
WP. 1

InFocus Programme on Strengthening Social Dialogue

Working Paper

**Fostering economic development
through social partnership in Barbados**

Tayo Fashoyin

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FOREWORD

Promoting and strengthening social dialogue in member States is one of the strategic objectives of the ILO. In accordance with this objective, the ILO's InFocus Programme on Strengthening Social Dialogue has taken important steps to study existing institutions, machinery and processes for social dialogue, to advocate the value of social dialogue and to provide technical assistance to member States aimed at strengthening social dialogue in their respective countries.

This report is the first of a number of Country Reports on national institutions, machinery and processes for social dialogue to be undertaken by the InFocus Programme. The series seeks to elaborate on the concept of social dialogue as practised in member States, analyse the different approaches to social dialogue and identify best practices.

This paper analyses the background and implementation of social partnership agreements in Barbados. Social partnership was introduced in Barbados in the late 1980s against a background of economic crisis. The attainment of relative economic stability after the initial tripartite protocol agreement convinced the partners of the critical role which social partnership can play in fostering sustained social and economic development. Hence, the resolve of the partners to institutionalize the process. The paper elaborates on the role of the churches, especially, and other groups in civil society groups, as mediators in promoting tripartite social dialogue in the country. The author identifies the need to strengthen the linkages between social dialogue at national level and consultation at sectoral and enterprise level, and emphasizes the importance of this linkage if social dialogue is to have the desired impact and reach its full potential. The paper also explores the prospects for national social dialogue in a number of other countries in the region and concludes by identifying the factors that contributed to the establishment and on-going success of social dialogue in Barbados. It also identifies the basic conditions for a meaningful social dialogue in any society.

The draft report was the subject of a national tripartite seminar held in Barbados in April 2001. During the seminar, the tripartite partners undertook a dispassionate assessment of the contribution of the social partnership protocols to the country's industrial relations system and national development. Many suggestions were made by the partners on how to further strengthen their social partnership and ensure its sustainability. The final report benefited from this direct involvement of the partners.

These country studies are designed to build up a body of knowledge on the practice of social dialogue in member States with a view to identifying its contribution to social and economic development. They also provide a sound basis for ILO technical assistance to its member States to assist with the development and strengthening of their institutions and processes for social dialogue.

I would like to record my appreciation to the tripartite constituents in Barbados who generously shared their experience and expertise with us and to Tayo Fashoyin, Senior Social Dialogue Specialist in the InFocus Programme, who was responsible for undertaking and coordinating this country study.

August 2001

Patricia O'Donovan
Director
InFocus Programme on Strengthening
Social Dialogue

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This paper is the product of extensive collaboration with several individuals and organizations. The number of my collaborators is far greater than I can mention; yet, I acknowledge the enormous support of leaders of the social partnership in Barbados for generously giving their time to explain the philosophy and workings of the social partnership in the country. I am particularly appreciative of the privilege of observing the meeting of the Subcommittee on social partnership under the leadership of the Honourable Reginald Farley, Minister of International Business. This rare opportunity enabled me to gain first hand experience of the working of the partnership, and also to appreciate the mood and rapport among the partners, and the behavioural dynamics in which debates take place in a frank but friendly atmosphere. This rare experience was most helpful in understanding the unwritten part of the Barbadian social partnership. I am grateful to Cyril Clarke, former Permanent Secretary in the Ministry of the Civil Service, who was most helpful in providing me with information on the public service perspective. Other government officials I met included the Honourable Rudolph Greenidge, Minister of Labour, and Carston Simmons, Permanent Secretary in the Labour Ministry. I should also mention the helpful role of Mitchell Cordrington, Edla Lowe and Shirleen Simmons, all in the Labour Department.

I acknowledge with immense appreciation the support I received from Senator LeRoy Trotman, General Secretary of the Barbados Workers' Union (BWU) who, through personal effort and commitment, organized the bulk of my initial interviews and mobilized the leaders of the trade union movement who in turn gave time and information to the mission. In the BWU, I received helpful support and assistance from Veronica Griffith, Doren Deane, David Giles, Robert Morris, Levere Richards and David Smith. I acknowledge also the helpful assistance of Joseph Goddard, General Secretary of the National Public Works Union (NPWU), Patrick Frost, General Secretary of the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) and Julliet Pollard, Chairwoman of the house union in Transistor Barbados Limited (TBL) who, along with her colleagues spoke to me about the dramatic and dynamic labour relations in the company.

On the business side, I am most thankful for the generous information and attention that enabled me understand the social partnership from the employers' perspective. Sir John Goddard, one of the key architects of the partnership, provided helpful insights into the social partnership and the commitment to dialogue and also set the partnership within the traditions of the Barbadian people. Key officials of the Barbados Private Sector Agency, including Allan Fields, Sir John's successor as Chairman, Harry Husbands, Executive Director of the Barbados Employers' Confederation, his predecessor, Collis Blackman, Carlyle Carter and Rolph Jordan of the chambers of commerce all gave useful information which helped my understanding of the past and present contributions of employers to nurturing the social partnership, as well as the direction of the social partnership in the new millennium. Ms Susan Springer, Chief Executive Officer, Barbados Hotel Tourism Association and Peter Bosse, General Manager TBL, provided insights into the evolving industrial relations in their respective organizations. To all these people I am most grateful.

Also, a host of other people provided invaluable assistance to me during my research. The following provided me with information on the work of their respective agencies and I am most grateful for their efforts: Dr. John Pilgrim, Executive Director of the Barbados National Productivity Council and Trevor L. King, Executive Director of the Technical and Vocational Education and Training Council described the work of their agencies, and Hope Greenidge, Vincent Burnett and Victor Felix were most helpful in providing information on the work of their respective units in the Labour Department. Thanks to Professor Andrew Downes of the University of the West Indies at Barbados for the helpful exchange of ideas.

In the ILO Office in the Caribbean, the initial proposal to study the social partnership in Barbados came from Willi Momm who gave me some of the background information for the research. I appreciate the assistance of Jerry Goolsarran, Evelyn Greaves and Emru Millette. Lei Chen, intern in the InFocus Programme on Strengthening Social Dialogue worked on the charts and did a fine job. Finally, I am indebted to all the participants at the tripartite national seminar at which an earlier version of this paper was discussed. Rhonda Howell did a fine job organizing the seminar. In spite of all the collaboration I received in the preparation of this paper, none of the individuals or agencies I have mentioned here is accountable for the views articulated in this report.

List of Abbreviations

BEC: Barbados Employers' Confederation
BLP: Barbados Labour Party
BWU: Barbados Workers' Union
CTUSAB: Congress of Trade Unions and Staff Associations of Barbados
DLP: Democratic Labour Party (Barbados)
GTUC: Guyana Trades Union Congress
ILO: International Labour Office
IMF: International Monetary Fund
NACOSH: National Advisory Committee on Occupational Safety and Health (Barbados)
BNPC: Barbados National Productivity Council
NPWU: National Public Workers' Union
BPSA: Barbados Private Sector Agency
RAMCID: Risk Analysis and Monitoring Committee on Industrial Development (Barbados)
SAP: Structural adjustment programme (IMF/Barbados)
TBL: Transistor Barbados Limited
TVET: Technical Vocational Education Training Council (Barbados)

INTRODUCTION

This paper analyses the responses of those involved in industrial relations to the impact of the interrelated forces of globalization and structural adjustment on social and economic policies in Barbados. Specifically, the study examines the economic and industrial relations environment, dictated by these forces, the threat to economic and social stability, and looks at the policy options chosen to address the problems through joint mechanisms of social dialogue.

From the outset it is important to recognize that the term “social dialogue” reflects the constitutional principle of tripartism of the International Labour Office (ILO) since it was founded in 1919, and today one of its four strategic objectives.¹ In the advanced market economies of Western Europe, social dialogue mainly entails a “three-way interaction between government, employers’ organizations and workers’ representatives in formulating or implementing labour, social or economic policy”.² In developing countries, tripartite and bipartite social dialogue has invariably focussed on labour market issues. Clearly, for this reason, the participation of government in tripartite social dialogue has reposed almost exclusively in the government authority responsible for labour market matters. However, in recent years, particularly under worsening economic conditions, there has been a growing interest in expanding the scope of issues for social dialogue.

Today, while it remains true that tripartism is the foundation of social dialogue,³ the environment within which the tripartite partners operate is decidedly different. Contemporary national and international economic imperatives suggest that to confine social dialogue to labour market issues grossly understates the overwhelming influence of the macroeconomic environment on the world of work. The reality of the matter is that the changes that are today taking place in the labour market are generally just one phenomenon in a much larger and complex macroeconomic policy framework.

Thus, public policy on issues such as labour legislation designed to achieve flexibility in the workplace, privatization, civil service reform and workforce reduction are often policy initiatives undertaken to affect the labour market within a certain macroeconomic framework. In other words, the reality of the economic environment is such that to confine tripartite social dialogue exclusively to labour market issues is to oversimplify the complex economic environment. To take the example of Barbados, the subject of this paper, the inevitability of broadening the focus of tripartism and social dialogue was articulated not long ago by one of the partners in the country’s social partnership. The Barbados Workers’ Union argued thus:

The Barbados Workers’ Union rejects the notion that a union presence is required only when labour market flexibility is being sought. The modern trade union is concerned with all issues affecting the worker before he/she is old enough to enter the formal labour market, while he/she is there, and after he/she retires from active participation in the market. The trade union is also concerned with those persons who face challenges in their participation because of physical or other disabilities. And

¹ The others are rights at work, employment and social protection. See *Decent Work Report* of the Director General. Geneva, ILO, 1999.

² AnneTrebilcock: *Towards social dialogue: Tripartite cooperation in national economic and social policy-making* (Geneva, ILO, 1994), p. 3.

³ ILO: *Tripartite consultation at the national level on economic and social policy*, Report VI,83rd Session of the International Labour Conference, Geneva, 1996.

the union remains deeply interested in, and committed to those who have been displaced from the formal market, or who have been denied a place within it.⁴

Furthermore, quite apart from the need to see tripartite consultation in the broader context of social and economic policy-making and for much the same reason, the role of labour market institutions is changing as well as their respective structures. Today a large number of workers and employers remain outside the traditional institutions of the social partners. Workers in the informal economy, as well as those in small businesses, are often at the periphery of the traditional institutions of trade unions and employers' organizations. Most often they are not involved in the consultative processes on matters that concern them. While determining the composition and orientation of such interests itself poses formidable problems, it is nevertheless useful to inquire into the form and nature of the relationship between traditional social partners in social dialogue and other groups. One might ask, for example, what prospects there are for the social partners and these other groups to work together to address social and economic issues? What form will collaboration take? The experience of Barbados sheds some light on questions such as these.

Moreover, the role of the Government in social dialogue, in particular the tendency in developing countries to confine social dialogue to labour market issues and exclusively to the labour administration department, is hardly an adequate structural arrangement. In today's economic environment social and economic policies that impact heavily on the labour market are often the responsibility of government departments other than the labour department and these play an enormous role in the formulation and implementation of social and economic policies.

As Trebilcock has shown, the mechanism of social concertation is a well-accepted practice in most advanced market economies. It was the economic crisis that hit most countries, particularly the developing countries of Africa, Asia and Latin America in the 1980s and 1990s, that intensified awareness of the strategic role of social dialogue as a mechanism for consensus-building on the path to social and economic development. Even where consensus is not reached, the debate can provide an understanding of the direction of a socially acceptable policy.

In this study "social dialogue" is taken to mean all types of joint and collaborative relationships, that is, negotiations, consultations and exchanges of information, most commonly between the tripartite and bipartite partners, either by formal or informal means, and through ad hoc or institutionalized frameworks on issues of common interest relating to economic and social policy. This definition covers both tripartite and bipartite relations that involve government and representative organizations of employers and workers. More importantly, it improves upon the existing formulation by emphasizing the joint nature of the relationship. As this study shows, a meaningful and sustainable social dialogue is obtainable where the formulation and implementation of social and economic policies are the outcome of joint effort. Such relationships occur at all levels of decision-making. At national level, for example, social dialogue may involve central government on the one hand and the leadership of the social partners on the other. Other areas of social dialogue, in so far as national consultation is concerned include sectoral/industrial and local or company levels.

The analysis in this paper focuses on social dialogue at national level and at individual company level. Social dialogue at the national level takes place among the major stakeholders and often focuses on issues that have national significance. Issues of economic reforms, industrial restructuring, the impact of globalization on employment, investment, labour market policies, labour legislation and overall public policy are subjects that are commonly discussed in social dialogue at national level. There are of course variations in the use of social dialogue at this level. Apart from

⁴ Barbados Workers' Union (BWU): Proceedings of the 58th Annual Delegates' Conference of the Barbados Workers' Union, Bridgetown, 28 Aug., 1999, p. 11.

differences in practice as to whether consultation is consultative, advisory or a negotiating process, the scope of issues available to this mechanism will vary from one national context to another. There are also issues at the national level which are of a specific thematic nature such as productivity, competitiveness and health and safety in the workplace. In each case social dialogue at these levels invariably impacts on relations at the lower levels, be it at the level of the industry or sector, or at individual company level through collective bargaining and labour/management cooperation.

Bearing in mind the enormous role of social dialogue at all levels of decision-making in today's complex economic realities, social dialogue must be seen as a much broader concept than hitherto assumed in several countries. This broader conceptualization is feasible so long as traditional industrial relations institutions, mechanisms and processes are seen to be part and parcel of the social dialogue phenomenon. Furthermore, social dialogue does not take place just for its own sake; it is expected to involve constructive and fruitful exchanges of ideas and outcomes on substantive issues of national economic development.

Focus and objective of the study

The social partnership in Barbados originated as a joint initiative in response to specific and pressing economic challenges including the following:

- the inescapable devaluation of the currency from a desirable exchange rate with the US dollar;
- a sharp decline in tourism;
- the high fiscal deficit;
- the increasing national debt; and
- the dramatic increase in inflation and unemployment.

The Government's decision to address these issues through the implementation of an International Monetary Fund (IMF)-approved structural adjustment programme (SAP) at the beginning of the 1990s was flatly rejected by the trade unions and a cross-section of society. In the ensuing uncertainty the parties resolved to employ joint and collaborative means to address the national crisis. This paper provides an account of their collaborative efforts. As will be shown later, the resulting social partnership in the country has made significant strides, particularly in sensitizing the stakeholders and, indeed, the public to the critical value of productivity in restoring the country's competitiveness.

The objective of this study is therefore to analyse this important experience in social dialogue in Barbados. The resort to consultative and negotiating mechanisms has been a significant development for policy-making at the national level and the partners acknowledge that the tripartite protocol agreements have helped them to resolve a major economic crisis. Of equal significance, particularly from the perspective of sustainable social dialogue, has been the resolve of the parties to continue with the social dialogue even when the specific problem for which it had been designed became less threatening. The resolve of the tripartite partners to continue in social partnership on major economic and social issues emphasizes the strategic value of this mechanism in the promotion of economic and social stability in the country.

CHAPTER 1

THE ECONOMY AND LABOUR MARKET CONDITIONS

Profile of the economy

Barbados is unique in the Caribbean. The country has enjoyed a comparatively stable political democracy, good governance, fiscal stability and a high degree of social consensus since independence in 1966. Undoubtedly, this stable socio-political environment contributed immensely to the sustained economic growth and social development up to the 1980s. In the pre-1950s era, the economy was mainly driven by sugar cane farming and processing which was the main source of foreign exchange earnings. During the 1960s and 1970s, the export sector was successfully diversified from a concentration on sugar to assembly industries, food processing and tourism.⁵

Despite this, Barbados, with a population of 266,900 people in 1998, is vulnerable to even the smallest of economic shocks. It is a small, open economy with tourism currently accounting for as much as 70 per cent of foreign exchange earnings. The country's economic fortunes are thus dependent on the prosperity of those countries that patronize its tourism industry and must also compete with other tourist destinations. Because of a zero population growth arising primarily from an ageing population, it has a restricted labour supply and a consequence of this has been a tendency to push wages higher than in most Caribbean countries.

The Barbadian economy experienced an unprecedented economic crisis at the beginning of the 1990s. GDP growth of 3.6 per cent in 1989 was followed in the early 1990s by a period of unprecedented economic difficulties, in large part due to the susceptibility of the economy to an international economic recession compounded by the Gulf war (see Chart 1.1). This contributed considerably to a weakening of Barbados' external position. Average annual unemployment rose steeply from 15.3 per cent in 1989 to 23 per cent in 1992. In the same period, inflation accelerated from an average rate of 3.1 per cent in 1990 to over 6 per cent in 1991 and 1992. This followed a five-year period of moderate price increases averaging 3.8 per cent.⁶ Average wage rises declined, however, probably due to emergency policy responses by the Government.

These developments triggered a sharp drop in foreign exchange earnings, particularly tourist receipts, with unfavourable consequences for economic management. Barbados remains an export-driven economy, with trade in goods and services averaging 115 per cent of gross domestic product (GDP) between 1980 and 1991. The country's external account weakened to a deficit of 4.5 per cent of GDP in 1990/91 and this was compounded by a rapid expansion of the central Government deficit from 1 per cent of GDP in 1989 to 7.5 per cent in 1990-1991. As a result, the country's liquid foreign reserves were down to 1.33 weeks of imports.⁷

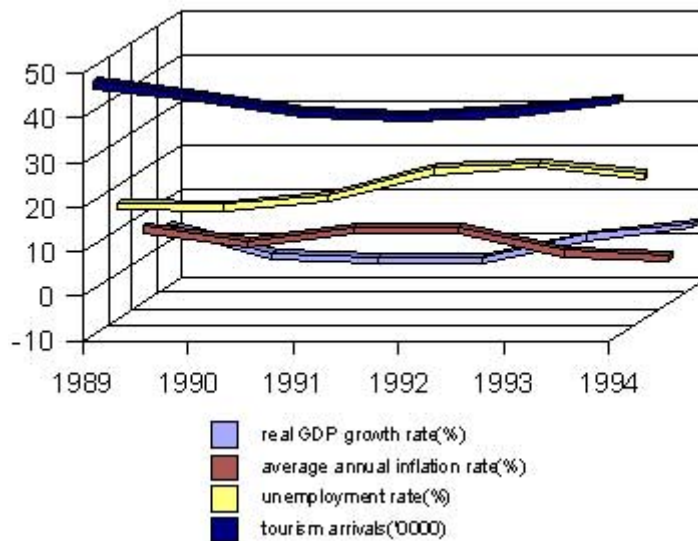
⁵ Today sugar provides employment for less than 5,000 workers and far less during the off-peak period. The industry contributed less than 2 per cent of GDP in 1998.

⁶ Central Bank of Barbados (CBB): *Economic Review 1991* (Bridgetown, 1991), p. 3.

⁷ Ministry of Finance and Economic Affairs of Barbados: *Information Paper*, Jan. 1995.

CORRIGENDUM

Chart 1.1: Selected Economic Indicators, 1989 - 1994



Source: ILO, *Employment policy in a small-island economy, Barbados. Port of Spain, 1999.*

The dramatic decline in the country's foreign currency reserves and the loss of an estimated 10 per cent of its competitive edge prompted the Government to seek assistance from the International Monetary Fund (IMF) under a broad-ranging structural adjustment programme (SAP) in September 1991.⁸ Under the terms of the agreement with the IMF, the Government sought to reduce spending on imports in the short term through reductions in the fiscal deficit and private sector credit. The fiscal measures included a decrease in the wages bill of all public sector institutions, a cutback in spending on capital projects, lower transfers to statutory corporations and increased taxation. In addition, the Government reduced protection for firms that produced import substitutes for the local market. To complement the fiscal measures, monetary policy was tightened, the Central Bank's discount rate was raised and commercial banks were requested to hold a higher proportion of deposits in government securities.⁹

As might be expected, the implementation of the structural adjustment programme drew considerable protests from the workers' unions and indeed from a cross-section of the public and the private sector. Employers' concerns were probably triggered by the fact that as the country dismantled the trade barriers that had previously been erected to protect local industries, the economy would come under great pressure from globalization and competition. In other words, trade liberalization would put more pressure on industries to be competitive. Employers felt that this should be the subject of consultation with them. As will be shown later in Chapter 3, protests were staged not only because of the unfavourable social impact of the measures, but also as a popular response to the lack of consultation with the key stakeholders. Probably because of this absence of due

⁸ CBB, op. cit., p.3.

