
3. Changing Global Contexts

This chapter identifies three priorities that were stressed by Ministers during the 17th CCEM. It cannot list all priorities and therefore highlights the strategic importance of selected themes. Looking towards and beyond the EFA and MDG agendas, particular attention is given to climate change, global financial interconnections, and migration, labour markets and skills.

For many years the analysis of the prospects for economic and social development in small states has been informed by the concept of vulnerability. Two Commonwealth reports, the first in 1985 and the second in 1997, defined vulnerability in terms of openness, insularity, resilience, weakness and dependence (Commonwealth Secretariat, 1985, 1997b). The 1997 report recognised (p. xi) that small states face ‘a susceptibility to risks and threats set at a relatively lower threshold than for larger states’ and that ‘their small size gives them less margin for coping than in larger states’.

This ability to cope is being tested to the full in the new millennium. The joint Commonwealth Secretariat and World Bank study, *Small States in the Global Economy* (Peretz *et al.*, 2001), the *Mauritius Strategy for the Sustainable Development of Small Island Developing States 2005–2015* (United Nations, 2005) and the *Declaration on Climate Change* by the Alliance of Small Island States (AOSIS, 2009) are a sample of international efforts to analyse and publicise the special circumstances of small states in the context of multifaceted global change.

Most of these endeavours have two related thrusts. They analyse the impact of global trends and pressures on the development prospects of small states and they advance the responses and mitigation strategies which small states and the wider international community should implement to counteract, learn from and even benefit from complex global challenges. Education is generally on the margins of these analyses. Its importance in the processes by which small states develop the knowledge and the skills needed to address new challenges is

broadly acknowledged, but fiscal and organisational pressures and the need for context-specific education policy and practice relevant to fast-changing environmental, labour market and trading environments have not received much attention in the international literature.

Climate change

No country is immune from the interconnected challenges posed by climate change, some of which require controversial political decisions. The *Stern Review* on the economics of climate change concluded that ‘developing countries are especially vulnerable to climate change because of their geographic exposure, low incomes, and greater reliance on climate sensitive sectors such as agriculture’ (Stern, 2007: 104). The *Review* noted that falling farm incomes increase poverty and reduce the ability of households to invest in a better future, forcing them to use up meagre savings just to survive. Millions of people will potentially be at risk of climate-driven heat stress, flooding, malnutrition and vector-borne diseases. An additional 145 to 220 million people could be living on less than US\$2 a day, and income losses could cause a further 165,000 to 250,000 child deaths per year in south Asia and sub-Saharan Africa by 2100. Severe deterioration in the local climate could lead in some places to mass migration and conflict, especially as a further two to three billion people are added to the developing world’s population during the next few decades. The situation in many small states, though not as dramatic in terms of total numbers, is in line with this wider picture. A study by AOSIS in conjunction with the United Nations Foundation identified eight major threats:⁹

- Small islands, in both the tropics and higher latitudes, have characteristics which make them especially vulnerable to the effects of climate change, sea level rise and extreme events.
- Sea level rise is expected to exacerbate inundation, storm surge, erosion and other coastal hazards, threatening vital infrastructure, settlements and facilities that support island communities.
- Under most climate change scenarios, water resources in small islands are likely to be seriously compromised.
- Climate change is likely to impact on coral reefs, fisheries and other marine-based resources.
- On some islands, especially those at higher latitudes, warming has already led to the replacement of some local species.

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- It is very likely that subsistence and commercial agriculture on small islands will be adversely affected by climate change.
 - The effects on tourism are likely to be both direct and indirect, and largely negative.
 - Global climate change is likely to impact on human health, mostly in adverse ways.

These impacts of climate change are clearly a major barrier to the achievement of sustainable development goals and require a broad range of mitigation strategies. As the UNDP states, ‘responding to climate change will require the integration of adaptation into all aspects of policy development and planning for poverty reduction’ (UNDP, 2007: 13). Yet many of the strategies put forward say little about education. An exception is some of the work done under the umbrella of the UN Decade of Education for Sustainable Development (2005–2014). This promotes the argument that climate change has substantial implications for education and learning. It observes (UNESCO, 2009a: 1) that:

- All levels and forms of existing educational and teaching and learning programmes need to be reviewed and re-oriented to address the causes and consequences of climate change;
- Climate change requires educators to include new content in education, training and public awareness programmes;
- Creativity, problem solving and social transformation skills need to be developed and nurtured;
- Positive, participatory action and solution-centred approaches to education and learning need to be developed.

