



Ministry of Labour
and Social
Security, Jamaica



International
Labour
Organization



Caribbean
Congress
of Labour



Caribbean
Employers'
Confederation

**PROMOTING HUMAN PROSPERITY BEYOND
THE GLOBAL FINANCIAL CRISIS:
Seeking Sustainable Solutions through Social Dialogue**

ILO TRIPARTITE CARIBBEAN CONFERENCE

1-2 April 2009
Kingston, Jamaica

Conference Report

1. The International Labour Organization, Subregional Office for the Caribbean (ILO-SRO), in collaboration with the Caribbean Congress of Labour (CCL), the Caribbean Employers' Confederation (CEC) and the Ministry of Labour and Social Security (MLSS), Jamaica, convened a Tripartite Caribbean Conference from 1-2 April 2009, at the Pegasus Hotel, Jamaica with the theme "Promoting Human Prosperity beyond the Global Financial Crisis: Seeking sustainable solutions through social dialogue".

2. The Conference brought together 108 delegates and observers, representing 20 English- and Dutch-speaking countries and territories in the Caribbean and key regional institutions. **The Honourable Bruce Golding**, Prime Minister of Jamaica, delivered the feature address at the opening ceremony. Ministers of Labour served as resource persons at the Conference. Chairpersons and presenters were also drawn from the CCL and CEC, national employers' and workers' organizations, the University of the West Indies, the Secretariat of the Caribbean Community (CARICOM), the Planning Institute of Jamaica (PIOJ), the Caribbean Tourism Organization (CTO), the Jamaica Bauxite Institute, the Central Bank of Barbados, the World Bank and the ILO.

Session 1: Opening Ceremony

3. **Ms. Paula Robinson**, Senior Specialist for Workers' Activities at ILO-SRO served as Master of Ceremonies for the opening ceremony and the entire Conference. **The Honourable Parnell Charles**, Minister of Labour and Social Security, Jamaica, congratulated the ILO on its 90th Anniversary and for hosting such a timely Conference in Jamaica. He noted that the world was facing one of its most challenging moments since the Great Depression of the 1930s and that the impact was felt in the Caribbean, with social and economic insecurity affecting people from all walks of life. His Government was working in partnership with the employers' and workers' organizations to develop strategies geared toward saving jobs and the retraining and re-skilling of workers. Minister Charles was confident that, with strong policies, dialogue and partnerships, success would be achieved.

4. The Director of ILO Subregional Office for the Caribbean, **Dr. Ana Teresa Romero** stated that it was an honour to partner with the Government of Jamaica, the CCL, and the CEC in hosting the Conference, being held just before the convening of the Summit of the Americas, to address the Global Financial Crisis. The theme of the Conference was inspired by one of the sub-themes of the Summit, namely, 'Promoting Human Prosperity'. Human prosperity will not be meaningful without focusing on employers and workers, social justice and participatory decision-making and policy-making. Decent work as a global and national development goal was central to human prosperity. Her message to the Conference was to strengthen the capacity of social dialogue mechanisms. She

hoped that the conclusions of the Conference would include recommendations that would institutionalize social dialogue. The conclusions would be channelled to CARICOM and to the United Nations High-Level Meeting that will take place in June 2009. Dr. Romero urged Ministries of Labour to seek to mainstream in wider forums, the concerns and issues emerging from the Conference. She looked forward to receiving, from the meeting, strategies to help countries to get out of the Global Financial Crisis.

5. **Mr. Marcel Meyer**, President of the CEC, noted that for almost 50 years, the CEC had been collaborating with the ILO, CCL and Ministries of Labour to promote the enhancement of labour regulations. Together they had been able to bring to reality a programme for the Promotion of Social Dialogue in the wider Caribbean and one for the Promotion of Management and Labour Cooperation within Enterprises (PROMALCO). Mr. Meyer commended the ILO for organizing the Tripartite Caribbean Conference and for seeking sustainable solutions through social dialogue. The ILO and the tripartite partners were the parties with the required expertise to address the social and labour impact of the financial and economic crisis on the region's economy. He recommended the revival of the PROMALCO approach to address issues such as the restructuring of the workforce and the identification of solutions for mitigating the impact on employment. In the short term, the partners should seek to retain employment, strengthen social dialogue mechanisms to overcome mistrust, remain forward looking, and be creative in identifying employment opportunities. In the longer term, they should focus on education and training as the most important means to improve job prospects. Skills enhancement, lifelong learning and active labour market policies were important for maintaining employability in the new economy.

6. The General Secretary of the CCL, **Mr. Lincoln Lewis**, congratulated the ILO on the celebration of its 90th anniversary, noting that the ILO was the oldest UN specialized agency and the only one in which workers had a seat in governance. He was of the view that the economic crisis presented an opportunity for bold and innovative ideas and use of the region's resources. The crisis, to a large part, was due to the way in which macroeconomic policies were decided, namely, in isolation of the organizations of workers and employers. The situation required a new model of development with social dialogue and tripartite consultation at its core. Mr. Lewis urged the meeting to consider the viability of mixed market economies that accommodated both state and private sectors and cooperatives within a greater supervisory mechanism to regulate the marketplace. He encouraged the meeting to work towards the development of an indigenous programme that would take account of the region's history and culture, to meet the needs of the Caribbean.

7. **The Honourable Bruce Golding, Prime Minister of Jamaica**, noted that the Global Financial Crisis was the worst global crisis in his lifetime and that Caribbean economies were reeling from its impact. Jamaica, in 2008, experienced a 2.3% negative growth in its Gross Domestic Product (GDP) and recorded business closures, job losses, reduced investment and erosion of gains made in reducing poverty. It was significant that the meeting was being held at the same time as that of the Group of Twenty (G-20) Finance Ministers and Central Bank Governors to address the very topic and just before the Fifth Summit of the Americas. The world response had been less than commanding so far and the signs were there that there may not be global consensus regarding the response to be taken.

8. The Global Financial Crisis revealed the systemic inequalities in the global structures, particularly with respect to developing countries. The Prime Minister pointed out that the development of the Caribbean countries was as relevant to the growth and development of the global economy as was the collapse on Wall Street. The region too had a compelling need for reform since the approaches so far, had not served the long-term development in the Caribbean. As such, the region could not afford to "waste the crisis" but should use it as an opportunity for the much-needed structural reform, determined through the process of social dialogue. He felt that the end of the recession was not far away but noted that, at the end of the financial crisis, the economic landscape should be different and should be one based on transparency and trust. Moreover, the stakeholders could no longer afford to compartmentalize their interests but should recognize how interconnected they all were and should find a way to join these interests within the context of the national interest.

Session 2: The Global Financial Crisis: How did we get here and how do we move forward?