⁹ For details, see CBB, op. cit., p.3. See also ILO: *Employment policy in a small-island economy: Barbados (Port of Spain, 1999)*

Thus, the challenge that faced the Government of Barbados in the early 1990s was the creation of a strong and stable export-oriented economy, based on services and supported by a stable currency. The Government and social partners agreed that the single most important challenge which the country would continue to have to address over the short and long term was a national commitment to maintain the existing rate of the Barbados dollar against the US dollar in order to contain inflation and provide a stable environment for business decisions.¹⁰ To achieve this goal, the partners needed to take joint measures to promote and enhance the country's international competitiveness and development.

The structure of the labour market

Despite Barbados being a developing country, its labour market has characteristics in common with more advanced countries. One of these characteristics is the country's virtually static population. According to estimates, the population had an average annual growth rate of 0.3 per cent between 1985 and 1996. Between 1991 and 1997, the annual rate of population growth actually dropped to 0.1 per cent.¹¹ As table 1.1 shows, this pattern of population growth is also reflected in the growth of the adult population, otherwise known as the 'economically active group'. This group had an average annual population growth rate of 1.24 per cent between 1989 and 1993 and a slightly higher rate of 1.81 per cent between 1991 and 1995. The implications of this type of growth for the labour market would normally be an imminent labour supply shortage and upward pressure on wages, particularly if the economy were to maintain the steady growth it has witnessed after the recession of the early 1990s.

Table 1.1. Population, labour force and employment rates in Barbados, 1989-1999

Year	Adult population ('000)	Labour force ('000)	Number of employed ('000)	Unemployment rate (%)	Labour force participation rate (%)
1989	181.1	122.6	104.5	14.7	67.7

¹⁰ Ministry of Economic Planning of Barbados: *Policy paper for tripartite negotiation* (Bridgetown, 1993).

¹¹ ILO, op. cit., p. 43.

Year	Adult population ('000)	Labour force ('000)	Number of employed ('000)	Unemployment rate (%)	Labour force participation rate (%)
1990	184	123.8	105.2	15	67.3
1991	187.6	122.5	101.5	17.1	65.2
1992	188.5	124.8	96.1	23	66.2
1993	190	126.3	95.4	24.5	66.5
1994	200.4	135.1	105.5	21.9	67.4
1995	200.7	136.8	109.9	19.7	68.2
1996	200.8	135.4	114.3	15.6	67.4
1997	201.1	135.7	116.1	14.5	67.5
1998	201.4	136.3	119.6	12.3	67.7
1999	201.8	135.5	122.2	9.8	67.1

1999 figures are provisional.

Source: Ministry of Labour of Barbados: *Barbados Labour Market Statistical Bulletin* (Bridgetown, various issues).

The labour force participation rate averaged 67.1 per cent between 1989 and 1999, with the exception of the period 1991-1993, reflecting the period of economic difficulties that led to the introduction of the SAP and other tripartite agreements. Undoubtedly, a relatively high literacy rate has been a major contributory factor to the high labour force participation rate in the country. According to available information, the enrolment rate is generally high in Barbadian schools: over 50 per cent of the labour force have attained secondary level education, and approximately 90 per cent have had at least primary level education.¹²

Although the labour force participation rates for men are generally higher than for women, as shown in Chart 1.2, there has been a gradual narrowing of the male/female differentials over the years. In fact, the average annual increase in the female participation rate is higher than for males between 1991 and 1998.¹³ In the context of socio-economic decision making, the increase in the participation of women in the labour market has had a positive effect on the gender composition of social dialogue institutions. Indeed, as will be shown in the next chapter, a key objective of the tripartite protocol is to create an all-inclusive society, and available evidence in Barbados points to a reasonable gender balance both in Government and private sector institutions or agencies.

1.2: Labour Participation by Sex, 1989-1998

¹² ILO, op. cit., p. 43.

¹³ Data supplied by the Ministry of Employment and Social Affairs of Barbados.

Source: Barbados Labour Market Statistical Bulletin, various issues.

Employment by economic activity

As shown in Chart 1.3, employment is concentrated in six key economic sectors, namely manufacturing, tourism, construction, general services, government services and the wholesale and retail trades. Together these sectors employed 103,500 workers in 1999, representing 84 per cent of total employment for that year. The displacement of agriculture, historically the major source of employment, is noteworthy as is the relative prominence of newer industries such as manufacturing and tourism. In the case of the latter it can be assumed that the indirect effect of increased tourism will positively affect employment levels in other economic activities such as the retail trade and commerce.

Chart 1.3: Sectoral distribution of employment, 1991 - 1996 (persons '000)

Source: figures for Manufacturing, Construction, and Tourism are from Economic Review, vol. XXIV, no. 3, December 1999, Central Bank of Barbados. Figures for Wholesale and Retail Trade, General Services, and Government from 1991 to 1993 are from Towards the Definition of a New Policy on Prices and Incomes, January 1995, Information Paper, Ministry of Finance and Economic Affairs, Barbados. Figures for General Services, and Government of 1995 are from Economic Review, vol. XXVI, no. 3, December 1999, Central Bank of Barbados. Figure for Wholesale and Retail Trade 1995 is from Employment Policy in a Small-Island Economy, ILO Caribbean office, 1999. Figures for Wholesales and Retail Trade, 1994-1996, General Services 1994 & 1996, Government 1994 & 1996 from various sources.

Government services continue to be a major employer, accounting for approximately 20 per cent of total employment over the years. However, it is worth noting that, compared to most developing countries, government employment is much less in Barbados, indicating that the private sector is increasingly the major source of employment in the country.

Employment and unemployment

Until the period of economic difficulties in the early 1990s, Barbados experienced a steady increase in employment. Between 1985 and 1991, for example, the average annual increase in employment was 2,500.¹⁴ As Table 1.1 shows, employment growth resumed after the decline in the early 1990s, attaining a record high of 12,200 in 1999. Between 1994 and 1999, the average annual increase in employment was 3,340. Observers have attributed the growth in employment to several factors including an increase in demand and expansion of output. One of the key challenges that faced the social partners at the beginning of the 1990s was the rapid rise in unemployment in the country. Although it can be said that unemployment was high at 14.7 per cent in 1989, the steep increase in its rate between 1991 (17.1 per cent) and 1992 (23 per cent) was socially and politically untenable for a country as small as Barbados.¹⁵

The evidence indicates that women generally face a higher incidence of unemployment than men, although the differences have been falling in the late 1990s. As will be shown in subsequent chapters of this report, one of the reasons for workers' demands for a social partnership included the

¹⁴ ILO, op. cit., table 4a.

¹⁵ CBB, op. cit., p. 3

need to link labour market developments to macroeconomic policy-making because of the latter's effect on the level of employment. It will also be emphasized that the perceptible decline in the level of unemployment in the post-agreement period shown in table 1.1 above is cited as one of the key achievements of the social partnership.

Registered unemployment as shown in table 1.2 illustrates the particularly difficult period of the early 1990s. The table shows the state of unemployment over a ten-year period. While it must be borne in mind that registration of jobseekers is voluntary, the system of job-search and placement remains a useful index of the state of unemployment. Thus, the number of registered jobseekers began to rise in 1990 and peaked sharply between 1991 and 1993. A relatively large number of people unavoidably lost their jobs during this period as the country implemented structural adjustment measures. However, as the economy improved in the mid-1990s, the number of registered jobseekers reverted to pre-crisis levels. The placement record also reveals another element of the crisis. Although the number of placements was quite high in 1989 and 1990, it began to decline until the mid-1990s, at which stage the decline appeared to have been arrested.

Table 1.2. Number of registered jobseekers and placements in Barbados, 1989-1997

Year	Jobseekers	Placements
1989	1340	536
1990	3969	554
1991	6493	452
1992	5680	329
1993	3203	335
1994	2498	239
1995	1392	231
1996	1250	283
1997	2798	345

Source: Ministry of Labour of Barbados: Annual Report (Bridgetown, various years)

Given that job opportunities were scarce, the attention of the National Employment Bureau (NEB) was directed at providing guidance and counselling to jobseekers, such as encouraging them to retrain and upgrade their skills and to take up entrepreneurship. As an official of the NEB confirmed, this policy found an enthusiastic response because job losses and layoffs during the period of economic crisis were responsible for the growth in informal employment activities such as street trading, small and micro businesses and so forth. There are no statistics on this phenomenon, but casual observation suggests that it was significant.

CHAPTER 2

VOLUNTARISM AND INDUSTRIAL RELATIONS

The legal foundation of employment relations in Barbados is based on three principal pieces of legislation, namely the Trade Union Act, the Trade Disputes Act and the Factories Act. At the same time, labour legislation is quite diverse as there are several legal regulations dealing with wages, health and safety, mining, recruitment, the civil service, holidays and bankruptcy. The explanation for this is not clear, but it appears that in earlier times governments found it relatively easy to regulate employment conditions by legal orders. Today these are determined through collective bargaining.

A particularly noteworthy aspect of the country's industrial relations is the enormous reliance on the voluntary tradition that derives from the colonial industrial relations framework. Thus, while there is the appearance of legal regulation, there has been no real attempt to create a sense of legal control. As will become clear later, several aspects of industrial relations practice in the country reflect this voluntary principle. However, changing conditions seem to have induced subtle changes in the system reflecting the dynamic nature of industrial relations.

The social partners

Trade union organization

Workers' and employers' organizations in Barbados are registered under the Trade Union Act which was enacted in 1939. As table 2.1 shows, 33 organizations were registered in the country in 1997. Twenty-five of these are trade unions, although only about 13 are actually functioning. Some 12 of the functioning unions, along with 10 staff associations (unregistered but operating in the manner of trade unions) are grouped in an umbrella organization called the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB). Most of the unions are small; in some cases there may be as few as 10 members in a union.

Table 2.1. Registered trade unions, employers' organizations, federations in Barbados, 1997

<i>Trade unions</i>	<i>Year of registration</i>
Barbados Workers' Union	1941
Sugar Producers' Federation	1941
Barbados Secondary Teachers' Union	1949
National Union of Public Workers	1964
Sugar Industries Staff Association	1966
Leeward Island Airline Pilots' Association	1969
The West Indies Group of University Teachers	1973
Barbados Union of Teachers	1974
National Union of Seamen	1976
Musician and Entertainers' Guild of Barbados	1976
Barbados Industrial and General Workers' Union	1976
Barbados Association of Medical Practitioners	1980
Shipping Association of Barbados	1980

Barbados Minibus Association	1982
National United Workers' Union of Barbados	1983
Barbados Clerical Union	1983
Barbados Association of Principal of Secondary Schools	1984
Barbados Association of Electrical Contractor Wiremen	1987
National Democratic Workers' Union	1988
Barbados Registered Nurses' Association	1990
Barbados Union of Fishery Workers	1991
Clement Payne Labour Union	1992
Independent Sea Port Tax Union	1993
Sanitation Workers' Union of Barbados	1994
United Artists of Barbados	1997
Nurses Assistant AIDS Association of Barbados	1997

Employers' organizations

Sugar Producers' Federation	1945
United Taxi Owners' Association	1957
Barbados Employers' Confederation	1961
The Cane Farmers' Association of Barbados	1965
Central Taxi Owners' Association	1976
Video Owners' Association	1989
Telecommunications Employers' Union	1993

Union/Employer Federations

Private Sector Organizations of Barbados	1993
Congress of Trade Unions and Staff Associations of Barbados	1995

Source: Ministry of Labour of Barbados: Annual Report 1997 (Bridgetown, 1997)

The largest trade union and the main player in industrial relations on the workers' side is the Barbados Workers' Union (BWU), which was established in 1941 and which has a membership of about 25,000. Indeed, the history of industrial relations and also of political movements in Barbados is intertwined with the history of the BWU. As in most former British colonies, the trade union movement provided a fertile base for political activities in the colonial era and it is not surprising that some of the earlier political leaders in colonial territories came from trade unions. The revered position enjoyed by the BWU has arisen from a tradition of serious leadership in the union and during its 60-year history it has had three highly respected leaders: Sir Hugh Springer (1941-1947), Sir Frank Leslie Walcott (1947-1991) and Senator Leroy Trotman (1991 to date). The BWU has exclusive coverage in the private sector where industrial relations activity is extensive. The union also covers a large proportion of workers in the public sector.

The second largest union is the National Union of Public Workers (NUPW), which was founded in 1964 and which operates exclusively in the public sector. It claims a membership of about 8,000. If the 3,000 membership of the Barbados Teachers Union (BTU) is added to that of the BWU and NUPW, it can be seen that over 70 per cent of the estimated organized workforce of 50,000 in the country is concentrated in three unions. The total number of unionized workers (out of 135,500 employed) gives a union density of 36 per cent. However, apart from the unionized workers, there is another group of workers who are not union members but form part of the bargaining units in which the unions operate. Consequently, they normally benefit from negotiated agreements in the establishments in which they work. A rough estimate of the size of this group is about 20,000. If the latter is added to the unionized workers, the union density rises to about 52 per cent. Even so, some 35,000 workers, or 26 per cent of the labour force, are left outside the direct influence of union activity. However, by custom and tradition, it is assumed that to some extent, wages and conditions of employment for this

group, generally comprising workers in small businesses, are somehow sensitive to wage settlements in the organized sector.

The usual level of union organization is at company level, which remains the dominant structure of union activity in the country. There are as many as 236 such company-level units in Barbados, called 'divisions' within the BWU, and all but five are in the private sector. As has already been noted, these divisions are generally small. The exceptions are the divisions in the sugar, telecommunications and transportation sectors, where there are relatively large representations.

Workers in large and medium companies are generally organized in trade unions, and this is significant because, as argued above, the outcomes of negotiations in the unionized setting directly or indirectly set the pattern for small businesses. For the latter, in which a sizeable number of workers are not organized, the fact that workplaces are generally small creates a dilemma for unions in terms of the cost-effectiveness of organizing all workers. Nevertheless, unions continue to organize workers through ingenious means. One key instrument through which this is being achieved is workers' education. The BWU, for example, is constantly sensitizing workers to the advantages of unionization as a means of presenting a cohesive voice for labour in national policy formulation and implementation. Through the two labour colleges, respectively owned by the BWU and the NPWU, these unions provide training on substantive issues such as industrial relations, the economy, society and the environment to workers in all sectors of the economy and on occasion, to workers throughout the region.

In so far as the organization of workers is concerned, the legal framework neither prescribes a particular procedure nor imposes any obligation on the employer to recognize a union for bargaining purposes. Therefore, the general approach has supported a voluntary tradition and this has remained an overriding feature of the country's industrial relations practice. Until the evolution of social partnership agreements, the union only had to have 'a substantial membership' in a particular enterprise in order to be recognized as the bargaining agent. No specific number was ever used, and it appeared to have worked well. However, with the evolution of the social partnership, the parties have moved to defining the minimum level of organization in order to gain recognition. Thus, under the prevailing understanding among the parties, the union may have to prove that it has more than 50 per cent of the workers in the envisaged bargaining unit. When this is the case, it is up to the employer to agree to recognize the union or not. Thus, in contemporary practice, employers will agree to recognize the union once the latter is able to prove that it is representative through a Department of Labour verification process. In nearly all cases, the employer agrees to the Department's confirmation and normally there is no conflict.

At the same time, it should be noted that globalization and the entry of new foreign investors has rekindled an old practice, dating back to the 1960s, of employers' resistance to union organization, questioning, as it were, the voluntary tradition. These employers have expressed preference for more regulation in matters of union recognition through clear-cut election processes and have also demanded a more definite codification of the collective bargaining process leading to binding agreements and dispute resolution through the labour court. The unions and to a large extent the BEC have, however, resisted a legalistic approach, stressing the point that the voluntary tradition has served the best interests of workers and employers as well.¹⁶ The unions, for example, maintain that the history of industrial relations in the country has proved that the voluntary approach is the right way to achieve labour/management cooperation. The experience of other countries in the Caribbean, where the legal process of union certification has not produced industrial peace, is frequently cited in defence of their resolve to retain the voluntary principle.

In dealing with this problem, particularly as a result of a number of recognition disputes that occurred early in 1998, the Government and the social partners issued what is popularly referred to as the Fourth of February Accord. In it, the partners stated that they are unanimous in their reaffirmation

¹⁶ 57th Annual Report of the Barbados Workers' Unions. Bridgetown, 1997.

of a commitment to the principles of voluntarism and to the resulting industrial relations conventions and practices which have been developed over the last 50 years, particularly the role of the Labour Department in providing conciliation services and assisting in the resolution of grievances and disputes.....Moreover, the social partners deprecate the attempt by Offshore Keyboard Corporation to frustrate the Barbados Workers' Union in the legitimate pursuit of the constitutional rights and interests of its members.¹⁷

In the particular case of the company named, it refused to recognize the BWU as the bargaining agent for the workers, on the pretext that there are no established laws on the operation of trade unions in the country. At the same time, it was alleged that the company was in any case contemplating closing down its operations in Barbados.

Organization of employers

The Barbados Employers' Confederation, (BEC) is the central employers' voice in the labour field. As table 2.1 shows, there are also other registered employers' organizations, but most of them seem to have become moribund.

The BEC is the employers' body that provides leadership in the articulation of the employers' position on human resource management and labour market policies in Barbados. In this capacity, it serves as the counterpart of the BWU in the field of industrial relations in the private sector. Founded in 1956, the Confederation had a membership of 130 companies in 2000, including large and medium enterprises. Additionally, the BEC represents 72 enterprises in the highly strategic hotel and tourism industry, under an umbrella organization called the Barbados Hotel and Tourism Association. Some of the members of the latter maintain individual membership in BEC. This brings the direct and indirect membership of BEC to over 200 enterprises.

The BEC also provides professional services to very small enterprises which are not members of the Confederation. At the same time, where such employers are members of other business organizations, they most probably derive indirect benefits from the various services of BEC.¹⁸ In any event, as the central voice of Barbadian employers in the field of industrial relations in the country, the BEC plays a major role in the formulation of the employers' position on labour relations and labour market policies. In this capacity, the Confederation occupies a strategic position in the evolution of the social partnership agreements in the country.

Federation of workers and employers

Until the formation of the Congress of Trade Unions and Staff Associations of Barbados, CTUSAB, in August 1993, the BWU and NUPW had been the national workers' organizations to which company units or divisions and most smaller unions were affiliated. However, as early as 1991, there had been informal meetings among the unions under a loose-knit body called the "Coalition of Trade Unions and Staff Associations of Barbados", and it was this body that metamorphosed into the CTUSAB. The resolve to formalize the union federation was based on the perceived need for the

¹⁷ Statement by the tripartite partners referred to as the Fourth of February Accord, 1998.

¹⁸ As some of the employers outside the BEC may hold membership in one of the other six employers' bodies, they may find that multiple membership of employers' organizations is not cost-effective.

workers to speak with one voice on the Government's policy response to the IMF structural adjustment proposal. According to BWU General Secretary, LeRoy Trotman, individual union proposals were detrimental to the trade union movement and "were unlikely to be of any benefit to the Government in its attempt to deal with the crisis".¹⁹

In a similar response to the same concerns and also in an effort to provide a counterpart to the workers' initiative, the employers' groupings agreed to form a united voice. As a result, the following seven employers' bodies combined to form the Barbados Private Sector Agency (BPSA) also in 1993:²⁰

Barbados Chamber of Commerce and Industry
Barbados Manufacturers' Association
Barbados Employers' Confederation
Barbados Agricultural Society
Barbados Farmers' Union
Barbados Hotel and Tourism Association
Barbados Small Business Association

The process leading to the formation of the BPSA started at about the same time as the informal meeting of the workers. The business sector met for about 2 years, during which their goal was to understand each other better and to explore common interests, ultimately leading to the formation of the BPSA. This body is still an informal forum in the sense that it is not registered in any statute, although there are discussions on making it a formal entity.

The emergence of the two central bodies in industrial relations resulted in the development of collective bargaining at national level in Barbados. Working with the Government side, these two organizations have played the crucial role in the evolution and nurturing of the social partnership. They are today important institutions in the country's social and economic policy formulation and implementation.

