basic skills (like language skills, numeracy and basic digital skills), soft skills (communication, teamwork, adaptability, etc.) and professional knowledge. Larger companies attach more importance to diplomas/certificates than smaller companies; a quarter of them complain about the low level of education of applicants. Most companies are judging the terms of employment they can offer in a positive way (Employer Survey).
5. *Qualitative discrepancies from the perspective of the supply side of the labor market.* There is little information about how workers judge their terms of employment. In 2018, over half of the employed had health insurance (59%) and paid vacation days (57%) and nearly half sick leave compensation (49%) (LFS).
6. *Intransperancies*. According to employers, the image of their company or the image or their sector, may not cause intransparency on the labor market. Only few of them have the perspective that people think negatively of their image (Employer Survey). We have no information from the side of workers or the unemployed on what they are thinking about working within a certain sector or company.
7. Intransparency in recruitment: Most job seekers are looking for a job by contacting businesses themselves or by responding to newspaper advertisements (LFS). Companies also place advertisements but also make use of social media quite a lot. The most successful channels are referral recruitment and social media (Employer Survey).

6 SWOT and policy recommendations

6.1 SWOT

By analyzing the strengths, weaknesses, opportunities, and threats in the labor market, policymakers and stakeholders can make informed decisions on how to support job growth, address workforce shortages, and provide opportunities for workers to succeed.

The research conducted in the framework of this assignment leads to the following SWOT-analysis:

Strengths

- The recovery from the COVID-19 pandemic has brought a growth of labor market dynamics.
- The percentage of vacancies in the business sectors compared to the size of the workforce is about 22%, where an average ratio is about 10-15%.
- The recovery from the pandemic has not only created new jobs but has also seemingly highlighted that a lot of workers have been shifting from one job to another. Furthermore, the level of education is rising. With about 500 young graduates on the island each year, this is a strength of the labor market.
- Finally, the island's attractivity among tourists provides a major strength. The availability of jobs in tourism makes Sint Maarten also attractive for labor migrants from the Caribbean.

Weaknesses

Contrasting with the strengths described above, there are many weaknesses of the labor market of Sint Maarten.

- There is little meaningful social dialogue going on between social partners (and the government), which leads to a lack of trust between trade unions, employers' organizations, and public institutions.

- There is also a clear brain drain going on, leading to a situation in which the most educated leave the island to study abroad and do not return.
- Furthermore, there is high youth unemployment, and, due to the high cost level, many workers earn an income below the minimum living standards.
- On the other hand, there is a lot of informal labor in Sint Maarten. Although its number may have decreased during the COVID-crisis, it may increase again during recovery.
- On top of this the country is small, and therefore government staff is minimal yet has many responsibilities. The lack of compliance monitoring may also be a consequence of the small size of government staff. The open border with the French part of the island may not help.
- Finally, the economy is heavily dependent on tourism and the tourism industry itself is highly affected by seasonal developments. The differences between high and low season are large and, unless mitigated, a weakness of the country's labor market.

Opportunities

Sint Maarten's labor market has several good opportunities to develop.

- The direct links to the Netherlands brought support after the natural disasters. For most other countries in the region this Is not the case. The support in the framework of the Country Package provides a unique opportunity for the island to develop its economy. In addition to various investments and 'building back better', the conditions linked to the funds are fierce, but may in the end prove to be a blessing. The required adjustments to labor market policy and the development of the social registry system are examples. The EISTP program provided other opportunities, especially in the field of training workers.
- Another major opportunity is the increased use of the internet for recruitment purposes. This will improve the transparency of the labor market and facilitate employers and workers finding each other. Moreover, it offers possibilities to improve data collection on vacancies available for policy purposes.
- Generally, the increased availability of all kinds of data and the technical feasibility of merging and analyzing data form an opportunity for policy makers and other relevant stakeholders to improve the country's labor market.
- Finally, stimulating certain types of tourism is an opportunity for the country to achieve qualitative growth in the tourism sector and to decrease the dependency on seasonal tourism.

Threats

- While Sint Maarten has so far been spared the high inflation currently affecting many other countries in the world, this is still a major potential threat to the country's economy and labor market.
- So is its ageing population, especially in combination with a smaller than usual cohort of people aged 35-50 years old, which is exactly the age group that should replace the older aged group in the future.
- Another threat is the over-dependency of the economy on tourism. If tourism gets disrupted again, for example due to a new natural disaster or a pandemic, or high inflation in other countries, this greatly impacts the island's economy.
- Natural disasters in general are a threat not only to the tourism industry, but to the country's critical infrastructure and therefore basic functioning in general.
- The low level of compliance with (labor) regulations.

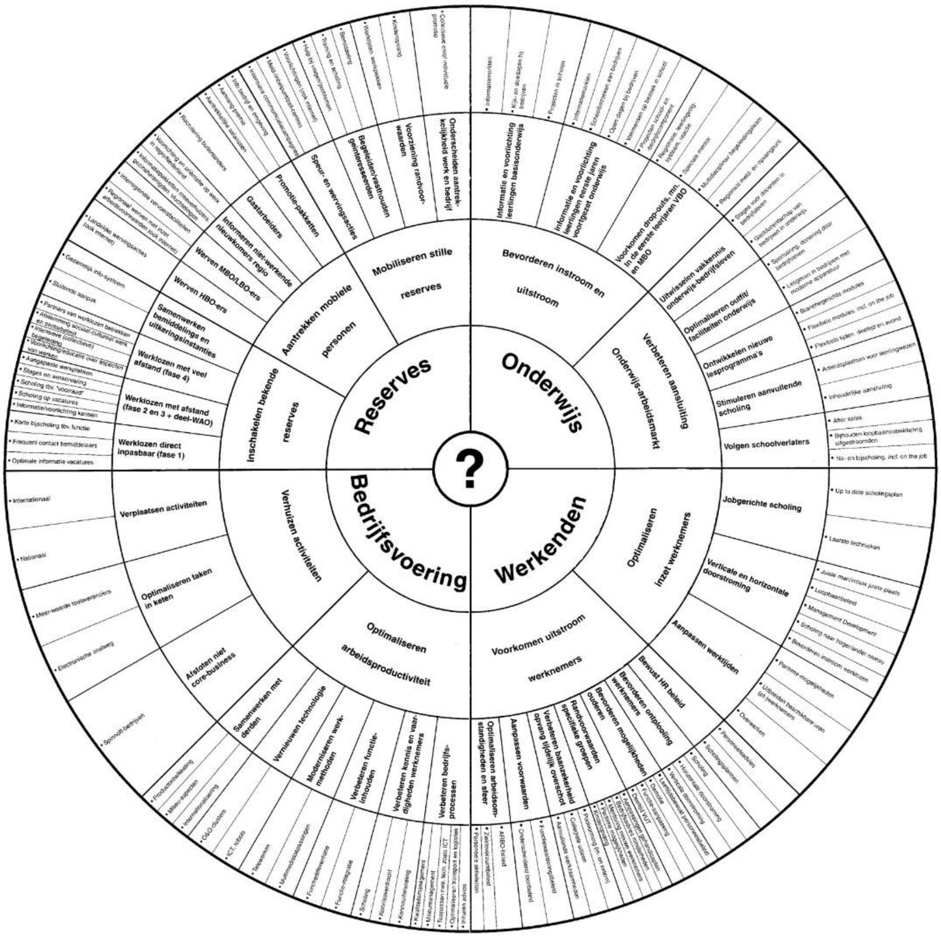
- Too much flexibility on the labor market.

6.2 Solutions for mismatch between labor demand and supply: sources

The following recommendations are based on:

- the analysis of supply and demand, the PESTLE and forecast and the analysis of quantitative, qualitative and transparency discrepancies on the labor market.
- the set of possible solution for labor market discrepancies in two labor market solution models:
    - the Circle of Stimulus (concerning solutions for discrepancies from the perspective of the demand side of the labor market) and
    - the inverted Circle (concerning solutions for discrepancies from the perspective of the supply side of the labor market).

The Circle of Stimulus and the Inverted Circle are shown below. An English translation of the Circle of Stimulus is provided in Annex 8.



According to the Employer Survey, when employers have hard-to-fill vacancies, they:

- Engage a temporary employment agency, recruitment agency or headhunter
- Recruit abroad
- Distribute the work among other employees
- Leave the vacancy longer open
- Use more recruitment channels
- Hire somebody who does not fully agree to the job requirements.

All these measures to cope with recruitment problems are not fitting to convert into government policies.

Also, according to the Employer Survey, the measures which employers with larger companies themselves take to ensure that their employees become and remain sufficiently equipped for their jobs offer some more interesting views on possible solutions for labor market bottlenecks. Employers:

- Provide their employees with internal training
- Provide their employees with external training or courses
- Use types of strategic personnel planning

- Carry out career interviews and performance reviews
- Stimulate internal mobility.

In particular, the importance of training their employees is an important message, because, just as has been done in the framework of the EISTP, vocational training can also help unemployed persons and job seekers to a (new) job and by that way employers to more qualified workers.

6.3 Recommendations

6.3.1 Labor Market Policies

The most important labor market measures to recommend are the following:

- **Increase training of the unemployed and workers (EISTP-like).**
    - Why: for many vacancies more skills are needed than unemployed and present workers can offer. In the future, due to technological developments and competition from other countries, job requirements may even increase further.
    - How: Shifting some resources to more productive areas such as education and vocational training would improve labor market outcomes and support inclusive recovery (IMF). Include employers in design and learning outcomes.
    - Costs: depends on the type of trainings. However, there is need for sufficient budget for this, which for a part must derive from the ministry of OJCS and its institutions.
- **Reduce work stress: develop a system of sustainable employability, especially for elderly workers.**
    - Why: currently, many workers keep working till old age because they need a job to keep paying the bills. In the future, it will be even more difficult for employers to substitute workers who necessarily stop working. It is also important to prevent sick leave as much as possible.
    - How: communication by all social partners is the most important aspect. It could be linked to the Social Development Goals or to the activities directed at prevention in the health sphere by the government.
    - Costs: The costs of a communication campaign are relatively low compared to other policy actions.
- **Make use of web recruitment for NESC vacancies and also find ways to publish vacancies from other organizations on the NESC website.**
    - Why: In the future the internet will be the main recruitment channel for both employers and job seekers. A central place where vacancies are collected increases transparency of the labor market and as a result crossing social group barriers.
    - How: developing a NESC vacancy database (just as Pole d'Emploi or UWV/Werk.nl).
    - Costs: the costs of automation are quite extensive, but maybe (European) Dutch support may help (from UWV but maybe also from trainees).

- **Develop and use methods of cv parsing[145] for job seekers with the NESC.**
    - Why: same as above: digital matching will help recruiters finding the right person and help job seekers to a job.
    - How: developing a system for parsing.
    - Costs: this is more expensive than web vacancy recruitment because the IT for cv parsing mostly belongs to commercial parties.
- **Find ways to increase wages in the public and semi-public sectors (to keep and attract personnel – officials, teachers, nurses).**
    - Why: because both government, schools and the health sector are in great danger because of problems with recruitment, mainly at higher educational levels.
    - How: salaries do not have to be as high as in commercial organizations because some people want to do a good job for the public sake.
    - Costs: quite high, as differences are big, and it concerns thousands of public and semi-public workers. Moreover, costs have a structural nature.

6.3.2 Labor market regulation

- **Look for a strategy of "flexicurity": making flexible jobs more steady and steady jobs more flexible.** On one hand it should be made more difficult to dismiss flexible workers, on the other hand procedures for dismissal should be less complicated.
    - Why: because flexible workers do not have many rights and employers complain about dismissal procedures.
    - How: change labor regulations.
    - Costs: direct costs are maybe low for government (even some savings are possible) but the process can take a lot of time because one has to come to agreements with the social partners.
- **Change the requirements for study financing in stimulating return to Sint Maarten**, especially related to the Netherlands (which even plans a new way of stimulating Caribbean students to follow their studies in the Netherlands).
    - Why: many students in higher education abroad do not return after graduation.
    - How:
        - The carrot: e.g., offer money, a place to live, a good job.
        - The stick: make a payback system compulsory.
    - Costs: only the system with a carrot will cost money, but the way to deal with this is complex: next to the ministry of OJCS also the governments of other countries like the Netherlands and the US are involved. These countries are also confronted with many labor market bottlenecks with higher educated persons and would like to keep the Caribbean graduates for themselves.
- **Increase minimum wages.**

[145] Parsing is conversion of a free-form resume document into a structured set of information suitable for storage, reporting, and manipulation by software. Resume parsing helps recruiters to efficiently manage electronic resume documents sent electronically.

    - Why: the energy crisis, inflation, one job instead of two must be sufficient.
    - How: political decision.
    - Costs: at first saving because there might be more taxes paid; later on maybe costs because investors will stop investing.
- **Support systems with medium wages per year in case of seasonal labor (at the level of or exceeding the minimum wage level).**
    - Why: no unemployment for seasonal workers, employers keep their well-functioning workers.
    - How: supporting this system maybe in the field of taxes, communication.
    - Costs: less unemployment benefits, costs of communication.
- **Improve social dialogue.**
    - Why: the labor market is helped with much lower levels of distrust between the tripartite bodies. Good communications between government, employers' organizations and trade unions will even grow in importance once there will be more bottlenecks on the labor market.
    - How: given the apparently rather bad relations, it is recommended to start with very concrete collaboration projects on topics where a clear shared interest exists, such as traineeships. To build trust and get results – keeping promises and a positive attitude should have the highest priority.
    - Costs: the government should support the bodies financially in which discussions between the stakeholders take place. The results of the collaboration projects will likely easily exceed the costs.
- **Increase compliance and monitoring of regulation.**
    - Why: to enhance the effectiveness of regulations, to improve faith in government and the business sectors, reward entrepreneurs meaning well
    - How: use of digital means, increase monitoring and publish results, collaborate with those meaning well.
    - Costs: in the end more savings than costs; but costs to build a system and there will be opposition.

6.3.3 Education and the Labor Market

It was stressed by the Education Inspectorate, the IMF, and some employers with larger companies in the survey that investments in and changes in regulations concerning education are required to increase matching education and labor market.

- **Create the requirements for a system of Lifelong learning (LLL)**
    - Why: well-trained workers help Sint Maarten compete with other countries and support innovation. Current skills will be ageing (within an ageing population).
    - How: government must support infrastructure (in public and private education), companies must provide their employees with trainers and instructors and give them time to follow trainings (which could be on the job), workers must also be prepared to follow courses in their own time.
    - Costs: setting up an infrastructure will cost money, but rewards will be high.

- **Improve the connection between the ministries of OJCS and VSA regarding labor market policies.** The Ministry of OJCS (not just Education) also plays an integral part within the discussion, assistance, and restructuring of the labor market. If government is aware of the gaps within the labor market one can better guide students towards a career path that is much needed to fill those gaps.
    - Why: education is preparing for the labor market. Developing a system of Lifelong Leaning in co-operation between the two ministries may also help to stimulate training the unemployed.
    - How: connecting officials of both ministries. Elaborating monitoring and studies concerning the link between education and the labor market. Finally, it requires more contact between employers (and trade unions) with educational institutions, e.g., with further development of the Raad Onderwijs Arbeidsmarkt.
    - Costs: partly this is a broadening of the tasks of government officials, investments in monitoring and studies of the link between education and the labor market.
- **Improve the quality of teachers and instructors: train the trainers.**
    - Why: a system of LLL will need more teachers, trainers and instructors than are active now.
    - How: train young students to become a trainer of instructor, ask companies to provide trainers, companies should provide opportunities for short internships of teachers and trainers.
    - Costs: training the trainers is an integral part of setting up a LLL infrastructure. Again: it will cost money, but rewards will be high.
- **Improve the vocational track of the education system by ensuring that the curriculum meets current and future labor market requirements (such as in tourism).**
    - Why: employers ask for more well-trained potential.
    - How: invest in the vocational training system, both public and private). Include employers in design and learning outcomes.
    - Costs: are mainly in the field of education. New teachers must be trained, teachers and trainers who do not want to adapt to teaching new curricula have to be replaced.
- **Train for a career path instead of only a (starters) job.**
    - Why: it is important that young people have perspectives once they enter the labor market.
    - How: more consultation between educators and the business community; investments of government in communication and education, investments in labor market research.
    - Costs: changes in curricula are needed; there should also be investments in the field of information for young people about possibilities in the labor market.
- **Establish a system in which companies are recognized as training companies according to clear criteria and in which professional practical supervisors are trained and certified.**
    - Why: students should learn in practice; by that way they adapt better to the requirements of the business sector.

- How: Increase the number and duration of internships. NB maybe also creating internships on Sint Maarten for students in higher education abroad.
- Costs: costs are mainly with the business sectors, but one might consider some kind of financial support.