9. Chair for Session 2, **Mr. Neil Pierre**, Director, United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Subregional Headquarters for the Caribbean, commended the ILO for hosting the Conference, which, unlike that of the G-20, was taking place within a climate of stakeholder dialogue rather than protest action. Mr. Pierre provided a brief background to the crisis. He noted that it was precipitated by the unsustainable path of increases in real estate prices in the United States (U.S.). The financial crisis which became systemic in the U.S. in September 2008, rapidly turned global. Mid-March 2009 figures released by the International Monetary Fund (IMF) forecasted a contraction of 0.6% for the world economy, with U.S. output dipping by 2.6%, the European Zone by 3.2%, Japan by 5%, the United Kingdom by 3.8%, Canada by 2% and Latin America by 0.6% in 2009.

10. The impact on the Caribbean will depend, among other things, on the fiscal and current account deficits, and the level of public debt and international reserves. At the end of 2008, most Caribbean countries had unsustainable levels of public debt, not enough international reserves and unhealthy current account deficits, compounded by their fixed exchange rate regimes. ECLAC was of the view that the way forward for the region should include informed, concerted policy action on a regional basis; concerted actions to address several pre-existing conditions, such as the unsustainable levels of public debt, that could mean disastrous consequences for many Caribbean states; a gradual, orderly approach to addressing the fixed exchange rate; a consultative and inclusive approach to finding solutions; and the establishment of a common understanding of support for the region, from the international community, including the International Financial Institutions (IFIs).

11. **Dr. Lester Henry**, Lecturer, Department of Economics, University of the West Indies, St. Augustine, spoke on the "Origins and Lessons from the Financial Crisis". He viewed the crisis as the largest financial meltdown since the Great Depression. The impact on emerging countries was severe and was even worse in least developed economies. Dr. Henry quoting Professor Amartya Sen that the crisis was a "disaster waiting to happen", identified contributing factors such as the speculative activities in the financial, insurance and real estate (FIRE) economy; the exemption of investment banks from holding reserves; the revolving door policy between government and large financial companies that facilitated the continuation of the policies of such companies; and the irresponsible behaviour of credit rating agencies that helped to internationalize 'pyramid' or 'Ponzi' schemes. The characteristics of the crisis were in keeping with the 'Minsky Hypothesis' as argued by Hyman Minsky, a post-Keynesian economist who warned of the inherent instability of financial markets, where during good times, agents take on excessive risk, eventually becoming 'Ponzi borrowers'.

12. Attempts to solve the crisis through stimulus packages and bailouts failed because they had not been aimed at the real problem of foreclosures and were, seemingly, 'Welfare for Wall Street'. For the Caribbean, the impact would include the continued fall in the prices of oil and gas due to the worldwide recession; contagion in the financial sector, such as the demise of the Colonial Life Insurance Company (CLICO); decline in tourist arrivals; risk of pension funds; possible decline in intra-CARICOM exports; decline in remittances; and lay-offs and the consequential increase in mortgage foreclosures. Dr. Henry warned that current policies could be worsening the crisis and could be skewing further, income inequalities and environmental degradation; that the region should look beyond U.S. consumers for salvation; that the United States, given its problems, could not be the engine of world economic growth; that consideration should be

given to new and sustainable patterns of consumption; and that a solution could only come about with honest dialogue that includes the South.

13. In his presentation "How did we get here and how do we move forward?", **Dr. Maurice Odle**, Economic Adviser to the Secretary-General, CARICOM, noted that there was a systemic weakness in the global financial system. Excessive risk and poor regulation accounted for the crises in developed countries while those in emerging market economies were due to the footloose nature of portfolio investment. Weak management and poor regulation were cited as the causes of crises in the Caribbean. The weak financial regulation that was evident was a product of the neo-liberal paradigm that promoted the market as having magical self-correcting powers. Privatization and deregulation of markets were encouraged with a minimal role for governments.

14. The primary effects of the crisis on the Caribbean were not as severe since the region was not a recipient of toxic mortgages and most banking subsidiaries were branches of Canadian firms which were the least affected. The secondary effects were evident in the Colonial Life (CL) Financial Group meltdown and in the Stanford Group and Millennium Bank debacles. The meltdown of the CL Financial Group was linked to the fall of the international price of methanol products and real estate and was due to the failure of a high-risk model that involved excessive inter-related party transactions and leveraging. Probes by the Security and Exchange Commission (SEC) of the U.S. on the Ponzi-like schemes, triggered the fiascos of the Stanford Group in Antigua and Barbuda and the Millennium Bank in Saint Vincent and the Grenadines.

15. Dr. Odle warned that the tertiary effects of the financial crisis will be felt for a while to come and may include a lack of confidence in the financial sector by all stakeholders; movement of funds by depositors to jurisdictions with higher deposit insurance; lending institutions could become excessively risk averse; and the deepening of the crisis could cause increasing incidence of non-performing loans and surrender of insurance policies, thus posing a systemic threat. With respect to the economic impact on the real sector, the region could experience a dramatic decline in tourist arrivals with the concomitant impact on tourism-related activities; prices in the commodities (non-food) sector could become depressed; foreign direct investment could decline; the construction sector could be adversely affected; and remittance flows could fall.

16. Real social repercussions that can be expected will be the laying off of thousands of workers; the shortening of the work week for some; sharp decline in the growth of economies that could trigger further unemployment; and the social safety net that can be weakened further by the impact of the Colonial Life Insurance Company's (CLICO) debacle on pension annuity. The countercyclical measures that governments may take, include: an emphasis on infrastructure-

type projects that will have favourable employment and growth effects; funds for small and medium-sized enterprises (SMEs); intensification of training and retraining activities; and the lowering of interest rates to stimulate economic activities. Other countercyclical measures related to tax relief may include: tax incentive packages for small hotels and SMEs; removal or reduction of taxes and duties on basic food products and on barrels and packages from abroad of a certain value; reduction of income tax and corporation taxes; and linking of some tax reductions to training and retraining commitments.

17. The financial crisis has made obvious the fact that the social implications of economic and financial policies must be addressed. According to Dr. Odle, it has become apparent, as a result of the crisis, that the protection of capital must be balanced with an effective programme of unemployment insurance; enforcement of workers' right to mobilize and to a decent wage will temper increasing disparities in income and adjustment capabilities; and poverty alleviation and attainment of the Millennium Development Goals (MDGs) could cushion the impact of such a crisis. To encourage the development of a more equitable society, Dr. Odle proposed that private sector investment policies should have a social conscience; subsidies and other transfer mechanisms should not be a policy consideration only in times of recession; both private pensions and social security-related schemes should be better monitored so as to protect the interests of the vulnerable; and tripartite partnerships should be promoted.

18. The security of pensions in Grenada in the context of the fall out from the CLICO fiasco was one of the issues raised in the discussion. **Dr. Odle** acknowledged that the issue of pensions was a serious one for many countries and that there had been a cavalier approach to the regulatory system in the region, despite the existence of several regulatory groups. Both national and private pensions had been affected by the CLICO situation and he suggested that the state should guarantee pension funds in its Consolidated Fund. He agreed with a participant that auditors and auditing firms should be subject to penalties for making misleading assessments of such financial institutions. The Grenada situation brought to the fore the need to curtail the undue influence that large companies could have on small countries.