The Department of Labour

The government side in social dialogue, whether bipartite or tripartite consultation, is the Department of Labour (DOL) of the Ministry of Labour, Sports and Public Sector Reform.²¹ In keeping with the voluntary industrial relations tradition, this agency plays a subtle but very significant role in labour relations in the country. Its main role is the enforcement of labour legislation by such

¹⁹ Senator Leroy Trotman was unanimously elected President of the CTUSAB while Patrick Frost, General Secretary of one of the teachers' unions, was elected General Secretary.

²⁰ The first President of the PSOB was Sir John Goddard, while the current President is Mr. Allan Fields. It will be seen that only one of the employers' associations listed in Table 2.1 is in the BPSA; the others are moribund.

²¹ The Department of Labour is not the secretariat of the Social Partnership, although the Chief Labour Officer is a member of the Subcommittee. The Chairman of the Subcommittee is the Minister of Industry and International Business, undoubtedly underscoring the strong international element of the Barbadian economy. In any event, the Social Partnership does not as yet have a permanent secretariat.

means as regular inspection in workplaces for compliance with agreed terms and conditions, as well as occupational safety and health standards. It also provides advice to workers, unions and employers on conditions of employment, labour standards, gives lectures at workers' and employers' fora, and monitors practices in labour relations to ensure that grievances and disputes are settled speedily. Indeed, the role of the DOL in helping to resolve grievances and disputes in the workplace is undoubtedly one of its greatest contributions to the maintenance of industrial peace in the country. In this regard, it is responsible for attending to the numerous individual grievances that are brought to the attention of the department by non-union workers. The most common grievances relate to dismissals, non-payment of entitlements, such as vacation pay, suspension and layoff. Settlement rate is said to be quite high, around 90 per cent of cases.²²

Collective bargaining and the negotiating process

Apart from the relatively recent experience in negotiation and reaching agreement at the national level through the tripartite protocols since 1993, negotiations in Barbados mainly take place at individual company level. This tradition is based largely on the pattern of collective bargaining and the country's labour market institutions. According to BWU records, an average of 45 company-level agreements were signed annually between 1994 and 1999.²³ This section examines the ongoing dynamic processes in collective bargaining at both the company and sectoral level. Negotiations at the national level are the subject of Chapter 3.²⁴

Industry-level or sectoral bargaining has been confined to certain economic sectors. The following sectors have bargaining arrangements:

Hotels and tourism, including restaurants
Sugar (several plantations and three factories)
Garages
Distribution
Construction
Beverages
Government, i.e. the public sector as a whole.

At this level, particularly in the private sector, negotiations are between representatives of the employers, led by the BEC, which serves as the spokesperson, and on the workers' side, by shop stewards in the constituent bargaining units in the particular industry and led by officials of the BWU. The negotiating team is sometimes as large as 20 representatives on either side of the bargaining table. In recent years, however, interest in industry-level bargaining has declined as companies see the advantage of returning to individual bargaining. As a result, the earlier interest in this arrangement in construction, beverages and printing appears to have faded, in preference for company level bargaining.

There are no explicitly defined procedures nor issues for negotiation at either company or sector level and so a lot depends on the rapport and understanding that exists between the two negotiating sides. Thus, where a good union-management relationship exists there is usually no

²² Annual Report of the Department of Labour for the year 1997. Barbados, pp. 6-9.

²³ See BWU: *Annual Report* (Bridgetown, years 1994-2000). In 1999, the BEC also reported that 27 collective agreements were reached between itself, acting on behalf of its member companies, and the BWU. See BEC, *Annual Report 2000*. (Bridgetown, 2000).

²⁴ One small though important area of legal wage regulation has been the Shops Act, Chap. 356A which regulates the minimum wage applicable almost exclusively in small shops employing no more than a couple of workers.

difficulty in agreeing on the procedures or indeed the issues. This reflects the thrust of the voluntary tradition and the absence of regulation of collective bargaining in the country. At the company level, the relevant union, under the internal structural arrangement of the BWU, negotiates with the respective management. (For a more detailed description of how these processes work, see the two cases respectively of hotels and tourism, and of the TBL in Chapter 4.)

Irrespective of the level at which bargaining takes place, the bargaining unit is defined in terms of hierarchical functions. Thus, there are bargaining units comprising supervisory personnel as there are those representing manual and clerical staff and the general rank and file. In some cases, these are also classified according to whether the method of remuneration is weekly or monthly. There are no defined subjects of negotiation but most have focussed on wages and conditions of employment. In the 1990s and as a result of the evolving social partnership, negotiations began to focus on new forms of remuneration. Irrespective of the level at which negotiations take place, most collective agreements last for a period of two to three years.

Negotiations in the public sector

There has long been a tradition of collective bargaining in the public sector in Barbados and, as might be expected, the negotiating process in the sector is singularly different from the approaches in the private sector. Until the 1990s, negotiations in the sector took place primarily between the Government (as employer) and several individual unions led respectively by the NUPW and BWU. During this period, these two unions took turns in serving as the wage setter.²⁵ Other important unions in negotiations in the sector include the two teachers' unions, namely the Barbados Union of Teachers and the Barbados Secondary Teachers' Union. Although the Government negotiates with multiple unions, it has evolved the practice of submitting to Parliament for ratification the particular agreement it finds most attractive from the financial point of view.

Negotiations in this sector took a dramatic turn in the 1990s. Though there were no serious negotiations during the period of the economic crisis up to 1994 as a result of the incomes policy,²⁶ the negotiations that started in 1995 have since taken place between the Government and the two principal workers' organizations: the NUPW and CTUSAB, representing between them about 62 per cent of public sector workers. The two unions have about equal representation in the sector, although the respective size of the unions is a source of disagreement.²⁷ The NUPW claims about 8,000 members, while CTUSAB negotiates on behalf of about 7,500 spread across the following 11 unions and staff associations:

²⁵ One notable exception to negotiation among the parties was in 1979 when the Government could not reach agreement with any of the unions and consequently unilaterally imposed a wage rate it deemed fair and affordable. As might be expected the unions made a formal protest at this failure of the Government to "bargain in good faith".

²⁶ An IMF induced wage freeze was imposed from 1991 to 1993 when the tripartite protocol renewed the freeze under different conditions. This is discussed in more detail in the following chapter.

²⁷ It is difficult to reconcile the competing claims of the two organizations. The NUPW claims seniority in the sector ostensibly because its membership is made up of nearly 100 per cent public sector workers. On the other hand, the BWU and then the CTUSAB, which does not deny the exclusiveness of the NUPW in the sector, nevertheless claims a higher level of representation. The DOL records are wholly inadequate to allow the true picture to be determined. Nevertheless, one's impression is that, at the end of the day, both unions agree to disagree on this matter.

Barbados Workers Union
Barbados Union of Teachers
Barbados Registered Nurses' Association
Barbados Secondary Teachers' Union
Barbados Fire Services Association
Prisons Officers' Association
Association of Public Primary School Principals
Barbados Association of Principals of Public Secondary Schools
National Association of Nursing Assistants of Barbados
Police Association of Barbados
Association of Public Primary Teachers

Thus, both the NUPW and CTUSAB are recognized for collective bargaining in the public sector. One set of negotiations takes place through a coalition of the above-mentioned unions under the umbrella of CTUSAB. This coalition operates as a government council under the configuration of an industry-wide negotiation as mentioned earlier. At the other end is a parallel negotiation between the Government and the workers led by the NUPW. Exactly how these competing negotiations are organized is not clear, but what normally happens is that the first workers' side to commence negotiation takes the lead. Where CTUSAB starts the negotiations, NUPW normally follows in a sort of leap-frogging tactic. However, a development that emerged during the last two negotiation rounds (1997-1999 and 1999-2001) has resulted in the two unions attempting to share information, including delegating observers to each other's negotiations with the Government. Whether this readiness to share information on negotiations will lead to a merger of the two negotiating teams remains to be seen.

In any event, government policy has always been to select the agreement that suits it best from a budgetary point of view. Thus, during the 1997 negotiations, the proposed wage increase put forward by CTUSAB was perceived by employers to be more attractive than the NUPW's proposal with the result that the former was recommended for approval by Parliament. The next negotiating round (1999) produced exactly the opposite results. That is to say, CTUSAB's proposals were higher than that of the NUPW by roughly 0.5 per cent and the Government adopted the latter's proposal of a 4.5 per cent wage increase.²⁸

Although it is difficult to understand the ins and outs of such complicated arrangements, it appears that the accreditation of CTUSAB for bargaining is a response to the need to rationalize the number of negotiations in the sector. It is also probably a reflection of the desire of the BWU, which already dominates collective bargaining in the private sector, to assert its influence in the public sector. CTUSAB, which represents most of the unions but relatively fewer workers than the NUPW, has been unable to persuade the latter to join the coalition of unions for collective bargaining in the public sector.²⁹

As the foregoing account indicates, the trend in collective bargaining in the private sector is towards decentralized negotiation at the enterprise level. However, the key role played by both the BEC and BWU in these negotiations suggests that there is some element of coordination in bargaining. This is true also of the public sector, as earlier shown. Undoubtedly, this may have contributed to the moderate increases in wages during the past few years under the social partnership agreements. More on this in the next chapter.

²⁸ Although the CTUSAB leadership believed that some behind-the-scene negotiations had taken place between the Government and the NUPW, it decided not to contest the issue.

²⁹ It should be borne in mind that the NUPW is a strong member of CTUSAB in all cases outside public sector negotiations.

Dispute prevention and resolution

In the case of wrongful dismissal, the procedure agreed by both sides and which is in consonance with the voluntary tradition is a three-stage procedure as follows:

- The worker makes his/her appeal to the union and the union leadership meets with management to settle the dispute.
- Where this fails, the matter is presented to the BEC, representing the employers' federation, and the BWU, representing the workers. At this level, both sides make a real effort to try and resolve the dispute.
- If this fails, a formal request is made to the Chief Labour Officer in the Department of Labour who becomes a conciliator in the dispute.
- Only when the conciliation process fails can workers consider the option of a strike.

The records of the Department of Labour, shown below, indicate relatively few collective disputes, as opposed to individual grievances from non-unionized workers, but the number of individual grievances has been falling steadily.³⁰

	1995	1996	1997
Conciliation of collective disputes	66	n.a	28
Conciliation of individual grievances	3284	2719	2157

In so far as the settlement of collective disputes is concerned, the Labour Department plays an important role in helping to mediate or conciliate in disputes that have not been resolved by the parties themselves. As the records show, 28 cases were handled by the Department in 1997. As confirmed by the social partners, over 70 per cent of conciliation cases are resolved at the level of the Chief Labour Officer or his/her representatives. In cases where a dispute involves a key economic sector, particularly sugar, hotels and tourism, transportation and the docks, the dispute may go to the Minister of Labour and, when a strike seems inevitable, to the Prime Minister and/or the social partnership.

Wildcat strikes at company level continue to be a source of concern in labour/management relations because workers at this level have evidently paid little attention to agreements reached under the social partnership. This reflects the gulf between the two levels of social dialogue. The commonly-held view is that most company-level strikes are wildcat in defiance of agreed procedures. In point of fact, wildcat strikes are actions that very often have less to do with collective agreements than with the expression of workers' dissatisfaction with a certain company policy or decision. Sometimes, they are resorted to in order to apply pressure on management to reach agreement. More often than not, wildcat strikes are of short duration; a couple of hours in most cases, and are promptly settled by shop stewards or union officials.

Nevertheless, the issue of wildcat or unofficial strikes is partially responsible for the ongoing debate on whether or not there is a need to review public policy which may lead to the introduction of an element of legal obligation on both sides. However, while both employers and workers are united in their opposition to legal intrusion into the voluntary system,³¹ some employers who are not particularly happy with the open-ended role of the conciliation services of the Labour Department may like to see a more assertive procedure that would provide a decisive conclusion through third-party intervention, without undermining the principles of voluntarism. In an effort to address this problem, the Department

³⁰ Annual Report of the Department of Labour for the year 1997. Barbados, pp. 6-9.

³¹ This is an ongoing issue in the country. See *ibid.*, p. 2.

of Labour has proposed the establishment of a tripartite body to serve as a mediation or conciliation board which will seek to resolve disputes that cannot be resolved either at company level or by the Department of Labour. This voluntary advisory body would make awards that allow for appeal to a higher level organ, such as the social partnership. It is however uncertain whether this proposal will be implemented, in view of the determined resolve of the social partners to maintain the status quo. Ultimately, the solution may lie not in legal prescription but rather in the improvement of communication and information sharing between management and labour.

Conclusion

The greatest strength of the industrial relations system in Barbados is the existence of a viable and purposeful social dialogue to which the parties are generally committed. This dialogue functions under the voluntary tradition and through both formal and informal means. Through collective bargaining the parties have avoided destructive confrontations in labour/management relations. It has also meant that parties could not take extreme positions or reach decisions which they were unable to sell to their respective constituencies.

The industrial relations system has achieved relative success basically because of the absence of strongly competitive unions and the dominance of the BWU, which has virtually exclusive jurisdiction in the private sector. This union has for the most part taken an enlightened position on major labour issues, accepting that its action and position must reflect the overall interests not only of its members but also those of society at large. Because only two unions (the BWU and NUPW) dominate the industrial relations scene in the country and because of the maturity and sense of responsibility regularly displayed by their leadership, there have been very few jurisdictional disputes and this absence of serious inter-union disputes helps to focus attention on maintaining labour peace in the country.

There are, however, challenges or threats to the voluntarism upon which the industrial relations framework is based. Some investors, particularly the new ones, are particularly unsure about the effectiveness of the voluntary tradition, as opposed to a legal approach that would define the processes of industrial relations in the country, including union recognition and the settlement of disputes through a deterministic mechanism. On the other hand, the social partners in the country have continued to resist the legalization of a system which, they believe, has worked very well for them.

The unions in Barbados believe that the evolution in the 1990s of enhanced consultation and social dialogue at the national level is enough to address the concerns of new investors. The BWU argues thus: "efforts should be made to factor into the new instrument [protocol] some appropriate measures which the Government might introduce to persuade maverick businesses to honour obligations to the social compact, rather than to seek selfishly only to gain benefits and advantages from it."³² This view is in some respects shared by the BEC and the Government. One senior BEC member argued the position thus:

We need foreign investment, but we cannot sell our souls to attract foreign investment. The right to free assembly is a constitutional right of the Barbadian people. The foreign investor coming here is informed that this is the rule of the game as we play it here.³³

³² BWU: Proceedings of the 58th Annual Conference of the Barbados Workers' Union, Bridgetown, 28 Aug., 2000, p. 9.

³³ This opinion was privately expressed to the author while researching the study.

In fact, available evidence, in terms of the incidence of disputes and strikes, supports the view that the industrial relations situation in the country has been relatively peaceful, far more so than in comparable economies in the region. On the other hand, the increasing incidence of wildcat strikes at company level suggests that the existence of a social partnership at national level may not as yet have had the desired effect on labour relations at lower levels, ostensibly because there has been no real effort to carry through the provisions of national agreements at individual company level.

As for the threats to voluntarism, there is nothing sacrosanct about this principle. Voluntarism can continue to operate in a dynamic industrial relations system which has the capacity to respond to a changing environment. Indeed, as will become evident later in this paper, the evolution of social partnership through negotiated agreements to which both sides commit themselves, notwithstanding the absence of sanctions or penalties, is to an extent a modification of the voluntary principle. This is not to argue that voluntarism has collapsed in Barbados. Rather, it suggests that the parties have made an appropriate response to the challenge facing industrial relations, a challenge which requires periodic fine-tuning of the voluntarist principle of explicit commitment by the social partners. Therefore, the issue is not whether an innovative response to voluntarism is needed in order to adequately respond to the changing needs of the workplace; rather, it is the manner, direction and extent to which reforms of the industrial relations system affect the foundation of and commitment to social partnership.

Be that as it may, it is probably the case that some foreign investors have yet to adequately understand the industrial relations culture of Barbadian society and it may very well serve their interest better to have a union in place rather than not. In this respect it may prove helpful for the Government and the social partners to continue to educate investors on the inherent qualities of the voluntary tradition which has worked so well for Barbadian society. At the same time, the dynamic nature of industrial relations needs to be recognized and acknowledged by all sides.

CHAPTER 3

BUILDING AND FOSTERING SOCIAL PARTNERSHIP

Tripartism and social dialogue

Consultation through bipartite or tripartite social dialogue is not new in Barbados and it would be incorrect to imply that the signing of the tripartite protocols in the 1990s was the beginning of social dialogue at this level in the country. Indeed, as the preceding chapter shows, the country has experienced vibrant collective bargaining in both the private and public sectors of the economy. Collective bargaining is the undisputed means of employment regulation in the country, either directly for unionized workers or indirectly for other wage earners. The latter benefit either through the traditional extension of gains to non-union members or by the demonstrative effect of collectively determined wages.

With regard to social concertation at the national level, there has been a history of tripartite cooperation as a system of consultation on economic and labour market issues, particularly since the 1970s. Consultation at this level was carried out under institutions that were variously referred to as the National Economic Consultative Council or Committee (NECC), which met on an ad hoc basis depending on the Government and prevailing economic conditions. Several fora such as this were set up from time to time, to address specific issues of national importance. For example, in 1986, the Minister for Labour set up an ad hoc broad-based committee to address the unemployment problem at the time. On the other hand, tripartite consultation could be based on the exchange of correspondence or information and need not involve the signing of any memorandum of agreement. Indeed, consultations on key labour market issues, such as the ratification of ILO Conventions, continue to be conducted through formal and informal means, indeed through the exchange of correspondence in which the respective positions of the social partners are conveyed to the Government.

The informal and ad hoc tripartite consultations of the kind described above continue to be an important feature of industrial relations practice and operate side by side with the formalized social partnership in the country. On the other hand, it should be borne in mind that an important characteristic of the earlier consultative processes was that they were mainly advisory: the final decision usually rested with the Government. Before the economic crisis became a serious problem in 1992, ad hoc tripartite consultation took place. Thus, the NECC was set up in 1990, comprising the Government, the Barbados Workers' Union (BWU) and the Barbados Employers' Federation (BEC) and other private sector organizations such as Chambers of Commerce. This body met periodically to elicit the views of the social partners in addressing the emerging economic problem.

Quite apart from the ad hoc nature of institutions such as the NECC, they are most often set up at the discretion or initiative of one party, namely the Government. In one notable and distinctive respect, the tripartite protocols and the associated institutions that were subsequently set up under the social partnership³⁴ represent a joint and collective initiative of the tripartite partners designed to

³⁴ Other bodies which were set up under social partnership and in response to the crisis include the Barbados National Productivity Council (BNPC) and the Technical Vocational Education Training Council (TVET)

address what was perceived to be a common national problem. As will be shown presently, this joint recognition of a potential problem and the consensus on finding a joint solution to it makes the social partnership fundamentally different from previous approaches to tripartism. Of equal significance was the deliberate formation of coalitions of workers' and employers' organizations solely for the purpose of arriving at a united voice in negotiations (both internally within their respective constituency and collectively with the Government) on specific ways of resolving the national problem identified. The Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) and the Barbados Private Sector Agency (BPSA) were specifically created to harness and coordinate the respective workers' and employers' views on economic and social problems with the Government. Finally, the evolution of the protocols is unique in the sense that they serve as a means of achieving social peace and good governance.

The series of tripartite agreements reached between 1991 and 1998 thus constitute a fundamental development in industrial relations in Barbados. The agreements are the basis of what can be described as a significant evolution of an institutional framework for social partnership in addressing social and economic issues, and marked the beginning of national-level negotiations in the country. The first protocol, the Protocol for the Implementation of a Prices and Incomes Policy, 1993-1995, was signed in 1993 and was designed mainly as a package of measures to redress specific economic problems and their social consequences. The second protocol, the Protocol for the Implementation of a Prices and Incomes Policy, 1995-1997, unlike the first, was agreed in the context of a relatively improved economic environment and was deliberately intended to reinforce and consolidate the gains that were achieved through the implementation of the first protocol. The third protocol, the Protocol for the Implementation of a Social Partnership, 1998-2000, was also distinct and equally significant in that unlike the earlier protocols, it sought to foster sustainable social and economic partnership. This particular agreement is a strategic design that seeks to emphasize social dialogue as a useful mechanism for achieving socio-economic development.