Translating this into the everyday practice of education and training is a challenge in itself. It requires capacities and expertise within small state education systems which may be scarce or even completely absent. It demands skills in tertiary institutions and teacher training colleges of a very different order from more traditional and formal academic pedagogies and training. And it needs to draw in partners and stakeholders beyond formal government-led education systems who are able to work closely with the communities most immediately affected by climate change. For the small states that have addressed the educational implications of disaster preparedness over many decades, in the face of typhoons, hurricanes and volcanic eruptions, a diverse base of skills may already exist; but for countries whose very existence is threatened by rising sea levels, the magnitude of the challenge of how to make education directly rele-

vant to immediate needs requires attention and assistance from regional and international communities. The case of Tuvalu is a dramatic example. In the worst scenario, the entire population would need to be resettled on a new homeland and islanders would become climatic refugees.¹⁰

The question then is how vulnerability can be reduced through education. Environmental considerations need to be integrated into school curricula and education sector policies. Small island states should incorporate disaster preparedness, response and recovery into educational planning, and should examine the implications of climate change on training needs in areas such as agriculture, fisheries, tourism and environmental management.

In some states, rural development approaches have undergone a fundamental shift to enable them to build on the priorities and capabilities of the poor and engage more stakeholders in breaking the cycle of poverty and environmental degradation. This perspective empowers poor people by giving them greater control over the management of land, water and biodiversity. The approach develops their capacities to increase productivity in a sustainable manner and to diversify their livelihoods through non-agricultural activities. Increasing attention has been paid to sustainable development strategies based on bottom-up approaches that integrate natural resources management in socio-economic development processes (see, for example, Nath *et al.*, 2010). Local development planning can play a key role in strengthening livelihoods. Small states are also finding ways through the UN and other bodies to increase their leverage on larger states whose environmental actions seriously affect small states.

Financial interconnections

The global financial crisis that commenced at the end of 2008 highlighted multiple interconnections across the world, some of which have particular pertinence to small states. A study of the crisis by the Small States Economic Development Network noted that:¹¹

- In **Africa**, falling oil and other commodity prices, diminishing tourist returns and foreign direct investment (FDI) flows, and decreases in the level of remittances hit all Commonwealth small states in one way or another. Tourist arrivals in Seychelles dropped significantly during 2009. Botswana was affected by the drop in the price of diamonds.
- In the **Caribbean**, high levels of existing debt mean that there is little fiscal space in which to respond to the crisis. The current account balance as a percentage of GDP in 2008 was negative in nearly all Commonwealth Caribbean states. Growth slowed and unemployment rose.

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- In **Pacific** island states, the crisis compounded food and fuel price hikes. Remittances fell significantly in 2009 across most of the region. Kiribati had substantial public savings invested in offshore equity which lost value in world stock markets.

In similar vein, a conference on the impact of the global economic crisis on the Pacific islands concluded that:

- Falls in commodity prices and export earnings from commodities and manufactured items were having significant effects on exporting countries such as Papua New Guinea, Samoa, Solomon Islands, Fiji Islands and Vanuatu. Volatility would continue to pose a problem for economies that were not sufficiently diversified.
- Declines in tourism receipts because of unemployment and uncertainty in source countries discouraged people from taking expensive overseas holidays, affecting the Cook Islands, Fiji Islands, Samoa, Palau, Tonga and Vanuatu.
- Reductions in income from internationally invested trust and sovereign wealth funds would significantly affect government budgets in Kiribati, Tuvalu, Marshall Islands, Palau and Federated States of Micronesia.
- Although Pacific island banks remained relatively profitable, a high level of foreign ownership made them vulnerable to erosions in the capital of parent banks.
- Most Pacific island countries were highly reliant on development assistance, but ODA flows were likely to be adversely affected as donor countries themselves experienced tighter fiscal positions.

Against this backdrop, Commonwealth Heads of Government stressed that ‘the disproportionate impact of the global economic crisis on small states underscored the importance of a conducive external environment to their development’. They encouraged these countries ‘to continue to implement outward-oriented development strategies that would assist them to overcome their vulnerabilities and diversify the structures of their economies’ (Commonwealth Secretariat, 2009b, para. 82).

More specifically on education, UNESCO’s *EFA Global Monitoring Report* (2010: 3) maintains that:

there is an imminent danger that, after a decade of encouraging advances, progress towards the [EFA] education goals will stall or even be thrown into reverse in the face of rising poverty, slower economic growth and mounting pressure on government budgets.