- **Improve the connection between (developments in) the labor market and educational programs in tertiary education.**
  - Why: there are a lot of vacancies for higher educated graduates.
  - How: labor market research, develop the Raad Onderwijs Arbeidsmarkt, discuss setting up specific programs for Caribbean students with institutes for higher education in the United States and the Netherlands.
  - Costs: all these activities need government support, specifically from the ministry of OJCS, but also the ministry of VSA might support these activities; maybe it is better that the Netherlands will subsidize this type of activities instead of elaborating an extra system of study financing.
- **Develop a support structure for students with special educational needs.**
  - Why: students with special educational needs are the unemployed of tomorrow, not only for themselves but also for costs of benefits but in the end also for employes when qualified labor supply will become scarce it is better.
  - How: elaborating a system for students with special needs which starts in primary education, is being pursued in secondary education and ends in specific types of vocational training.
  - Costs: elaborating such a system will be costly because there is need for more teachers and trainers and a specific infrastructure, rewards might be high because the rest of their career these persons will not need a benefit and support economy.

6.3.4 Data and research

- **The study team underwrites the advice 'Data Matters', in which the SER shares the opinion that accurate data collection and data sharing deserves more attention in determining policy directions as well as in general discussions. The SER unanimously advises the government of Sint Maarten:**
  - To include a comprehensive and multidimensional (social) Index, that incorporates both the Basic Needs Approach (BNA) as well as the capabilities approach (CA), to measure and monitor societal well-being and progress to complement the GDP.
  - To designate the Department of Statistics (STATS) as a main autonomous entity with greater access to collect essential data needed for statistics.
  - To increase the awareness of the importance of Data (collection and sharing) via a multi-level community campaign.
  - To formalize a Data management platform with a legal basis as a tool for data sharing including a multi-annual budget.
  - To amend the National Ordinance on Statistics and the regulation social economic statistics 6 to reflect points 1 and 2.[146]
- **Better and transparent forecasting; look for consensus between economists responsible and prioritize publication of recent data.**

[146] http://ser.sx/wp-content/uploads/2020/01/SER-Letter-of-Advice-30102019-DATA-Matters-Website-copy.pdf

- Why: several institutions are forecasting demography, economy and sometimes employment. However, results differ between institutions and baseline years. There is limited discussion and co-operation between these institutions and therefore no agreement or transparency. Politicians, ministries, and social partners draw different conclusions. Better and transparent data are a guarantee for belief in data as an instrument for policy making.
    - How: organize discussion between parties like the IMF, the Central Bank, universities, STATS department, and other parties about forecast models, data to use, assumptions and analysis; publish together and as soon as possible, even when outcomes do not work out as desired. It is a necessity for parties to accept the fact that data will never be fully reliable and complete – assumptions and estimates will always be necessary. In a sense, consistency is often more important than accuracy – and at some stage discussion should stop.
    - Costs: maybe the costs of separate forecasts by separate institutions are higher than elaborating one forecast of the economy, demography, and the labor market together.
- **Repeat the employer survey performed in the context of this study, but during a different season and with support from employers' organizations.**
    - Why: it is informative to get the perspective of the demand side of the labor market regularly, especially when economy will grow and qualified labor supply will become scarce.
    - How: use the demand questionnaire (for larger and smaller companies) developed in the framework of this study. It is better not to organize the survey in the Christmas period and to consult the employers' organizations before the start of the survey and ask them for support.
    - Costs: costs will be lower than that of the present survey because the questionnaire is already developed, and some trained interviewers are available with the STATS department. The survey and its results can also be used as a mean to enhance social dialogue (see above).
- **Further improve the data of the Chamber of Commerce on companies in Sint Maarten.**
    - Why: it is important to know which companies of which size and sectors are active in Sint Maarten, not only as a direct source of information but also as a database for further studies.
    - How: take care that all companies are registered and carry out a yearly check on the quality of data on companies.
    - Costs: investments in better registration and a yearly check. This will cost but will also increase income of the COCI.
- **Analyze the census results 2022 results from the perspective of information on LM discrepancies: what do they tell (the supply side perspective)?**
    - Why: there was no time to incorporate the census results of 2022/2023 (being the first census of Labor Force Survey after covid) into the labor supply analysis of this study. Incorporating the census will most likely give new perspectives on the supply side of the labor market and will highlight (new) discrepancies.
    - How: a research institute, individual expert or university may be committed the task of carrying out this analysis. Maybe even a trainee can do part of the job.

    - Costs: maybe this can be supported from the Country Package of otherwise by Dutch government or Dutch universities.
- **Prepare databases for evaluation at the start of a certain program or project which would have to be evaluated.**
    - Why: for evaluation objectives, it is very important that it is possible to approach all participants several times during a program and by that way improve the evaluation.
    - How: provide for a database of participants and ask them for their approval to give their data to a research institution for evaluation objectives.
    - Costs: this will bring along some costs at the start of a program, but it will enhance its results when the midterm evaluation is carried out and enhance its effectiveness after final evaluation.
- **Systematically track students and monitor alumni success.**
    - Why: here is a shortage of well-trained graduates and also a lack of knowledge which programs and curricula support the Sint Maarten economy in the best way.
    - How: elaborating a database with email addresses and other contact information of students (and their relatives) and ask them for co-operation to take part in one or more surveys afterwards.
    - Costs: elaborating such a system will cost some means but it will more than reward itself when it will be the fundament for tracking graduates for vacancies and enhancing curricula in their link with the labor market.
- **Develop/adapt for SXM: systems of work force planning for companies.**
    - Why: some larger companies already have a system of work force planning. It would strengthen HR policies of companies when they could use an IT program which makes a good estimate of future flows of their personnel possible.
    - How: developing (or buying) IT software for work force planning and testing it.
    - Costs: elaborating or buying such a system will bring along some costs but the strengthening of the HR of several Sint Maarten companies may favor economy and increase tax income.
- **Start web analysis as there are employers who already use the social media and the web for recruitment.**
    - Why: only occasionally carrying out a survey or leaning on the particular data of VSA/NESC about vacancies will bring along a lack of always up-to-date data for analysis of development of the labor market.
    - How: the use of the internet for recruitment will grow. Analysis of both the number of vacancies and the skills asked for will provide the ministry of VSA and other stakeholders such as the ministries of OJCS and TEATT, the social partners and institutions for education with up-to-date data about the labor market.
    - Elaborating such a system will cost some money, but maybe support of UNDP will help. UNDP will be introducing web analysis of vacancies into Latin America, using methods developed by the European Commission, its agencies Cedefop and ETF and the university of Milano.

Annex 1: Review of the EISTP

Introduction

The Emergency Income Support and Training Project (EISTP), set up in the aftermath of Hurricanes Irma and Maria in 2017, provided temporary income support to unemployed and underemployed persons in exchange for their participation in short-term skills training in selected occupational areas in hospitality and construction. The project included a balanced combination of in-class theoretical and practical training as well as training in socio-emotional skills.

The project was evaluated by Panteia by means of an online survey among participants. This survey covered the following topics:

1. Personal situation;
2. Employment situation before skills training;
3. Skills training;
4. Income support;
5. Employment situation after skills training;
6. Effect EISTP skills training according to participants;
7. Suggestions for improvement.

Below, after a description of the EISTP we present the results of the survey. At the end of this annex, we draw some conclusions on the EISTP.

Description of the EISTP

The EISTP was one the projects implemented in the framework of the SXM TF (see also section 4.1.1). The project directly targeted the labor market of Sint Maarten. It consisted of two components:

1. To provide temporary income support and health insurance to vulnerable groups in exchange for their participation in training;
2. To develop a social registry system for the use of the Ministry of VSA, aiming to strengthen the social protection system's capacity for shock response and protection of the most vulnerable.[147]

Challenges

One of the major labor market challenges in Sint Maarten is the low level of education and relevant market skills among persons of working age. As early as 2016, the International Monetary Fund (IMF) noted that there was a mismatch between the country's labor supply skills and the skills needed by employers. On top of this, there is a lack of technical and vocational training institutions and certifying agencies in-

[147] https://www.sintmaartenrecovery.org/projects/emergency-income-support-and-training-project

country. The EISTP stepped in to improve people's professional skills and thereby their employability through training and re-training. [148]

Approach and implementation

The EISTP (USD 22.5 Million) was built upon an initiative by the tourism industry which launched the Sint Maarten Training Foundation (SMTF) with Government support (Ministry of VSA). To implement the EISTP, a private not-for-profit institution partnered with other institutions. The project consisted of the following components:

- *Skills Training*: A balanced combination of in-class theoretical and practical training as well as training in socio-emotional skills. Courses included hospitality, culinary, plumbing, construction, property management, electrical, basic literacy, English as a second language and Sint Maarten culture and history. Upon successful completion, participants received a certificate.
- *Financial support*: Temporary income support (a stipend) to skills training participants. It also included health insurance for participants and a reimbursement for transportation costs directly linked to the training.
- *Social Registry*: Identification and registration of socio-economic needs of individuals and households. The social registry system to be developed will help to identify those in long-term poverty and help provide quick responses in post-disaster situations (by having a ready list of those least likely to be able to cope with a shock). This component was beyond the scope of the evaluation by Panteia.[149]

Target and reach

The EISTP started in July 2018 and was set up to reach 1,800 unemployed and underemployed. In December 2021, restructuring for the EISTP was approved to expand and strengthen employment services of the National Employment Service Centre and extend the closing date of the project to February 2023 given delays brought by COVID-19. [150]

Between July 2028 and February 2023, in total 1,884 persons participated in the EISTP. With that, the intended reach of the project (1,800) was achieved.

Personal characteristics and personal situation

Below, we present some figures on personal characteristics of the EISTP-participants and their personal situation prior to the skills training in the framework of the EISTP. These figures are partly based on the EISTP-database and partly on the EISTP-survey by Panteia. If not explicitly mentioned otherwise, it involves the survey results.

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[148] https://www.sintmaartenrecovery.org/projects/emergency-income-support-and-training-project

[149] In June 2022 a Socioeconomic Needs Assessment was launched in June providing crucial data on benefits and inform future social programs.

[150] https://www.sintmaartenrecovery.org/projects/emergency-income-support-and-training-project

Personal characteristics

The two tables below break down the number of participants by gender, age, marital status and nationality respectively.

Table 1 EISTP-participants by gender, age and marital status

Gender	Database Number	%	Survey N	%
Female	1,258	67.8	60	83.3
Male	597	32.2	12	16.7
Total	1,855	100.0	72	100.0
Age*				
15 - 24	445	24.1	10	14.1
25 - 34	415	22.5	23	32.4
35 - 44	315	17.1	22	31.0
45 - 54	387	21.0	11	15.5
55 - 64	271	14.7	5	7.0
65 +	13	0.7	0	0.0
Total	1,846	100.0	71	100.0
Marital status				
Single	1,055	68.5		
Separated	11	0.7		
Divorced	54	3.5		
Widowed	23	1.5		
Married	395	25.6		
Secondary	1	0.1		
Concubine	2	0.1		
Total	1,541	100.0		

*Reference date June 1, 2020

Source: EISTP-database; EISTP-survey by Panteia

The following conclusions can be drawn:

- According to the EISTP-database, more women than men participated in the EISTP (68% versus 32%). The same goes (VENE MORE) for the EISTP-survey (83% versus 17%).
- Based on the database the distribution of participants among the different age classes is quite even (except for the age class 65 years or older). Most participants were in the age classes 15-24, 25-34 and 45-54 years (24%, 23% and 21% respectively). In the survey, the focus was on the age classes 25-34 and 35-44 years (32% and 31%); the other age classes were underrepresented.

- In terms of marital status, according to the database a large majority of the participants (74%) was single, separated/divorced or widowed. Female participants were more likely to be married than male participants. Except for one, all widowed participants were female.

Table 2 EISTP-participants by nationality

Nationality	Number	%
Dutch	1,082	57.5
Dominican	231	12.3
Jamaican	200	10.6
Dominican Republic	112	6.0
Haitian	82	4.4
Guyanese	55	2.9
Indian	23	1.2
St. Kitts & Nevis	19	1.0
St. Lucian	18	1.0
Colombian	11	0.6
French	10	0.5
Venezuelan	5	0.3
Chinese	5	0.3
Trinidadian	4	0.2
Spanish	4	0.2
British	3	0.2
Antiguan	3	0.2
Vincentian	2	0.1
Trinidadian	2	0.1
American	2	0.1
Other	9	0.5
Total	1,882	100.0

Source: EISTP-database

According to the EISTP-database, more than half of the participants (58%) had the Dutch nationality, followed at distance by participants with the Dominican, Jamaican, Dominican Republican, Haitian and Guyanese nationality (12%, 11%, 6%, 4% and 3% respectively). Presumably, all the participants with a non-Dutch nationality would have the status of permanent resident.

Personal situation before EISTP skills training

Most participants started the EISTP skills training in 2019 (52%). A small minority of them (2%) started in 2017, 23% in 2018, 13 % in 2020 and 10% in 2021 (N=48).

Before starting the skills training, a quarter of the participants already received financial assistance / financial aid in 2017 and/or 2018, three-quarter did not (N=73).

Employment position before the EISTP skills training

Employment position

Based on the EISTP-database, the following table shows the division of the participants by employment position before attending skills training. It should be noted here that the database only provides information on the employment position of a limited number of participants (499).

Table 3 EISTP-participants by employment position before skills training

Employment position	Number	%
Employed	9	1.8
Underemployed*	2	0.4
Unemployed	486	97.4
Retired	2	0.4
Total	499	100.0

* Underemployed people are people unwillingly working in low-skill/ low-paying jobs and/or for less hours than they desire because they cannot get a job that fully use their skills and/or fill their desire in terms of working hours.

Source: EISTP-database

According to the EISTP-database, nearly all participants were unemployed (97%). A small minority was employed (2%), underemployed (0.5%) or retired (0.5%). The nine employed participants were all women.

Next, based on the EISTP-survey the table below presents the employment position of the participants prior to the skills training. That sketches a somewhat different picture.

Table 4 EISTP-participants by employment position before skills training

Employment position	N	%
I was unemployed before Hurricane Irma	25	34.2
I became unemployed after Hurricane Irma	24	32.9
I was underemployed* before Hurricane Irma	4	5.5
I became underemployed* after Hurricane Irma	9	12.3
I was employed full time before Hurricane Irma	8	11.0
I became employed full time after Hurricane Irma	1	1.4
Unknown	2	2.7
Total	73	100.0

* Underemployed people are people unwillingly working in low-skill/ low-paying jobs and/or for less hours than they desire because they cannot get a job that fully use their skills and/or fill their desire in terms of working hours.

Source: EISTP-survey by Panteia

According to the survey, two-thirds of the participants were unemployed prior to the EISTP skills training (of which about half already before Irma). Nearly one-fifth was underemployed (of which 6 percentage points already before Irma). About an eighth (12%) was employed full time (of which 11 percentage points already before Irma).

Of the participants, who were already unemployed before Irma, the majority (88%) ever had a job.

Slightly over half of the participants, who were underemployed (before or after Irma), was working less hours than desired (54%), the other half was both unwillingly working in a low-skill/low-paying and working less hours than desired (46%).

Job characteristics

Participants who (ever) had work before starting the EISTP skills training were asked some additional questions about their last job(s).

First, the next table shows the breakdown of the number of participants, who (ever) had work by the kind of contract they had in their last job(s).

Table 5 EISTP participants, who (ever) had work, by type of contract in last job(s) before skills training (more answers possible)

Type of contract	N	%
Self-employed	7	10%
Employee in permanent service	12	18%
Employee in temporary service (temp agency, secondment agency)	13	19%
Unpaid family worker	1	2%
Employee with a contract lasting less than 6 months	8	12%
Employee with a contract lasting 6 months or longer	26	38%
Other	10	15%
Unknown	1	1.5%

Source: EISTP-survey by Panteia

Most prevalent type of contract among EISTP participants, who (ever) had work, was a contract lasting 6 months or longer followed at distance by employment in temporary service and employment in permanent service.

- Most common professional groups among the participants, who (ever) had work before the EISTP skills training, were service professions (including hospitality professions), other professions, commercial professions (including wholesale and retail professions), business & administrative professions and transport & logistics professions.
- Within the professional group 'service professions' waitresses/waiters, cooks and management (including reception desk staff) were most prevalent.

Finally, based on both the EISTP-database the following table provides insight into the sector in which the participants had their last (main) job before the skills training.