The present chapter builds on the preview of the economic and labour market conditions presented in Chapters 1 and 2 and examines in some detail the respective protocol agreements designed to address national social and economic problems in Barbados.

Prelude to the Protocols

When the Government came up with a structural adjustment programme (SAP) in 1991, the workers rejected some of the measures, notably the devaluation of the Barbadian dollar. This was because workers felt that policies such as this would have an adverse impact on society. For the programme as a whole, workers were also concerned that the SAP did not adequately take into account the negative social consequences for the population. The workers, moreover, argued that the SAP did not equitably distribute the burden of adjustment measures. In the particular case of the public sector, for example, both the BWU and NUPW criticized the application of the measures in the public sector because several aspects of the SAP would put enormous burdens on workers. Specifically, the SAP measures included a cut of eight per cent in salaries, the suspension of annual increments for 18 months (October 1993 to March 1995), and the layoff of about 8,000 public sector workers. The policy also included a reduction in severance benefits for workers in all sectors. Workers' apprehensions about the programme derived from the fact that there was no defined enforcement programme in place and, going by the voluntary industrial relations system, the unpopular measures would have unequal effect in several cases.

Although the unions served as the nucleus of the general protest, employers' organizations and several civil society groups took part - including community groups, the unemployed and churches - all protesting against what were perceived to be unfair measures. These groups teamed up to launch unprecedented public protests and demonstrations in the main city, Bridgetown, in 1991. In the political arena, there were probably internal divisions within the leadership as to the politically

acceptable way forward. Indeed, there were insinuations that the unions came close to calling for the resignation of the Government, led by the Democratic Labour Party (DLP), and for the formation of an interim national government.³⁵ The tensions generated by the SAP measures and the unequal sacrifices it called for were unparalleled.³⁶

This popular protest was indicative of the threat which the SAP measures posed for social peace in the country, and social dialogue became a strategic mechanism for ensuring labour peace. Workers found a crucial ally in the employers, especially those in the private sector who were not completely happy with aspects of the adjustment programme proposed by the Government. In particular, the business sector appeared displeased with the reductions in certain business benefits such as the tax breaks they had customarily enjoyed.

The uncertainty generated by the displeasure of both sides of industry and the general public revealed two interesting issues. The first was that there had been little consultation by the Government over negotiations with the IMF and the eventual introduction of the SAP measures. Any consultations that took place were mainly of an informational nature. The second was that the ensuing stalemate brought about the direct involvement of church leaders as mediators between the Government on the one hand and the workers and the private sector on the other. This intervention contributed in no small way to the building of bridges and trust, and created a cordial environment for collaboration, leading to the eventual negotiation of the first protocol in 1993.³⁷

A useful observation here is that in the case of Barbados, this element of informal and unstructured non-party intervention, particularly from the churches, is a regular occurrence and demonstrates the crucial mediating role that this grouping plays in promoting peaceful relations, whether the conflict is purely a labour/management issue or involves community affairs. For this reason, the critical role of groupings such as the churches in promoting consensus through social dialogue in the country cannot be underestimated.

First Protocol: Economic stabilization and collective bargaining (1993-1995)

The general framework of the first protocol, which was signed in August 1993, had earlier been presented to Parliament by the Prime Minister in April of the same year.³⁸ In the protocol, the tripartite partners agreed to broad principles of an incomes policy “as part of an overall strategy for sustained

³⁵ The acrimony, coupled with other internal dissensions within the Democratic Labour Party apparently forced the DLP Government to call an early election in 1994 which it lost to the Barbados Labour Party (BLP).

³⁶ The CTUSAB took the Government to court but lost at the final level of the Privy Council.

³⁷ All sides in Barbados acknowledge that the Barbados experiment has benefited from the Irish model. At the same time, it is an arrangement that has been set up within the framework of the culture and traditions of the Barbadian people.

³⁸ In this and each of the subsequent protocols it is specified that the agreement is to be submitted to Parliament, ostensibly to give it official parliamentary legitimacy.

economic development of the country” in recognition of the need to reverse the gradual erosion of the country’s competitiveness through “resolute and coordinated action by the social partners”. The primary objectives of the incomes policy were:

- a commitment to maintain an exchange rate of BDS\$2 to US\$1;
- the expansion of the economy through competitiveness;
- the promotion of access to employment; and
- a reduction in the incidence of social dislocation caused by high unemployment.

Without doubt these were the main inducements for developing today's social partnership in Barbados. The protocol committed the partners to improved productivity and increased efficiency, thereby reducing wastage and enhancing national performance so as to attract investment and create employment opportunities. The achievement of these objectives was based on the mutual commitment of the parties to clearly defined initiatives, including the establishment of a framework for workers’ security of employment and a reduction in labour disputes. In addition, there was a government commitment to fill over 450 outstanding vacancies in the public service as well as to implement outstanding promotions of more than 350 workers. As regards the retrenchment element, it was agreed that this measure would be implemented on condition that at least one member of a family caught up in a layoff programme would be kept in a job.

The parties agreed to a wage freeze in both the public and private sectors at all organizational levels, including allowances and fringe benefits, the exception being in those areas where wages were deemed to be substandard, and where increases might be made. However, workers were to continue to enjoy their existing benefits and conditions. Any change would be in return for general improvements or would lead to long-term improvement and job creation for the unemployed. Such changes were to be based on “greater understanding” among the parties and were to be “pursued by the full and adequate sharing of relevant labour market information, and by genuine discussion and participation in decision-making”. Another justification for the exception from the freeze on wages and salaries was where increases were the result of job evaluation exercises or negotiated job enhancement exercises. In this regard, the agreement obliged the Government to set up a National Productivity Board (NPB) to further the objectives of the protocol. The agreement specifically mandated the productivity agency to develop ways of measuring productivity within the public sector so as to ensure that public sector workers were not disadvantaged by any provisions of the agreement. As for the inevitable reduction in wage earnings, it was agreed that any increase in wages would be achieved through productivity gains.

Employers were barred from any practice that involved the payment of remuneration for work at a higher rate than that paid for the same kind of work before the commencement of the agreement, while increases in wages and salaries could only be made in terms of profit-sharing agreements or productivity bonuses based on assessed profitability or productivity improvements. In this respect the critical role of collective bargaining, as the main mechanism through which exceptions and adjustments could be made, was emphasized. Thus, the agreement accepted that collective bargaining would continue to be used to regulate the conditions of work and the sharing of productivity gains.

On the prices side, business undertook not to increase prices except where an increase became inevitable as a result of imported inflation. At the same time, the agreement prescribed that “monopoly pricing” would be reviewed by a tripartite monitoring committee to facilitate legitimate cost increases. On the other hand, the parties agreed to examine the indexing of wage adjustments and tax allowances to increases in the cost of living. It obliged the Government to establish a tax regime which supported the objectives set out in the protocol.

Finally, the parties agreed that decisions taken in furtherance of the protocol would be unanimous. They undertook to meet at least four times a year or when requested by a partner to review progress and adopt new operational approaches for prices and incomes policy where necessary. Parties agreed to share information relevant to the operation of the productivity agency and to assist in developing incentive plans or profit-sharing schemes, all of which would guide and be adopted by the parties in wage and salary negotiations.

Second Protocol: Forging partnership on wage restraints and productivity (1995-1997)

Undoubtedly, it was the remarkable achievements under the first protocol, particularly the realization of the goal of maintaining the Barbadian dollar at its existing exchange level to the US dollar, that spurred the desire for a second agreement. Of equal importance was the fact that the social partners attributed the favourable macroeconomic environment to the dedication and achievement of the objectives which the first agreement sought to address. As will be shown later in this chapter, while the evidence shows that the first protocol cannot be held wholly responsible for the relative economic stability which ensued, there is clear evidence of its contribution to the country's manifest economic stability. The country reversed the negative growth of the early 1990s and the economy recorded moderate growth rates during the two years following the agreement.

Clearly, the partners believed that the environment of dialogue had helped to reverse a potentially damaging economic crisis and they were determined to consolidate the gains under tripartite agreements and strengthen the results of the first agreement. The decision to create a second protocol, even after the specific goals of arresting economic decline and establishing economic growth had been achieved, was based on recognition of the constructive role of the tripartite agreement. It was thus seen not as a short-term mechanism, but as an integral part of the dynamic nature of the evolving industrial relations system in the country.

The second agreement was founded on this belief. Thus, while acknowledging that the first protocol had enhanced the performance of the economy, the parties saw the need to continue in the same vein so as to place Barbados where it could strategically “take advantage of improvements in the global economy and facilitate sustained economic expansion”. The new agreement incorporated the broad objective of promoting economic stability outlined in the first agreement, but the agreement had its own innovations. It moved from a policy of “wage freeze” to a policy of “wage restraint”, emphasizing the need to promote “a mechanism which will achieve restraint in prices, wages and other compensation payments in order to make Barbados’ goods and services more competitive”. Crucially, the agreement placed a strong emphasis on productivity.

The new policy objectives were to be achieved through the introduction of a system of performance-related pay in the country, emphasizing the role of job evaluation and negotiated job enhancement exercises. It also involved the adoption of other management tools such as profit sharing and ownership sharing, including employee share ownership plans, productivity bargaining and other performance-related pay initiatives. In seeking to realise these objectives, a major role was assigned to the Barbados National Productivity Council (BNPC) which had been established under the first agreement and with which the partners were keen to continue working closely for “the efficient and effective performance of its functions and programmes”.³⁹ Finally, but significantly, the agreement further consolidated the critical role of collective bargaining, labour/management cooperation and other forms of bipartite social dialogue in the workplace.

Third Protocol: Building a sustainable social and economic partnership (1998-2000)

³⁹ For a more detailed discussion on the work of the BNPC, see Ch. 4.

The third agreement moved beyond narrow economic concerns to address the new issues associated with globalization. It took the view that there was a need for the partners to make a deliberate effort to institutionalize the social partnership in the belief that this was in the long-term interests of the economy. Consistent with this view, the parties emphasized the continuing need to subordinate sectoral interests to the national interest and to continue to use the social partnership to sustain economic growth and stability. To achieve long-term sustainable growth, the agreement identified eight policy objectives, three of which were additions to the objectives set out in earlier agreements. The new policy objectives included:⁴⁰

- the maintenance of a stable industrial relations climate;
- the reduction of social disparities through increased employment; and
- the consolidation of social dialogue through tripartite consultation.

This set of objectives was described as a “social compact”, undoubtedly to emphasize the broad scope of the agreement but also to emphasize the social partnership as an all-inclusive one in which all segments of society were to be taken into account in policy formulation and implementation.⁴¹ The new additions to the objectives of the social partnership are now briefly synthesized in order to appreciate the broad perspective of the agreement.

Maintenance of a stable industrial relations climate

The agreement committed the partners to promote a stable industrial relations climate in view of the “pre-eminence of its contribution to the success of the macroeconomic programme for the realisation of sustained economic growth and development through competitiveness”. In pursuit of this objective, it set out what might be described as “an industrial relations charter” or “code of conduct” by assigning rights and responsibilities to the partners individually and collectively. The agreement acknowledged that the broad national commitments “must be similarly exhibited in each enterprise” if the agreements were to be successful. It emphasized that the basis for the social partnership should not only be understood at company level, but there must also be “a commitment on the part of employers to respect the rights and interests of workers as stakeholders in the enterprise and to consider them in the making of all decisions affecting their employment”. This was a significant provision because the creation of a real link between the national agreement and individual company-level industrial relations practice is critical to the success of the former.

The agreement also emphasized the protection of workers’ rights through conduct that was consistent with international labour standards, national legislation, bilaterally-agreed procedures and “principles of reasonableness”. In this regard, the coverage of the agreement ranges from how to implement a layoff policy to subcontracting, economic redundancy, job enhancement, job termination and training. For example, in relation to termination of employment, the agreement obliged employers to consult and inform workers and their representatives and always to follow the principles of natural justice and those enunciated in the relevant ILO instruments. In seeking to avoid or reduce the potential for labour disputes, the social partners agreed that consultative procedures should be followed efficaciously and where this failed, resort should be made to the Subcommittee of the social partners.

⁴⁰ The earlier objectives which were retained were: (1) maintenance of the existing rate of exchange of the Barbadian dollar; (2) sustainable expansion of the economy through competitiveness; (3) restructuring of the economy; (4) national commitment to increase productivity; and (5), achievement of a balance between prices and incomes.

⁴¹ It should be mentioned that an addendum to the second agreement covering wide-ranging issues such as employment policy, technological change, job security and job enhancement was integrated into the third protocol, making the latter a much more comprehensive agreement.

Fostering a more inclusive society

The protocol focussed on the social dimensions of the economy on the premise that the social dimension is inextricably linked to the economy as a whole. Poverty arising principally out of unemployment and underemployment is associated with the incidence of crime and ultimately social exclusion. To lessen or prevent this phenomenon, the agreement committed the parties to pursue a policy of “greater social inclusion and the reduction of disparities” by such means as the provision of increased opportunities for employment. It also committed them to reducing the unacceptably high level of unemployment and underemployment in tandem with the promotion of training and retraining as a means of overcoming poverty. In addition, it recognized the relationship between unemployment and poverty and the attendant risk of social dislocation, especially among youth people. It emphasized the need to “implement such measures” that would prevent the importation of goods in which child labour had been used. It committed the partners to promoting employment for people with disabilities, suggesting targets to increase their employment as well as setting out codes of practice to ensure non-discriminatory employment practices.

Consolidating social dialogue

This agreement, more so than the earlier ones, defined a specific structural framework for social dialogue in the country. This resolve was based on the partners’ acknowledgement that recent economic developments in the country were largely attributable to the principles contained in the earlier protocols, and that sustained social and economic progress for the country would “depend to a considerable extent upon an ongoing individual and collective commitment to a philosophy of governance which was characterized by participatory democracy and the subjugation of sectoral interests to the national good”. It is significant that even though the social partnership was reasonably broadly based, the partners argued for broadening the scope and orientation of consultation and social dialogue. The agreement thus stressed: “There are potential societal and economic benefits to be derived from an expansion of the scope of such previous tripartite agreements”.

The institutional framework for social partnership

The first agreement did not define any specific institutional mechanism for social dialogue, understandably, because the agreement was designed to deal primarily with a specific short-term problem. However, the agreement obliged the parties “to meet at least four times a year or when requested by a social partner to review progress and to adopt where necessary new operational approaches in furtherance of the implementation of the national prices and incomes policy”. These meetings were to be chaired by the Prime Minister. Any of the partners could invite other “persons or institutions” to participate in the meeting, subject to prior consultation with the other partners and where that participation was thought desirable. By the time the second protocol was being formulated, the parties had seen the usefulness of a formal and fully structured institutional mechanism.

Thus, under the second agreement, a subcommittee of the social partners was set up, comprising the following:

On the government side:

Two ministers, one of whom should be the chairperson

Head of the Civil Service
Director of Finance and Economic Affairs
Permanent Secretary, Ministry of the Civil Service
Chief Personnel Officer

On the employers' side:
Equal number of representatives (BPSA)

On the workers' side:
Equal number of representatives (CTUSAB)

This Subcommittee was set up to serve as the “first line” of consultation on the implementation of the agreement. Furthermore, by creating this Subcommittee, the agreement implicitly regarded the meeting under the chairmanship of the Prime Minister as the main committee, a point that was to be made explicitly clear under the third agreement. This latter agreement also amended the membership to include the Chief Labour Officer of the Department of Labour.

Thus, two levels of meetings were agreed. The first was to comprise the Prime Minister (as chairperson) and two ministers from the government side. On the side of the employers, there was the BPSA while the workers' side was represented by the leadership of the CTUSAB. This senior-level committee would meet at least quarterly to review issues that needed decision-making at the top senior level. The Subcommittee of the social partnership which is chaired by the Minister of International Business serves as the second level. This Subcommittee meets monthly for regular monitoring and assessment of the partnership.

Without doubt, the institutionalization of social dialogue involving top level participation of leaders in the partnership was indicative of a high level of trust among the leadership of the social partners. In addition, it demonstrated the political will and maturity of the Government, particularly in its acknowledgement of the critical role to be played by the partners in growth and economic development. Everyone understood that they were working in the national interest. It must be borne in mind that while an institutional framework was essential to the sustainability of social dialogue, it is inconceivable that it would be the only approach to a viable social dialogue. Other modes of consultation and negotiation such as informal and ad hoc means were to remain relevant, indeed inevitable, either to supplement and enhance or otherwise complement the institutionalized social dialogue. It needs to be borne in mind that an institutional framework may in certain circumstances serve as an approach to social dialogue superior to ad hoc or informal dialogue. While the latter is usually (though not always) contrived to resolve a threatened or existing problem, institutionalized social dialogue not only seeks to resolve conflict, it also acts as a conflict prevention mechanism as its stability promotes understanding and cooperation through which potential problems can be identified and prevented.

Functions

The third protocol contains a fairly elaborate prescription of the functions of the Subcommittee. Thus the Subcommittee is required to “provide a forum whereby through consultation and the exchange of information there can be the betterment of the industrial relations climate”. The Subcommittee was mandated to examine changes in the retail price index as supplied by the Government’s statistical department and could ask for further explanations “to understand the reasons for any increases in the cost of living”. In dealing with the issue of consumer prices, the Subcommittee was mandated to ask for investigations to be carried out if satisfied that “any supplier of goods and services appears to be indulging in the fixing of prices or rates in a manner not consistent with the provisions of the pricing policy”. On the basis of its work, the Subcommittee should “put before the social partners for their consideration all matters as may assist in the strengthening of the social partnership”.

Secretariat

None of the agreements has gone beyond the structure set out above and none specifies or makes explicit reference to a secretariat to service the work of both the principal committee and its Subcommittee. What might be considered to be a secretariat, but one which is confined to the recording of minutes and its circulation, as well as the issuing of invitations to meetings of the Subcommittee, is provided by the Ministry of the Civil Service. In addition, the Office of the Minister of International Business, who chairs the Subcommittee, provides additional unspecified administrative support which probably involves assisting the minister on any follow-up that might be required.⁴²

The absence of a secretariat is a major weakness in the social partnership. The members of the respective organs are busy individuals who give their time to promote national development. To perform this service effectively and in a timely manner, they need appropriate and adequate support in areas such as information gathering and dissemination, research, the evaluation and monitoring of compliance and effectiveness, the making of reports, regular and timely consultation with the partners and relevant institutions, and the overall provision of regular briefings on the performance of the social partnership agreements. These are critical functions which can hardly be performed haphazardly in the way they appear to be today. In other words, a secretariat, preferably staffed by a well-informed, dedicated and technically competent staff is indispensable for the follow-up and preparation of briefs, research reports and minutes of meetings, and all such duties necessary to facilitate the smooth and effective conduct of the work of the social partnership.

Evaluation of the social partnership

Quantitative and Qualitative Results

At the outset, the task of evaluating the effects of the agreements and the overall social partnership faces the difficult problem of separating such effects from other policy measures, as well as not knowing what would have happened had the agreements not been made. In any event, it should be borne in mind that the overriding concern behind the evolution of social partnership agreements was the desire by the partners to defend the Barbados dollar. This resolve of the partners was informed particularly by the experience elsewhere in developing countries and especially in countries of the region that had devalued their currencies and had experienced unfavourable economic conditions thereafter. But there were other policy objectives which in themselves were not independent of the primary concern. As was shown in Chapter 1, the Barbadian economy is heavily dependent on imports both for manufacturing and for consumer goods, and a devaluation of its currency would have harmful effects on employment and competitiveness. To avoid such an eventuality, both workers and employers were determined to sacrifice short-term benefits for long-term prosperity. All these national objectives were the unifying factor for the partnership. The development of this consensual approach to economic revival strengthened the legitimacy of government programmes and governance.

According to available information, incomplete as it is, the social partnership appears to have contributed to a reversal in the declining economic fortunes experienced during the late 1980s and early

⁴² It can only be inferred that there is a similar arrangement in the office of the Prime Minister to service the main committee.