19. **Dr. Lester Henry**, in response to a query about the region's statistics on the loss of homes, noted that, unlike the U.S., Caribbean countries did not keep ongoing and sophisticated data in many important areas. He agreed with another intervention from the floor that the solutions (e.g. stimulus packages) being adopted by wealthier countries were quite different to those proposed by IFIs for poorer countries. On the issue of possible mechanisms to encourage social dialogue, he noted that there were moves to create such structures, including by the Government of Trinidad and Tobago.

Session 3: Implications for the Region: An Examination of the Issues, Trends and Challenges.

20. Session 3, chaired by **Mr. Harold Codrington**, Adviser to the Governor of the Central Bank, Barbados, focused on the realities and the projections for the region's productive sectors. **Dr. Carlton Davis**, Consultant and Chairman of the Jamaica Bauxite Institute (JBI), addressed the issue of "The Global Economic and Financial Crisis and the Jamaican Bauxite and Alumina Industry". The industry, while not a large employer of labour, had been a major contributor to export earnings for the last 34 years, and was the third largest net earner of foreign exchange with remittances and tourism as the first and second. Dr. Davis noted that the aluminium industry was cyclical in terms of demand for the products and the prices they fetched. The global financial crisis had contributed to a reduction in demand for aluminium and its upstream components of bauxite and alumina. The industry had not escaped another consequence of globalization, namely, entity buy-out which has led to a climate of uncertainty about the future of the local industry. It was expected that three out of the four alumina plants would be closed by mid-May 2009 with the attendant reduction in the workforce.

21. **Mr. Gregory McGuire**, Lecturer, Energy Economics and Strategy, Department of Economics, Faculty of Social Sciences, University of the West Indies, St. Augustine, presented on the "Impact of the Global Economic Crisis on the Energy Industries and Economy", focusing on Trinidad and Tobago (T&T). He noted the International Monetary Fund's (IMF) bleak projections for real growth in countries' gross domestic product (GDP) were confirmed by the World Bank, which advised that the global economy would shrink by 1.7%, the largest contraction in 80 years. A contraction of 0.6% was predicted for Latin America and the Caribbean.

22. Mr. McGuire was of the view that recovery for T&T would be dependent on increases in demand for its main energy-based commodity exports - petroleum, natural gas, methanol and ammonia. He noted that oil prices had remained depressed despite significant factors such as extreme cold weather in Europe and North America, production cuts by the Organization of Petroleum Exporting Countries (OPEC), and heightened tensions in the Middle East. The outlook was that oil prices would weaken in the coming summer months with a low of less than USD 40.00 per barrel and that recovery would hinge mainly on the resumption of economic growth in the major economies. Similar trends were predicted for natural gas, ammonia and methanol.

23. Provisional figures for 2007 revealed T&T's energy dependence as 43.0% of GDP, 56.7% of government revenues, 86.7% of merchandise exports and 3.3% of employment. Recent production trends revealed that the gas growth rate had stabilized and that oil was in long-term decline. He anticipated a significant oil revenue shortfall relative to the national budget and a similar revenue shortfall in the non-energy sector. With respect to downstream expansion 2009-2011, Mr. McGuire noted that six planned projects had been postponed or delayed as a result of financing difficulties or risk aversion. He predicted that the non-energy sector, due to its dependence on the energy sector, would decline sharply, especially with respect to service companies and hotels and guesthouses. In the medium term, Mr. McGuire expected that the T&T economy would experience its first contraction in 20 years and that unemployment would increase to 8-10%, with a concomitant rise in industrial tensions.

24. "Tourism, Trends, Issues and Challenges – Implications for Caribbean Economies" was the topic presented by **Mr. Winfield Griffith**, Director of Research and Information Management, Caribbean Tourism Organization, Barbados. He explained that the Caribbean was the most tourism dependent region in the world with gross tourism receipts accounting for more than one-third of exports and with almost one million workers directly employed in the sector. Mr. Griffith noted that the sector has never shown any drastic changes attributable to major economic crises. Growth in visitor arrivals increased steadily since 1970. Aggregate visitor spending had moved from USD 3.8 billion two decades ago to USD 27 billion in 2008. The most significant negative impact was experienced as a result of the '9/11' situation in the U.S in 2001. With respect to intra-Caribbean market performance, there had been a decline in arrivals since 2007 resulting from diverse strategic decisions made by the major airlines operating in the region. Major issues expected to impact the tourism sector included the weakening state of the global economy; the continued unpredictability of oil prices; the relative strength of the U.S. Dollar versus the Euro and the Pound Sterling; higher than usual unemployment in the major markets; airlines' continuous altering of schedules in response to weakening demand; heavy promotion and discounting by hotels and cruise lines; the onerous British tax on tickets to the Caribbean; the region's ability to counteract fierce competition from other destinations; and the continued perception of the Caribbean as a relatively safe and stable destination.

25. The short-term forecast for the English-speaking Caribbean will be declines in arrivals of 5-8% and similar declines in spending by tourists for the remainder of 2009. Among the measures he recommended to minimize adverse effects were strengthening national tourism agencies; improving dialogue with the business sector; intensifying regional marketing; establishing links with

international funding agencies; modernizing operations; and creating incentives to attract visitors.

26. **Andrew Downes**, Professor of Economics and Director, Sir Arthur Lewis Institute of Social and Economic Studies (SALISES), University of the West Indies, Cave Hill Campus, Barbados, presented on the "Labour Market Aspects of the Global Economic Crisis". Professor Downes explained that the roots of the crisis could be found in the housing and financial markets in the U.S., spreading to other markets and countries. The decline in production and the resulting decline in the demand for labour and in labour income in the affected countries, led to a fall in the demand for goods and services in the Caribbean. The impact in the region will be felt in the tourism sector, in remittances due to job losses in the affected countries, in foreign direct investment and in access to financial credit.

27. The region was forecasted to have a significant reduction in economic activity with attendant implications for the labour market, including reduced working hours; redundancies; and voluntary separation packages. The effects would be felt mainly in the private sector since employment in the public sector was still stable. If lay-offs persisted and the crisis worsened, one could expect a greater movement from the formal to the informal economy. Unemployment was expected to increase due to the impact of the crisis in the tourism, construction, distribution and financial sectors. Some issues to consider in this scenario would be the 'added worker' effect as the main breadwinner is laid off; the 'discouraged worker' effect as jobs become more difficult to get; the decline in remittances that could result in a boost to job search; the depreciation in skills that could result from long-term unemployment; the increase in informal activity; the possible re-entry of older and female workers; and possible inter-country migration of labour. Compounding this situation would be high government debts that could limit the ability of many governments to respond through direct employment creation, social protection measures and active labour market policies.