Table 6 EISTP-participants, who (ever) had work, by sector in which they had their last (main) job before skills training

Sector	Database Number	%
Accommodation and food service activities (hospitality)	355	26
Administrative and support service activities	280	21
Wholesale and retail trade; repair of motor vehicles and motorcycles	260	19
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	79	6
Transportation and storage	75	6
Public administration and defense; compulsory social security	66	5
Construction	49	4
Human health and social work activities	49	4

Electricity, gas, steam and air conditioning supply	40	3
Arts, entertainment and recreation	18	1
Professional, scientific and technical activities	18	1
Information and communication	17	1
Financial and insurance activities	16	1
Manufacturing	10	1
Education	8	1
Other service activities	2	0
Water supply; sewerage, waste management and remediation activities	2	0
Activities of extraterritorial organizations and bodies	0	0
Total	1,344	100

Further breakdown of 'hospitality' sector		
Hospitality (no further specification)	267	75
Casino main/other	44	12
Food service main/other	4	1
Hotel main/other	11	3
Marina main/other	15	4
Restaurant main/other	12	3
Tourist shops main/other	2	1
Total	355	100

Source: EISTP-database; EISTP-survey by Panteia

Based on the second and third column of the table above and other information from the EISTP-database, the following conclusions can be drawn:

- For about a quarter of the participants, sector was not applicable (because they had never had a job before) or not known.
- Most common sectors for the remaining 1,344 participants were administrative & support service activities, accommodation & food service activities (hospitality) and wholesale & retail trade.
- Zooming in on the hospitality sector, in most of the cases (75%) further specification is not possible. In the remaining quarter, for the half it concerns the casino branch.
- In top 3 sectors mentioned above female participants were overrepresented. This goes also for the sector activities of households as employers. Sectors with an overrepresentation of male participants were among others transportation & storage, public administration & defense; compulsory social security, construction and electricity, gas. steam & air conditioning supply.
- Vocational educated participants were especially overrepresented in the sectors construction, human health & social work activities, electricity, gas, steam & air conditioning supply and professional, scientific & technical activities.

EISTP skills training

The table below shows the channels through which the participants became aware of the possibility to receive income support in exchange for attending EISTP skills training.

Table 7 Channels through which the participants became aware of the possibility to receive income support in exchange for attending EISTP skills training (more answers possible)

Information channel	N	%
Family, friends and acquaintances	36	49
'New' media (websites, social media)	23	32
Training institutes	11	15
'Old' media (newspapers, television, radio)	8	11
National Employment Services Center	7	10
(Former) Colleagues	5	7
(Former) Employers	1	1
Other	5	7
Unknown	1	1

Source: EISTP-survey by Panteia

By far the most important information channels were the informal circuit (family, friends and acquaintances) and the 'new' media (websites, social media). Training institutions, 'old' media and the National Employment Services Center followed at a distance.

For nearly one-third of the participants the receipt of income support was the main reason for participating in the EISTP skills training. For almost two-thirds it was not. The remaining could not or would not answer this question (N=73).

The three main (other) reasons for participating in the EISTP skills training were improving job prospects, improving future income position and being able to do more attractive work.

Table 8 Reasons for participating in the EISTP skills training (more answers possible)

Reason	N	%
I wanted to improve my job prospects	40	55
I wanted to improve my future income position	29	40
I wanted to be able to do more attractive work	20	27
I wanted to receive income support and/or medical insurance	12	16
The skills training was a prerequisite for getting a (new) job	10	14
I wanted to continue working in the same sector and in the same kind of job I was working in. but I needed (additional or different) qualifications to do so	4	6
I wanted to work in another sector and another function I was working in. for which I needed (additional or different) qualifications	6	8
I wanted to continue working in the same kind of job I was working in but in a different sector. for which I needed (additional or different) qualifications	2	3
My employer obliged me to take the skills training in order to keep my job	1	1
Other	5	7
Unknown	2	3

Source: EISTP-survey by Panteia

The following table provides insight into the courses attended and the certificates received by the EISTP-participants.

Table 9 Courses attended and certificates received in the framework of the EISTP skills training (more answers possible)

Course	Attended		Certificate	
	N	%	N	%
Hospitality	50	69	44	60
Sint Maarten Culture and History (SMCH)	27	37	33	45
Culinary	12	16	12	16
Construction	3	4	3	4
Property management	2	3	2	3
Electrical	2	3	2	3
Plumbing	1	1	1	1
English as a Second Language	1	1	1	1
Other	7	10	10	14
Unknown	3	4	3	4
No certificate (dropout of skills training)			5	7

Source: EISTP-survey by Panteia

The vast majority of the EISTP participants attended courses in hospitality, followed at a distance by Sint Maarten culture and history and culinary.

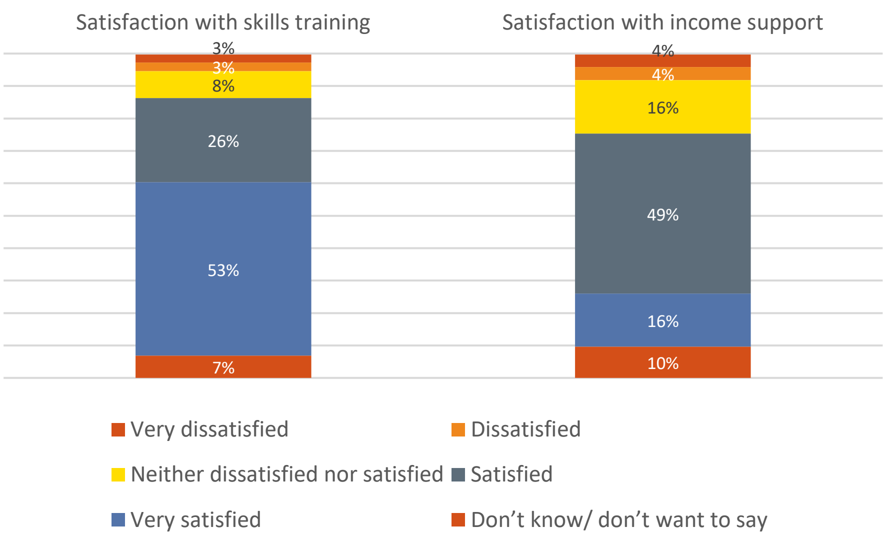
Over half of the courses were attended at the Sint Maarten Training Foundation (SMTF) and more than one-third at the National Institute of Professional Advancement (NIPA). Furthermore, a smaller share of the courses was taken at the University of St. Martin (USM).

As far as the certificates received are concerned, not surprisingly the picture is more or less the same as that for the courses attended. The top 3 consists of hospitality, Sint Maarten culture & history and culinary (60%, 45% and 16% respectively). What is striking, is that for hospitality the percentage of certificates received is 8 percentage points lower than the percentage of courses attended and for Sint Maarten culture and history 8% percentage points higher. A possible explanation for the latter could be that participants of other courses already had enough knowledge to pass this certificate without a course.

Five respondents did not receive a certificate at all, because they dropped out of the skills training. The reasons for this dropout differed (finding a new job, becoming ill/disabled, not being able to meet the attendance requirements, too low income support and/or transportation problems; multiple response question).

The satisfaction of the participants with the EISTP skills training is high. Of the participants, over three-quarters were (very) satisfied. A small minority of them were (very) dissatisfied (see graph below)

Figure 1 Satisfaction of participants with the EISTP skills training they attended and the income support they received during the skills training



Source: Employer survey by Panteia

In an open-ended question, participants were asked about the reason(s) for their (dis)satisfaction with the EISTP skills training:

- An important reason for participants being (very) satisfied was that they learned a lot. Respondents indicated they were very satisfied that they gained skills to assist in life and learned a lot from informative sessions and 'great instructors'. As one respondent said: "I am very satisfied because I learned new things, and the same time I had the opportunity to know many people and practice skills". Another reason for satisfaction with the skills training was that it provided the participants an opportunity to change their career path. In this respect, one of the respondents said he was able to 'gain a foothold into the construction field and change his career path'.
- The main reason for the (few) respondents who were (very) dissatisfied was that (at the end) they didn't receive any training.

EISTP income support

As can be seen from the graph above, the satisfaction of the participants with the income support in the framework of the EISTP is also high, though slightly lower than their satisfaction with the skills training. Two-thirds of the participants were (very) satisfied and less than 10% (very) dissatisfied. The share of very satisfied participants is considerably lower than that for satisfaction with the skills training.
Again, in an open-ended question participants were asked about the reason(s) for their (dis)satisfaction with the EISTP income support:

- The main reason for participants who were (very) satisfied with the income support was being able to help cover expenses and bills. Respondents indicated that it 'helped a lot towards bills' and that 'it was enough to keep me afloat'. One respondent said "I was very grateful because I have threee kids and not working was a very big strain to provide for them. Knowing that I was able to have them medically covered and could put food on the table was a big relief." This shows the importance and necessity of income support during (skills) training programs.
- The main reason for the (few) respondents who were (very) dissatisfied was that (at the end) they did not receive any income support. One respondent indicated the income support she received was insufficient "because I have two children to feed and one child with a condition. "

Overall, three-quarters of the participants thought the level of EISTP income support was adequate and a quarter thought it was too low (N=73).

If they had not received income support in the framework of the EISTP, a small minority of the participants definitely would not have attended the skills training, the large majority definitely would have.

A similar question was asked about receiving medical insurance in the framework of the EISTP. The picture is more or less the same. Again, a small minority of the participants definitely would not have attended the EISTP skills training, more than and the large majority definitely would have.

Employment situation after EISTP skills training

Employment position

The next table shows the employment situation of the EISTP participants when surveyed, so after the skills training.

Table 10 EISTP-participants by employment position after skills training

Employment position	N	%
Unemployed/stopped working	30	41%
Underemployed*	8	11%
Employed (and not underemployed)	25	34%
Unknown	10	14%
Total	73	100%

* Underemployed people are people unwillingly working in low-skill/ low-paying jobs and/or for less hours than they desire because they cannot get a job that fully use their skills and/or fill their desire in terms of working hours.

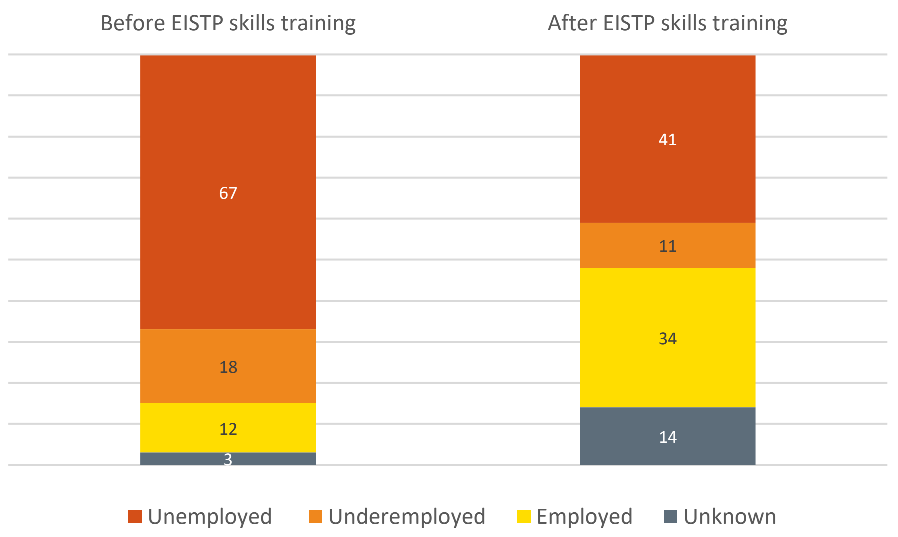
Source: EISTP-survey by Panteia

After the skills training, more than 41% of the participants responding to the survey were unemployed (or had stopped working, for instance because of retirement), 11% were underemployed and 34% employed (and not underemployed). The remaining 14% could not or would not answer this question.

A large majority of the 33 working respondents (whether employed or underemployed) had one job. About a tenth of them had two jobs. No one had more than two jobs. As far as working hours are concerned, most prevalent were 40, 8 and 48 hours a week. In total, with almost a quarter of the cases the working hours were over 40 hours a week. One respondent even worked 80 hours a week. On average, the working participants had 1.06 job and were working 31.19 hours a week.

The graph below compares the employment position of the participants before and after the EISTP skills training (both based on the survey). In doing so, it provides insight into the effect of the skills training on the employment position of the participants.

Figure 2 Employment position of participants before and after the EISTP skills training



Source: Employer survey by Panteia

After the skills training, substantially less participants were unemployed than before.[151] The same goes for underemployed participants. This is offset by an increase in the number of employed participants.

- Of the 49 participants who were unemployed before the skills training, 33% found employment, 10% became employed but underemployed and 43% remained unemployed (or stopped working).
- As far as the 13 participants who were underemployed before the skills training are concerned, 38% were employed, 15% still underemployed and 38% unemployed (or stopped working).
- Of the 9 participants who were employed before the skills training, 33% were still employed, 11% underemployed and 44% unemployed (or stopped working).

All in all, the conclusion is justified that for the group participants as a whole, the EISTP skills training had a positive effect on the employment position of the participants. However, it should be noted that in general it is difficult to determine the net effect of a labor market measure such the EISTP skills training. After all, the effectiveness is not only influenced by (the activities deployed within) the measure itself but also by the context (the so-called PESTLE-factors, see chapter 4). Therefore, the conclusion above is only indicative.

[151] It should be noted that the latter percentage also includes participants who stopped working (for example, in connection with retirement).

Job characteristics

EISTP participants who after the skills training were employed or underemployed were asked about some characteristics of their current job(s). First of all, the next table shows the breakdown of the number of working EISTP participants by the kind of contract in their current job(s).

Table 10 Working EISTP participants by the type of contract in their current job(s) (more answers possible)

Type of contract	N	%
I am an employee in permanent service	8	24,2%
I am an employee in temporary service (temp agency, secondment agency)	2	6,1%
I am a casual worker (housekeeper / street vendor / etc.)	1	3,0%
I am an employee with a contract lasting less than 6 months	3	9,1%
I am an employee with a contract lasting 6 months or longer	16	48,5%
Other	3	9,1%

Source: EISTP-survey by Panteia

Most prevalent type of contract among working EISTP participants in their current job(s) is a contract lasting 6 months or longer (48%), followed at distance by employment in permanent service (24%). Before the skills training, in their last job only 38% of the participants who (ever) had a job had a contract lasting 6 months or longer and 18% was in permanent service. This also indicates a better (more secure) employment situation than before the skills training.

As far as the type of profession the working participants practice in their current job(s) is concerned, the following picture can be sketched:

- Most prevalent professional groups among working EISTP participants in their current job(s) are service professions (including hospitality professions), business and administrative professions and other professions (30%, 21% and 21% respectively). Commercial professions (including wholesale and retail professions) and technical and production professions (including construction professions) each account for 9%. (N=33; multiple-response question).
- As far as specific hospitality professions are concerned, within the professional group 'service professions' waitresses/waiters are most common (4 out of 10).
- Compared the situation before the skills training, most working participants were active in the same sector. Incidentally, there was a sectoral switch. Especially, participants, who worked in a commercial profession, made a switch. One now works in a business/administrative profession, one in a technical/production and two in a service profession.

Finally, most common sectors in which working EISTP participants have their current job(s)Finally, most common sectors in which working EISTP participants have their current job(s) are accommodation & food service activities (hospitality), administrative & support service activities and wholesale & retail trade (N=33; multiple-response question).

Zooming in on the hospitality sector, most prevalent are the restaurant and hotel branches (4 and 2 out of 7 respectively).

Effect EISTP skills training according to participants

Participants themselves are also fairly positive about the effect of the EISTP skills training on their current employment situation. Over one-third (36%) estimated this effect as neither negative nor positive. more than a quarter (27%) as positive and about a tenth (11%) as very positive. Only a small minority estimated the effect as negative (1%) or very negative (3%).[152] (N=73).

Even more positive are participants about the effect of the EISTP skills training on their motivation to attend other skills training programs. A large majority indicated that their experience with the EISTP training program motivated them (very) much to attend other skills training programs (81%, of which 19% much and 62% very much). Less than a tenth (8%) said it motivated them a little and an equal percentage neither little nor much. None of the respondents indicated that it motivated them not at all/very little. Finally, 3% could not or would not answer this question (N=73).

These results underscore the conclusions drawn above about the positive effect of the EISTP skills training on the employment situation of the participants.

Suggestions for improvement

At the end of the survey, the respondents could make suggestions for improving future skills training programs.

First of all, the respondents were asked in what way(s) the skills training could be improved. In the comments made, two suggestions stood out: expanding the scope of the skills training program and improving/tightening the selection and review of participants:

- Though the majority of participants were satisfied with the skills training, many of them would like to see more options in terms of types of courses and educational fields. Amongst others, examples mentioned in this regard were other technical skills (such as electrical engineering), administrative skills and personal care skills (for instance hair dressing).
- Participants in the skills training program should be selected and reviewed more critically. As one respondent said "The issue observed the last time. was that only a limited number of persons could be accommodated. Unfortunately, the vast majority of persons that came in were solely interested in the stipend." The respondent in question recommended being more evaluative about the performance of participants as to exclude 'time wasters' and to encourage others to 'appreciate the opportunity being offered'. Furthermore. some respondents indicated that a lot of fully employed people signed up. To their opinion, these people should be excluded from the skills training program. It should be reserved for the unemployed (and underemployed).