1990s. If Chart 1.1 is compared with Chart 3.1 below, it will be seen that the main economic indicators show an impressive growth pattern. Specifically, the economy has witnessed the following during the era of the social partnership:

- a steady annual growth rate of 4 per cent in the economy since 1993.
- a decrease in the unemployment rate from 21.9 per cent in 1994 to 9.8 per cent in 1999.
- a decrease in the rate of inflation, with an annual average of less than 3 per cent since 1995.
- real industrial wages rising steadily since 1996, as a result of increases in productivity.⁴³
- a reduction in the number and scale of trade disputes as shown by the perceptible decline in the number of work-days lost between 1992 (36,472) and 1997 (428).

⁴³ ILO News, *2000 Labour Overview*. Latin America and the Caribbean. ILO, San Jose, 2000.

Chart 3.1: Key Economic Indicators, 1994 - 1999

Source: ILO; Caribbean Office, 1999. Employment policy in a small-island economy, Barbados. For 1997 and 1998 Tourism Arrival figure: Central Bank of Barbados, Annual Statistical Digest; Barbados Tourism Authority. The 1999 Tourism Arrival figure is from January to September: Economic Review, Central Bank of Barbados, 1999, vol. XXVI, no. 3.

In so far as the effect of the wage policies is concerned, fragmentary evidence, inconclusive as it may be, suggests that wage moderation may have taken place. Thus, the records of the Department of Labour indicate that, in the period of the wage freeze, i.e. 1993-1995, wage increases ranged from 2 weeks wage paid in a lump-sum per worker to between 2 and 4 per cent of gross earnings, respectively for 1993-94 and 1994-95.⁴⁴ In the era of the wage restraint policy, i.e. 1995 onward, the BEC reported that in the 18 two-year collective agreements it negotiated on behalf of its members in 1998, wage increases ranged between five and eight per cent for the two-year period, while the seven three-year agreements granted wage increases of between 10 and 11 per cent for the period.⁴⁵ In the negotiations of 2000, wage concessions in three agreements covering a three-year period ranged between 9 and 10 per cent for the period, while the range for 14 agreements with two-year term was 6 and 10 per cent over the period.⁴⁶ In other words, fragmentary evidence shows that there was a reasonable level of compliance with the wage freeze. Furthermore, when compared with experience during the wage freeze, wage concessions during the era of the wage restraint policy were not significantly different.

This favourable impact or contribution of the social partnership agreements is evident in the public sector where under the structural adjustment programme unilaterally imposed by the Government in 1991, massive retrenchment involving about 8000 workers was planned. However, when the tripartite agreement was introduced incorporating a socially acceptable economic adjustment package, the final layoff was limited to only 3000 workers, most of whom were temporary or casual workers. This lower level of retrenchment was achieved by implementing an 8 per cent cut in wages across the board which enabled the Government to achieve the reduced level of retrenchment. In this way the social partnership succeeded in making the burden of the adjustment measures in the public sector fairer and more equitable. In the final analysis, it is useful to note that all sides to the social

⁴⁴ Annual Report of the Department of Labour for the year 1997. Bridgetown, p.13.

⁴⁵ Annual report of the Barbados Employers' Confederation for 1998. Bridgetown, p.5.

⁴⁶ *Annual Report of the Barbados Employers Confederation for 2000*. Bridgetown, p.7.

partnership made a direct linkage between the various agreements and the steady and consistent growth of the economy since the early 1990s.

Quite apart from the quantitative results that have been achieved under the social partnership, there are equally salutary qualitative achievements that can be attributed to it. Firstly, the commitment to the principle of consultation and negotiation is in itself as important as the agreements that have been negotiated and signed to implement tripartite consultation. The acknowledgement by the partners of the strategic value of dialogue in resolving serious national economic crises is thus an important outcome. The parties believe that social dialogue has served a useful role in helping to reconcile and resolve sectoral differences over the nature and direction of the economy. To a large extent, this commitment to social dialogue is in the spirit of International Labour Standards such as Convention No. 144, which Barbados ratified in 1983. It is also a good example of the implementation of the principles of ILO Recommendation No. 113 of 1960, particularly Clause 4, which enjoins public authorities and the social partners to promote consultation and cooperation “with a view to developing the economy as a whole or individual branches thereof, improving conditions of work and raising standards of living”.

Secondly, the creation of social partnership has further strengthened relations between the social partners. The parties regularly emphasize that the partnership has created trust and cooperation. Moreover, the actions of one party are no longer routinely interpreted negatively and the respective leaders are no longer accused of ‘selling out’ to each other as was previously the case. The era of suspicion as to the true intent of other parties appears to have ceased. In this regard, the role of leadership is quite important.

Although the leaders of the social partnership are modest and reluctant to attribute the success of the partnership to their own leadership qualities, there is no doubt that this is a key contributory factor to the achievement of the partnership. On the labour side, Senator Leroy Trotman has brought his extensive international experience of labour to bear on the policies and programmes of the BWU which he leads, and this has enabled the union to give critical direction to the social partnership. It is readily acknowledged by all parties in Barbados that Trotman’s influence and political clout have brought respectability to the workers’ coalition body in the partnership, the CTUSAB. The same can be said of the employers’ body, the BEC. Although the BPSA serves as the umbrella body for the business community in the social partnership, the key players operate within the BEC. Thus, Sir John Goddard, his successor as chairman, Mr Allan Fields, as well as Mr Collis Blackman and his successor, Mr Harry Husbands are all in the BEC where they both facilitate and contribute ideas to the work of the social partnership. It is worth noting, also, that the current executive director of the BEC, Harry Husbands, was, until his appointment, a senior official of a trade union, the Barbados Teachers’ Union.⁴⁷ Also, as will be emphasized later, the Government’s willingness to engage in social dialogue, irrespective of the party in power, is an important element in meaningful and sustainable social dialogue.

Thirdly, and of equal importance, is the innovation in the industrial relations system which accepts the principle that wage increases will continue to be based on creative experiments in pay systems. This is a particularly notable development in the public sector. Today, all sides of industry and the Government have little or no apprehension about the use of productivity measures and other innovative pay systems that are usually arrived at jointly. In some respects, the acceptance of performance-related pay in unionized companies will have a desirable effect in workplaces which are not directly within the social partnership as well as in those in the informal economy.

Fourthly, the sharing of information has become an accepted norm in labour relations as both sides know that making critical information available to the other side helps to make negotiations as objective as possible. As the experience of the case study to be discussed in Chapter 4 will show, the sharing of information between management and workers places both sides at the same level of

⁴⁷ These remarks are intended to underscore both the quality of the leadership of the social partners and the degree of trust and rapport within and among them in the social partnership.

understanding of the issues facing them collectively, and reminds them of the commitment each side needs to make, in order to achieve the desired objectives.

The fifth, and by no means the least, useful qualitative outcome of the agreements is the general awareness of the partnership which serves as a measure of public support for the joint effort. Where the basic philosophy and elements of the social partnership are adequately known, the view that one party might have or have been 'sold out' is significantly reduced because the results of the social partnership can be seen in the purchasing power of the Barbadian dollar. There is hardly any doubt that this awareness has boosted the image and respectability that the respective parties enjoy in Barbadian society and has thereby consolidated the legitimacy of the partnership.

The social partnership agreements constitute a very significant development in the country's industrial relations practice, for the first time, establishing national-level collective bargaining applicable to all industrial groups and the public sector. This new centralized bargaining is important because it has enabled the partners to link macroeconomic issues with industrial relations decisions at company level. It may also lead to greater attention being paid to certain labour market issues at the sectoral level although as was shown earlier, there is increasing pressure to localize labour market issues at the level of individual companies

Compliance issues

Charges of non-compliance with the agreements were and continue to be made. In general, however, the breaches and non-compliance cases are due to failure to understand the obligations imposed on the relevant parties by the protocols. For example, in the particular case of the wages and prices freeze, the treatment of compliance on non-wage incomes posed a particular problem for the partnership. In the absence of an explicit penalty, the monitoring of compliance was through self-monitoring by the partners in the tradition of trust and good faith characteristic of the voluntary industrial relations culture. While there is no evidence of large-scale violation of the wages and prices freeze, it is clear that the incomes policy generally has had a compliance problem, particularly in the area of non-wage incomes. For example, it was embarrassing to observe that soon after the introduction of the freeze under the first protocol, some government departments inadvertently raised housing rent, as well as bus fares. As might be expected, both measures drew the ire of the unions.⁴⁸ There were also entrepreneurs who sought to profit by the freeze, though this was not a serious enough infraction to undermine the success of the measure.

Linking national-level agreements to lower levels

To a large extent, the problem of compliance is intricately associated with the issue of the linkage between national-level agreements and individual company-level decision-making. This undoubtedly provides the greatest challenge to the social partnership. As was highlighted in the third agreement, the protocols were to be implemented at the lower levels, that is, at the sectoral and workplace levels. It is at these levels, particularly the latter, that decisions made at the national tripartite level have real meaning and significance, and only proper linkage between both can ensure the effectiveness of decisions taken at the top. However, the extent to which this synergy is taking place

⁴⁸ Leaders of the CTUSAB and NUPW protested against these increases and accused the Government of violating its obligations in the first protocol. (The NUPW followed this with a letter to the Prime Minister dated 1 March 1995). The inadvertent errors were quickly reversed.

remains a source of concern in Barbados. In several cases the provisions of the national agreements have not been adequately explained to social partners at lower levels. This emphasizes the critical need to make a deliberate effort to explain the decisions taken at the national level to the social partners at lower levels and further, to assist the latter to apply such decisions to their specific situations and conditions. Without such a conscious effort, national-level decisions will not only fail to achieve the desired objectives, but they will also have no impact at the level of individual companies.

The challenge to achieve this synergy among the various levels is just as important to the private sector as it is to the public sector. While top government leaders are committed to the social partnership, government departments and units have not in all cases been carried along. Recently, for example, a draft Employment Rights Bill was under discussion in which government officials sought to increase the scope of legal regulation. The unveiling of this draft legislation did, to say the least, raise the question of good faith, for its genesis had not previously been discussed with the social partners. This lapse shows that some government departments can take unilateral decisions or act in a manner that is completely at variance with the spirit of the partnership. However, the problem is probably more a failure of the relevant agency to explain to all government departments the obligations to which the government has committed itself, than an unwillingness to toe the line. Nonetheless, it underscores the critical role of a secretariat which could ensure public awareness of the principles and provisions of the social partnership. Without carefully planned and properly disseminated general information on the agreements, the problem of non-compliance is capable of bringing about discords in the social partnership which might ultimately threaten its viability.

Public and political support

Finally, the value of public and political support for the protocols cannot be underestimated. In seeking to align public support for its position, the CTUSAB undertook elaborate and wide-ranging consultations with leaders of the private sector, the BPSA, church leaders and opposition parties, and also held public meetings and rallies to sensitize the public to the daunting economic challenges facing the country. This effort to sensitize civil society in general to the issues involved is quite significant in mitigating opposition to policies such as the wage and incomes policy.

In addition to the crucial role played by the churches in breaking the stalemate and instigating tripartite negotiations, another third party that has been involved in the social partnership is the Retired Persons Association. Though this group and the churches sometimes draw membership from the same constituency, the former body tends to be made up of highly experienced men and women. Its observer status in the social partnership on the workers' side is significant not just because it can improve the quality of deliberations in partnership, but because it further enhances its legitimacy and governance. In fact, given the group's composition of highly experienced people, there is the possibility that the group could play a more important role in social dialogue in the country.⁴⁹

In so far as political will or support is concerned, the BLP, which won the election of 1994, learned from the mistakes of the previous Government and promised during its campaigns to rescind the cuts that had been made by them. At the same time, the BLP was committed to the main national economic objectives by which it promised to maintain "the stability of the Barbados dollar at its present value in relation to the United States dollar". The party also promised the "protection of the entitlements

⁴⁹ While the social partners believe that the social partnership should in principle be kept to the expanded tripartite partners, they see a role for other clearly identified and relevant groups. Indeed, in one of the meetings of the partnership committee held in 2000, the Prime Minister in his capacity as chairman expressed his desire to broaden the discussion by including other groups, particularly when issues affecting such groups are on the agenda.

of all workers, notably public service workers, particularly in relation to their pay levels and their severance and retirement benefits”.⁵⁰ Far more significant is the point that the social partnership has the support of both the governing and opposition parties. This is an important factor in the sustenance of social partnership in Barbados.

⁵⁰ BLP: *Your choice for change*, Election Manifesto, 1994, p. 5.

CHAPTER 4

FIVE CASES OF SOCIAL DIALOGUE

The conclusions of the previous chapter suggest that the major factor affecting the degree of effectiveness of social dialogue at the national level is its ability to relate to and influence consultation and negotiations at other levels where social dialogue takes place. This chapter looks at experiences of social dialogue at lower levels and explores the extent to which consultation at these levels has been influenced, on the one hand, by national agreements and, on the other, has addressed substantive issues. Three of the examples are based on national sectoral social dialogue, one on social dialogue at the industry level while the fifth case examines bipartite social dialogue at the enterprise level. The use of social dialogue to address productivity, vocational training and occupational health and safety issues is significant because it involves the stakeholders in policy formulation and ensures that policy initiatives and their implementation will continue to reflect or respond to the needs of the constituencies and thereby promote good governance.

Case 1

Social dialogue and improving productivity

In the preceding chapter, it was shown that the first Barbadian protocol provided for the establishment of a productivity agency to support the principles and objectives of the partnership and ultimately, create a productivity culture in the workplace and thereby contribute to the country's competitiveness. The protocol enjoined the parties to base increases in wages and salaries on productivity gains; it also enjoined them to look at other forms of compensation. In the same vein, the second protocol consolidated the role of productivity by emphasizing the importance of performance-related payment systems, job evaluation and other forms of productivity-related compensation. In other words, the role of productivity and compensation systems in the economy and the evolution of a culture of linking pay with productivity was clearly emphasized.⁵¹

The Barbados National Productivity Council (BNPC), was established by law in 1993⁵² and among its functions are the following:

- creating and developing methodologies for measuring, managing and improving productivity;
- providing technical advice and assistance on productivity related schemes;

⁵¹ To forestall any misunderstanding, there has always been a concern for productivity in Barbados. However, this has generally involved informal arrangements at the level of individual companies where there has not been any systematic procedure for its determination or measurement or any systematic means of consciously relating pay to productivity.

⁵² The initial legislation created a National Productivity Board in 1993 as a department within the Ministry of Trade. However, the desire to have an independent agency led to new legislation creating the Barbados National Productivity Council in 1996 as an independent agency, with the Ministry of Finance as the supervisory department. Earlier, a multiparty productivity body was created administratively, but the social partners, notably the workers, declined to participate, preferring a strictly tripartite body.

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- promoting and monitoring productivity growth;
 - assisting in the development of improved methods of organization of work to enhance productivity; and
 - assisting in creating a climate to maximize the use of productivity gains in collective bargaining.

The council of the BNPC has a tripartite-plus membership as follows:

- a chairperson, a deputy and an executive director selected from academia and appointed by the Minister for Economic Affairs;
- two private sector members nominated by the Barbados Private Sector Agency (BPSA);
- two trade union members nominated by the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB); and
- two public sector members appointed by the Prime Minister.

The broad membership of the council provides fair coverage of the major stakeholders in the country. Through its monthly meetings, the BNPC provides leadership and direction for the work of the agency.

Observations

The productivity programme in Barbados is government led and private sector driven.⁵³ At the same time, the establishment of the agency reflects the common vision of all the parties. During its eight years of work, the agency has established a commendable record of achievements, particularly in helping to strengthen and consolidate the social partnership. The BNPC has made a notable contribution to the acceptance of productivity as a useful element of enterprise management. In its first year, for example, the NPC gave advice and assistance to 13 companies in the development of performance-related pay and profit-sharing schemes, while nine companies were in the process of developing such schemes. In the area of industrial relations it has enhanced the voice of labour, as it enables workers to contribute to a subject that has most often been seen as a managerial prerogative.

In addition to these successes, there have been educational programmes, designed mainly to sensitize the population and particularly labour and management to the benefits of productivity. The BNPC has also encouraged the use of productivity in the public and private sector for planning, management and strategic purposes, as well as the use of productivity measures for pay determination. In this particular case, the agency's work has strengthened the adoption of innovative pay policies and in the process has helped to instil in the social partners the culture of linking pay with productivity. Today, whether or not productivity should be an element of enterprise relations is hardly an issue of debate in labour/management negotiation. The BNPC continues to assist companies in developing and installing performance-related schemes. Through these processes, and by tying wages to productivity, the debate over wage increases has shifted attention from the cost of living to more objective criteria such as productivity.

The effect of the NPC's work is equally noteworthy in the public sector where, apart from the inherent difficulty of measuring productivity, its relevance has also been called into question. However, the agency has been working with the employers and unions in the public service to promote

⁵³ Therefore, while the NPC has received annual subsidies from the Government, the size of this subsidies has progressively decreased in recent years from B\$1m in 1998 to B\$900,000 in 1999 and B\$800,000 in 2000. Correspondingly, the share of the NPC's internally generated revenue has increased from 3 per cent in 1996 to about 20 per cent in 2000.

productivity in the sector. In the past few years, for example, the Government (as an employer) has adopted a formula through which public service workers' pay is based on performance indices such as efficiency and revenue. The promotion of the productivity culture in the public sector is being strengthened through educational programmes designed to improve skills, appropriate work cultures and practices, and organization and methods of work.

However, a considerable amount still needs to be achieved at workplace level. While unions at the centre appear to accept performance-related pay and productivity schemes as useful elements in the labour-management relationship, efforts still need to be intensified to achieve the same level of understanding among sectoral unions in the public sector, as well as workers at the level of the individual company. Specifically, workers need to be properly and adequately sensitized to this culture of productivity and its linkage to performance, reward and competitiveness. In this regard, the agency, working with the Barbados Employers' Confederation and its individual members, as well as the labour colleges of both the Barbados Workers' Union and the National Union of Public Workers, may have to strengthen their capacity in their on-going sensitization of workers and management at these levels to the value of productivity.

Finally, the BNPC is acquiring the status of a regional institution, as it provides technical assistance and services to other countries and agencies throughout the Caribbean. In this regard the agency collaborates with organizations such as the Caribbean Centre for Development Administration (CARICAD), the Caribbean Management Development Association (CAMDA) and the ILO.

Case 2

Social dialogue in technical and vocational education

The Technical, Vocational Education and Training Council (TVET) is an institution based on the principle that human resources are vital national assets which should be properly harnessed to strengthen economic growth and competitiveness. In keeping with this idea, the agency seeks to complement and promote the overall goal of the social partnership by bringing stakeholders into the formulation of human resources policies. Among its functions, the TVET advises the Government on vocational training policy, develops tests and carries out certification and accreditation of vocational institutions. It also coordinates the work of technical and vocational training institutions and administers the employment training fund.

The TVET is a government funded statutory agency whose management council is accountable to the Ministry of Labour. It has a tripartite plus structure as follows:

The Barbados Community College (tertiary level, presently chairs the Council)
Samuel Jackman Prescod Polytechnic (tertiary level)
Barbados Institute of Management and Productivity (private sector/Government)
Barbados Employers' Confederation
Barbados Manufacturers' Association
Barbados Hotels and Tourism Association
Barbados Workers' Union
National Union of Public Workers
Ministry of Labour (ex-officio)
Chief Education Officer (Ministry of Education (ex-officio))
Executive Director of the TVET

Through this broad representation, the agency has been involved in developing a national training policy on the basis of medium- and long-term labour market requirements for the economy as a whole, as well as for specific sectors such as tourism and construction. It has also been involved in developing the skills of the workforce in such critical areas as tourism, manufacturing and small

business, paying special attention to the key role of information technology. The agency relates these factors to the unemployment situation, particularly youth unemployment. Its work includes defining occupational standards through which it helps to develop standards of performance. This leads to certification and the award of national vocational qualifications in specific sectors. Allocation of resources focuses primarily on an employment and training fund, a contributory programme which is used primarily to assist contributing employers to defray up to 75 per cent of the cost of approved training activities.