28. With respect to the impact on wages, salaries and earnings, Professor Downes identified the following: reduced working time including part-time work would mean reduced income; reduced inflation rates with a positive effect on real wages; supervisors and managerial staff could be recipients of reduced allowances; reduced bonuses and profit sharing could be expected; there was the possibility of a wage freeze for public servants; and the environment for wage negotiations could be a difficult one while the desire to join unions for protection could increase. Poverty could increase as a result of a fall in household income. This, in turn, could affect the achievement of the MDGs in the region. Acknowledging that social protection systems were not strong enough to withstand a significant shock to the labour market in the region, Professor

Downes pointed to some of the positive initiatives in the region, including the unemployment insurance scheme in Barbados, various forms of severance and redundancy payment arrangements, benefits available for low-income persons, increases in minimum wages in some countries, increased welfare payments, job placement services for laid-off workers in Jamaica, government procurement arrangements to help micro- and small businesses, and policies to maintain public sector employment.

29. Among the labour market policies that countries could adopt were training and retraining of workers; the setting up of specific public works programmes aimed at building skills; adopting conditional cash transfer schemes that have proven to be effective; establishing targeted micro credit schemes; setting up enhanced welfare and welfare-to-work programmes; developing enhanced social partnership and dialogue based on the Barbados experience; putting in place monitoring systems to track changes in the labour market; promoting gain-sharing schemes at the enterprise level; engaging in creative concession bargaining to balance real wage increases with issues such as employment security and job sharing; improving workers' and employers' education on crises and their management; and modernizing labour legislation and institutions.

30. In the responses from the panellists to questions and comments from the floor, the following points emerged: high technology and energy-based industries did not employ high numbers of persons; the region should maintain a long-term strategic vision for addressing the issues that became apparent during the financial crisis; while governments needed to establish schemes such as severance and unemployment benefits, it was important for workers to undertake their own personal planning to address the issue of transient employment; and, while there was some nervousness regarding the potential impact of the crisis on the tourism sector, there was some confidence that the region did have a loyal core of returning visitors. **Mr. McGuire**, in replying to a question from the **Honourable Minister of Labour and Small and Micro Enterprise Development, Trinidad and Tobago**, **Mr. Rennie Dumas** regarding the rates of investment in the onshore economy in that country, pointed out that the evidence of the last 30 years had shown that direct investment in the energy sector did not create the level of employment or economic diversity required. The crisis revealed that transformation was necessary. Citing the example of Jamaica's achievement with jerk seasoning, he expressed the wish to see a serious attempt made to utilize the opportunities that the cultural industry presented in Trinidad and Tobago.

Session 4: The Crisis: Impact on People and Organizations.

31. **Mr. Esrome Roberts**, First Vice President, Antigua and Barbuda Workers' Union, chaired Session 4. He commended the ILO for its work in the region and the presenters of Session 3 for the relevant issues that they highlighted. **The Honourable Gabriel A. Martinez**, Minister of Labour, Local Government and Rural Development, Belize thanked the ILO and partners for hosting the forum. He noted that the impact of the global financial crisis would add to the challenges that Belize was experiencing as a result of two major floods in 2008. GDP growth was expected to decelerate from 3.8% in 2008 to 3.0% in 2009, as a result of the reduced demand by North America and the European Union for domestic exports including its main agricultural exports and petroleum; the effect of weaker cross-border trade with Mexico; reduced inflows from tourism; a projected 10% decline in family remittances due to the rise in unemployment in the U.S.; an expected 48.8% decline in foreign direct investment in 2009; and a slowdown in external private sector borrowing due to the international credit crisis, which would affect new investment and expansion of projects. The impact will be felt by farmers and their workers, including migrant workers; persons in the construction sector due to the decline in tourist-oriented developments; persons in the wholesale/retail business; the real estate industry; and tourism and related businesses. As yet, there was no evidence of lay-offs or closures in the agriculture, tourism or other sectors.

32. Measures to be undertaken by the Government of Belize to ensure the buoyancy of the economy would include their own stimulus package using from concessionary loans from multilateral institutions that will be injected into infrastructural and housing projects and loans to students and SMEs; the removal of tax from basic food items, medication and medical services; reduced electricity rates; and lower fuel prices. Additionally, the Minister expected that the soon-to-be-implemented Decent Work Country Programme for Belize will provide positive outcomes. He felt that a strong social partnership was critical in order to maximize the opportunities arising from the global crisis.

33. **The Honourable Dr. Joyce D. Amarello-Williams**, Minister of Labour, Technological Development and Environment, Suriname informed the meeting that Suriname had not been spared the effects of the financial crisis. The bauxite sector, together with the crude oil and gold sub-sectors, accounted for more than 80% of the total export earnings and 3% of employment in Suriname. The multinational bauxite company, BHP Billiton, was set to depart from the country by 2010, after almost 70 years in Suriname, citing scarcity of investment capital and declining alumina price as its reasons. The result will be the loss of about 1,100 jobs. Suralco, the second multinational bauxite company, had halted investment plans and was implementing a restructuring programme that would result in a loss of 315 jobs, 110 of which involved contractors who provided

services to the bauxite sector. In the scenario, the Minister felt that social dialogue had become even more important and that it should be expanded to address an approach for the post-crisis period.

34. Governments should be proactive in putting in place measures, including legislation, to protect and support workers who were affected by the crisis. Among the initiatives taken by the Ministry of Labour in Suriname to improve the labour market, were the hosting, with the social partners, of a labour market fair for job seekers; the use of the Social Economic Council to institutionalize social dialogue; and the establishment of a skills development centre with assistance from Heart Trust in Jamaica. One positive effect of the crisis was the creation of jobs in the Information and Communication Technologies (ICT) sector through the transfer of call centre activities to Suriname by Dutch-speaking companies in the Netherlands and Belgium. The Minister urged the private sector to capitalize on opportunities that the crisis may present.

35. **Mr. Martin A. LaBorde**, Vice-President, St. Vincent Employers' Federation (SVEF) observed that, in the circumstances, social dialogue had gained prominence as a means for effectively discussing and building consensus for the way forward. The major challenge faced by small island developing states was the failure of the developed world to engage them meaningfully in the discussion of a sustainable development agenda. With respect to the impact of the crisis on Saint Vincent and the Grenadines, he noted that the tourism sector, the largest contributor to GDP, had experienced a contraction of about 12%. The banana industry was on the decline, as were remittances. The construction sector was buoyant and the financial sector was stable despite the CLICO fallout.

36. The national-level response to the challenges had been characterized by tax reduction at all levels, reasonable wage gains for workers through effective negotiations, strategic interventions to assist the poor, and the existence of national mechanisms for social dialogue such as the National Economic and Social Development Council and the Tripartite Committee on the Economy. At the corporate level, employers had exhibited a strong social conscience shown by minimal lay-offs, mainly attributed to companies with international and regional links. At the organizational level, the national social dialogue organs, the Chamber of Industry and Commerce and the Employers' Federation had been proactive in convening consultations to discuss the impact of the global financial crisis. However, the various groups should take the lead to educate persons to make wise choices regarding their incomes, both in and outside of challenging times.