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[152] . About a fifth of the respondents (22%) could or would not answer this question.

Next, suggestions were asked for improving the income support in the framework of the skills training program. In the comments made, the majority of the respondents argued for increasing the stipend for the training. In this respect. For example, one of the respondents said a small increase in the stipend would be great because the cost of living in Sint Maarten is so high. Some other respondents suggested to take the personal financial situation of individual participants into consideration. For example, one respondent suggested looking at whether the participant is the sole/principal breadwinner when determining the amount of the stipend. If so, he or she still will need a lot of help from his or her family to be able to pay the bills. Another respondent made a similar suggestion, saying the stipend should be based on family needs and cover the cost of living.

Summary and conclusions

Summary

The findings of the survey among EISTP-participants can be summarized as follows:

- The EISTP ran from July 2018 to February 2023. In total, 1,884 persons participated. With that, the intended reach of the project (1,800) was achieved.
- More women than men participated. Most participants were in the age classes 15-24, 25-34 and 45-54 years. The majority was single, separated/divorced or widowed. More than half of the participants had the Dutch nationality. The majority was secondary educated, followed at a distance by primary educated and vocational educated participants.
- Prior to the skills training two-thirds of the participants were unemployed. One-fifth were underemployed and about an eighth employed full time.
- Most prevalent type of contract among EISTP-participants, who (ever) had work, was a contract lasting 6 months or longer, followed at distance by employment in temporary and employment in permanent service. Most common professional groups among this group, were service professions (including hospitality professions), other professions and commercial professions. Most common sectors were sectors were administrative & support, accommodation & food service activities (hospitality) and wholesale and retail trade service activities.
- The most important information channels through which the participants became aware of the possibility to receive income support in exchange for attending the EISTP skills training were the informal circuit (family, friends and acquaintances) and the ‘new’ media (websites, social media).
- For nearly one-third of the participants the receipt of income support was the main reason for participating in the EISTP skills training. The three main (other) reasons for participating in the EISTP skills training were improving job prospects, improving future income position and being able to do more attractive work.
- The vast majority of the EISTP participants attended courses in hospitality, followed at distance by Sint Maarten culture and history (SMCH) and culinary. As far as the certificates received are concerned, not surprisingly the picture is more or less the same as that for the courses attended.
- A relatively small share of the participants dropped out during the skills training and did not receive a certificate at all. The reasons for the dropout differed

(finding a new job, becoming ill/disabled, not being able to meet the attendance requirements, too low income support and/or transportation problems; multiple response question).

- The satisfaction of the participants with the skills training is high. A large majority participants were (very) satisfied. A small minority were (very) dissatisfied. Most important reasons for participants being (very) satisfied was that they learned a lot and that the skills training provided them an opportunity to change their career path. The main reason for the (few) respondents who were (very) dissatisfied was that (at the end) they did not receive any training.
- The satisfaction of the participants with the income support while attending the skills training is also high, though slightly lower than their satisfaction with the skills training they attended. If they had not received income support, a small minority of the participants (definitely would not have attended the skills training, the majority definitely would or might have.
- After the skills training less participants were unemployed than before. The same goes for underemployed participants; more of them got a fulltime job. This is offset by an increase in the number of employed participants.
- Most prevalent type of contract among working participants in their current job(s) is a contract lasting 6 months or longer (about half of them), followed at distance by employment in permanent service (about a quarter of them). Most common professionals groups among working participants in their current job(s) are service professions (including hospitality professions), business and administrative professions and other professions. Most prevalent sectors in which working EISTP participants have their current jobs are accommodation & food service activities (hospitality), administrative & support service activities and wholesale & retail trade.
- Participants themselves are fairly positive about the effect of skills training on their current employment situation.. Only a small minority estimated the effect as (very) negative.
- Even more positive are participants about the effect of the EISTP skills training on their motivation to attend other skills training programs. A large majority of them indicated that their experience with the EISTP training program motivated them (very) much to attend other skills training programs.
- Participants' suggestions for improving future skill trainings programs mainly concern expanding the scope of the skills training program options (in terms of types of courses and educational fields) and improving/tightening the selection and review of participants. The latter, also to prevent improper use of the income support. As far as income support is concerned, the main suggestion is increasing the stipend for the skills training.

Conclusion

Based on the survey results, the conclusion is justified that the EISTP skills training has been quite effective. The target in terms on number of participants has been reached, the dropout rate was relatively low, most participants were satisfied with the skills training and the employment position for the group participants as whole has been improved.

Response

To this conclusion, however, an important caveat is appropriate. The survey response was low. There were email-addresses available of 1.189 persons. When mailing the links to the questionnaire, 242 of these email-addresses turned out not to exist anymore. We ended up getting responses from 73 of the 947 correct email addresses (7.7%).

The response also might be biased. On the other hand, the response seems quite representative when comparing the background characteristics of the response with those of all participants according to the EISTP database. Based on both the EISTP-database and the EISTP-survey, the table below for instance breaks down the number of participants by their level of education before attending the EISTP skills training.

Table 11 EISTP participants by educational level before skills training

Educational level	Database Number	%	Survey N	%
No education	33	1.8	1	1,4%
Primary education	259	14.2	5	6,8%
Secondary education	1200	65.9	51	69,9%
Vocational education	236	13.0	7	9,6%
Tertiary education	94	5.2	6	8,2%
Unknown			3	4,1%
Total	1822	100.0	73	100,0%

Source: EISTP-database; EISTP-survey by Panteia

According to the EISTP-database, the majority of the participants was secondary educated (about 66%), followed at a distance by primary educated and vocational educated participants (14% and 13% respectively). Comparatively, in the survey (somewhat) more secondary educated persons participated (70%) and less primary and vocational educated persons (7% and 9%).

Annex 2: Review of the (questionnaire for the) Labor Force Survey

Introduction

Below we present the results of a review of (the questionnaire for) Sint Maarten's Labor Force Survey (LFS). Central to this review is a comparison with the Dutch 'Enquête Beroepsbevolking' (EBB, Labor Force Survey). Successively, we address:
- Methodology;
- Definitions;
- Themes;
- Suggestions for improvement (technical and substantive).

Summary
Annex 2 presents the results of a review of (the questionnaire for) Sint Maarten's Labor Force Survey (LFS). Central to this review is a comparison with the Dutch 'Enquête Beroepsbevolking' (EBB, Labor Force Survey). Successively, this annex addresses methodology, definitions and themes of both surveys. Based in part on this analysis, the following suggestions for improvement of the LFS questionnaire can be made:
- The existing LFS questionnaire could be (but not should be) finetuned using questions and answer categories from the EBB.
- Furthermore, consideration should be given to supplementing the current LFS questionnaire with a (limited) number of additional questions on:
  - Labor migration;
  - Informal labor (indirect questioning in order to avoid socially acceptable answers);
  - Work disabilities;
  - Job requirements;
  - Job satisfaction;
  - Impact of crises (COVID-19 pandemic and energy crisis/high inflation) on the current labor market position;
  - Expectations for the future labor market position.

  An initial outline of these possible additional questions is included in Annex 2.
- The frequency of the LFS could be increased. For a small country such as St. Maarten, a continuous survey, such as the EBB, does not seem feasible. An annual survey, however, should be.
- With a view to comparability over time, it is very important that the data collection of the LFS takes place in the same period each year. not during the first year in the high season and during the next year in the low season.

- In order to achieve the highest possible response rate, a combination of modes of approaching potential respondents (CAWI, CATI and CAPI[153]) is recommended. The approach described above for the EBB can serve as an example here.
- The weighting of the survey results could be refined (and with that reliability increased) by including other factors besides age and gender (for example, region and country of birth/nationality).
- For a good international comparison of the survey results, it is recommended to follow the ILO definitions when calculating the size of the different categories of labor force and the ratios based on them (such as participation rate and unemployment rate). In the case of participation rate, at the moment this is not the case.
- For the same reason, it is also recommendable to use (a classification derived from) the internationally accepted ISCO 2008 occupational classification.

Methodology

Sint Maarten's LFS

Sint Maarten's LFS is a sample survey among households with the broad aim to measure recent developments on the labor market. STAT conducted the Survey in 2013, 2017 and 2018. The timing differed:

- 2013: June 2013 (Low Season);
- 2017: February 2017 (High Season, prior to Hurricane Irma);
- 2018: September 2018 (Low Season, about 1 year post Hurricane Irma).

In 2011, a limited set of labor-market related questions was incorporated into the Population Census. The same goes for the current Population Census.

The sample for the 2018 LFS (1,209 households) was drawn from the population of private households. The sample was stratified based on the eight official districts (zones) of St. Maarten and the population density as resulted from the 2011 Census.

Data-collection for the LFS started in September 2018 and lasted until November 2018. The completion target was 991. Eventually, 784 households responded. With that an error margin of 3.39% with 95% confidence level was achieved. At the end of the fieldwork, 1,886 people were interviewed.

As the LFS was a sample survey, the results have been grossed up to the total population estimate of 2018 attributing a weight to each participant according to the age and gender distribution.[154]

Dutch EBB

The Dutch equivalent of Sint Maarten's LFS is the EBB. CBS has conducted this survey among households since 1987. The aim is to provide information on the relationship between people and the labor market. This involves relating characteristics of individuals to their position in the labor market.

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[153] CAWI, CATI and CAPI stand for Computer Assisted Web Interviewing, Computer Assisted Telephone Interviewing and Computer Assisted Personal Interviewing..

[154] STAT (2019). Labour Force Survey. Results Report.

In brief, the design and implementation of the EBB can be described as follows:

- Target population of the EBB are persons aged 15 to 90 years in the Netherlands (excluding the institutional population). Statistical units are persons and households.
- The EBB is a sample survey. More specifically, it can be characterized as a rotating panel survey with five polls per year. As from the fourth quarter of 2012, all respondents are initially asked to respond via the Internet. Some of the respondents who do not respond are then contacted face-to-face or by telephone. Until 2021, the four follow-up surveys were conducted by telephone. Since 2021, respondents are also initially asked to participate via the Internet and those who do not respond are contacted by telephone.
  In 2021, 164 thousand people were approached to participate in the first EBB poll via the Internet.
- EBB is a continuous survey. A fixed set of labor market variables is published quarterly. These variables are also published annually and then an additional set of labor market variables also becomes available. Monthly, key figures on the unemployed and employed labor force distinguished by gender and three age groups become available.
- Grossing up the observations is done in two steps. In the first step, starting weights are assigned to the observations. These starting weights are calculated to correct unequal draw chances resulting from the sampling used. In the second step, final grossing-up factors are determined. This step reduces bias due to non-response. Data on gender, age, migration background, region, registration as a job seeker with UWV (the Dutch PES) and income are used for this purpose. Each poll is grossed up separately and the quarterly and annual figures represent an average of the estimates per poll.[155]

Definitions

The main differences in definition between Sint Maarten's LFS and the Dutch EBB are the following:

- The LFS focuses on persons 15 years of age or older. In principle, it also publishes on this age group. The EBB focuses on persons aged 15 to 90 years. Publications usually cover the category 15 to 74.
- In determining the employed labor force, the LFS uses 4 hours of work per week as the lower limit. In the EBB this is 1 hour per week.
- The LFS calculates labor force participation (gross and net) as percent of total population, the EBB as percent of the population aged 15 to 74 years. The latter is in line with the ILO definitions, the former is not.[156]
- The LFS uses its own occupational classification, whereas the EBB makes use of a classification (BRC 2014) derived from the internationally accepted ISCO 2008 classification.[157] See the table below.

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[155] https://www.cbs.nl/nl-nl/onze-diensten/methoden/onderzoeksomschrijvingen/korte-onderzoeksbeschrijvingen/enquete-beroepsbevolking--ebb--

[156] See for the ILO-definitions: https://ilostat.ilo.org/resources/concepts-and-definitions/description-labour-force-statistics/

[157] 'Beroepenindeling ROA CBS 2014 (BRC 2014), CBS. Available at: https://www.cbs.nl/nl-nl/onze-diensten/methoden/begrippen/beroepenindeling-roa-cbs-2014--brc-2014--

Table 1 Occupational classes Sint Maarten's LFS and Dutch EBB

LFS	EBB
• Armed forces • Clerks • Craft & related trades workers • Elementary occupations • Legislators, senior officials & managers • Plant & machine operators and assemblers • Professionals • Service workers & shop and market sales workers • Skilled agricultural & fishery workers • Technicians & associate professionals • Unknown	• Pedagogical professions • Creative and linguistic professions • Commercial professions • Business and administrative professions • Managers • Public administration, security and legal professions • Technical and production professions • ICT professions • Agricultural professions • Care and welfare occupations • Service professions • Transport and logistics occupations • Other professions

Themes

Sint Maarten's LFS

Sint Maarten's LFS questionnaire and the routing within it are fairly straightforward. The questionnaire consists of the following standard blocks of questions:

- General (interviewer ID and address ID)
- Household
- Education (A)
- Employed (B)
- Unemployed (C)
- Less than 4 (D)
- Income (E)[158]

In 2018, some additional questions were posed concerning Hurricane Irma's effects on the labor market position of the respondents.

The table below shows the main themes within the substantive standard question blocks of the LFS 2013 questionnaire. These blocks seem to be similar to those of the 2018 LFS.

[158] Excel file: SXM_LFS_Questionnaire_v11.xlsx (Household Form Labour Force Survey 2013

Table 2 Themes LFS 2013 questionnaire

Block	Themes
Household	Characteristics of head and other members of household (in total max 15) (number of household members, age, gender, country of birth, nationality)
Education (A)	Currently following education (school, level, grade/year) Primary education followed (completed y/n) Secondary education followed (level, type, diploma attained y/n) Tertiary education followed (max 4) (area, level, country, diploma attained y/n) Training courses followed recently (max 2) (area, level, country, completed y/n) Check on hours worked in past week (4 hours or more -> go to B; 0 hours -> go to C; 1-4 hours -> go tot D)
Employed (B)	Main job (max 1) and secondary jobs (max 2) (written employment agreement y/n, pay slip y/n, sector, profession, (satisfaction with) number of working hours, employment relationship, characteristics of company (number of employees, work location, registered at COCI y/n, business license y/n, legal status)) Membership of trade union (y/n) Currently actively looking for an additional job (y/n, reasons for looking) Benefits included in the main job Global safety equipment, personal protective equipment and ergonomic office equipment available at main job Currently actively looking for a job change from the main job (y/n, reasons for looking) Work history (age first job, profession first job, country first job, months during past year in which one had a job) Go to E
Unemployed (C)	Check 1: Actively been looking for a job in last 4 weeks (y/n). Check 2: Planning to start own business (y/n, sector). If both check 1 AND check 2 are NO: reasons for not looking/not starting; next, go to E. Able to start job/own business within two weeks (y/n, reasons for not being able) Type of job/own business one is looking for/planning to start (profession) Next questions only if Check 1 is YES; else, go to E: a Search method b Looking for permanent vs. temporary job c Looking for fulltime vs parttime job d Sector e Main reason not been able to find job f Reason unemployment g Search time Go to E
Less than 4 (D)	Type of job one normally performs (profession) Characteristics of company (see above) Number of hours of work per month Work location Employment relationship Number of employees in company in which one works

	Main reason for working less than 4 hours Actively been looking for a job in last 4 weeks (y/n) Planning to start own business (y/n) Main reason for not looking for employment Go to E
Income (E)	Money earned and/or benefits received by source (e.g., labor/business/salary, pension, welfare etc.; per month)

Dutch EBB

The Dutch EBB questionnaire is much more comprehensive than Sint Maarten's LFS questionnaire. The questionnaire consists of a large number of question blocks and the routing within in is rather complicated.[159] The table below presents an overview of the most relevant themes within the substantive question blocks of the EBB 2021 questionnaire. Routing is hereby largely disregarded.