Observations

It should be noted that the work of the TVET is still in a development phase which involves a delicate and complicated integration and coordination of hitherto independent or unstructured vocational education and training programmes. The agency is seeking to streamline the country's vocational education and training programme through a coordinated and programmatic policy framework that effectively responds to national needs and labour market imperatives. From the social dialogue perspective, the significance of the evolution of this agency is that, quite apart from complementing the overall objectives of the social partnership, key policies on integration and coordination of this strategic national objective are being formulated and implemented by the major stakeholders in vocational education and training.

Case 3

Social dialogue in occupational health and safety

The regulation of occupational health and safety in Barbados dates back to 1956 when the colonial Factories Act was enacted. However, attempts to set up a specialized institutional framework for the monitoring and implementation of the provisions of this law are a relatively recent development in the country. This is not to suggest that the provisions of the law were not implemented nor that machinery for this purpose was not in place. In point of fact, the major responsibility for the implementation of the law has largely rested with the social partners in the workplace and is consistent with the voluntary tradition. Both sides of industry play a major role in the administration of the health and safety regime in the workplace within the overall framework of voluntarism. At the same time, the earlier legislation, the Factories Act, had an exceptionally limited scope, having been enacted when the main economic activities were sugar production, bottling plants and a few machine shops.⁵⁴ Newly emerging and prominent sectors such as tourism were not covered.

In 1984, the Factories Act was re-enacted, broadening the coverage, but maintaining the definition of factories. It also incorporated new provisions that included a requirement on business owners to seek formal inspection of their workplaces by the chief fire officer who must certify that adequate fire safety precautions had been installed.⁵⁵

The revised law has maintained the voluntary principle, but more importantly, has continued to assign great responsibility for health and safety in the workplace to the parties. The institutional arrangement for administration of the law has evolved from that of designating labour officers to workplaces to the setting up of an Occupational Safety and Health Unit in the Department of Labour.

⁵⁴ ILO: Employment policy in a small-island economy: Barbados (Port of Spain, ILO, 1999), p. 101.

⁵⁵ At the time of this research, a new Safety and Health at Work Bill was being considered for enactment.

This agency has responsibility for conducting routine inspections in factories and workplaces and for conducting research and providing advisory services to management and workers on health and safety issues. Much of the work of this unit has focused on training and sensitization programmes for both the private and public sectors as well as educational institutions, through which labour/management awareness is imparted throughout the country. A new Occupational, Safety and Health at Work law is currently under consideration which will broaden the scope of coverage from that of factory-defined operations to all workplaces in the country.

Both the existing law and the proposed one provide for the setting up of bipartite and tripartite plus institutions for the monitoring and improvement of the health and safety regime in workplaces. Two such institutions are briefly examined here.⁵⁶

Safety management at company level

The first and undoubtedly most significant machinery in so far as safety in the workplace is concerned is the Joint Occupational Safety and Health Committee which operates in every workplace that employs 50 or more workers. This joint committee is required to promote health and safety awareness through education and training. In unionized companies, workers' representatives on this committee are elected by the rank and file, while management representatives typically include the works manager (or equivalent) and the personnel or human resources manager. In undertaking this responsibility, both workers and management are assisted by their respective national organizations. The BEC and BWU undertake extensive training and awareness activities through which their respective constituencies are sensitized to health and safety issues in the workplace.

According to officials of the Department of Labour, most companies with the minimum number of workers have set up safety committees, while a few have an informal approach to the health and safety regime. Where there are fewer than 50 workers in a company, the law requires the employer involved to have safety delegates among the workers who perform the monitoring and sensitization of the workforce to health and safety concerns in the particular establishment. This provision is important because more than 70 per cent of workplaces in Barbados have less than 50 workers.

Health and safety at national level

The national-level forum where stakeholders deliberate, share information and discuss general issues associated with health and safety in the workplace and the environment in Barbados is the National Advisory Committee on Occupational Safety and Health (NACOSH). This body was established under the Factories Act of 1984 and has a tripartite plus membership which includes the following institutions:

Department of Labour
Ministry of Health

⁵⁶ The third body, the Risk Analysis and Monitoring Committee on Industrial Development (RAMCID), advises the Ministry of Trade and monitors and analyses health and safety issues associated with new developments in the workplace. Its membership is essentially the same as that of the National Advisory Committee on Occupational Safety and Health (NACOSH). RAMCID's membership also includes the Town and Country Department of Government which is primarily responsible for environmental issues.

Barbados Fire Service
National Insurance Board
National Standards Institution
Barbados Workers' Union
Barbados Employers' Confederation
Barbados Manufacturers' Association
Association of Professional Engineers
Barbados Association of Medical Practitioners
An independent Chairperson

By involving the major stakeholders (government departments, trade unions, employers' organizations and non-governmental organizations) in the formulation and implementation of policies on occupational safety and health, this institution is responsible for identifying and dealing with issues of safety and health, and taking appropriate measures to deal with them.

Though funded by the Government, NACOSH is a truly independent advisory body with responsibility for advising the Minister for Labour on occupational health and safety issues. The Committee also has responsibility for studying, identifying and investigating issues relating to occupational health and safety in all sectors throughout Barbados and also advises on measures needed to improve occupational health and safety in the country. It meets monthly to discuss items that have been submitted by any of the institutional members.

The Committee appoints subcommittees to address specific issues. For example, one subcommittee discusses the means and methods of promoting health and safety education in all facets of life while another organizes publicity on health and safety across the country. In 2000, a subcommittee on construction was established in response to the safety hazards in that sector. The Chairperson sees to it that the conclusions or recommendations of the committee are transmitted to the Chief Labour Officer in the Department of Labour who in turn is expected to implement them. There is, however, no precise mechanism for ensuring that these processes are carried out nor is there a specifically laid-down procedure or mechanism for effective follow-up.⁵⁷

Assessment

By giving a considerable role and authority to the social partners at all levels, the health and safety regime in Barbados has allowed workers and management to take responsibility for a major aspect of industrial management. Similarly, bringing the major stakeholders into NACOSH, as an institutional forum for exchanging views and information and for the development of action plans for improving occupational health and safety, has helped to establish an effective mechanism for ensuring that all the stakeholders have ownership of this area.

NACOSH is an invaluable medium for the formulation and implementation of the health and safety programme at national level. However, the effectiveness of this body is considerably weakened by a number of factors. The first is the absence of a discernible administrative and logistical support mechanism for the Committee. It needs this to develop appropriate strategies and mechanisms for promoting health and safety issues in the country. The Department of Labour's occupational safety and health unit would appear to be the most appropriate unit of government to provide this service, but this has not been the case.

⁵⁷ Because of financial constraints arising from structural weakness, the work of NACOSH has focused mainly on publicity and information.

A second, equally important limiting factor is that the Government has yet to provide the human and material resources and the infrastructure needed to make NACOSH an effective forum for social dialogue. The lack of an adequate budget allocation inevitably hampers its effectiveness. The highly valued programmes of publicity, information and sensitization are poorly and haphazardly performed, either because of the delay in making resources available or a lack of them. The Committee depends on the Department of Labour to provide such resources. While the latter has from time to time met its responsibilities, the absence of a clearly defined budgetary provision creates uncertainty in the work of the Committee and may threaten its independence.

Finally, the incapacity of NACOSH to function effectively derives from the overall absence of an explicitly defined government policy on safety and health. Yet, a small and open economy such as Barbados needs to make safety issues a priority to protect its people and environment from potentially dangerous imports and environmental damage. In other words, the Government needs to take hard decisions about what it wishes to do with potentially useful institutions such as NACOSH.

Case 4

Sectoral Level Social Dialogue: Hotels and Tourism

As has been shown, a major element of industrial relations in Barbados is the very important role which the social partners play in the regulation of employment conditions, particularly at individual enterprise level. In seeking to show the approach to labour relations at this level, two cases are selected, namely hotels and tourism, and a manufacturing company. This will provide an understanding of industrial relations and processes at these levels, and of the influence of national labour policy. Indeed, it is useful to know how the social partnership impacts on industrial relations at these lower levels, because that is where the pulse of the macroeconomic and other national economic policies can be felt.

The hotels and tourism industry⁵⁸ in Barbados contributes enormously to the country's GDP. Between 1990 and 1998, the sector's contribution to GDP increased from 11.4 to 15 per cent, or an increase of 36 per cent during the period. The industry is the second biggest source of employment, providing direct employment for 13,000 workers, i.e. 13 per cent of the labour force. Indirectly, it provides employment for approximately 9,000 additional workers, mainly in the service sector. The industry is the leading foreign exchange earner, accounting for about 75 per cent of total annual foreign exchange earnings. In other words, the sector is centre stage in the country's economic development. As Chart 4.1 shows, the sector's share of GDP has steadily increased since 1991, except for 1998, as have tourist arrivals over the same period of time.

Chart 4.1 Tourism arrivals and share in GDP, 1989-1998

⁵⁸ This sector comprises the following economic activities: hotels, restaurants, entertainment centres, boat and island tours, and tourist attractions.

Source: Barbados Economic and Social Report, 1998. Ministry of Economic Affairs.

Labour and employers' organization

Of the workforce of 13,000 in the sector, hotels and hotel-based restaurants account for the largest group of employees, about 8,000 in all, and it is here that unionization is strongest. According to the records of both the employers and the union, about 3,500, or 40 per cent of this group of workers, is organized by the Barbados Workers Union. This gives a union density of 27 per cent for the entire sector. However, apart from the managerial grades, which are normally not unionized, about 2,300 non-union workers fall within the bargaining unit and are thus covered by the collective agreement, as shown in Chapter 2. This principle also holds good for all other non-union workers in the sector as a whole. In the latter case, while there is no compulsion for employers to apply the provisions of agreements to which they are not a party, by tradition they do so, perhaps also under the pressure of market forces. In other words, a very large proportion of the 13,000 workers in the sector are in effect covered by some of the provisions of the collective agreement operating in the sector.

The employers in the sector are organized into an industrial association, the Barbados Hotels and Tourism Association (BHTA), which operates as the voice of the majority of employers in the sector⁵⁹. In this capacity, the BHTA serves as a lobbying agent for a favourable policy framework for the sector, undertakes general industrial relations activities, including collective bargaining and training and development programmes for its members, disseminates information among them, and engages in community outreach activities. In so far as its industrial relations functions are concerned, the BHTA is a collective member of the BEC. In this respect, the BEC provides numerous industrial relations services to the employers in the sector. For example, at negotiations, the employers side is normally led by the BEC, which acts as the spokesperson. As at December 2000, the BHTA had some 72 company-members. Some of these members, particularly the larger ones, hold concurrent membership of the BEC.

Collective Bargaining and Labour-Management Relations

There has been a tradition of union-management relations in the industry, such as joint negotiation on wages and terms and conditions of employment. These relations have generally been

⁵⁹ Perhaps without exception, as the very large and medium-sized hotels and tourism enterprises are members of the association

both formal and informal, depending on the issue and the choice of the parties and involving the exchange of proposals and counter proposals between union and management. Agreements reached through this process were either written or unwritten. This approach to union-management relations is in keeping with the voluntary industrial relations tradition, and may provide another explanation for the resolve of both sides, particularly at national level, to resist pressure for legalism in industrial relations.

As part of this laissez faire approach, no attempt has been made to define issues for negotiation or subjects that are exclusively the prerogative of management. This reflects in part the confidence that prevails among the parties and the understanding that, as the union normally insists, any issue that affects their members can be brought to the table. While the employers have no fundamental disagreement with such a view, it is understood by both sides that when necessary the employers may refuse to accede to a particular demand. At the same time, both sides recognize that agreement need not necessarily be reached on all issues. For example, during the negotiation of the current agreement (1999-2001), the union had tabled a demand for paternity leave, but the employers resisted this demand because of the complexity of the subject, particularly in Barbadian society, and the need to gain a thorough understanding of the issue.

This approach to collective bargaining has remained a feature of industrial relations in the sector. However, since the 1990s the parties have tended to use collective bargaining as a strategic element of business, and have increasingly seen negotiations in terms of its contribution to overall business performance and industry competitiveness. This change coincided with the emergence of the social partnership and, as will be shown later, some of the provisions in collective agreements in the industry have been inspired by the protocols in the social partnership⁶⁰. Yet, collective bargaining has continued in the voluntary tradition. More significantly, even though agreements are for a period of two to three years, it is customary to continue the negotiations far into the last year of the life of an agreement. For example, the agreement that came into effect on 15 December 1999 and which expires in December 2001 was still the subject of negotiation in April 2001! Admittedly, any negotiations at this late stage are usually not on the fundamentals; they may involve, for example, the language or the wording of an agreed issue, in which case the parties will continue to negotiate until an acceptable understanding is reached.

Trade Disputes and the Grievance Procedure

The labour relations climate in the industry has been relatively peaceful and harmonious. There is a well developed though flexible approach to labour relations and grievance handling involving extensive use of internal procedures, usually starting with an attempt by the immediate supervisor to resolve the worker's grievances, and then being referred to the manager and the union steward. From this stage on, the discussion or negotiation is usually in the presence of the worker. Where this internal machinery fails, and where the particular employer is a member of the BEC, the latter will meet with the union official to attempt to resolve the issue. Only when this fails will the statutory procedure, involving mediation by the Chief Labour Officer, be invoked. According to industry sources, very few cases get to the level of the Department of Labour. On occasion, they get to the higher level of the social partnership when a dispute is adjudged to have national implications. The foregoing applies to unionized workers. For non-union workers, the procedure for dealing with individual grievances through the services of the Department of Labour, described in Chapter 2, is used.

⁶⁰ On the other hand, the elaborate treatment of lay-off in the third protocol had been informed by developments in the hotel and tourism industry.

There has been no major industrial action in the industry for a long time. Apart from a major strike in 1993, the last notable industrial action was a two-day protest from 31 December 2000 to 1 January 2001, intended, as usual, to put pressure on the management to conclude the agreement, which should have become effective 15 days earlier⁶¹. Other than this, most industrial actions are wildcat strikes, lasting in most cases a few hours, and are intended to convey workers' displeasure with issues which are not always directly related to labour-management relations. For example, a recent action in this category occurred in 2000. It was said that the workers were disappointed by the size of their bonus. For a similar reason, workers embarked on a wildcat strike when they felt that their entitlement from the service charge had been reduced because of the assumption, erroneous as it seemed, that management had shared in the distribution of the benefit. In any event, when occasions like this occur, they are usually resolved either by the shop stewards in the particular enterprise or by the officials of the BWU.

In a word, most industrial action normally takes place to put pressure on management to complete the collective agreement and, almost without exception, such actions are undertaken at the end of the year when the tourist season commences and during which the hotels customarily charge higher rates for services. Because of the strategic timing of such actions, they produce results and they are always of short duration.

Productivity and Performance

The hotels and tourism industry in Barbados is constantly concerned about external conditions such as developments in the countries from which the tourists come. To that extent, the industry is usually mindful of the fact that in order to be competitive, it must maintain a certain level of efficiency, productivity and reasonable input costs. When the first protocol was introduced in 1993, the industry was among the first group of employers to explore productivity improvement at enterprise level. This effort appeared to have achieved little results, however, because not much thought was given to the inherent difficulty in applying standard productivity measures in the industry. Nevertheless, the initiative to address productivity issues is significant in that the parties recognized such a tool as critical to remaining competitive⁶².

As a result of this experience and in the quest to improve efficiency and performance, the parties continue to search for appropriate performance measures that will assist the industry to meet the challenge of competitiveness in the industry. In fact, as the parties prepare for the next round of negotiations (2002-2003), they have sought guidance from the Barbados National Productivity Council. The broad objective of the proposals being discussed is to inspire workers to higher levels of performance by setting pre-determined performance targets. It will also enable workers to relate their work and roles to the strategic as well as operational objectives of the particular employer. However, unlike the first attempt, the current proposal emphasizes performance as opposed to productivity measurement, and stresses elements such as performance-related pay, appraisal systems linked to training and development and sensitivity to the needs of the particular enterprise and the workforce.

⁶¹ Traditionally, collective agreements commence on 15 December, which coincides with the beginning of the tourist season. The negotiation of a new agreement normally commences three months prior to the expiration of an existing agreement, in the expectation that agreement will be reached before the expiration. For inexplicable reasons, the parties have hardly ever met this self-imposed deadline.

⁶² Both the employers and the union agreed that a more effective approach would be to base productivity on performance-related indices.

Health and Safety Issues

Health and safety issues are regulated under collective agreements, subject to compliance with the provisions of the Factories Act, which requires the setting up of safety committees in workplaces, as defined by the Act itself. However, as observed earlier in this chapter, only the larger employers have set up such committees. Generally, hotels and related services are obliged to obtain health certificates on an annual basis, while safety certificates are given quarterly. Understandably, compliance with these rules is probably more rigorous among the large and medium enterprises. In small enterprises, both the inspection units of the Department of Labour and the Ministry of Health are responsible for much of the monitoring of safety and health issues. However, from the records of the two sides, the safety and health regime is good. The most common safety hazards involve the use of inappropriate footwear which result in slipping and falling at work.

Overview of Labour Relations in the Hotel and Tourism Industry

Labour relations practice in the tourism and hotels industry has been greatly influenced by the national social partnership. The increased formalization of the labour-management relationship that has been taking place since the 1990s can be traced to the partnership, particularly in so far as the introduction of productivity and performance-based systems is concerned. It has also strengthened the procedural aspects of the labour-management relationship, though without undermining the critical need for flexibility and adaptability to changing conditions.

At the same time, the social partners in the industry continue to face important challenges in their relationship. A major challenge is the chronic absenteeism. While no record of the scale of this problem is available, there is consensus among the two parties that absenteeism does create an unfavourable environment for efficiency and competitiveness. How has this problem evolved? Part of it, evidently, has arisen from the provision in the collective agreement which grants one week paid sick leave per annum without a medical certificate, in addition to sick leave entitlement supported by medical certificate. It would appear that workers have regularly taken maximum advantage of these provisions, a practice which from time to time creates serious staffing problems for employers in the industry. It implies, for example, that employers have to roster more workers than is normally required and it creates work planning problems, additional input costs due to excessive overtime pay and, generally, sub-optimal use of human resources.

To forestall any misunderstanding, this problem is not confined to the hotel and tourism industry; it is common in other sectors in the country. However, to the extent that absenteeism impacts negatively on the delivery of services in the industry, it is a serious issue for the social partners. In any event, it will be useful to undertake a thorough inquiry into this malaise and discover the fundamental reasons why workers tend to absent themselves from work every so often, including the job content and/or the job environment that motivate this type of behaviour.

Another challenge facing the social partners in this industry is the development of a human resource management and industrial relations policy which is responsive to the constantly changing business environment. The need to adopt measures on the optimal use of human resources within the dictates of globalization while at the same time safeguarding security of employment is essential to maintaining a competitive edge. For example, given the often changing market for tourism, and the need to constantly adjust the utilization of labour in response to such changes, strategies such as multi-skilling of workers might be an appropriate response. This could provide flexibility in the deployment of staff from services that are not much in need to those that are. Measures such as this could address the absenteeism problem, and indeed contribute to employment protection in the long run. To achieve

this objective, increased attention to training and development, as well as greater attention to management of human and other resources will play a considerable role in helping the industry effectively to mobilize its human and other resources to meet the competitive challenge.

Case 5

Social dialogue at individual company level: Transistor Barbados Limited

The company chosen for study is Transistor Barbados Limited (TBL) which is based in Bridgetown. Established in Barbados in 1970, it is one of two offshore factories owned by a holding company in the United Kingdom. A sister factory is based in the USA. The company produces two highly specialized electrical components. The first is a component in hearing aids, for which it is virtually the only producer in the world. The second is also a component in hearing aids in which the company's share of the world market is very small but where it enjoys a competitive advantage primarily because of its niche in servicing relatively small orders⁶³. The company's output is sold in equal proportions to businesses in the United States and the United Kingdom.

The Workforce

The total TBL workforce in Barbados is 128. As shown in table 4.1, the workforce is predominantly female, only six of the workers being male. The men work mostly in technical and maintenance functions and in management.