37. **Mr. Chester Humphrey**, First Vice-President, Grenada's Trades Union Council (GTUC), noted that the crisis was the worst since the 1920s. Already there were lay-offs in Grenada, including a 10% reduction in staff in the Caribbean Agro Industries, and an announcement of restructuring by the Cable and Wireless Company. Redundancies were expected to occur in the retail sector. The decline in the construction sector was made worse with the slow return of Grenadian construction workers from Trinidad and Tobago. A number of projects in the tourism sector were on hold. Mr. Humphrey acknowledged the constraints faced by the Government due to a reduction in revenue that has come about as a result of a decrease in activities at the port.

38. The counter measures proposed included broader social dialogue that included the non-governmental community; the inclusion of an increase in the social wage in the new budget; increase in old age pension; expansion of the school feeding programme; increased focus on youth training and employment; and the reduction of income tax on redundancy payments. The GTUC had put in place a unit to assist members with matters such as the management of their redundancy and severance packages. Mr. Humphrey was of the view that the Decent Work Agenda should be the guiding light for action.

39. In response to a question during the discussion period, **Mr. LaBorde** indicated that the Barbados model of the social compact was being considered by the Government. Regarding a query about the fallout of the crisis on membership to the SVEF, he noted that there had not yet been any significant fallout. Regarding a question on the financing of the initiatives listed for Grenada, **Mr. Humphrey** explained that funds had become available from the dismantling of a parallel public service system that had existed and from the elimination of middle-men in procurement activities. **Minister Amarello-Williams**, in response to the question on protection against the impact of action taken by multinational corporations (MNCs), recommended that there should be a focus on lifelong learning; that the skills of nationals to negotiate with MNCs should be improved; that countries should ensure that there was less dependence on one sector; and that social dialogue should be implemented at all levels.

Session 5: Macro-economic Policy and Social Justice

40. Session 5, chaired by **Senator The Honourable Dion A. Foulkes**, Minister of Labour and Social Development of The Bahamas, was dedicated to a discussion of policy approaches with a view to identifying those most likely to lead to positive social outcomes. Minister Foulkes informed the meeting that the Government of the Bahamas would implement shortly, a new public sector programme to create 4,000 new jobs. Additionally, they were developing an unemployment benefit programme that was similar to the Barbadian model and

a work training programme for 2,000 laid-off workers from the hotel sector. The tripartite forum in the Bahamas called "Triforum" had been instrumental in shaping employment-oriented programmes including the Decent Work Country Programme (DWCP).

41. **Professor Denis Benn**, Michael Manley Professor of Public Affairs/Public Policy, University of the West Indies, Mona Campus, Jamaica, warned that the decline in the productive sectors, the contraction in trade, the fall-off in remittances, declining investment and aid, and continuing financial instability and uncertainty were likely to exacerbate unemployment and the incidence of poverty in the Caribbean unless urgent and creative measures were adopted to deal with the situation. Given the diversity of views on the anticipated duration of the crisis, the region would need to identify a number of short- to medium-term and long-term measures, with a built-in flexibility to move on different fronts simultaneously. Similarly, the policy response would need to distinguish between action to be taken at the national and regional levels.

42. Professor Benn felt that special emphasis should be placed on regional initiatives since increased coordination of efforts was required at this level in order to avoid duplication or the pursuit of contradictory initiatives. He noted that the CARICOM Council for Finance and Planning (COFAP) had appointed a Task Force that included representatives from government, labour and the private sector, to examine the implications of the financial crisis and to make appropriate recommendations that will enable the region to respond effectively. He suggested that the region should establish a suitable Regional Regulatory Mechanism so as to ensure a common approach and a more effective regulation of the economy. Citing the Chiang Mai Initiative (CMI) which was established in the wake of the East Asian financial crisis, Professor Benn recommended that the region should revisit the idea of the establishment of a Regional Stabilisation Fund or a Regional Mitigation Fund. Further, CARICOM countries should seek to intensify the process of economic integration by embarking on a systematic strategy of production integration, based on the joint utilization of the resources of the region.

43. The region should intensify its efforts to diversify its external trade and investment possibilities and should look towards countries such as India, China and Brazil for strengthened ties. The Caribbean should revisit the theoretical foundations of current economic policy and add its voice to the call for the restructuring of the international financial architecture to enable more effective oversight over the global economy and thus ensure greater financial stability. Further, to ensure that adequate attention will be paid to the social dimensions of economic policies, macro-economic policy should seek to reconcile the logic of economics with the primacy of human needs.

44. Specifically, a socially responsive macro-economic policy should include reform of the tax system in order to provide tax relief for the poorer segments of the society; stimulus for investment in critical productive sectors, with special reference to the needs of small enterprises; investment in infrastructure both in terms of its economic benefits and its employment generation potential; funding of suitable public assistance programmes, such as food stamp distribution; and provisions for funding unemployment benefits. Special emphasis should be placed on the promotion of creative grassroots initiatives geared to employment generation. Professor Benn underscored the importance of arriving at consensus around policies through social dialogue as promoted by the ILO. He noted that ILO had done an immense service to the region by providing a comprehensive framework as well as a number of practical measures for dealing with the social and employment-related aspects of the crisis within the framework of its Decent Work Agenda, which should serve as an invaluable blueprint for action by governments.

45. **Dr. Pauline Knight**, Director and **Mr. Christopher Smith**, Senior Policy Analyst, both of the Policy Research Unit of the Social Policy Planning and Research Division, Planning Institute of Jamaica (PIOJ), made a joint presentation on the critical social issues that had emerged for Jamaica as a result of the Global Financial Crisis. Jamaica, being highly integrated in the global economy, with an openness rating of 98% in 2007, had experienced significant fallout from the Global Financial Crisis. The impact included depreciation of the Jamaican currency; inflation; contraction in industries resulting in lay-offs, closures and salary cuts; contraction in GDP; reduction in government revenue causing budgetary constraints; and reduction in remittances. The social effects of the economic crisis included the reduction in purchasing power for all households; less income and day-to-day expenditure for some households; higher unemployment; increase in poverty; poorer nutrition; poorer health; higher crime; lower school attendance; increase in the number of youth and children at risk; more economic dependency for females; and less social and community well-being.

46. The response of the Government of Jamaica (GOJ) has been two-fold, comprising a stimulus package and a package of social protection measures. The measures in the stimulus package included a 10% margin of preference to Jamaican-owned companies in GOJ procurement policy; 15% of procurement reserved for SMEs; making available funds for on-lending to SMEs; tax reductions; job placement services for laid-off workers; softening of loan arrangements for persons experiencing loss of income; and increasing expenditure on infrastructural activities. The main social protection initiative of the GOJ has been the Programme of Advancement through Health and Education (PATH) where there was an increase in the number of beneficiaries and the amount of benefit for persons accessing the PATH. The presenters identified a

number of strategies for achieving positive social outcomes in the areas of household income and poverty reduction; unemployment; addressing the needs of youth, children and women at risk; communities at risk; health; nutrition; and other groups in need. Unemployment insurance, linked to training for re-tooling, was recommended as a partial alternative to redundancy payments.