Table 3 Themes EBB 2021 questionnaire

Block	Themes
Household	Characteristics of head and other members of household (in total max 8) (number of household members, age, gender)
Employment	
Working	Paid work in last week (y/n). If NO: do you have work (y/n; IF YES: type of work).
Absent from work	Main reason for not working in last week; expectation to be out of work for a total of more than 3 months (y/n)
Deriving paid work	Deriving paid work (y/n)
Employment relationship (working cycle 1 and 2))	Employment relationship; employed through temp agency/secondment agency (y/n), if YES: characteristics temporary employment/secondment; number of jobs of employee; number of side jobs of employee; (side) job with the most working hours Deriving employment relationship
Tenure (1 and 2)	Permanent vs. temporary contract; duration temporary contract; temporary contract with perspective on permanent contract (y/n); probation (y/n, if YES: duration)
Company (1 and 2)	Type of company activities (selling goods and/or providing labor or services) Sector/subsector Personnel employed (y/n); if YES: number of employees)
Profession (1)	Profession Managerial position within the company (y/n, if YES: span of control, emphasis of own work, influence on the company's HR, financial and/or strategic polices)
Economic independence of self-employed (with or without personnel) (1)	Number of customers/clients in past 12 months At least 75% of sales/income in past 12 months one customer/client (y/n)

[159] https://www.cbs.nl/nl-nl/onze-diensten/methoden/onderzoeksomschrijvingen/aanvullende-onderzoeksomschrijvingen/vragenlijst-enquete-beroepsbevolking-2021

Work location	Work location (home, fixed location, changing location, no specific location) Domestically vs. abroad (if abroad: specific country/region)
Working hours and working times (1 and 2)	Full-time vs. part-time work; if part-time: main reason for working part-time Contract hours; average working hours Not/less hours worked in last week (y/n, if YES: reason, number of hours) Overtime (y/n, if YES: number of hours) Evening and/or night work (y/n); weekend work (y/n); (alternating) shift work (y/n) Work at home (y/n, if YES: number of days/hours) Extent to which oneself is able to determine the start and end time of the workday
Satisfaction with work	Overall satisfaction with work (scale) Discrimination experienced at work (y/n, if YES: main discrimination ground)
Work more or less	Wanting to work more, less or the same number of hours (in total); number of hours more/less
Job search	
Job search	Actively been looking for (other) work in past 4 weeks (y/n) Wanting/being able to work (y/n). If YES but not actively been looking for work in past four weeks: main reason for not looking for work. If NO: main reason for not wanting/being able to work
Search methods	Methods used in the past 4 weeks to find work
Availability	Being able to start job/own company within 2 weeks (y/n, if NO: reason not being able to start within 2 weeks)
Search time	Time one has been looking/is looking for work
Employment history	
Retro: Work history	Ever had paid work in the past (y/n). If YES: last time (year, month) one had paid work; employment relationship last time one had paid work
Retro: Company	Sector/subsector of company last time one had paid work Personnel employed by company last time one had paid work (y/n)
Retro: Profession	Profession or function last time one had paid work Managerial position within the company last time one had paid work (y/n, if YES: span of control, emphasis of own work, influence on the company's HR, financial and/or strategic polices)
Retro: Reason end of work	Work duration last time one had paid work Main reason end of work last time one had paid work
Education	
Education currently taken	Currently taking education or course (y/n). If YES: a Level, area/specific education, learning path, fulltime vs. parttime, duration, internships b Paying for education/course oneself (y/n) c Reason for taking education/course: for current work or to be able to do other work (y/n) d Reason for taking education/course: to increase employment opportunities (y/n)

Education previously taken and obtained	Highest education/course taken and obtained in the Netherlands (level, area/specific education, learning path, fulltime vs. parttime, duration, internships)
Education taken abroad	Education/course taken abroad (y/n). If YES: a Obtained or – if not - completed b Level, specific education
Migrants and education	Country in which education/course was taken Recognition of diploma in the Netherlands (y/n)
Education of parents	Highest level of education obtained by parent 1 and parent 2
Migrants	
Migration	Born in the Netherlands (y/n). If NO: main migration motive. If main migration motive was work: already found work in the Netherlands before moving (y/n)
Migrants and work	More than just basic education obtained (y/n) Age when moved to the Netherlands Ever had paid work before moving to the Netherlands (in country of birth or other country) (y/n, if YES: when comparing with current work which work required the most knowledge and skills Ever had paid work in the Netherlands (y/n. if N: ever searched for work in the Netherlands Problems with finding work appropriate to educational level (y/n, if YES: main problem) Search time first paid work in the Netherland (excluding search time before moving to the Netherlands)
Migrants and language	Extent to which one could speak NL before moving to the Netherlands. Idem at the moment (scales) Ever taken a language course Dutch (y/n, if YES: ever taken a language course Dutch specifically intended to be able to work in the Netherlands; if NO: main reason not taken a language course Dutch
Health & social position	
Health	Overall health (scale). If health problems: extent to which health problems limit activities that people normally do? (scale). Duration of limitation (more or less than 6 months)
Social position	Own characterization of Social position ((self)employed, unemployed/looking for work, retired/in early retirement. incapacitated, pupil/student, houseman/housewife, otherwise)

Suggestions for improvement (technical and substantive)

Based in part on the analysis above, the following suggestions for improvement can be made:

- The existing LFS questionnaire could be (but not should be) finetuned using questions and answer categories from the EBB.
- Furthermore, consideration should be given to supplementing the current LFS questionnaire with a (limited) number of additional questions on:
  - Labor migration;
  - Informal labor (indirect questioning in order to avoid socially acceptable answers);

    - Work disabilities;
    - Job requirements;
    - Job satisfaction;
    - Impact of crises (Covid-19 pandemic and energy crisis/high inflation) on the current labor market position;
    - Expectations for the future labor market position.

  An initial outline of these possible additional questions is included in Annex 1.
- The frequency of carrying out the LFS could be increased. For a small country such as St. Maarten, a continuous survey, such as the EBB, does not seem feasible. An annual survey, however, should be.
- With a view to comparability over time, it is very important that the data collection of the LFS takes place in the same period each year. It is not recommended to conduct the LFS during high season one year, and during low season the following year.
- In order to achieve the highest possible response rate, a combination of modes of approaching potential respondents (CAWI, CATI and CAPI[160]) is recommended. The approach described above for the EBB can serve as an example here.
- The weighting of the survey results could be refined (and with that reliability increased) by including other factors besides age and gender (for example, region and country of birth/nationality).
- For a good international comparison of the survey results, it is recommended to follow the ILO definitions when calculating the size of the different categories of the labor force and the ratios based on them (such as participation rate and unemployment rate). In the case of participation rate, this is currently not the case.
- For the same reason, it is also recommended to use (a classification derived from) the internationally accepted ISCO 2008 occupational classification.
- In determining the employed labor force, the LFS uses 4 hours of work per week as the lower limit. In the EBB this is 1 hour per week. STAT raised the point that although the 2018 definition is used, the survey questions indicate otherwise (1 hour). We would recommend streamlining the definition with the survey questions to be consistent.

Possible additional questions

Labor migration (to be addressed to all respondents)

Were you born in Sint Maarten?

  a. Yes -> SKIP
  b. No

What was the main reason for you to move to Sint Maarten?

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[160] CAWI, CATI and CAPI stand for Computer Assisted Web Interviewing, Computer Assisted Telephone Interviewing and Computer Assisted Personal Interviewing.

>>In the case of multiple moves to St. Maarten: this refers to the reason for the last move.<<
>> If you moved with someone else, e.g. because your parents or your partner went to work in Sint Maarten, please choose 'family or household reason'.<<

a. Work
b. Family or household reason -> SKIP
c. Education, school or study -> SKIP
d. Old age or (early) retirement -> SKIP
e. Being a refugee -> SKIP
f. Other, namely:…………………… -> SKIP

Had you found work in Sint Maarten before you moved to Sint Maarten?

>>In the case of multiple moves to St. Maarten: this refers to the reason for the last move.<<

a. Yes
b. No

Informal employment (to be addressed to employed respondents)

To what extent do you experience other companies in your sector deploying informal labor?

>>Explanation: Besides formal employment there also can be 'informal' employment. Informal employment concerns the deployment of foreign workers without residence documents and work permits and/or the deployment of workers (whether or not foreign) for which no tax and social contributions are paid.<<

a. Very little to no illegal labor is deployed
b. Little illegal labor is deployed
c. Little nor much illegal labor is deployed
d. Much illegal labor is deployed
e. Very much illegal labor is deployed
f. Don't know
g. Don't want to say

Work disabilities (to be addressed to all respondents)

Overall, how is your health?

a. Very good
b. Good
c. Good nor bad
d. Bad
e. Very bad

To what extent are you limited in working activities because of health problems (physically, sensory and/or mentally)?

a. Not limited at all
b. Limited but not severe
c. Severely limited

Job requirements (to be addressed to employed respondents)

To your estimate, what importance do employers in your sector attach to the right diplomas/certificates, professional knowledge, work experience and skills of employees doing the same work as you?

>> Five-point scales from 1 = very unimportant to 5 = very important <<

Job requirements	1	2	3	4	5	DK/ DWTS
Diplomas/certificates	o	o	o	o	o	o
Professional knowledge	o	o	o	o	o	o
Work experience	o	o	o	o	o	o
Skills:						
Basic skills*	o	o	o	o	o	o
Professional skills	o	o	o	o	o	o
IT-skills	o	o	o	o	o	o
Soft skills**	o	o	o	o	o	o
Foreign languages	o	o	o	o	o	o

*Language skills, numeracy, basic digital skills

**Such as: communication, teamwork, problem-solving, time management, critical thinking, decision-making, organizational, stress management , adaptability etc.

Do you think you are sufficiently equipped for the requirements of your current work?

a. Yes -> SKIP
b. No

Why do you think you are insufficiently equipped for the requirements of your current work?

>> More answers possible.<<

a. Too little work experience
b. Too low level of education
c. Wrong educational direction
d. Too little willingness to train
e. Lack of broad employability
f. Lack of motivation
g. Lack of professionals subject-specific knowledge

h. Lack of specific skills
i. Increased complexity of the job
j. Increased complexity of laws and regulations
k. Other, namely:…………………………..

Job satisfaction

Are you, all things considered, satisfied with your current work?

a. Very dissatisfied
b. Dissatisfied
c. Dissatisfied nor satisfied
d. Satisfied
e. Very satisfied

To what extent are you satisfied with the terms and conditions of employment at your company?

>> Explanation: Terms of employment are the terms under which work is performed. Conditions of employment refer to the (physical and psychosocial) environment under which work is performed. <<

>> Five-point scales from 1 = very dissatisfied to 5 = very satisfied. <<)

Terms and conditions of employment	1	2	3	4	5	DK/ DWTS
Salary and salary scales	o	o	o	o	o	o
Other primary terms of employment*	o	o	o	o	o	o
Secondary terms of employment **	o	o	o	o	o	o
Safety at work	o	o	o	o	o	o
Physical labor strain	o	o	o	o	o	o
Working pressure	o	o	o	o	o	o
Other psychosocial labor strain***	o	o	o	o	o	o
Work-private balance	o	o	o	o	o	o

*Other financial terms of employment (for example vacation pay, pension, overtime pay and expense allowance), working hours, working time,

**Such as: company car, training opportunities, travel allowance, group health insurance , savings leave plan, arrangements for working from home etc.

***Such as: emotional strain, aggression and violence by colleagues and customers, sexual harassment by colleagues and customers etc..

Impact of crises on labor market position

<u>Employed (to be addressed to employed respondents)</u>

Did (the aftermath of) the Covid-19 pandemic and/or the energy crisis/high inflation affect your employment situation?

a. Yes, (the aftermath of) the Covid-19 pandemic did

b. Yes, the energy crisis/high inflation did
c. Yes, both (the aftermath of) the Covid-19 pandemic and the energy crisis/high inflation did
d. No -> SKIP

a/c -> In what way did (the aftermath of) the Covid-19 pandemic affect your employment situation?

a. My hours were increased
b. My hours were reduced
c. The company I was working for closed temporarily
d. The company I was working for closed permanently
e. My contract was not renewed
f. I had to close down my company (and get another job)
g. I had to reduce the hours of my employees
h. I had to let go of some of my employees
i. Other, namely……………………………………

b/c -> In what way did the energy crisis/high inflation affect your employment situation?

a. Same categories as above

<u>Unemployed (to be addressed to unemployed respondents)</u>

Is your unemployment related to (the aftermath of) the Covid-19 pandemic and/or the energy crisis/high inflation?

a. Yes, to (the aftermath of) the Covid-19 pandemic
b. Yes, to the energy crisis/high inflation
c. Yes, both to (the aftermath of) the Covid-19 pandemic and the energy crisis/high inflation
d. No -> SKIP

a/c -> In what way is your unemployment related to (the aftermath of) the Covid-19 pandemic?

a. The company I was working for shut down
b. I had to close down my own company
c. I was fired
d. My contract was not renewed
e. Other, namely………………….

b/c -> In what way is your employment related to the energy crisis/high?

a. Same categories as above

<u>Economically inactive (to be addressed to economically inactive respondents)</u>

Did (the aftermath of) the Covid-19 pandemic and/or the energy crisis/high inflation affect your employment situation?

a. Yes, (the aftermath of) the Covid-19 pandemic did
b. Yes, the energy crisis/high inflation did
c. Yes, both (the aftermath of) the Covid-19 pandemic and the energy crisis/high inflation did
d. No -> SKIP

a/c -> In what way did (the aftermath of) the Covid-19 pandemic affect your employment situation?

a. The company is was working for shut down
b. I had to close down my own company
c. I was fired
d. My contract was not renewed
e. Other, namely…………………

b/c -> In what way did the energy crisis/high inflation affect your employment situation?

a. Same categories as above

Expectations for the future labor market position (to be addressed to all respondents)

Do you expect your labor market position (in terms of chances to find a (new) job and/or to keep your job) to improve or deteriorate in the next five years?

a. Position will greatly improve
b. Position will deteriorate
c. Position will deteriorate nor improve
d. Position will improve
e. Position will greatly improve

in the next five years, what changes do you expect in the requirements for your job?

>> For example, think of changes in education level required, skills required etc.<<
>> Open question.<<

a. ………
b. No changes
c. Don’t know/don’t want to say

Annex 3: Demand survey response and questionnaire

Response of the survey

Based on a list of companies from the COCI, with additional data gathered by SMCG (the local partners of the research team) a list of “bigger” and “smaller” companies was elaborated. SMCG also duplicated the COCI data because many companies were listed more than once. Whether a company really was big or small could only be established during the survey itself. Almost all hotels were being approached as larger companies.
The list elaborated comprised 69 bigger companies and 647 smaller companies. More information on the sectoral distribution of the lists of companies can be found in chapter 2.
Interviewers approached smaller companies in person or by phone. The interviewing was done on tablets in person or by phone or by a web survey wherefore a link was sent to the employers.
Larger companies were approached by SMCG, also in the same way.

In the end, 175 smaller and 18 (2@ ?) larger companies filled out the questionnaire. Non response was mainly due to the period in which the survey had to be conducted (high season – Christmas period) and due to the fact that employers said that they were too busy to co-operate.

Questionnaire employer survey

Introduction

Commissioned by the Government of Sint Maarten, the Dutch research firm Panteia is conducting research into the labor market of Sint Maarten. The general objective of this study is to conduct a comprehensive labor market analysis of Sint Maarten and make recommendations for overall improvements to enhance productive and gainful employment and project future demands for jobs over the next 5 years. Part of the analysis is this employer survey. We would kindly ask you to participate in this survey.

Completing the questionnaire takes you about 30 minutes.

The questionnaire deals with the following topics:
1. *Company characteristics*
2. *Workforce*
3. *Vacancies*
4. *Job requirements*
5. *Terms and conditions of employment*
6. *Recruitment*

7. Future expectations

When asked in the questionnaire for the number of <u>employees</u>, this <u>excludes flex workers</u> at your company; when asked for the number of <u>workers</u>, this <u>includes flex workers</u> at your company. Flex workers include the following categories of workers working at your company:

- *Temp agency workers*
- *Posted workers*
- *Self-employed workers*
- *Payrollers*
- *Other external hired workers*

If you do not know certain numbers exactly, please estimate them. If the number is zero write down a '0'.

Thank you for your cooperation!

Company characteristics

The first questions relate to the characteristics of your company.