Table 4.1. Distribution of TBL workforce

	Women	Men	Total
Workforce	122	6	128
Managers	2	3	5
Supervisors	5	2	7
Technical	2	2	4
Maintenance	2	4	6

Industrial relations

Turbulent worker/management relations dominated the first 20 of TBL's 30 years of operation in Barbados. Until the company was unionized by the BWU in 1990, management (the general manager, one office manager and a personnel supervisor) ran the company with an iron fist and made unilateral decisions on all personnel matters. The general conditions of employment in TBL did not appear to be the source of management/worker conflict for much of the period, perhaps because

⁶³ The components in question are leaded capacitors: HA Lead capacitors (round type) and TC Lead capacitors (square type).

employment conditions in the company were generally competitive. However, to suggest that the workforce in TBL was totally submissive to unilateral management policies would be an exaggeration.

One major source of worker/management conflict and one that continued to define the operation and labour/management relations in the company, was health and safety in the factory. The company's operation involves the extensive use of chemicals⁶⁴ for the cleaning of raw materials regularly used in the production process. According to the local management and workers who spoke on the issue, the temperature of 300 degrees which is generated by the ovens in the factory also created health hazards for the workers. The risks and health hazards caused by the chemicals used were not properly explained to the workers who actually used some of the chemical agents to remove stains from their fingernails. The production process also results in the generation of considerable amounts of dust which when inhaled, caused breathing problems. Furthermore, according to the officials, these problems were made worse by the less than satisfactory ventilation in the factory. As a result, several workers had experienced health problems, including itching and breathing difficulties.

Lacking in organization or formal leadership and in the absence of a functional safety committee in the company, the workers' repeated complaints were often perfunctorily dealt with by management. Moreover, senior management appeared to believe that the workers were lazy and were exaggerating the safety problems. Under such poor health and safety conditions, the workers naturally resorted to strikes. During the company's history, five strikes were taken by the workers seeking remedies to the inadequate health and safety facilities in the factory, though these strikes were generally of short duration. None lasted more than two days and were generally peaceful, but they did build up a momentum for a stand-off with management. At one point individual workers started to make contact with the BWU to seek the latter's intervention, even though the company was not unionized. The union's intervention increasingly convinced the workforce of the usefulness of union organization.

The final strike of this period was a decisive and historic one. It occurred in 1990 and coincided with the beginning of the national economic problems. The owners of the factory were in Barbados ostensibly to close the factory down, most probably because they feared that the unfolding economic crisis would threaten their investment. The prevailing labour relations in the company were hardly a source of satisfaction either. However, after consultation and interaction with the Government and leaders of the social partners, particularly the BWU, which by this time had become the spokesperson for the workers, the owners were convinced of the security of their investment and also of the maturity of the union movement in the country. In point of fact, the owners saw, on the basis of the evolving joint consultation process set up to address the serious economic problems, the positive role which a union could play in improving labour relations in the company.

As a result, the company continued operations with desirable changes in place. First, the factory moved to a new building which largely addressed the physical aspect of the health and safety problem. In addition, appropriate safety measures were introduced including a functioning bipartite safety committee. The workers were organized and recognized for bargaining purposes and the general manager, whose relations with the workers had been marked by acrimony and suspicion, was transferred.

Innovative industrial relations practice

⁶⁴ The chemicals originally involved in the manufacturing process were Toluene, Methylene Chloride and Tri-Chloroethane. Because of the health risks associated with these chemicals, they have not been used in the factory since 1990.

The significant and fundamental measures taken by the company ushered in a new phase in labour/management relations in the company. As noted, this phase coincided with the evolving social partnership in the country. Thus, while maintaining a deliberate policy on informal relations in areas such as collective bargaining and resolution of grievances, three key fora were set up to help address day-to-day labour/management relations issues. These were the safety and health committee, the quality committee and the productivity committee.⁶⁵

Collective bargaining

Collective bargaining in TBL is confined to a bargaining unit comprising all the non-supervisory workers in the company. A two-year agreement is regularly negotiated in the company, consistent with national practice. The negotiating teams comprise the following:

Management side: General manager, production manager, quality manager and office manager.

Workers' side: Chairperson, TBL division of BWU, vice-chairperson, secretary and a senior BWU official.

The negotiation process starts with consultations within the branch to formulate a broadly acceptable set of demands. There are no clearly defined negotiable issues, except that the parties normally acknowledge "management rights" in managing the business. The following issues are typical items in the union's proposals: wages, medical benefits, uncertified sick leave, break periods and so forth. As a result, negotiable issues are defined by mutual understanding and where management is unwilling to yield, it refuses to agree on the issue. For example, during the past two negotiations the union has included a pension scheme as part of its proposals but management has repeatedly refused to agree to this demand. Negotiations are generally friendly and based on a frank exchange of positions and information.

Negotiations in the company in recent years, and particularly with the commencement of the social partnership in 1993, have increasingly emphasized productivity. Regular negotiations on wages have therefore been based on company productivity and performance and increasingly less on the cost-of-living situation.

Labour/management relations and grievance settlement

A standing grievance machinery does not exist in TBL. However, monthly meetings between management and union leaders are effectively used to resolve any grievances that might arise. These monthly meetings serve the purpose of sharing information on issues that are important to the

⁶⁵ Partly as a result of this institutional framework, the company decided to do away with the personnel function as an activity in 1998 on the basis that the labour relations situation in the company was flexible and sufficiently mature to make this position unnecessary. Since that time, personnel functions have been shared among all the management team, comprising the general manager and the three managers responsible for production, quality and office management.

company's performance, and also deal with work-related issues that might affect performance. At these meetings, workers discuss issues that might affect productivity and targets, quality and standards. The discussion may focus on how to achieve improved productivity, including techniques that might help reach a certain level of output. At one meeting, for example, workers proposed that fast and more efficient workers should work with slower ones so that the former could serve as role models for the latter. Workers have also used this meeting, for example, to complain about a technician who had not properly prepared machinery to the level desired for efficiency targets to be attained.

As a result of improved labour/management relations, the formal procedures for interaction are hardly used. For example, at the time when this research was being conducted, the company was due to have closed down for the Summer break. However, as a result of a rescheduling of a raw materials delivery, the company had to continue to operate the factory to meet customer demands. The company asked for volunteers and got as many workers as it needed to maintain the required production. In a reciprocal gesture, the company agreed to allow those among them who wanted to take their Summer break to do so when full production resumed. This level of understanding and cooperation – that the success of the company is in everyone's interest - is clear evidence of the evolving industrial relations culture in TBL.

Currently there is not one single outstanding grievance of note in the company; the last termination took place as long ago as 1995. One of the more contentious issues in recent times has revolved around management's attempt to tighten up attendance by insisting on a new approach to the uncertified day-off. Up to 1999, a worker could either use up her/his entitlement of six days of uncertified leave at any time of the year or could turn it into cash. The former general manager, who retired in that year, had been very liberal in granting this benefit. However, records showed that as a result of his laissez-faire approach, most workers had been using up all their entitlements between November and December of the relevant financial year. The new general manager, seeking to create a more disciplined and efficient approach to staffing, insisted that no worker could use more than one day's uncertified leave in any given two-month period except by prior approval of the management.

In addition, workers had routinely converted uncertified sick days to casual leave without formal permission but the new management insisted on more formal approval and also that late attendance due to reasons such as doctor's appointments should be notified to the management. Initially, the rank and file had difficulty adjusting to this new management policy and there was a certain amount of disgruntlement. In the end, both union leaders and management explained that it was all in the best interest of the company and advised the workers to follow an agreed procedure because this made more effective use of human and material resources. Since then, workers have started to follow the proper procedures in this area. In spite of the need to enforce strict procedural ways of doing things, the company maintains an 'open door' policy, and every worker is at liberty to walk up to any of the management team, usually without prior appointment.

Health and safety committee

A safety committee had existed in TBL before the emergence of the new approach to labour/management relations, but it was ineffectual. The revived safety committee comprises four on the management team: the general manager, production manager and quality and office managers. On the workers' side, there are five worker-members on the union committee. The committee meets once a month and provides leadership in the following areas:

- putting in place appropriate safety measures in the company;
- regularly informing workers on safety measures; and
- providing training seminars and lectures on occupational safety and health.

These services are methodically performed by the committee working in conjunction with BWU safety officials. As a result there has not been any serious dispute on health and safety in recent times, although the problem of chemical inhalation remains an area of constant concern to both management and workers in the factory.

Productivity committee

TBL was one of the first companies in Barbados to embrace productivity as a suitable means of achieving competitiveness. The productivity committee has four management representatives: the general manager, production manager, quality manager and a production supervisor. Representing the workers on the committee are the president and vice-president of the TBL division of the union plus two operators. The committee meets every month, primarily to explore ways and means of improving productivity, but it also discusses the modalities for setting up productivity schemes and determines standards of measurement and reward.

Productivity promotion in TBL involves simple, practical and easy-to-understand schemes and competitions for all workers. Competitions are designed for individuals, teams and groups and cover the entire production staff. The specific competitions or games are varied regularly so as to challenge the creative talents of the workforce and this also adds excitement and enthusiasm in the organization of work. The average duration of each competition is short, lasting between four and six weeks in each case.

Quality committee

Quality goods and customer service are regarded as reasons for the company's competitive edge in the market. Keeping this in mind, a quality committee serves to maintain quality at a high standard. This committee is another element of the new industrial relations environment in TBL and comprises, on the management side, the quality manager (who chairs the weekly meeting), the general manager, production manager and the production line analyst. The workers' representatives are the same as on the productivity committee. The main function of the committee is to serve as a quality control forum and it does this by undertaking regular reviews of product quality and analysing the causes of poor products. The committee encourages the periodic review of the production process with a view to correcting processes that adversely affect quality. This committee works with a support group consisting mainly of supervisors and ensures that non-production related issues that could affect product quality are dealt with. Issues such as the adequacy of raw materials, the work environment and conditions of employment fall into this category.

Assessment

The TBL company has established a niche in servicing small orders and thus it is able to provide efficient service to its clients. In the past decade, the company's competitive advantage has been achieved through improved labour/management relations and this has meant a virtual absence of disputes or work stoppages during the past ten years. This has also made it possible for the company to launch a productivity programme that has ensured the company's viability. According to management data, TBL achieved an average productivity increase of 15 per cent annually between 1994 and 1997.

By working with the workers truly as a team the company has been able to speedily adapt to changing production environments and customer demands. Quality products and effective customer service, particularly the meeting of delivery deadlines, remain the strengths of the company.

A number of factors are responsible for the improvement observed in labour/management relations in TBL in recent years. Communication has improved tremendously through highly effective informal interaction and communication both laterally and vertically and in both directions. This has had a powerful impact in defusing potential labour/management conflicts. Several workers have been with the company for nearly all its 30 years of operation in Barbados. The union president, for example, has worked for the company for 29 years, while about 50 per cent of the operatives have worked in the company for between 15 and 20 years. Company gestures of appreciation, such as long-service awards, no doubt strengthen the bond of loyalty and cooperation in the company and promote worker commitment and productivity.

Management policy and actions also affect the state of labour/management relations. The anti-worker and anti-union attitude of previous management created a crisis situation in which workers, who had very little interest in activism, became agitated because of the lack of consultation and the poor handling of their grievances. On the other hand, when management took fundamental steps to change the unfavourable labour situation in the company, first by relocating the factory to a safer and more worker-friendly physical environment, things started to change. The situation was further improved by the arrival of a different management team which included a general manager who valued good relations and consultation and who was not opposed to working with the union. Management saw the value of worker participation and a positive role for the union, especially in mobilizing the workforce for a safe and healthy workplace in which high productivity and competitiveness could be achieved. Moreover, involving the workers in decisions on productivity, quality and the overall production process strengthens workplace democracy and creates a favourable environment for innovation and creativity. These events have contributed in no small way to overall company performance and competitiveness and have established a small company such as TBL as a respectable model employer and leader in the community.

Above all, a favourable economic environment contributed to the turn of events in TBL. The owners of the business, who had planned to close down the factory, reconsidered their options on discovering that the Government and the social partners were genuinely committed to economic revival, growth and stability in the country. They found the trade union movement to be disciplined, mature and committed to the country's economic recovery. In other words, the new labour/management cooperation at TBL coincided with major national tripartite consultations and negotiations on economic recovery in the country.

Finally, while it can be argued that the case of TBL is not fully representative of the interface between the two levels of decision-making and social dialogue in the country, it does suggest that a proper and meticulous implementation of decisions made at national level can make an important positive impact on industrial relations and social dialogue at individual company level, particularly if decisions agreed to in the former are properly communicated to the latter.

CHAPTER 5

SOCIAL DIALOGUE IN THE CARIBBEAN: A COMPARATIVE PERSPECTIVE

The imperative of consensus building

There is an increasing recognition by governments and social partners in the Caribbean region of the need to put aside prevailing sectoral struggles and adversarial industrial relations in favour of a social partnership of the type that has been discussed in the preceding chapters of this paper. Governments in the region appear to be interested in defining a new agenda in which the State plays a greater role in providing initiatives that set a favourable environment for growth and development through joint consultation with employer's bodies and trade unions. Employers also seem to recognize that in order to effectively implement the restructuring and change strategies necessary to gain competitive advantage, they need the support of the workforce based on trust, commitment and cooperation. These views are shared by the trade union leadership which recognizes that cooperation with others involved in industrial relations is a more assuring source of strength and relevance for trade unions in contemporary society.

In other words, the partners appear to recognize that tripartite and bipartite cooperation and social dialogue are indispensable mechanisms through which sustainable social and economic development can be achieved.⁶⁶ Indeed, the challenge of globalization, especially in comparatively small-island economies, is particularly daunting. Social dialogue which eschews adversarial relations and builds on trust and partnership can help such countries to attract and retain investment, promote employment and economic growth, and improve competitiveness and good governance. These are the ideals. While the experience of some European countries and indeed of Barbados in the 1990s has demonstrated that these ideals are realizable objectives, most governments and social partners in the Caribbean have yet to fully utilize the potential of social dialogue for sustainable economic growth and development. This chapter examines the efforts being made and the prospects for social dialogue in addressing economic and social issues in selected countries in the subregion.

⁶⁶ At the subregional level, representatives of subregional institutions of the social partners, including the Caribbean Employers' Confederation, the Caribbean Congress of Labour, the Martinique Economic and Social Council, representatives of national tripartite organizations and a number of international organizations such as the ILO and the European Union (EU) met in Port of Spain in April, 2000 and drew up a declaration on the "promotion of social dialogue in the wider Caribbean" through decentralized cooperation. The declaration seeks to promote social dialogue initiatives at both national and regional levels, and to strengthen the subregion's cooperation within the framework of the post-Lome EU-ACT Partnership Agreement. Additionally, it seeks to ensure that the development of social dialogue at all levels in the region takes place within the framework of ILO conventions and particularly the core labour standards. This subregional initiative is, however, outside the scope of the present report.

The economic and labour market contexts

As the data in Table 5.1 shows, albeit inadequately, there have been noticeable ups and downs in the economies of the four countries discussed in this chapter. Though the gross domestic product (GDP) of Grenada and Guyana grew steadily between 1990 and 1996, that of Jamaica practically stagnated and there was a steady decline in the GDP of Trinidad and Tobago. Although Grenada, Trinidad and Tobago and to some extent Guyana have seen their rates of inflation falling, the present rate of inflation in Jamaica remains exceptionally high. Unemployment in all four countries has remained high, particularly in Jamaica and Trinidad and Tobago. Finally, except for Trinidad and Tobago, the balance of payments situation was generally unfavourable during much of the 1990s.

Table 5.1. Key economic indicators in four Caribbean countries, 1990-1996

Country	Year	GDP	Inflation Balance of Rate (%)	Unemployment Rate (%)	payments
Grenada	1990	36 486.9	24.0		-46.2
	1992	40 642.6	11.2		-32.3
	1994	46 278.2	10.6		-21.8
	1996	50 077.9	9.8		-57.9
Guyana	1990	3 319			-147.7
	1992	3 792	14.2	11.7	-146.7
	1994	4 452	16.1		-100.8
	1996	5 047	4.5		-53.8
Jamaica	1990	17 359.2	21.9	15.7	-321.1
	1992	17 749	77.3	15.9	29
	1994	18 210	35.1	15.4	93
	1996	17 973	26.3	16.0	-112
Trinidad & Tobago	1990	21 539	11.1	20	458.9
	1992	21 744	6.6	19.6	138.9
	1994	16 631	8.8	18.4	218
	1996	17 873	3.3	16.2	106

Source: Data is taken from various sources. Notes: GDP is given in millions for the local currencies: for Grenada, East Caribbean dollars; for Guyana, Guyana dollars; for Jamaica, Jamaican dollars; for Trinidad and Tobago, Trinidad and Tobago dollars. The balance of payment figures are given in millions of US dollars .

The recent economic performance of these countries suggest that creative and innovative measures, jointly agreed with the social partners, are appropriate strategic responses to reverse

unfavourable economic conditions. Such efforts can help to align the interest of stakeholders in a national goal, involving a readiness not only to subordinate sectoral to national interests, but also to taking individual and collective steps to ensure that joint efforts at consensus building are directed towards sustainable social and economic development in the country concerned.

Efforts towards social partnership

A number of countries in the Caribbean have gone beyond simply recognizing the usefulness of social dialogue and have taken important initiatives in which the principles and goals of such a tripartite relationship have been articulated. These “statements of intent” vary in detail depending on the extent of consensus on key social and economic challenges requiring consensual strategies. The following account presents an overview of ongoing discussions and negotiations on the role of social dialogue in four countries in the subregion: Grenada, Trinidad and Tobago, Jamaica and Guyana.

Grenada

In Grenada a “memorandum of understanding” was signed by the partners in November 1998. Under the terms of the agreement, the parties committed themselves to tripartite consultation “aimed at achieving consensus on national development” at the national level and comprising the social partners and other organizations and individuals selected on the basis of mutual agreement. Under the memorandum, the institutions set up will undertake the following:

- elaboration of a vision for national development, i.e. the overall macroeconomic and sectoral goals for Grenada for the short, medium and long terms;
- review and assessment of the state of the economy and the social sectors; and
- identification of policies and programmes aimed at achieving the kind of national development consistent with the expressed vision.

It is noteworthy that this memorandum was signed both by the traditional tripartite partners and the non-governmental organization (NGO) community representing civil society. However, the memorandum is extremely terse. It does not indicate any underlying principles and does not acknowledge the nature of issues or the problems to be addressed by the partners, nor indeed the extent of shared understanding or recognition that a “national” solution will be found. This rather limited attention to the challenge for joint action is evident in the fact that there has been no noteworthy effort on either side since the agreement was signed to put into practice the commitment to consultation and social dialogue.

Trinidad and Tobago

In Trinidad and Tobago a task force made up of the social partners formulated in 1999 what is referred to as “Compact 2000 and Beyond”. In the declaration which, was jointly signed on 31 October 2000, the tripartite partners set out what can be described as a framework for consultation and cooperation on major social and economic issues of national significance. The document recognizes the need for macroeconomic policies that support increasing levels of investment, the promotion of sustainable employment, poverty reduction, and increased productivity and competitiveness. The document also emphasizes the importance of maintaining a “stable and collaborative industrial relations

climate”, fostering greater productivity and competitiveness, and enhancing the social security system in relation to healthcare, pensions and savings.

As set out in the document, the partners seek to achieve these objectives by such means as jointly:

- promoting a defined campaign for cooperation and understanding at national, sectoral and industrial level;
- promoting good industrial relations practices, principles and philosophy of joint consultative councils and non-crisis committees;
- making every effort to remove suspicion, distrust and adversarial industrial relationships wherever they exist or tend to arise;
- cooperating in promoting a pervasive campaign on greater productivity, efficiency and effectiveness in the workplace;
- cooperating in the restructuring and design of pension schemes in the country so as to improve the social security systems and increase the levels of savings in the economy; and
- cooperating and participating in the review and reform of the public service to make it an effective central institution which would facilitate the social partnership.

While the declaration can be described as containing a “shared vision” on the development path for the country and while the document has been signed by the Prime Minister and the leadership of the social partners, it remains to be seen to what extent this display of a desire for tripartite dialogue will continue to enjoy support from the key decision-makers, or indeed, the extent to which the declaration will be implemented.