47. **Dr. Badrul Haque**, World Bank Special Representative in Jamaica advised that a comprehensive policy package should include labour market interventions appropriate for each country. He noted that much remained to be learned about the formulation of an adequate labour market policy response to address the evolving crisis. With respect to middle-income countries, labour market interventions could include: unemployment benefits, temporary payroll tax holidays/wage subsidies, enhancing credit access to SMEs, training programmes, youth employment programmes, and expanding existing public works programmes. Governments should target better, initiatives to prevent a decline in the welfare of persons who had temporarily lost jobs as a result of the crisis since they sometimes confused that need with the need for employment generation. Dr. Haque cautioned that initiatives that did not work were: increasing public sector employment and wages, increasing minimum wages, and early retirement programmes. He acknowledged that governments would have a difficult task in determining the most appropriate actions for addressing the labour market consequences. However, governments' programmes should be "speedy, substantial and sustainable"; and they should be designed in a comprehensive way and encompass all vulnerable groups.

48. **Dr. Reynold Simons**, Senior Specialist, Employment and Labour Market Policies, ILO Subregional Office for the Caribbean presented on the macro-economic challenges as they related to employment and social dialogue. He noted that there were two underlying factors, existing since the 1990s that led to the global financial and economic crisis: global savings-investment imbalances and an unprecedented increase in income inequalities. The potential impact of the crisis on the economy would be slower growth, reduced investment and a deceleration of trade. The anticipated impact on the world of work would be slower employment growth, downward pressure on wages, increased pressure on the low skilled or working poor, widening inequality and a shift to informal employment. The impact on society would include reduced social security coverage; and diminished health and education services, remittances, and development aid. Dr. Simons pointed out that the development and labour market dimensions of the crisis had been neglected.

49. With respect to the impact of the crisis on the Caribbean, Dr. Simons indicated that it would be dependent on the depth and duration of the global crisis, particularly in Europe and the U.S. and the region's ability to adjust. He explained that the main macro-economic challenges to the region included the high trade-to-GDP ratios; the centrality of both foreign currency income and reserves in macro-economic management and the fact that there has been a dramatic decline in both areas; and the deterioration of income distribution. He pointed out that if depreciation became a serious problem, policy decisions would have to be made with respect to the two exchange rate regimes that operated in this region, namely, the floating rate and the rate pegged to the U.S. dollar. Dr. Simons noted that there was a close linkage between monetary policies and the labour market.

50. Citing the Barbados social compact model, Dr. Simons suggested that solutions for macro-economic challenges, including monetary and fiscal ones, could be found and implemented with less social costs and economic and social disruption if they were part of a joint effort of the social partners. Such partnerships could work to manage expenditure in the economy such as wages and government expenditure; increase productivity; redirect savings; prevent a deterioration of the income distribution; restore employment levels; and design more efficient safety nets. He further suggested the creation of a Global Jobs Pact, supported by a Global Jobs Fund as an initiative to address the fallout of the crisis. Tripartite dialogue should be held to determine major macro-economic policies such as consumption and expenditure; wages policy; investment policy; savings; and production and identification of export markets.

51. PIOJ's presenters **Dr. Knight** and **Mr. Smith**, in response to several questions, advised that the funding for the proposal regarding unemployment insurance could come from a common pool of funds for redundancy to which employers would contribute; the recommendations contained in their presentation had not been put forward as yet to the Government and that, in keeping with the suggestion from the floor, consultation would take place with key stakeholders prior to such submission. The removal of taxes on redundancy payments would benefit workers but it would reduce an income source from Government when it was most needed. With respect to funding for the various initiatives, international development partners such as the World Bank had been forthcoming with loans and grants. **Dr. Haque** agreed with the observation that private pension funds were susceptible to risks in the current crisis and that a more diversified investment system was needed. He advised that governments should proceed with caution on the matter of bail-out of companies, particularly in situations where there was not a culture of repayment; and decisions regarding financial support to SMEs should be made on a case-by-case basis. **Professor Benn** was of the view that pensions should not be privatized; and, on the matter of funding for the proposed Regional Stabilization Fund, he

thought that some external assistance would be necessary. **Dr. Simons** noted that the introduction of unemployment insurance in the current climate would not be a major challenge; he supported the removal of taxes on redundancy packages; and he pointed out that the financial landscape was different from that of the 1980s so that borrowing could be an option for countries.

Session 6: Finding Better Solutions: The Role of Social Dialogue

52. **Ms. Kim Aikman**, Manager, Membership Services and Labour Relations, Belize Chamber of Industry and Commerce, chaired Session 6. **Dr. Ludek Rychly**, Senior Specialist, Social Dialogue, Labour Law and Labour Administration Branch, ILO, Geneva informed that his presentation on "Finding Better Solutions" was based on his forthcoming 2009 publication "Finding Better Solutions: Social Dialogue in Times of Global Jobs Crisis". Recalling events from the past, such as the reconstruction of Europe and Japan and the Asian financial crisis of the 1990s, he pointed out that one could find both opportunities and challenges in crises. Among the challenges that had emerged as a result of the global financial crisis were the acceleration of structural transformations; new production methods were being adopted; government's involvement was changing; the behaviour of actors had changed; and the industrial relations systems sometimes, were disrupted.

53. The crisis provided the opportunity to improve solidarity and cooperation and to adapt traditional industrial relations systems to the needs of the new landscape. While national pacts, as a response to the current crisis, were relatively rare, in 2009, attempts to improve social dialogue at the national level could be witnessed globally. A number of supportive public policies were emerging with respect to partial unemployment legislation, extended social protection, training funds, minimum wage and the protection of vulnerable groups. At the level of the enterprise, there has been a substantial return of concession bargaining. More frequent measures have included a freeze of wages; shorter or flexible working hours; buyouts; voluntary redundancies and retirements; rehiring; training; career breaks; cutting executive pay; reducing contributions to pension and health schemes; offers of shares in the company; and conditionality regarding job security, strike and maintaining peace. Dr. Rychly provided a list of conditions that should be met when determining a national response to the crisis: employers and workers should articulate their concerns; government should negotiate with both parties in good faith and take their opinions into consideration when designing policies; such policies should include as a minimum, a) employment measures, b) social safety nets extension and c) protection of vulnerable groups; and all parties should contribute to the implementation of the agreed policies.

54. **The Honourable Rennie Dumas**, Minister of Labour and Small and Micro Enterprise Development, Trinidad and Tobago pointed out that governments faced challenges from all sectors and all actors in society and that the responsibility for a response should be a shared one. He noted that while the crisis stemmed from financial and economic causes, the effects were felt in the social and labour spheres. The impacts varied according to the characteristics and resilience of countries and responses must be based on real time and on facts. He agreed that social dialogue provided a practical approach to minimizing negative effects but that some key questions must be answered to determine the most suitable form. No one form was applicable for the Caribbean.

