

# Concern in the Caribbean: Strategies for Surviving the Economic Crisis

Steve Rajpatty, MRICS, writes in the July-September 2009 issue of Caribbean Construction Digest that maintaining the status quo in Caribbean construction is not a program for success.



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**J**ob security is one of the greatest concerns for those employed in the construction industry today. During the prolonged construction boom over the last decade, many became accustomed to a fairly comfortable lifestyle, with only moderate concern for the future. Today, the very real threat of unemployment is not an easy matter to deal with. More importantly, nothing intensifies the fear of unprecedented unemployment levels throughout the Caribbean than our leaders' inability to be proactive in

be one of the toughest challenges they will face during their careers, the question for us is, how do we deal with these challenges ourselves?

## The Problem

According to available data, the United Kingdom has disposed of a record number of jobs for the first time in 12 years. Similarly, the United States unemployment rate rose just above 9 percent as of autumn 2009. We have seen Obama's bold stimulus package and several other plans articulated by leaders of the more developed nations. Unfortunately, the Caribbean, as a single market, has not yet taken proactive steps to deal with the eventual mass unemployment within the construction industry. Whilst many of the region's academic thinkers (economists, financial and market gurus) have voiced their opinions on the situation, the fact remains that the implementation of any solution must be driven by the government. With several construction firms reporting very little activity within recent months, thousands of construction workers will be facing the breadline if solutions are not identified and implemented soon. However, the 'fly in the ointment' lies in the

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confronting the economic crisis. As we watch even the most accomplished leaders from around the globe tackling, what may very well

observation that there appears to be a construction leadership vacuum among governments throughout the Caribbean region.

This may be due to the fact that although governments are meant to manage the economic, political, social and domestic affairs of their economies, this does not necessarily mean that they are equipped to deal with the business threats and opportunities that exist within the macro environment. Their political agenda might not be in sync with sound business principles and practices. Indeed, this problem is even more complex when considered within the context of the construction industry. Even with an abundance of local talent and capable contractors, our governments have a history of turning to “foreign experts” for advice, thereby resulting in underutilized resources at the local level.

If we are to weather this storm then expert opinion, implementable strategies, suitable management principles and reform plans applicable to the current construction climate must be sourced from within the Caribbean region, simply because our future ultimately depends on us. Where then do we start?

#### Implementation Issues

According to numerous stakeholders within the industry the sector cannot survive on short-term projects to sustain their workforce in the medium and long-term. When asked to identify solutions, a senior official at a leading consulting firm (architects and engineers) suggested that the region introduce small to medium infrastructure type projects to be implemented over the next one to three years. Projects should focus on improving the road network to facilitate the transportation demand, water supply to rural districts through the construction of small desalination plants (1 million gallon tanks), educational facilities to better serve our growing demand to provide for our younger generation. There also must be eco-environment protection and eco-tourism policy because of our growing need to protect our environment. The Caribbean has been labeled as an eco-tourism destination.

The challenge, however, lies in the implementation of these projects without incurring the cost and time overruns we have accepted until now as the norm.

#### Solutions

There are many reports about proposed cutbacks meant to deal with the current crisis. Consequently, some estimate that a sizable portion of the Caribbean’s construction workforce will become unemployed in the short term due to governments’ defensive strategy and lack of development initiative. This may be compounded by the fact that some governments are “inflexible” in that they have their own political agenda and are only prepared to address recommendations made by favored international consultants, who in many instances do not understand our very different economies and cultures.

Where is our sense of national pride and desire for employment sustainability?

If we are to continue depending on foreign labor and expertise in an effort to improve our construction methods then we must

find a way to integrate our local workforce with the foreign experts. Sharing knowledge creates an environment where people begin to operate more efficiently and effectively.

Equally important is the fact that we don’t have to continue believing that our local professionals and contractors would always exceed their budgets and schedules and that their quality would almost certainly be a sour issue. While it remains difficult to manage both cost and quality at the same time, we must also understand that this is not only the job of the Project Manager, Engineer, Architect or Quantity Surveyor. Quality is everybody’s business. Similarly, the same can be said of cost and time. Hence, improvements in project performance may only arise if all involved in the delivery process become quality, cost and time focused.

#### The Way Forward

The road to a successful future and a vibrant construction sector will not be an easy one. There is no doubt, however, that serious decisions need to be made soon if we are to reach our destination. To get there, we need to continue to allow international companies to operate freely to some extent. At the same time our governments cannot continue to say that our domestic supply of labor cannot meet the regional demand because the quality and quantity of our work are considered unreliable.

The crux of the issue is that with the increasing complexity and uncertainty of the business world, practically all worthwhile plans and strategies necessitate substantial human, organizational and governmental change. Perhaps, the time is ripe for our leaders to find a formula for integrating our local workforce with foreign ones. On the other hand, governments should insist that contractors develop workplace learning activities. A very real example might be where a construction worker be taught to read and write so that when the construction site closes down he may be able to perform another task or he may be better prepared to seek further employment along the same lines. This will certainly work for those most expected to be affected by the redundancy stigma.

It is time that we have a vision about where we want to get to and then get everyone to come along with us on that eventful journey. Remember, politics is all about trying to persuade others to come ‘round to your point of view. Perhaps it’s time we try getting the construction sector to be a part of the growth and developmental plans for our economies. Our biggest challenge, though, lies in the fact that the key to our future success lies in integration not separation. ●

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