2. What is your position within the company? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Managing director/owner
    b. General affairs director
    c. Financial affairs director
    d. Deputy director
    e. Branch manager
    f. Business manager
    g. Head of human resources or HRM manager
    h. Human resources officer or HRM consultant
    i. Other, namely:…………………………..
    j. Don't know/don't want to say

3. Is your company a principal or subsidiary place of business?
    a. Principal place of business/headquarters
    b. Subsidiary place of business/branch
    c. Don't know/ don't want to say

4. What is the legal status of your company or organization?
    a. Sole proprietorship without personnel
    b. Sole proprietorship with personnel
    c. Partnership
    d. NV or BV
    e. Public institution (government, education, healthcare or other public institution)
    f. Other, namely:……………….
    g. Don't know
    h. Don't want to say

5. What sector does your company primarily operate in?
    a. Agriculture, forestry and fishing
    b. Manufacturing
    c. Electricity, gas, steam and air conditioning supply
    d. Water supply; sewerage, waste management and remediation activities
    e. Construction
    f. Wholesale and retail trade; repair of motor vehicles and motorcycles
    g. Transportation and storage
    h. Accommodation and food service activities (hospitality)
    i. Information and communication
    j. Financial and insurance activities
    k. Real estate activities
    l. Professional, scientific and technical activities
    m. Administrative and support service activities
    n. Public administration and defense; compulsory social security
    o. Education
    p. Human health and social work activities
    q. Arts, entertainment and recreation
    r. Other service activities
    s. Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
    t. Activities of extraterritorial organizations and bodies
    u. Don’t know/don’t want to say

6. If you selected ‘’Accommodation and food service activities’’ from the previous question (Q4=h), using the list below, please identify which activities are your main ones and which ones are other.
    a. Hotel: main/other
    b. Restaurant: main/other
    c. Food service: main/other
    d. Casino: main/other
    e. Tourist shops main/other
    f. Spa/care: main/other
    g. Marina: main/other
    h. Other activities, namely…….
    i. Don’t know
    j. Don’t want to say

7. In which district or districts of St. Maarten is your company located? (Multiple response)
    a. Cole Bay
    b. Cul-de-Sac
    c. Little Bay (Fort Amsterdam)
    d. Lower Prince's Quarter
    e. Lowlands
    f. Philipsburg
    g. Simpson Bay

h. Upper Prince's Quarter
i. Don’t know/ don’t want to say

Workforce

The following questions concern the size and composition of your company's workforce and its dynamics

Size and composition of workforce

8. How many workers (employees and flex workers) did/will your company have at December 1, 2019, June 1, 2022, and December 1, 2022, broken down by employees versus flex workers? Please indicate this both in number of people and in FTE (fulltime equivalents).

	December 1 2019		**June 1, 2022**		**December 1, 2022**	
	People	**FTE**	**People**	**FTE**	**People**	**FTE**
Employees						
Flex workers						
Total workers						

9. What was/will be the breakdown of the number of employees (excluding flex workers) of your company by gender on December 1, 2022. Please indicate this in number of people. If exact figures are not available, please estimate.

Gender	**Number of employees**
Men	
Women	
Total	

10. What was/will be the breakdown of the number of employees (excluding flex workers) of your company by age group on December 1, 2022. Please indicate this in number of people. If exact figures are not available, please estimate.

Age group	**Number of employees**
Younger than 25 years	
25 to 44 years	
45 to 54 years	
55 to 64 years	
65 years or older	
Total	

11. What was/will be the breakdown of the number of employees (excluding flex workers) of your company by origin/nationality on December 1, 2022? Please indicate this in number of people. If exact figures are not available, please estimate.

Origin/nationality	Number of employees
Sint Maarten	
Saint Martin	
BES-islands (Bonaire, Sint Eustatius, Saba)	
Other Caribbean country	
European/American other	
Other country	
Total	

12. What was/will be the breakdown of the number of employees (excluding flex workers) of your company by highest level of education on December 1, 2022? Please indicate this in number of people. If exact figures are not available, please estimate.

Level of education	Number of employees
No formal education completed	
Primary education	
Secondary education (incl. high school/college)	
Vocational education	
Tertiary education (university)	
Total	

13. What was/will be the breakdown of the number of workers (including flex workers) of your company by professional group on December 1, 2022? Please indicate this in number of people. If one is working in more than one field, please indicate the field in which one is working the most or for which one has been hired. If exact figures are not available, please estimate.

Professional group	Number of workers
Pedagogical professions	
Creative and linguistic professions	
Commercial professions	
Business and administrative professions	
Managers	
Public administration, security and legal professions	
Technical and production professions	
ICT professions	
Agricultural professions	
Care and welfare occupations	
Service professions	
Transport and logistics occupations	
Other professions	
Total	

14. If you deployed hospitality personnel during the last year (Q4=h), which occupations did this concern (more answers possible; maximum 5)? If exact figures are not available, please estimate.
    a. Cooks

b. Other kitchen staff
c. Waitresses/waiters
d. Security staff
e. Cleaning staff
f. Management/general staff (incl reception desk staff)
g. Casino personnel
h. Other, namely …
i. Don't know
j. Don't want to say

15. What was/will be the breakdown of the number of workers (including flex workers) at your company/organization by employment position on December 1, 2022? Please indicate this in number of people. If exact figures are not available, please estimate.

Employment position	**Number of workers**
Employer	
Self-employed	
Employee in permanent service	
Employee in temporary service (temp agency, secondment agency)	
Casual worker	
Unpaid family worker	
Employee with a contract lasting less than 6 months	
Employee with a contract lasting 6 months or longer	
Intern	
Other, namely …	
Total	

16. What was/will be the breakdown of the number of workers (including flex workers) of your company by working hours on December 1, 2022? Please indicate this in number of people. If exact figures are not available, please estimate.

Working hours	**Number of workers**
Fulltime (40 hours/week or more)	
Parttime	
Total	

17. Seasonal labor is the hiring of a person temporarily (for a few weeks or months) during (a) certain period(s) of the year for the purpose of accommodating peaks of work. Did you deploy seasonal workers during the last year (December 2021 – November 2022)? If exact figures are not available, please estimate.
    a. Yes
    b. No -> **GO TO Q21**
    c. Don't know/don't want to say -> **GO TO Q21**

.

18. In which month(s) of the last year did you deploy the most seasonal workers? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. December
    b. January
    c. February
    d. March
    e. April
    f. May
    g. June
    h. July
    i. August
    j. September
    k. October
    l. November
    m. Don't know
    n. Don't want to say

19. Did you deploy seasonal workers from abroad during the last year (more answers possible) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. No, only from Sint Maarten
    b. Yes, from St Martin (FR)
    c. Yes, from the BES-islands (Bonaire, Sint Eustatius, Saba)
    d. Yes, from other Caribbean country/countries
    e. Yes, from other country/countries
    f. Don't know/don't want to say

20. Which professional groups were the most prevalent among the seasonal workers your company deployed during the last year? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Health care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don't know
    o. Don't want to say

21. If you deployed any seasonal hospitality personnel during the last year (Q4=h), which occupations did this concern (more answers possible; maximum 5)? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Cooks

b. Other kitchen staff
c. Waitresses/waiters
d. Security staff
e. Cleaning staff
f. Management/general staff (incl reception desk staff)
g. Casino personnel
h. Other, namely ….
i. Don't know
j. Don't want to say

Outflow of personnel

22. What was the total outflow of <u>employees</u> (excluding flex workers) from your company between June 2022 till November 2022 (the last half year)? Please indicate this in number of people.
    a. …………………..employees -> **IF '0' GO TO Q24**
    b. Don't know -> **GO TO Q24**
    c. Don't want to say -> **GO TO Q24**

23. What were the main reasons for the outflow of <u>employees</u> (excluding flex workers) from your company between June 2022 till November 2022? (More answers possible)
    a. Other job within the same sector
    b. Other job in another sector
    c. Expiring of temporary contract
    d. State pension age
    e. Early retirement
    f. Forced resignation due to bad performance
    g. Forced resignation due to merger, reorganization etc.
    h. Illness, disability and death
    i. Other reason, namely ….
    j. Don't know
    k. Don't want to say

24. To what extent do you experience the outflow of <u>employees</u> (excluding flex workers) from your company as a problem?
    a. Very small to no problem
    b. Small problem
    c. Small nor big problem
    d. Big problem
    e. Very big problem
    f. Don't know
    g. Don't want to say

Vacancies

Next, we would like to ask you a few questions about vacancies at your company and how easy/difficult these are to fulfill

Number and characteristics of vacancies

25. How many new vacancies in total did your company have between June 2022-November 2022 (the last half year), how many of these vacancies were fulfilled in the same period of time and how many vacancies were/will be open on December 1, 2022?.
    a. New vacancies from June 2022 till November 2022……………………… -> **IF '0' GO TO Q36**
    b. Fulfilled vacancies from June 2022 till November 2022…………………
    c. Open vacancies on December 1, 2022…………………….
    d. Don't know/don't want to say -> **GO TO Q36**

26. What was the breakdown of the number of new vacancies of your company in June 2022 – November 2022 by professional group? Please indicate the number of vacancies.

Professional group	**Number of vacancies**
Pedagogical professions	
Creative and linguistic professions	
Commercial professions	
Business and administrative professions	
Managers	
Public administration, security and legal professions	
Technical and production professions	
ICT professions	
Agricultural professions	
Care and welfare occupations	
Service professions	
Transport and logistics occupations	
Other professions	
Total	

27. If you had new vacancies for hospitality personnel (Q4=h) between June 2022 – November 2022, which occupations did this concern (more answers possible; maximum 5)?
    a. Cooks
    b. Other kitchen staff
    c. Waitresses/waiters
    d. Security staff
    e. Cleaning staff
    f. Management/general staff (incl reception desk staff)
    g. Casino personnel
    h. Other, namely …..
    i. Don't know

j. Don’t want to say

28. What was the breakdown of the number of new vacancies of your company in the June 2022 – November 2022 period by level of education? Please indicate the number of vacancies. If exact figures are not available, please estimate.

Level of education	Number of vacancies
No formal education completed	
Primary education	
Secondary education (incl. high school/college)	
Vocational education	
Tertiary education (university)	
Total	

29. What was the breakdown of the number of new vacancies of your company from June 2022 till November 2022 by type of contract? Please indicate the number of vacancies. If exact figures are not available, please estimate. NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

Type of contract	Number of vacancies
Permanent contract	
Temporary contract with the perspective of a permanent contract	
Temporary contract without the perspective of a permanent contract	
Contract for a flexible number of hours per week	
Trainee	
Total	

30. What was the breakdown of the number of new vacancies of your company from June 2022 till November 2022 by working hours? Please indicate the number of vacancies. If exact figures are not available, please estimate.

Working hours	Number of vacancies
Fulltime (40 hours/week or more)	
Parttime	
Total	

31. What was the breakdown of the number of new vacancies of your company from June 2022 till November 2022 by seasonality of the work? Please indicate the number of vacancies. If exact figures are not available, please estimate.

Type of labor	Number of vacancies
Seasonal labor	
Non-seasonal labor	
Total	

Vacancies to fulfill

32. What proportion of the new vacancies of your company between June 2022 – November 2022 would you describe yourself as hard to fulfill?
    a. ……………% -> **IF '0' GO TO Q37**
    b. Don't know -> **GO TO Q37**
    c. Don't want to say -> **GO TO Q37**

33. For which professional groups would you describe the new vacancies of your company between June – November 2022 as hardest to fulfill? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don't know/don't want to say

34. If you had vacancies for hospitality personnel which you considered hard-to-fulfill (Q4=h) between June 2022 – November 2022, which occupations did this concern (more answers possible; maximum 5)? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Cooks
    b. Other kitchen staff
    c. Waitresses/waiters
    d. Security staff
    e. Cleaning staff
    f. Management/general staff (incl reception desk staff)
    g. Casino personnel
    h. Other, namely …
    i. Don't know
    j. Don't want to say

35. For which educational levels would you describe the new vacancies of your company between June 2022 – November 2022 as hardest to fulfill? (More answers possible; maximum 3)

    Explanation: The category 'post-secondary, non-tertiary' includes persons who completed a qualification of study after high school that is not considered tertiary level. Most common examples include A-Level and International Baccalaureate programs.

    a. No formal education completed

b. Primary education
c. Secondary education (incl. high school/college)
d. Vocational education
e. Tertiary education (university)
f. Don't know/don't want to say

36. What are the causes that made the new vacancies of your company between June – November 2022 hard to fulfill? (More answers possible)
    a. Too few responses to the vacancy
    b. Required skills insufficiently present among applicants
    c. Specialist work
    d. Professional knowledge of applicants is insufficient
    e. Required work experience is lacking among applicants
    f. Education of applicants not appropriate
    g. No correct attitude (motivation) of applicants
    h. Corona caused employees to work in another sector
    i. Unfavorable terms of employment (e.g., type of contract, salary, number of working hours,)
    j. Unfavorable working conditions (physically/mentally/emotionally demanding)
    k. Other reasons, namely …
    l. Don't know
    m. Don't want to say

Approach to hard-to-fulfill vacancies and personnel shortages

37. What extra efforts have you made to still fulfill the hard-to-fill new vacancies of your company between June 2022 – November 2022 or at least get the work done? (More answers possible)
    a. Started recruiting differently ourselves (e.g., different/more search channels, actively searching for candidate NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES es)
    b. Left vacancy open longer
    c. Engaged a temporary employment agency, recruitment agency or headhunter
    d. Hired a candidate who did not fully meet the job requirements and trained him/her ourselves
    e. Structurally distributed the work among existing personnel
    f. Adjusted terms of employment (e.g., salary, type of contract, working hours)
    g. Adjusted job requirements
    h. Rearranged word/ adjusted task package so that we could hire someone who did not fully met the job requirements
    i. Trained an existing employee for the job
    j. Recruited abroad
    k. Made other efforts, namely:…………………..:
    l. Made no additional efforts
    m. Don't know/don't want to say

Number and characteristics of redundant employees

38. How many redundant employees (excluding flex workers) did/will your company employ on December 1, 2022? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. ………………………….redundant employees -> **IF 'O' GO TO Q42**
    b. Don't know/don't want to say -> **GO TO Q42**

39. What was/will be the breakdown of the number of redundant employees (excluding flex workers) of your company on December 1, 2022, by professional group? Please indicate the number of redundant employees. NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

Professional group	Number of redundant employees
Pedagogical professions	
Creative and linguistic professions	
Commercial professions	
Business and administrative professions	
Managers	
Public administration, security and legal professions	
Technical and production professions	
ICT professions	
Agricultural professions	
Care and welfare occupations	
Service professions	
Transport and logistics occupations	
Other professions	
Total	

40. If there were/will be any hospitality personnel redundant on December 1, 2022, which occupations did this concern (more answers possible; maximum 5)? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Cooks
    b. Other kitchen staff
    c. Waitresses/waiters
    d. Security staff
    e. Cleaning staff
    f. Management/general staff (incl reception desk staff)
    g. Casino personnel
    h. Other, namely ….
    i. Don't know
    j. Don't want to say

41. What was/will be the breakdown of the number of redundant employees (excluding flex workers) of your company on December 1, 2022, by level of education? Please indicate the number of vacancies. NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

Level of education	Number of redundant employees
No formal education completed	
Primary education	
Secondary education (incl. high school/college)	
Vocational education	
Tertiary education (university)	
Total	

42. What are the causes that made/make these employees (excluding flex workers) of your company on December 1, 2022, redundant? (More answers possible) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Too little work/too few orders
    b. Reorganization
    c. Merger
    d. Takeover
    e. Financial problems
    f. Operations optimization
    g. Other, namely: ………………………
    h. Don't know/don't want to say

Job requirements

The following questions relate to the job requirements your company sets for your employees. More specifically, we go into skills demands and skills gaps.

Skills demands

43. What importance do you attach to the right diplomas/certificates, professional knowledge, work experience and skills among applicants for the most common position within your company? (Five-point scale from 1 = very unimportant to 5 = very important)

Job requirements	1: very unimportant	2	3	4	5: very important	DK/ DWTS
Diplomas/certificates	o	o	o	o	o	o
Professional knowledge	o	o	o	o	o	o
Work experience	o	o	o	o	o	o
Skills:						
Basic skills*	o	o	o	o	o	o
Professional skills	o	o	o	o	o	o
IT-skills	o	o	o	o	o	o
Soft skills**	o	o	o	o	o	o
Foreign languages	o	o	o	o	o	o

*Language skills, numeracy, basic digital skills

**Such as: communication, teamwork, problem-solving, time management, critical thinking, decision-making, organizational, stress management, adaptability etc.

Skills gap

44. Can you indicate what percentage of your company's current <u>employees</u> (excluding flex workers) is insufficiently equipped for the requirements of their job? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. ………………..% -> **IF ‘0’ GO TO Q47**
    b. Don’t know/don’t want to say -> **GO TO Q47**

45. In which professional groups within your company are these insufficiently equipped employees most prevalent? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don’t know/don’t want to say

46. If there are employees among your hospitality personnel which are insufficiently equipped, which occupations did this concern (more answers possible; maximum 5)? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Cooks
    b. Other kitchen staff
    c. Waitresses/waiters
    d. Security staff
    e. Cleaning staff
    f. Management/general staff (incl reception desk staff)
    g. Casino personnel
    h. Other, namely ….
    i. Don’t know
    j. Don’t want to say

47. What causes employees to be insufficiently equipped for the requirements of their job? (More answers possible)
    a. Too little work experience
    b. Too low level of education
    c. Wrong educational direction
    d. Too little willingness to train
    e. Lack of broad employability
    f. Lack of motivation
    g. Lack of professionals subject-specific knowledge
    h. Lack of specific skills

i. Increased complexity of the job
j. Increased complexity of laws and regulations
k. Other, namely:…………………………..
l. Don't know/don't want to say

Approach to skills gaps

48. What measures do you take to ensure that your company's employees (become and) remain well equipped for the requirements of their job? (More answers possible) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. External training (courses, training)
    b. Internal training (task variation, learning from colleagues)
    c. Career interviews and performance reviews
    d. Strategic Personnel Planning (SPP)
    e. Stimulating internal mobility (through flow)
    f. Stimulating external mobility (outflow)
    g. Adjustment of task package (job crafting, task rotation)
    h. Reduction in salary/function (demotion)
    i. Adaptation of the workplace
    j. Health policy (vitality/lifestyle)
    k. Sparing policy aimed at older workers (e.g.: shorter working week, extra days off, part-time retirement)
    l. Other, namely: _____
    m. No specific measures
    n. Don't know/don't want to say

Terms and conditions of employment

The next questions concern the terms and conditions of employment at your company. Terms of employment are the terms under which work is performed. Conditions of employment refer to the (physical and psychosocial) environment under which work is performed.