Jamaica

In Jamaica, a draft agreement “for the implementation of a national economic and social understanding social partnership, 1996-97” was proposed in September 1996 and was intended to cover the Government “and all its officers and agents”, the major private sector organizations, the labour movement including the university union, the NGOs and the United Consumers in Action. In particular, the draft agreement obliges the parties to take steps to “effect the deepening and widening of the social partnership” by taking into consideration the viewpoint and interests of women, youth organizations, senior citizens’ associations, political parties, NGOs, churches, professionals and other representative groups in the formulation and implementation of the agreement. Fashioned in the style of the Barbados’ protocols, the document, however, has more the appearance of a framework agreement, incorporating broad and specific principles for the design and implementation of a social partnership. Perhaps in view of this, the draft agreement anticipates that specific agreements would be signed on a yearly basis.

The draft agreement outlines measures that need to be taken to stabilize the macroeconomic environment, promote sustainable expansion of the economy and improve competitiveness. It also covers the continued restructuring of the economy on the basis of equal opportunity for workers and employers to make greater contributions to national development and share in the fruits of an improved economy. Specifically, it identifies the following areas for attention and sets targets for the social partners during a five-year period. The economic programme for the period is specified thus:

- stabilize the economic environment,
- reduce interest rates,
- expand the economy for competitiveness,
- increase productivity,
- increase real GDP growth,
- increase employment levels,

-
- improve real standards of living,
 - increase real wages and salaries,
 - increase exports of goods and services, and
 - strengthen information provision.

All these objectives were to be achieved within a framework consistent with recognition and respect for the rights of workers as enshrined in ILO Conventions, the Constitution and national laws.

This draft agreement sets out what looks like an extremely ambitious and complex social and economic agenda, perhaps one that is too complicated for a still embryonic social partnership. In fact, this complicated design might be one of the reasons why it has not taken effect or why workers have declined to sign it, although the actual reason remains unknown. In any event, it seems evident that the necessary commitment is probably not shared by all the stakeholders.

Guyana

In Guyana, an elaborate draft “protocol for the implementation of a social partnership” in the country was prepared in April 2000 by the Guyana Trades Union Congress (GTUC) for approval of the tripartite partners. In the statement of intent attached to the draft protocol, GTUC argues that “the challenges facing our country at this time require us – the social partners – to act in a collective and responsible manner” to address national social and economic issues. The document acknowledges that “sustained social and economic progress and political stability depends on their sustained individual and collective commitment to good governance”, and that the challenges of economic development “can only be overcome through the collaborative effort of the social partners”. In this regard, the GTUC proposals call on the partners to commit to industrial harmony through tripartism, and to commit to a formal structure so as “to govern their collaboration and consultation on fundamental issues affecting their individual and collective obligations to national development”.

The document then proposes a “social compact” to create a modern, efficient economy which is able to produce high and sustainable economic growth accompanied by increased employment. It goes on to advocate low inflation and an equilibrium between prices and incomes in order to achieve a society that enjoys inclusiveness in all its aspects. The draft document specifies objectives similar to those in the Jamaican proposals. The document commits the parties to work towards the “realization of a stable rate of exchange”, a stable industrial relations climate, rapid expansion of the economy, improved competitiveness, and the pursuit of “greater social inclusion and the reduction of disparities”. This is to be achieved through greater opportunities for employment and a reduction in unemployment and poverty and the attendant risk of social dislocation.

Does a real commitment to social partnership exist?

In spite of the expressed commitment and sometimes elaborate preparations for social partnership, none of the four countries reviewed above has gone much further than that. Although the partners in Trinidad and Tobago have only recently signed the declaration proposed in 1999, no clear direction has as yet been given as to how the declaration should be implemented. For the most part - and beyond the expression of intents or desires - the will and commitment to put into practice a functioning and viable social partnership, particularly at top level, appears to be lacking among the respective tripartite partners. There is also the need for demonstrable evidence of a shared view on the

direction of a desirable development path and of a readiness to subordinate sectional interest to the overall national interest.

It is also debatable whether the internal cohesion within and among the respective partners is strong enough to embark on social partnership. For example, the trade union movement in these, and several countries in the subregion, is faced with internal divisions to the extent that the cohesiveness that is normally needed to achieve an internal recognition of the need for social partnership is inconceivable. Neither do governments and the opposition parties in some cases share similar views on the direction of growth nor on the desirable national policy options that should be pursued.

A recent survey of national employers' and workers' organizations in the subregion offers perspectives on the possibility and scope for tripartite consultation and negotiation at the national level. The study was designed to assess the perspectives of the respective social partners on the state of industrial relations in the various countries, the prospects for effective social dialogue and the state of intra and inter-relationships. It offers interesting results.⁶⁷

The study found that while bipartite relationships are functioning reasonably well in several cases, there is still a strong element of the adversarial approach to industrial relations. On the employers' side, a noticeable division and sometimes rivalry exists between local and foreign-owned businesses and this contributes to poor coherence and a lack of unity of approach among the various employers' organizations in most countries in the region. This lack of a united front is potentially problematic in advancing representation at national or regional level.

In so far as tripartite consultation is concerned, the survey found that tripartite consultation, if not negotiations, existed in most countries. Both employers and trade unions acknowledged that they were consulted by governments on issues such as public sector reforms, social security, taxation and labour legislation. However, on questions relating to industrial employment policy and national economic policy, they were less positive. On the prospects for developing a national, tripartite economic and social consensus, four employers' organizations thought the prospects were "very good" and two thought the prospects to be "poor". On the trade union side, none of the national trade union centres (except Barbados) thought the prospects of developing a tripartite compact were very good, although three centres thought the prospect was 'good'. Most union centres still appear to favour sectoral negotiations.

The author of the survey concluded that the relative lack of support of national labour centres: probably reflects the inherent tendency in some trade union circles of a certain degree of caution or scepticism in regard to such economic and social pacts or possibly the unquoted view that Governments or employers only seek such agreements in difficult times rather than in times of economic boom.⁶⁸

This perception, which is not peculiar to the Caribbean, touches on the relevance of a social partnership as a suitable mechanism for promoting social and economic policy on employment, growth and sustainable development, and governance. Ad hoc tripartite initiatives are hardly the appropriate approach for achieving these goals. Precisely because of this, tripartite cooperation within a clearly defined institutional framework can, as it does in several cases, prove to be a more appropriate response to contemporary national needs.

In some cases, it appears that certain countries have endorsed social partnership in response to external overtures rather than to internally agreed consensus on the need for, and the direction of a

⁶⁷ Kieran Mulvey: Report on promotion of social dialogue in the wider Caribbean as part of the process of decentralized cooperation (Port of Spain, ILO, 2000).

⁶⁸ Mulvey, *op. cit.*, pp. 50-51.

collaborative approach to address national economic and social problems.⁶⁹ Desirable as this may be, external support for social dialogue can only serve to consolidate internally generated ideas and consensus on tripartite cooperation. In any event, these efforts have so far yielded less than commendable results, undoubtedly because internal consensus within and among the partners is often missing or inadequate. Grenada's initiative is extremely vague and non-committal on any specific medium or longer-term objective. It indicates neither a joint undertaking to pursue specific social and economic objectives nor does it contain evidence of a shared recognition of the specific problems to be addressed in response to the effects of globalization and trade liberalization on the economy.

On the other hand, Guyana's draft document, which was proposed by the trade unions, has been based largely on the Barbadian third protocol which, as has been shown earlier, was designed to consolidate the achievements of the earlier protocols and address broad institutional issues. In other words, the choice of this approach in Guyana raises doubts as to whether it is an appropriate way to address the specific social and economic challenges facing the country. As is argued in the concluding chapter, the path to a sustainable social partnership is hardly the replication or transfer of a system from one environment to another, even if this system has already performed reasonably well in one or the other. This is because the formulation of a social partnership ought to emerge from national realities and be based on the specific conditions prevailing in the particular society, particularly the social, economic and political environment in which the partners operate.

The conclusion to be drawn from the available evidence is that a minimum level of national consensus or understanding is required within and between the parties on the nature of the issues for joint resolution, on the desirability of a strategic alliance for a collective response to globalization and trade liberalization, and on the impact of these on social and economic development. It also means that a minimum level of internal unity and cohesion among the respective partners is needed in order to have a sustainable social partnership. It appears that this minimum level of consensus for tripartite cooperation at the national level is yet to be achieved in the four countries examined here, although there appears to be a comparatively higher prospect for bipartite negotiation and consultation at both the sectoral level and individual company level for at least the foreseeable future.

⁶⁹ The ILO and the EU in particular have been advocating and encouraging the partners to employ social dialogue and a consensual approach to national economic and social policy formulation and implementation.

CHAPTER 6

CONCLUDING OBSERVATIONS

The value of the social partnership in Barbados

Globalization and the economic problems associated with it presented a major challenge to the partners in Barbados to find a joint approach to issues that continue to impact on the country's growth and competitiveness. The difficult economic environment of the early 1990s provided an important impetus for the social partners to develop an innovative mechanism for solving the national economic problems. As has been argued in this paper, there is hardly any doubt that the tripartite agreements have contributed not only to the reversal of the economic decline, but also to the path of sustained growth for eight consecutive years.

Obviously, the momentum for the social partnership has stabilized, as the country today does not face the same gloomy economic situation it faced in the early 1990s. However, while the immediate problems that the protocol agreements sought to address have been solved, the current challenge though subtle, remains nevertheless daunting. It is precisely for this reason that it is necessary for the partners to take steps to avoid the risk of institutional fatigue which could threaten the continuity of the social partnership. In effect this calls for creativity and adaptability on the part of the social partnership towards changing national situations and calls for innovative measures both on the substance and form of the social partnership.

In this regard it might prove useful to examine the direction and focus of the work of the social partnership. For example, is the future work of the social partnership to be focussed on providing guidance on a set of principles, objectives and ideals towards which the partners will individually and collectively work? Or, should future protocols contain specific measures (as in the first agreement) which provide quantitative yardsticks and timetables for implementation and compliance which might or might not be achieved during a given time frame? It might appear reasonable, for instance, for deliberations at the level of the social partnership to focus on setting minimum standards and objectives and detailing proposed measures or steps for their realization at lower levels of decision-making. In such a case, the effective implementation of the provisions of the agreement at the level of individual companies could be a major task to which the national social dialogue commits itself. The third protocol has largely followed this path and direction. One way to strengthen the protocols is to complement them with "codes of industrial relations practice" which ideally should form part of the industrial relations obligation of all employers and trade unions in the country.

The partners have emphasized that the achievements of the social partnership were due not to sanctions or penalties but rather the mutual trust between the parties and their commitment to economic growth. The sustainability of the social partnership, which is deeply rooted in voluntarism, crucially depends on the continuing cohesiveness of the partnership, the extent of consensus within each of the cooperating partners and the partnership's overall responsiveness to an ever changing international environment. Indeed, the rapidly changing global environment creates an irresistible pressure for some definite regulation in the industrial relations system. It is conceivable, for example, that if the incidence of wildcat strikes by workers in individual companies does not abate, the need for a more assertive legislative approach may become a realistic option. One thing seems certain though: social dialogue through the social partnership will remain an indispensable mechanism for finding the appropriate balance between voluntarism and socially acceptable regulatory measures.

Promoting social dialogue at other levels

While the social partnership has achieved a notable measure of success particularly at the national level, the issue of how to disseminate the agreements among those at lower levels and how to explain to them the obligations and opportunities it presents, remains problematic. This issue of effective transmission of the agreements to lower level bodies and institutions still needs to be fully addressed. On the government side, the extent to which everyone in government can remain part of the process in terms of full recognition of and compliance with protocol provisions remains an important issue. While it is clear that central government authority remains totally committed to the social partnership, this is not always the case with everyone in government, particularly in public parastatals and statutory boards, where managers still take unilateral decisions sometimes in an apparent assertion of what they consider to be their autonomous authority.

All too frequently, government departments, either out of ignorance, a lack of familiarity with the provisions of the protocols or simply because of an unwillingness to adapt to the requirements of the new provisions, have taken actions that tend to undermine the spirit if not the letter of the agreement. The fact that this has happened more than it should raises questions of good faith and could erode the trust between the parties. While it would appear that these lapses are not fundamental enough to threaten the foundation of the social partnership, it does place a burden on the Government, as a party to the partnership, to educate and inform managers in its statutory agencies to ensure that they respect and follow central government policies and its commitment to social partnership.

This holds true for employers and workers as well. In the case of the employers, while the leadership at the level of both the BEC and BPSA are united in their commitment to social partnership, division among a critical mass of the employer community on the implementation of the protocols could be enough to jeopardize the partnership. Many employers in the private sector do not know the provisions of the protocols or how these affect them. In some cases employers tend to believe that since they have not been part of the negotiation or part of the employer body that negotiated the protocols, the protocols do not apply to them. This is and should not be the case.

As for the trade unions, while it is equally the case that the leadership is unequivocally in support of the partnership and its protocols, it remains unclear whether union leaders in individual companies will stick to the spirit of the partnership. Workers at this level have often engaged in industrial action to the embarrassment of a union leadership committed to the procedures laid down for resolving disputes at this level.

In effect, there is in all cases a crucial need for education and sensitization to the provisions of the protocols and to the specific and general manner in which these impact on the behaviour of each of the parties. Another requirement is the need to ensure that workers are well trained and informed of labour market issues and how these are intertwined with national macroeconomic issues. Through such a process workers can be carried along in the social partnership. It is encouraging that both the employers and the trade unions are facing up admirably to the challenge. For example, through their training programmes and institutions, both the BEC and the two main unions regularly offer their respective constituencies specific training programmes on various aspects of the labour market, the economy and on how international economic conditions impact on them.

Explaining the success of the social partnership

It is important to understand and bear in mind that the social partnership in Barbados can be judged successful because of the particular socio-economic environment prevailing in the country. To

recap, the following are, in no particular order of importance, a number of key and specific national peculiarities that have positively influenced the social partnership and which are critically important in assessing its performance and sustainability.

First, the country has had no history of major conflict. This is also true in relation to trade disputes, which have never occurred on any significant scale. In the past 10 years there have been only two relatively serious labour-management conflicts, but neither of these would be considered serious in other countries. In other words, industrial relations practices have been based not on conflict or adversarial relations but on cooperation and compromise.

Second, and related to the first, is that a single union, the BWU, maintains a virtual monopoly in the private sector and also has a significant membership in the public sector. The resulting absence of serious factional disputes or crippling inter-union rivalry has helped to stabilize labour relations, reinforcing the strong leadership that the union has enjoyed since its foundation in 1941. Yet, and in spite of the overwhelming authority and influence of the BWU, the leadership has not abused its privileged position but has addressed national economic issues with a sense of maturity, dedication and commitment. This is also true of the employers. The BEC and the other major employers' bodies are united in their support for the partnership, as demonstrated by their joining hands to form the Barbados Private Sector Agency.

Third, the small size of the country must be seen as a helpful factor. In spite of varying national backgrounds, Barbados is still a relatively homogeneous society where most people know their civil responsibilities, the role of the Government, what it does and what it should do. They know when the Government is pursuing the overall good of the people, and that the action or inaction of an individual, section or public authority directly affects the well-being of the whole society.

Fourth, the country has a stable political process founded on a pluralistic democracy. Though their programmes differ, the two political parties have no noticeable ideological differences. Both political parties share a fairly common view on the path to overall economic development and therefore recognize the critical role of consensus-building in achieving economic development.

Fifth, Barbados is a country with strong family ties. Most people go to school and church together, work together or are related in one way or another, and this has created a fairly homogeneous society. Irrespective of what group individuals belong to – Government, employers and trade unions – they inevitably interact easily with one and another.

Sixth, civil society, particularly the churches, plays a strategic and significant role in social dialogue, though this is not always direct or pronounced. As a highly respected grouping in Barbados, the churches' periodic intervention as peacemaker or mediator, particularly when national debate fails to produce desirable results, has engendered a spirit of give and take and helped to focus attention on the national interest and promote understanding among contending parties.

Policy implications

The analysis in this paper, in various areas and to different degrees, has drawn attention to a number of policy issues which, if considered by the social partners in Barbados might help to strengthen the social partnership in the country. This section briefly recaps three key policy areas which the parties might need to address. It is noted that the issues raised here were among the subjects of a national tripartite seminar held in Barbados in April 2001. The participants at that seminar debated

these issues, and arrived at certain recommendations and a plan of action for strengthening the social partnership in the country.⁷⁰

Organizational Issues

The institutional framework for the social partnership in Barbados has been set up, but it does not have the clearly defined secretariat which is needed for the effective implementation of the agreements. It would be useful for the partners to set up such a structure to service the social partnership, but paying attention to the need for flexibility and for the avoidance of excessive regulation. However, the secretariat would provide technical and administrative services, undertake (or coordinate) research on the functioning of the social partnership, write reports, disseminate information and assist the partners in the effective implementation of the agreements. The secretariat could be staffed by technically competent officials, have a budget, and may report to the Subcommittee of the social partnership. This same principle goes for institutions such as the National Advisory Council for Safety and Health.

Implementation and Compliance Issues

The most significant outcome of the social partnership agreement is the evidence that its provisions are known, understood and implemented by the relevant parties. Presently, there is a gulf between the work of the social partnership and behaviour at the lower levels of decision-making, i.e. sectoral and enterprise levels. This has arisen mainly because of the lack of synergy between the decisions taken at various levels. Therefore, appropriate steps need to be taken to sensitize the relevant organizations, institutions and individuals to the tenets and key provisions of the social partnership. This process would help in creating linkages between the national agreements and consultation and negotiations at lower levels of decision-making,

Sustainability

Finally, it should be recognized that the social partnership seeks to institutionalize the dynamic relationships between the stakeholders. To that extent, its continued relevance depends on the extent to which it responds to the changing economic and social conditions and environment. Bearing this in mind, the orientation of social partnership should be regularly reviewed in order for it to respond adequately to the changing socio-economic conditions. This means that the social partnership agreements would have to maintain a certain degree of flexibility, enabling business to make appropriate responses to the changing competitive environment. For example, consideration may be given to how the productivity improvement campaign can be strengthened and reinforced so that a larger number of enterprises can adopt measures to improve their productivity.

Furthermore, the value of the social partnership is greatly enhanced if it remains an all inclusive programme. Therefore, the partners need to continue to explore how to broaden its coverage to cover all the groups that should be included.

⁷⁰ For details see the Report of the Tripartite National Seminar on the Social Partnership. Barbados, 18-19 April 2001.

Adaptability of the Barbadian social partnership

The Barbadian experiment has revealed interesting characteristics in social partnership which are by and large specific to the country and rooted in historical, cultural and political relationships. In view of this, any idea of exporting the model may not be a very promising path to follow. At best, the Barbadian model can serve to inform other partners elsewhere of the elements of a successful social dialogue.⁷¹

In any event, this model is dependent on trust and maturity. A reasonable level of trust, understanding and cooperation among the partners plus a manageable level of internal cohesion in the business community and the trade union movement is necessary for the model to prove adaptable. But above all it is the political will, particularly on the part of government, that is absolutely essential for the introduction and sustainability of meaningful social dialogue.

Thus, in spite of the inherent difficulties associated with transplanting an industrial relations model from one environment to another, the Barbadian model still offers a good case study for identifying the key elements and characteristics of a viable and meaningful social dialogue. Some of the elements, such as the degree of acceptability at the top political and administrative levels, a united and disciplined trade union leadership, a well-organized and all-embracing private sector organization and a common vision shared by all stakeholders, are key elements to be found in meaningful, purposeful and effective social dialogue anywhere. As this case study reveals, these elements exist in the Barbados experiment and, undoubtedly, this is the greatest lesson that the social partnership in Barbados offers. Whether or not these elements would work well in a given environment would then be a function of several other elements, some of which have been identified in this paper.

An attempt to identify such critical elements and characteristics for effective social dialogue is provided in Annex 1. This may help in defining a methodology for analysing social partnership institutions. Nevertheless, it should be borne in mind that the practical relevance of these characteristics is a function of prevailing national conditions.

⁷¹ Indeed, as was mentioned in Chapter 5, the partners in some countries in the sub-region are examining the adaptability of the Barbadian experience to their own needs.

Annex 1: Critical Elements of Effective Social Dialogue

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