Much of this analysis is based on the experience of sub-Saharan Africa, where it was estimated that US\$4.6 billion a year could be lost in total financing for education in 2009 and 2010.

UNICEF-supported work by the Overseas Development Institute points to the evidence of past economic crises which suggests that compromises in education are likely to be a common coping strategy. There is evidence in some countries of children being removed from school due to deteriorating household finances. However, in small states evidence of the financial crisis impacting on basic service delivery budgets is unclear. A note from the International Labour Organization (ILO) (2009), *Impact of the Global Economic Recession on Education*, recognises that it is very difficult to assess the impact of recession of public service budgets beyond media reports.

Another Pacific study (Chibber, 2009), this time on the threat to the achievement of the MDGs, noted among other findings that:

- Recent UNDP research indicates that the number of those living below national poverty lines in the region jumped from 4 million to 4.5 million over the two years to mid-2009. It concludes that the crisis will add to pressure on traditional support systems and also contribute to the increase in the number of working poor in the Pacific. Already, the proportion of employed people living on less than US\$1.25 a day in the sub-region has increased from 35 per cent in 2007 to 38 per cent in 2008.
- Similarly, even though most Pacific countries had appeared to be on track to achieve universal primary education (MDG2), the economic crisis may mean that more children are unable to enrol in school, drop out or experience declines in the quality of education. For instance, in Samoa it is understood that many children have been ‘suspended’ from school pending the payment of overdue fees for the current year.
- It is feared that lower household incomes or limited access to public services due to constrained government budgets may also lead to increases in infant mortality (MDG4) and maternal mortality (MDG5) rates, and exacerbate the public health challenges of HIV/AIDS, sexually transmitted diseases and malaria (MDG6). As in Asia, women are likely to be the most vulnerable in the face of these threats.
- Increases in poverty, horizontal inequalities or extremely skewed progress on the MDGs may also pose a security problem in some Pacific countries, as they can create, exacerbate and sustain the conditions, needs and grievances that feed conflict. As a result, there is a risk that the economic crisis may push some countries into a low human development–conflict trap, with

conflict destroying accumulated physical, social and human capital (UNESCO, 2011).

- The economic and financial crisis further threatens the social fabric as islanders seek employment or social protection in difficult times. A rise in rural-to-urban-to-overseas migration has led to other problems for those left behind. Rural villages and outer islands are being depleted of their young people, often leaving very young children in the care of aging grandparents, which can reduce food security in rural areas and further increases the importance of remittances. Traditional social safety nets are weakening as families are split by migration.

Related work in the south Pacific (PasEFIC, UNDP and UNICEF, 2009: vi) similarly suggests that:

... the gains in education made by Pacific Island countries are now under threat. More Pacific Island children may not enrol, drop out of school or experience declines in the quality of education. If education budgets decline, teacher salaries may be delayed and public money for new school buildings, school repairs and school inputs such as teaching supplies may be greatly reduced, compromising quality. Where students incur some direct schooling costs, however small, poorer students may be pressed to forego schooling to earn income or to substitute for adult home production. Large youth populations combined with school drop-outs already make youth employment a major concern for this sub-region with the crisis only set to increase levels of youth unemployment. If enrolments and learning levels deteriorate during the crisis, Pacific Island countries may lose a competitive head-start when the global economy recovers. There are also sinister long-term impacts of deteriorating education.

Whether these contentions become real will not become totally clear until the data catch up with the reality. What seems likely as a minimum position is that many small states will need to finance their education services with no more resources than have been available in recent years. And yet the pressures of climate change and of sustaining and increasing levels of economic growth actually require that more resources find their way into education and be used in ways that contribute to mitigating externally driven global challenges.

International migration, labour markets and skills

Forms of migration associated with intensified globalisation also have particular significance in small states. In 2000 the emigration rate of skilled workers

was 43.2 per cent in states with populations below 1.5 million, compared with 7.4 per cent for developing countries as a group (Docquier and Marfouk, 2006; Docquier and Schiff, 2009). Among the small states of the Caribbean, the skilled emigration rate reached 74.9 per cent. The brain drain for university graduates was 31.9 per cent for small states, meaning that 32 of every 100 university graduates lived outside their home countries.

The depressive effect of emigration on the stock of human capital is widely recognised as a major development challenge and as a factor of vulnerability. More positively, in some small states remittances from migrants are the most important source of foreign exchange. Moreover, migration can increase rates of return from investment in higher education due to the probability of earning higher salaries abroad. Nevertheless, on balance most developing countries, and in particular small developing countries, suffer more than they benefit from migration (Beine *et al.*, 2008). Small states lose productivity in part because of limitations in the extent to which people remain at home to make use of new technologies. According to Schiff and Wang (2009), the loss of productivity growth is three times higher in small states than in other countries.