55. Vision 2020 constituted the long-term development strategy for Trinidad and Tobago, with good governance as its central pillar. While no definite structure for social dialogue existed, there were formal and informal mechanisms for dealing with specific issues. These included the Minimum Wages Board; the ILO 144 Tripartite Committee; the Industrial Relations Advisory Committee; and the forthcoming National Productivity Council. The Minister advised that there was a renewed interest in a social partnership arrangement and consideration was being given to issues such as the form, scope, legislative and institutional structure of that partnership. The Minister was of the view that, while the ILO's definition of social dialogue was useful, it was restrictive. He outlined several critical success factors for sound social partnerships, including trust, risk sharing, government leadership, respect for diversity, and conflict resolution. Additional factors would be clear and established structures for social dialogue and for sustaining social dialogue beyond the financial crisis, and strengthened labour market information systems. Minister Dumas observed that there would be need to strengthen the regional governance system.

56. **Senator The Honourable Arni B. Walters**, Minister of State, Ministry of Labour and Immigration, Barbados shared with participants, the experience of Barbados in developing a social compact. The Barbadian Social Partnership, like many other social pacts around the world, was born out of a crisis in the early 1990s and was undertaken in the effort to avoid structural adjustment. The Prime Minister was the Chairperson of the Social Partnership which was multipartite in membership. The first Agreement of this partnership was signed by all parties in 1993, and was aimed at stabilizing prices and income policies. Several protocols have been agreed over the years and their scope had been extended to address many critical issues.

57. Protocol Five of the Social Partnership signed in 2005, addressed matters relating to occupational safety and health, persons with disabilities, environmental protection, and disaster preparedness. Other forums included the Annual Public/Private Consultations where social and economic issues affecting or potentially affecting Barbados were discussed; the National Initiative for

Service Excellence, initiated by the social partners and aimed at improving the quality of services in Barbados to attain world class standards; and the Barbados Short- and Medium-Term Action Plan, initiated by the social partners and eventually submitted to and approved by the Cabinet.

58. Minister Walters praised the Social Partnership for having put in place a social dialogue infrastructure; for pooling resources from the public and private sector; and promoting training and retraining opportunities of Barbadians. He opined that the successful social dialogue at the national level still needed to reach the enterprise level.

59. **Mr. Martin Law**, Executive Director, Bermuda Employers' Council (BEC), commended the ILO for hosting the current meeting and for the modification of the agenda of the forthcoming International Labour Conference to include the issue of the global financial crisis. With its unique tripartite structure, the ILO was positioned to be a major player on the world stage in formulating strategies to address the crisis. Moreover, it was best placed to provide the platform for discussion between governments and the employers and workers.

60. Mr. Law felt that social dialogue should take place within a framework of the reality that existed. In their context, while the BEC represented 50% of the private sector workforce, only 10% of that workforce was unionized. He noted that one of the best aids for honest and realistic social dialogue and informed decision-making was the existence of sound statistical information. The BEC had produced detailed labour market information which it shared with the partners. Bermuda's economy remained robust and wealthy despite the contraction in international business and tourism; social dialogue too was healthy. Many employers have heeded BEC's call for job retention and for changes in work arrangements and work time, rather than redundancies.

61. **Ms. Veronica Griffith**, Deputy General Secretary and Director of Research, Barbados Workers' Union, emphasized the importance of having meaningful social dialogue, noting that its presence did not mean that a government was weak or that workers had given up the right to strike. Trade unions should be well-equipped to make a credible contribution in the region and to forge links with institutions such as the University of the West Indies, key non-governmental organizations and the International Trade Union Confederation (ITUC). This would contribute to improved capacity within the movement. Ms. Griffith cautioned that partnerships should not stop with the end of the global financial crisis and that trust and respect must be at the foundation of any partnership.

62. In the discussions that followed, the representative of the Consultative Association of Guyanese Industry Limited (CAGI), **Mr. Samuel J. Goolsarran**,

noted that social dialogue was part of the tradition in the region. The real challenge was in the practice of a higher level of social dialogue to deal with issues at the national level. The region was still locked in the adversarial approach of “winner-takes-all” politics. Social partnerships were considered only for reasons of political expediency and self-interest. There would be no progress beyond the routine type of dialogue unless there was a high level of trust among the partners.

Session 7: Conclusions and the Way Forward

63. Session 7 was dedicated to discussions of the draft Conclusions prepared by the Drafting Committee. The Chairperson of the Drafting Committee **Mr. Lloyd Goodleigh**, President, Jamaica Confederation of Trade Unions, presented the draft Conclusions for the consideration of participants. He noted that despite the region’s efforts toward economic stability and inflation management, it still failed to generate the rate of economic growth and the social stability required in the global economy. An urgent debate on the macro-economic framework was needed in the region. Mr. Goodleigh felt that the concept of decent work offered the Caribbean the opportunity to correct shortcomings and it should be placed at the centre of socio-economic policies. Members of the Committee introduced the various sections of the draft Conclusions to the participants and fielded questions on the issues raised. After discussions, and several interventions from the floor seeking clarifications, insertions, amendments and deletions, the draft Conclusions were adopted by the Conference. A copy of the Conclusions is attached as Appendix I.

Session 8: Closing Session

64. The Chairperson for Session 8, **Mr. Alvin McIntosh**, Permanent Secretary, Ministry of Labour and Social Security, Jamaica, expressed satisfaction with the outcome document, noting that it represented a template that could be used by governments. He felt that it will be a travesty of the hard work of the meeting if participants failed to disseminate the document widely. He noted that the Conference had been an excellent awareness-raising forum. Mr. McIntosh thanked the Prime Minister of Jamaica for providing a good framework for the workshop and noted with appreciation the work of Dr. Romero and the team from the ILO’s Subregional Office for the Caribbean.

65. **Mr. Lincoln Lewis**, General Secretary, CCL, renewed his call, made at the opening ceremony, for development of an indigenous economic development agenda. He urged all partners to share the responsibility of identifying viable solutions. Mr. Lewis felt that there was sufficient evidence to show the region could be competitive with an indigenous economic programme, rooted in its historical and cultural development. He hoped that the leaders would be

committed to that new frontier. **Mr. Marcel Meyer**, President of the CEC, noted that it was clear that the themes for the conference had been well selected by the ILO and the partners. The meeting provided the structure for meaningful social dialogue. He pledged CEC's continued communication and interaction with all relevant actors including non-governmental organizations and the chambers of industry and commerce. Mr. Meyer thanked all for their participation.