49. In your own estimation, to what extent are the terms and conditions of employment at your company attractive to (existing and potential new) employees? (Five-point scale from 1 = very unattractive to 5 = very attractive)

Terms and conditions of employment	**1: very unattractive**	**2**	**3**	**4**	**5: very attractive**	**DK/ DWTS**
Salary and salary scales	o	o	o	o	o	o
Other primary terms of employment*	o	o	o	o	o	o
Secondary terms of employment **	o	o	o	o	o	o
Safety at work	o	o	o	o	o	o
Physical labor strain	o	o	o	o	o	o
Psychosocial labor strain	o	o	o	o	o	o
Work-private balance	o	o	o	o	o	o

*Other financial terms of employment (for example vacation pay, pension, overtime pay and expense allowance), working hours, working time,
**Such as: company car, training opportunities, travel allowance, group health insurance, savings leave plan, arrangements for working from home etc.

Recruitment

The next block of questions is about your company's recruitment process. We go into the employer brand of and (the effectiveness of) the recruitment channels used by your company to fulfill vacancies between June 2022 – November 2022

Employer brand

50. Employer image brand is the image that exists about an organization (or a sector as a whole) as an employer. In your own estimation, what is the employer image of your company and of your sector as a whole? (Five-point scale from 1 = very negative to 5 = very positive)

Employer image	**1: very negative**	**2**	**3**	**4**	**5: very positive**	**DK/ DWTS**
Employer image of company	o	o	o	o	o	o
Employer image of sector as a whole	o	o	o	o	o	o

Recruitment and fulfillment channels

IF Q24a (New vacancies) AND Q24b (Fulfilled vacancies) ARE '0' GO TO Q51

51. What recruitment channels did you use between June 2022 – November 2022 to fulfill vacancies and through which channels did you actually fulfill vacancies? (More answers possible)

Channel	Recruitment channel	Fulfilment channel
LinkedIn	o	o
Social media (such as Facebook, Twitter)	o	o
Own recruitment site of company	o	o
Job boards (general; niche)	o	o
CV databases	o	o
Google (Search Engine Optimization (SEO); Search Engine Advertising (SEA))	o	o
Job aggregators (such as Google for Jobs) *	o	o
Sourcing **	o	o
Applicant Tracking System (ATS)***	o	o
Recruitment marketing automation. ****	o	o
Internal recruitment	o	o
Referral recruitment	o	o

Campus recruitment	o	o
Trainees	o	o
Talent pools	o	o
Gamification recruitment	o	o
Open hiring*****	o	o
Public Employment Services (NESC)	o	o
Recruitment and selection agencies	o	o
Temporary employment agencies	o	o
Posting agencies	o	o
Employer branding	o	o
Corporate video	o	o
Fairs/Events	o	o
Professional activities	o	o
Trade journals/magazines	o	o
Newspapers	o	o
Audiovisual media (radio and TV)	o	o
Don't know/don't want to say	o	o

*Search engines specifically developed to collect vacancies from various job boards and present them on one site.

**Sourcing is the proactive searching for qualified job candidates (on online platforms like LinkedIn) for current or planned open positions; it is not the reactive function of reviewing resumes and applications sent to the company in response to a job posting or pre-screening candidates.

*** Specific software that allows employers and intermediaries efficiently and effectively manage their recruitment process and their relationship with potential talent and candidates.

****Technology and tools used to make a complex recruitment process easy by automating multiple functions like screening candidates, scheduling interviews, tracking applicants, and even conducting background checks.

*****In open hiring, the first applicant who applies gets the job. Without interview, resume or government interference. All that matters is motivation to work.

Future expectations

We would like to ask you about your future expectations concerning the provision of personnel by your company.

Expected developments in the macro environment

52. The labor market is influenced by many factors (such as politics, laws & regulations, economy, demographics, social and environmental developments). What do you think are the most important developments that will influence (supply and demand on) the labor market in your sector in the coming 5 years?

And in what way? (Open question) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

………

Expected labor demand

53. Do you expect your company to need more or less personnel in the coming 5 years? Please indicate this for the categories workers (employees and flex workers), employees (excluding flex workers), flex workers, seasonal workers and foreign workers. (Five-point scale from 1 = much less to 5 = much more)

Personnel needs	**1: much less**	**2**	**3**	**4**	**5: much more**	**Don't know/don't want to say**
a. Workers (employees and flex workers)	o	o	o	o	o	o
b. Employees	o	o	o	o	o	o
c. Flex workers	o	o	o	o	o	o
d. Seasonal workers	o	o	o	o	o	o
d. Foreign workers	o	o	o	o	o	o

54. What changes do you expect in the personnel needs of your company in the coming 5 years) in qualitative terms? For example, think of more/less need for certain professions, education levels and/or skills. (Open question) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. ………
    b. No changes
    c. Don't know/don't want to say

Expected gap between labor demand and supply

55. Do you expect the vacancies of your company to become easier or more difficult to fulfill in the coming 5 years?
    a. Much easier -> **GO TO Q56**
    b. Easier -> **GO TO Q56**
    c. Easier nor harder -> **GO TO Q56**
    d. Harder
    e. Much harder
    f. Don't know/don't want to say -> **GO TO Q56**

56. What are the causes of vacancies becoming harder to fulfill? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Economy picks up and labor market tension increases
    b. Less inflow into the labor market from education
    c. More competition with other employers in the sector
    d. Corona has caused employees to work in another sector
    e. Required skills change
    f. Work is becoming more complex
    g. Required level of education increases

h. Other, namely………………
i. Don't know/don't want to say

57. To what extent do you expect personnel shortages or personnel surpluses for your company in the coming 5 years? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Large personnel shortages ->
    b. Some personnel shortages ->
    c. Personnel shortages nor personnel surpluses
    d. Some personnel surpluses -> **GO TO Q60**
    e. Large personnel surpluses -> **GO TO Q60**
    f. Don't know/don't want to say -> **GO TO Q60**

58. For which professional groups within your company do you expect the largest shortages in the coming 5 years? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don't know/don't want to say

59. If you had shortages for hospitality personnel between June 2022 – November 2022, which occupations did this concern (more answers possible; maximum 5)? NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Cooks
    b. Other kitchen staff
    c. Waitresses/waiters
    d. Security staff
    e. Cleaning staff
    f. Management/general staff (incl reception desk staff)
    g. Casino personnel
    h. Other, namely …
    i. Don't know
    j. Don't want to say

60. For which educational levels within your company do you expect the largest shortages in the coming 5 to 10 years? (More answers possible; maximum 3) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

    a. No formal education completed

b. Primary education
c. Secondary education (incl. high school/college)
d. Vocational education
e. Tertiary education (university)
f. Don’t know/don’t want to say

GO TO Q60

61. For which professional groups within your company do you expect the largest surpluses in the coming 5 years? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don’t know/don’t want to say

62. For which educational levels within your company do you expect the largest surpluses in the coming 5 years? (More answers possible; maximum 3) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

    a. No formal education completed
    b. Primary education
    c. Secondary education (incl. high school/college)
    d. Vocational education
    e. Tertiary education (university)
    f. Don’t know/don’t want to say

Expected bottlenecks in human resources policy

63. What do you see as the most important bottlenecks in your human resources policy in the coming 5 years? (More answers possible; maximum 5)
    g. Realizing the outflow of existing employees
    h. Recruiting new employees
    i. Retaining the right employees
    j. Redeployment of employees within the organization
    k. Age structure of employees in the organization
    l. Health of employees
    m. Qualification of employees
    n. Employer brand of the organization
    o. Terms of employment the organization offers (among which salary)

p. Conditions of employment (working conditions)
q. Seasonality of the work
r. Unfair competition by other companies deploying illegal labor
s. Other, namely:…………………
t. No bottlenecks
u. Don’t know/don’t want to say

Informal employment

Besides formal employment there also can be ‘informal’ employment. Informal employment concerns the deployment of foreign workers without residence documents and work permits and/or the deployment of workers (whether or not foreign) for which no tax and/or social contributions are paid.

64. To what extent do you experience <u>other</u> companies in this sector deploying informal labor?
    a. Very little to no informal labor is deployed -> **65**
    b. Little informal labor is deployed
    c. Little nor much informal labor is deployed
    d. Much informal labor is deployed
    e. Very much informal labor is deployed
    f. Don’t know -> **65**
    g. Don’t want to say -> **END**

65. For which professional groups is the deployment of informal labor in your sector by other companies do you think most prevalent? (More answers possible; maximum 5) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES
    a. Pedagogical professions
    b. Creative and linguistic professions
    c. Commercial professions
    d. Business and administrative professions
    e. Managers
    f. Public administration, security and legal professions
    g. Technical and production professions
    h. ICT professions
    i. Agricultural professions
    j. Care and welfare occupations
    k. Service professions
    l. Transport and logistics occupations
    m. Other professions
    n. Don’t know
    o. Don’t want to say

66. Can you make an estimate of the percentage of informal employment (in amount of workers) in Sint Maarten?
    a. Yes, about ….%
    b. Don’t know
    c. Don’t want to say

67. Why do you think, employers (have to) choose to deploy informal labor? (Open question) NOT INCLUDED IN THE LIST FOR SMALLER COMPANIES

Annex 4: Web vacancy analysis

Introduction

Web scraping of vacancies is a useful (and relatively inexpensive) method for supporting labor demand analysis. For this purpose, the Dutch company Textkernel has developed the web spider Jobfeed. [161] A comparable Dutch tool is Jobdigger.[162] Both Big Data tools continuously spider vacancies on the internet and record the information collected in a database. This then can be used for further statistical analysis (including skills analysis). Currently, the Jobfeed tool is already being used in tens of different countries.
In addition to both Dutch web spiders, at European level there is also the Big Data tool for vacancies of Cedefop/EC/ETF (developed by the Milan University and primarily intended for skills analysis).[163] According to the ETF, the United Nation Development Programme (UNDP) plans to roll out this tool in Latin America.

The box below describes Jobfeed in more detail.

Jobfeed
Jobfeed is Textkernel's Big Data tool for vacancies that searches the entire Internet 24/7, automatically, for new vacancies. Found vacancies are automatically entered and categorized in a database. Using text mining, relevant variables linked to the vacancy are recorded. In this way, Jobfeed provides information about vacancies at a much lower aggregation level of professions than Statistics Netherlands, the CBS (ISCO/SBC) can provide. Moreover, the information is much more up-to-date. Jobfeed records for each vacancy, among other things, the profession for which the vacancy is, the requested education (level), the date of appearance and characteristics of the employer who posted the vacancy (including sector, company name and location). As from 2020, Jobfeed also classifies the skills and competencies requested in the vacancy.

The aggregated vacancy information can be used both for matching purposes and for analysis purposes (including skills analysis). Jobfeed provides the opportunity to sketch a near real-time picture of the labor market and perform trend analysis based on historical data from this large vacancy database.[164]

In the Netherlands, Panteia is responsible for analyzing the Jobfeed data. In cooperation with the CBS, Dutch PES (UWV), SBB (the Dutch national expertise center for VET) and Textkernel, Panteia has developed a method to make the information from the Jobfeed database usable for labor demand analysis. In this method, the internet vacancies - based on, amongst others, CBS data - are weighted and raised to get totals for the entire job market. Inter alia, the results of this analysis are

[161] https://www.textkernel.com/solution/jobfeed/
[162] https://www.jobdigger.nl/
[163] https://www.etf.europa.eu/en/publications-and-resources/publications/big-data-labour-market-intelligence-introductory-guide
[164] https://www.textkernel.com/technology/how-jobfeed-by-textkernel-works/

incorporated in the so-called 'Spanningsindicator' of UWV[165] and (in combination with a lot of other data on labor market demand and supply) into the 'Kans op werk' of VET students.[166]

In theory, Jobfeed (or another comparable tool) could also be a useful (and efficient) tool to monitor the demand side of the labor market in Sint Maarten (especially on the mid and higher level). The same goes for the Big Data tool of Cedefop/EC/ETF. An important prerequisite, however, is that the proportion of vacancies posted on the Internet is sufficiently large. To explore the possibilities, for several months Panteia manually inventoried the internet vacancies for jobs in St. Maarten. Below, we present the results of the analysis of the vacancies collected in this way (which emphatically are no more than indicative). Partly based on that, we draw conclusions on the possibilities of web scraping, using Jobfeed or alternatively the Cedfio/EC/ETF tool, for supporting the analysis of the demand side of the labor market in Sint Maarten (including skills analysis).

Analysis of internet vacancies

Approach

The vacancies were collected in the period from the end of October 2022 to the end of January 2023 (roughly one quarter). In this period, the following job sites (or pages) were manually monitored:

Job sites/pages monitored

- https://www.facebook.com/sxmjobs (a part of the vacancies registered by the Department of Labor Affairs and Social Services of the Ministry of VSA are published online; these concern mainly vacancies of the government but also of other companies)
- http://www.sintmaartengov.org/government/Pages/Employment.aspx (vacancies of the government)
- https://nrpbsxm.org/job_opportunities/
- https://www.yobbers.com/nl/search/results?search_term=sint+maarten&type=vacancies
- https://www.caribworkforce.com/st-maarten
- https://sxm-jobs.com
- https://www.thedailyherald.sx/community/vacancies (vacancies from the newspaper The Daily Herald are also published online)
- https://www.instagram.com/sxm.jobs/?hl=en
- https://www.linkedin.com/school/american-university-of-the-caribbean-school-of-medicine/

The key data of the vacancies collected were recorded in an Excel-file and finally analyzed.

Results

In total, in the period from end October 2022 to end January 2023 about 200 vacancies were counted (mostly at vocational and tertiary educational level). Based on

[165] https://www.werk.nl/arbeidsmarktinformatie/dashboards/spanningsindicator

[166] www.kiesmbo.nl).

this, the annual number of internet vacancies can be roughly estimated at approximately 800. Mirroring the Dutch situation, in Sint Maarten there should be at least 2,000 and actually about 5,000 vacancies per year. Also, the number of vacancies registered by the Department of Labor Affairs and Social Services of the Ministry of VSA is substantially higher than the number of vacancies it publishes online. This justifies the conclusion that the share of vacancies for jobs in Sint Maarten published on the internet is (still) small.

Possibilities of web scraping for labor demand analysis

The possibilities of web scraping for supporting the analysis of the demand side of the labor market of Sint Maarten (including skills analysis) are fairly limited:

- As concluded above, the share of vacancies for jobs in Sint Maarten published on the internet is small. As a result, the above-described method developed by Panteia simply does not work. The analysis will yield unrepresentative and therefore insufficiently reliable results.
- Textkernel has indicated that it does not consider Sint Maarten commercially interesting enough to roll out Jobfeed there.
- The UNDP believes that, for now, there are too few online vacancies in Sint Maarten to use the Cedefop/EC/ETF Big Data tool for vacancies there.

Therefore, for the time being, to sketch a good picture of the vacancy market in Sint Maarten a (periodic) survey of a representative sample of companies will be needed. Unlike web scraping, a survey can also provide insight into the fulfillability of vacancies and, if they are hard to fulfill, the reasons for this and the measures employers take to still fulfill them.

However, future possibilities of web scraping to support labor demand analysis in Sint Maarten cannot be excluded. All over the world, the process of digitization (also in recruitment) continues unabated. In the framework of the SXM TF ‘Digital Government Transformation Project’, the government of Sint Maarten is committed to further digitizing its services. This can also have a positive effect on digitization in the private sector, including further digitizing the recruitment by companies.