The link between small states' diaspora and domestic economic development is therefore significant. The concept of brain drain in relation to diaspora carries a negative stigma, seen as an international issue of outflow and loss of investment. The situation of small states, however, offers an interesting twist to this concept. Having long lived with outward migration because of their scale and isolation, it can be argued that small states are relatively comfortable with this situation. Writers from small states, such as Baldacchino, challenge the concept of brain drain in small states, offering an alternative 'cyclical and multiple migration model, both to properly explain at least some of the more contemporary patterns of human traffic across frontiers, as well as to posit a more diffusive, positive-sum model of human capital flows' (Baldacchino, 2006: 143). In doing so, he highlights the attractions of returning to small states, such as recapturing a sense of home and political reform, as well as other incentives mentioned below. In this way, Baldacchino reconceptualises brain drain in small states as 'brain rotation'. Another example of diasporan return to the home country is the phenomenon known as the 'reverse wave', mainly to Caribbean states, whereby many countries are seeing the return of some of the Caribbean-born diaspora who left in the 1950s and 1960s for the UK.

In the light of this, there is room for planning and research priorities in small states to strengthen understanding of the trends of outward and return migration, to plan for it and take better advantage of its potential. Small states could, for example, assist returning emigrants to integrate back into their home

countries, allowing them to make use of the skills they have developed abroad. These, according to Baldacchino (2006: 144), could include 'educational innovation, entrepreneurship support, small business development, management of flag-ship public/private enterprises and opportunities for direct financial investment'.

Another dimension of this challenge relates to the structure of domestic labour markets. In the eastern Caribbean, employers struggle to find qualified candidates in emerging skill areas, yet large cohorts of low-skilled young people suffer from underemployment and unemployment. World Bank (2007) figures indicate that in St Kitts and Nevis finding a first job takes on average 14 months for a common entrance examination graduate. In other words, the education system does not adequately prepare young people for the world of work. This situation requires attention to the type of technical and vocational education provided. In the eastern Caribbean most secondary schools offer some kind of vocational subjects, but the relevance and quality of the skills acquired are questionable. The arithmetic of labour market balances has much less margin for error in small states than in larger states. In highly specialised areas, needs can be met by one or two individuals. Anything less than this small number is a severe deficit and anything more is a problematic surplus.

Beyond the economic perspective, youth exclusion from the labour market is a major social problem in some states. This is obvious in the Caribbean, where concerns about violence and social disruption are often at the core of the public debate. The youth issue is also very significant in the south Pacific and has been highlighted in Samoa, for instance, where according to the 2001 census 37 per cent of the 15–19 age group were not at school (Afamagasa, 2005).

In societies which have undergone economic liberalisation and diversification, small and medium size enterprises make up the largest proportion of employers and this has implications for both education and skills training. Where businesses are struggling to survive, it is particularly difficult to engage employers' interest in technical and vocational education and training (TVET), including work-based training or the provision of work experience. Difficulties also exist in analysing and understanding labour market opportunities, both in the present and future. The dynamic and rapidly changing character of small states' economies makes this especially challenging for policymakers and researchers alike. In large mature market economies, planners are increasingly interested in skills forecasting as part of anticipating future labour market needs. However, the economic volatility and relatively recent independence of most small states make this far more difficult, particularly in the context of economic shocks and unpredictable external events.

In many small states future labour markets will be shaped more by what hap-

pens outside the state than by what happens within. In any case, significant proportions of the population find work outside the state, within the region or beyond. Consequently, key competences, which together contribute to their employability, including adaptability, entrepreneurship and interpersonal skills, may be as important as skills that are specific to particular occupations.

Despite high expectations, TVET sections in ministries of education are often under-resourced and experience high staff turnover. There are often ambiguous relations between policy design and implementation. While a most promising avenue for relevant and responsive TVET is through strong co-operation among relevant stakeholders (ministries of education, ministries of labour, schools, colleges, employers' associations, chambers of commerce, trade unions and universities), this can be difficult to achieve. This can partly be explained by continuing mistrust between the public and private sectors, and bureaucratic hierarchies which do not always facilitate policy dialogue and networking. Moreover, where small states are highly politicised and culturally diverse, and exhibit social fragmentation, progress in TVET is an even greater challenge, which requires a national vision for co-ordinated human resource development.