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Annex 6: Persons interviewed

Meetings with the following stakeholders have taken place in the framework of this project:

Algemene Bond Voor Overheidspersoneel (ABVO SXM) (October 2022)

Dutch Representation Office in Sint Maarten (VPN) (October 2022)

General Audit Chamber Sint Maarten (October 2022)

Joint Court of Justice of Aruba, Curaçao, Sint Maarten, and of Bonaire, Sint Eustatius and Saba (February 2023)

Korps Politie Sint Maarten (KPSM) (February 2023)

Ministry of Tourism, Economic Affairs, Transportation and Telecommunications (TEATT) (February 2023)

Ministry of Public Health, Social Development and Labor (VSA) (October 2022, February 2023)

National Recovery Program Bureau (NRPB) (October 2022, February 2023)

Nederlandse Antillen Politiebond (NAPB) (October 2022)

St. Maarten Chamber of Commerce & Industry (COCI) (October 2022)

St. Maarten Communication Union (SMCU) (October 2022)

Sint Maarten Hospitality and Trade Association (SHTA) (February 2023)

Sint Maarten Policy Department (February 2023)

University of Sint Maarten (February 2023)

Windward Islands Chamber of Labour Unions (WICLU) (October 2022)

Windward Islands Civil Servants' Union/Private Sector Union (WICSU/PSU) (October 2022)

Windward Islands Federation of Labour (WIFOL) (October 2022)

Windward Islands Health Care Union Association (WIHCUA) (October 2022)

Windward Islands Teachers Union (WITU) (October 2022)

Annex 7: Labor markets of Saint Martin and Sint Maarten compared

Introduction

Partly because of their location, Saint Martin and Sint Maarten are both subject to constant migratory dynamics. Economically, both parts of the island are highly dependent on tourism and thus exposed to the vagaries of climate, fluctuations in exchange rates and economic migrations. Given the small area of the island as a whole and the free movement between the French and Dutch side, the labor markets of both countries are interconnected.

Below we present the results of a comparative analysis of (the supply and demand side of) both labor markets. The basis for this analysis was primarily data from Insee (Institut national de la statistique et des études économiques) from the early 10s of this century.[167] Given the dated nature of this data, the information presented is only indicative.

Based on the analysis, at the end we draw some conclusions about the interactions between both labor markets.

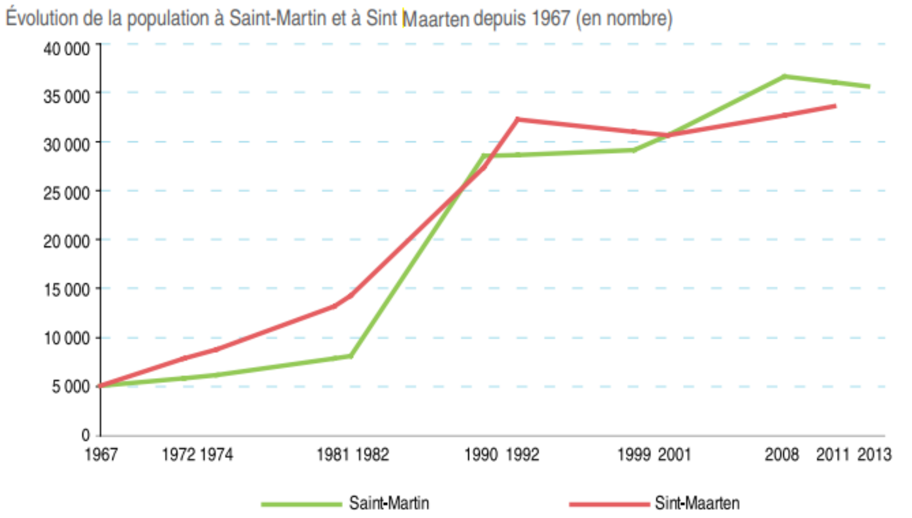
Labor supply

Population

Population growth
In the early 10s of this century, Saint Martin and Sint Maarten had about the same population. The population growth as from 1967 was also more or less similar. Both countries experienced very strong demographic growth during the 1980s.

[167] https://www.insee.fr/fr/statistiques/2527810. Insee Dossier Guadeloupe, Antilles, Guyane. Saint-Martin. Terre d'accueil et des contrastes. December 2016.

Figure 1 Population growth Saint Martin (1967-2013) and Sint Maarten (1967-2011)



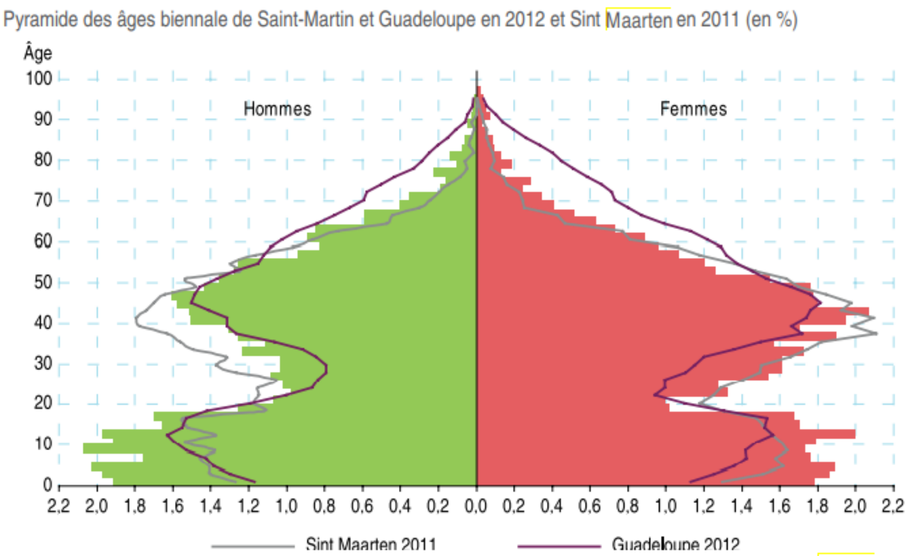
Source : Insee, Recensements de la population / Dénombrements sans double compte 1967, 1974, 1982, 1990, 1999 / Populations municipales 2008 et 2013 ; Census, Department Of Statistics Sint Maarten 1972, 1981, 1992, 2001, 2011.

Source: Insee

Population composition by age

The base of Saint Martin's population pyramid is much wider and the top narrower than Sint Maarten's. This means an over-representation of children and youth in Saint Martin and thus a proportionally younger population in Saint Martin than in Sint Maarten.

Figure 2 Population pyramid Saint Martin (2012), Guadeloupe (2012) and Sint Maarten (2011)



Source : Insee, Recensement de la population 2012 – Exploitations principales ; Census, Department Of Statistics Sint Maarten.

Other population characteristics

Origin/nationality

Of Saint Martin's population (2012), 31% were born in the country itself and 69% in another country. Of the latter, 3% were born in the Kingdom of the Netherlands (mainly Sint Maarten). Proportionally, most immigrants were born in Haiti, Dominican Republic, and Dominica (38%, 16% and 14%, respectively).

Of Sint Maarten's population (2011), 30% were born in the country itself and 70% in another country. Of the latter 6% were born in Saint Martin. Proportionally, most immigrants were born in the Dominican Republic, Haiti, and Jamaica (10%, 8% and 7%, respectively).[168] Compared to Saint Martin, Sint Maarten attracts migrants from a wider range of countries.

Households

A relatively high proportions of households in Saint Martin (2012) and Sint Maarten (2011) are single-parent families. In Saint Martin, that share is higher than in Sint Maarten (25% versus 19%). Here there is a relationship with the comparatively large proportion of young people in Saint Martin. The share of single-parent families has increased over the years.

Labor force

Labor participation (gross and net)

The gross labor force participation of 15–64-year-olds in Saint Martin (2012) is lower than that in Sint Maarten (2011): 75% versus 80%. This can partly be explained by a comparatively larger share of students in Saint Martin as a result of the difference in the age distribution. The net labor force participation in Saint Martin is much lower: 50% versus 71%. This difference cannot be explained by the difference in the age distribution. An explanation could be that residents of Saint Martin receive benefits there while working informally in Sint Maarten.

Unemployment rate

The unemployment rate is much higher in Saint Martin than in Sint Maarten: 33% versus 12% in 2011 (and 9% in 2013). Here the same possible explanation applies as for the net labor force participation.

In Saint Martin (2012), the youth unemployment rate (15-24 years) is 32% compared to 28% (2011) and 26% (2013) in Sint Maarten. This difference is much smaller than that for overall unemployment.

Educational level

Of those aged 15 or older in Saint Martin (2012), 14% have higher education (tertiary 1 and 2) and of those in Saint Martin (2011) 22%.

[168] STAT, LFS 2011.

Of immigrants aged 15 or older in Saint Martin (2012), on average 70% do not have a degree. For immigrants from Sint Maarten, the figure is 56%. Comparable figures for Sint Maarten are not available.

Labor demand

Employment

In 2012, Saint-Martin had 10,600 people employed. This represents 40% of the employment on the entire island, while accounting for half of the island's population. Sint Maarten had more than 19,000 employed persons in 2013.

Employment by economic position

In terms of employment position, Saint Martin (2012) has proportionally more self-employed workers (with or without personnel) than Sint Maarten (2011) (21% versus 14%) and fewer temporary employed (15% versus 21%). The proportion of permanent employed is more or less comparable (64% versus 62%).

Employment by sector

The table below breaks down the employment by sector.

Table 1 Employment by sector, Saint Martin (2012) and Sint Maarten (2012 estimate)

Distribution de l'emploi par secteur d'activité à Saint-Martin et Sint Maarten en 2012 (en %)

	Saint-Martin	Sint Maarten
Agriculture, sylviculture et pêche	**0,6**	0,1
Industrie manufacturière	**4,1**	1,2
Production et distribution d'électricité, etc.	**0,5**	1,8
Production et distribution d'eau	**0,7**	0,3
Construction	**9,1**	8,0
Commerce ; réparation d'automobiles et de motocycles	**14,7**	20,6
Transports et entreposage	**5,0**	6,3
Hébergement et restauration	**15,1**	16,9
Information et communication	**1,6**	2,3
Activités financières et d'assurance	**1,4**	4,3
Activités immobilières	**2,0**	0,6
Activités spécialisées, scientifiques et techniques	**3,1**	1,8
Activités de services administratifs et de soutien	**8,1**	6,1
Administration publique	**9,0**	9,1
Enseignement	**10,3**	5,8
Santé humaine et action sociale	**8,3**	3,5
Arts, spectacles et activités récréatives	**1,4**	5,3
Autres activités de services	**3,1**	4,0
Activités des ménages en tant qu'employeurs	**1,8**	1,9

Nomenclature : ISIC rev4 (=CITI-4) = niveau standard NA 21 classes.
Source : Recensement 2012 Insee, estimation 2012 à partir du recensement 2011 et du Labour Force Survey 2013, Department of Statistics Sint Maarten

Source: Insee

Major sectors in both Saint Martin (2012) and Sint Maarten (2012 estimate) are commerce (15% and 21%, respectively) and hospitality (15% and 17%, respectively). Both sectors are proportionally less represented in Saint Martin than in Sint Maarten.

This goes also for financial services (1% versus 4%) and culture, sports & recreation (1% versus 5%). In contrast, education, health & welfare and the industrial sector are more strongly represented in Saint Martin than in Sint Maarten (10% versus 4%, 8% versus 4% and 4% versus 1%, respectively).

In Saint Martin (2012), migrants are overrepresented in commerce, services and construction. Although no data are available on this, it can be assumed that this is also true for St. Maarten.

Tourism employment

Regarding the importance of the tourism sector in employment, Saint Martin's share of tourist arrivals is minimal compared to Sint Maarten's. Sint Maarten accounted for 96% of arrivals in 2014 with 2.5 million visitors (including 2 million cruise passengers). Nevertheless, these arrivals on the Dutch side of the island have economic spillover effects on the French side. However, these spillover effects are difficult to estimate. In 2014, Saint Martin welcomed almost 100,000 visitors. It focuses more on the higher end of the tourist market than Sint Maarten.

Interactions between both labor markets

Based on the above, the following conclusions can be drawn about the interactions between the labor markets of Saint Martin and Sint Maarten:

1. Tourism employment is largely concentrated in Sint Maarten. However, there are spillover effects. Saint Martin benefits from the many tourist arrivals (especially cruise passengers) in Sint Maarten.
2. Saint Martin performs economically less well than Sint Maarten. Proportionally there is less employment, and the unemployment rate is much higher. Based on this it can be assumed that there is more border commuting from Saint Martin to Sint Maarten than the other way around. Presumably some of this is informal labor.
3. Fewer migrants born in the Kingdom of the Netherlands (mainly Sint Maarten) live in Saint Martin than the other way around (3% versus 6%). To a large extent, the migration motive of both groups of migrants will be labor.

Annex 8: Circle of Stimulus translation

Level 1	Level 2	Level 3	Level 4
Quadrant Reserves	Engaging known reserves	• Unemployed direct fit (phase 1)	• Brief refresher training for function • Frequent contact intermediaries • Optimal information on vacancies
		• Unemployed with distance to labor market (phase 2 and 3)	• Adapted workplaces • Traineeships and work experience • Training for "stock" • Training on vacancies • Information/education opportunities
		• Unemployed with a lot of distance to labor market (phase 4)	• Involving partners of unemployed • Coordination of socio-cultural work and sector policy • Intensive (collective) guidance • Information education on aspects of work
		• Cooperation between mediation and social benefit agencies	• Joint information system • Closing approach
	Attracting mobile persons	• Promotional packages	• Information company and environment • Starting bonus • Attractive salaries
		• Foreigners	• Recruitment of foreigners
		• Informing non-working newcomers regionally	• Information and orientation on work in the region/the Netherlands • Information packages co-movers, family reunification, refugees
		• Recruit lower educated people (VMBO/ MBO)	• Interregional transport facilities • Regional recruitment with employment conditions (also internet)
		• Recruit higher educated people (HBO/WO)	

			• National recruitment campaigns (also internet)
	Mobilize hidden reserves	• Distinguish attractiveness of work and business	• Collective and/or individual promotion
		• Providing framework conditions	• Childcare • Working hours, workplaces
		• Counselling/retention of interested parties	• Mediation • Training and education • Help with questions and problems
		• Search and recruitment	• Information (also internet) • Hotline/call centers • Intensive communication campaigns
Quadrant Education	Promoting inflow and outflow	• Information and education for primary school pupils	• Information markets • Look-and-do days at companies • Projects in schools
		• Information and education for first-year secondary school students	• Information fairs • School visits to companies • Open days at companies • Professionals visiting schools • Projects school and company component
		• Preventing dropouts, especially in the first years of VMBO and MBO	• Registration, student follow-up system, reaction • Special mentor • Multidisciplinary guidance team • Regional reporting and reception point
	Improving connection education-labor market	• Exchange expertise education-business	• Internships for teachers in private sector • Guest lecturer from companies in education
		• Optimizing outfit/facilities education	• Sponsorship, corporate donation • Teaching in companies with modern equipment
		• Develop new teaching programmes	• Industry-oriented modules • Flexible modules, including on the job • Flexible times, part time and evening
		• Stimulate additional training	• Apprenticeships jobs

		• Follow school leavers	• Substantive connection • After sales • Keep track of career development of graduates • Continuing education and further training, including on the job
Quadrant Employed	Optimize deployment employees	• Job-oriented training	• Up to date training plan • Latest techniques
		• Vertical and horizontal flow	• Right person right place • Career policy • Management Development • Education to higher/different level • Promote the influx of unemployed people
		• Adjust working hours	• Part-time opportunities • Expand available hours (part-time) employees • Working overtime
	Prevent outflow employees	• Conscious HR policy	• Personnel advice • Schooling plans
		• Promote employee development	• Schooling • Horizontal flow • Vertical flow
		• Promoting opportunities for older workers	• Age-aware HR policy • Demotion • Function customization • Part-time early retirement
		• Preconditions for specific groups	• Adjustments for the disabled • Business advice to minorities • Mentoring new employees • Part-time opportunities • Childcare
		• Improving job security for temporary surplus	• Pool information (internal and external) • Collegial lending • Additional work
		• Adjust employment conditions	• Job evaluation policy • Distinctive wage policy
		• Optimize working conditions and atmosphere	• Working conditions policy • Sick leave policy

			• HR activities
Quadrant Business management	Optimize labor productivity	• Cooperate with third parties	• Product development • Environmental aspects • Internationalization
		• Refresh technology	• Education & training clusters • ICT, robotics
		• Modernize working methods	• Teleworking • Multimedia applications
		• Improve job contents	• Job differentiation • Function integration
		• Improve knowledge and skills of employees	• Schooling • Knowledge transfer • Knowledge exchange
		• Improve business processes	• Quality management • Environmental management • Application of new techniques, such as ICT • Optimize transport and logistics • Hiring advice
	Moving activities	• Move activities	• International • National
		• Optimize tasks in chain	• Added value suppliers • Electronic highway
		• Divest non-core business	• Spin-off companies