66. **Dr. Ana Teresa Romero**, Director of ILO Subregional Office for the Caribbean noted that there had been a good exchange of views and a consensus regarding the role of social dialogue in addressing the social and labour impact of the crisis. She attributed the success to the level of the participation, mix of presenters, the level of the presentations, and the critical roles played by the tripartite constituents throughout the conference. Dr. Romero expressed the hope that the outcome document will be widely shared. It was significant that on the day of the closing of the forum, the G-20, in the conclusions to its deliberation in London, had recognized the importance of labour issues and the role of the ILO. She noted that the ILO's Decent Work Agenda had been reinforced as a way for addressing the global financial economic crisis and for putting social security at the centre of the response. She highlighted the continued relevance of the fundamental principles and rights at work and the values of tripartism and social dialogue - principles that the ILO had been promoting for the last 90 years. The Director promised that ILO would provide support to tripartite constituents in the quest to address the labour dimensions of economic development. She thanked all participants, the Ministry of Labour and Social Security, Jamaica and the colleagues at the ILO for their contribution to the success of the Conference.

67. The **Honourable Parnel Charles**, Minister of Labour and Social Security, Jamaica felt that the deliberations of the conference had been intense and substantive and that the proposals in the outcome document signalled the intention of the partners to move beyond the debate. Noting the serious fallout in terms of job losses and the uncertainty that existed especially among the most vulnerable in society, he pointed out that all stakeholders – labour, employers and government – were obliged to find creative measures to address the issues. An integrated strategic response was needed both on the economic and social fronts in order to safeguard the integrity and sustainable development of the Caribbean region. Minister Parnel was confident that the region would overcome the challenges of the crisis. He thanked all and congratulated the ILO for the contribution it continued to make to the development of the Caribbean.

Appendix I



Ministry of Labour
and Social
Security, Jamaica



International
Labour
Organization



Caribbean
Congress
of Labour



Caribbean
Employers'
Confederation

**PROMOTING HUMAN PROSPERITY BEYOND
THE GLOBAL FINANCIAL CRISIS:
Seeking Sustainable Solutions through Social Dialogue**

**CONCLUSIONS OF THE INTERNATIONAL LABOUR ORGANIZATION
TRIPARTITE CARIBBEAN CONFERENCE**

HOSTED IN COLLABORATION WITH THE MINISTRY OF LABOUR AND SOCIAL SECURITY
OF JAMAICA, THE CARIBBEAN CONGRESS OF LABOUR AND THE CARIBBEAN
EMPLOYERS' CONFEDERATION

1-2 APRIL 2009, KINGSTON, JAMAICA

PREAMBLE

The high-level representatives of the governments, employers' and workers' organizations of the English- and Dutch-speaking Caribbean,¹

Having met in Jamaica 1-2 April 2009 and considered the crisis in the credit market and the employment crisis resulting from the global financial crisis and extending across all economies whether developed, emerging or developing;

Having discussed the specific challenges for the Caribbean region concerned with the impact on employment, sustainable enterprises, decent work, social security, social cohesion and national stability;

Recalling that the Georgetown Agreement, which established the African Caribbean and Pacific Group of States, calls for "sustainable development of its Member-States and their gradual integration into the global economy, which entails making poverty reduction a matter of priority and establishing a new, fairer, and more equitable world order";

Recalling the revised Treaty of Chaguaramas, Article VI which states: "The Community shall have the following objectives: (a) improved standards of living and work; (b) full

¹ Adopted by the representatives of the following member States and non-metropolitan territories: Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, Netherlands Antilles, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

employment of labour and other factors of production; and (c) accelerated, coordinated and sustained economic development and convergence;”

Reaffirming the ILO Declaration on Fundamental Principles and Rights at Work of 1998 as the platform for achieving Decent Work and the region’s commitment to promoting and realizing in law and practice these rights, namely, freedom of association and collective bargaining, no forced labour, no child labour and no discrimination in occupation and employment;

Having noted that these rights are also enshrined in the 1997 CARICOM Charter of Civil Society and the 1995 CARICOM Declaration of Labour and Industrial Principles, as well as the right to work and the opportunity to achieve a reasonable and secure standard of living;

Recalling the ILO Tripartite Declaration and Plan of Action for Realizing the Decent Work Agenda in the Caribbean, October 2006, and the ILO Declaration on Social Justice for a Fair Globalization, June 2008;

Recognizing the importance of developing a coordinated international recovery and sustainable growth plan based on comprehensive and integrated policies for sustainable economic growth, for full and productive employment, and for Decent Work;

VISION STATEMENT

Commits to a united, internationally competitive and self-sufficient Caribbean Community realized through

- a. the implementation of sound and socially sensitive development policies that place all its peoples at the heart of social progress and economic advancement;
- b. social dialogue, mutual respect and partnership principles in governance that provide mechanisms whereby decent work, human prosperity, environmental sustainability, social justice, peace and stability are achieved; and
- c. fair and equitable provisions and implementation of free trade and development agreements entered into by the Caribbean; and

Have concluded that the following principles and actions are a desirable way forward:

CONCLUSIONS

1. PRINCIPLE: Implementation of holistic fiscal, employment and macro-economic policies which promote human and labour rights

Actions:

- a) Undertake human capital impact assessments as part of the development and implementation of macro-economic, labour and employment policies;
- b) Adopt employment-promoting macro-economic policies that foster increased investment, trade, competitiveness and job opportunities; and

c) Apply fair and equitable taxation systems.

2. PRINCIPLE: Implementation of sound and transparent oversight and regulatory control of financial services to minimize high-risk ventures that threaten our local and regional economies and to protect personal investment, including pensions.

Actions:

a) Adopt and implement the CARICOM Financial Services Agreement; and

b) Review financial market controls with a view to promoting:

i) Transparency;

ii) Truth in lending;

iii) Prudent economic underpinnings.

3. PRINCIPLE: Implementation of active labour market policies with the aim of sustaining and promoting employment, and which have as their basis, sound data and statistics on jurisdictions and regional economies and workplace trends and needs.

Actions:

a) Collect, collate and analyse economic labour market data which should be a priority and aimed at enhancing social dialogue and political decision-making;

b) Review and develop policies that focus on sustaining existing employment and which would guide actions aimed at job creation and protection as well as support to displaced workers; and

c) Develop policies to provide support to displaced workers especially those most vulnerable to labour market shifts such as youth, women, persons with disabilities, migrant workers and informal sector workers.

4. PRINCIPLE - Protection of the most vulnerable by extending social safety nets.

Actions:

a) Establish comprehensive social protection programmes through collective bargaining, workplace policies and corporate and government social responsibilities, including the implementation of sustainable unemployment benefits coverage, which extends to the most vulnerable groups of workers including those in the informal sector as well as women, youth, migrant workers and persons with disabilities in the region; and

- b) Take action to preserve the gains achieved in the Millennium Development Goals (MDGs) particularly, in poverty reduction, maternal and infant mortality, gender equality, HIV, health and education.

5. PRINCIPLE - Increased access to credit for small and medium-sized enterprises especially informal economic undertakings.

Actions:

- a) Support for key growth sectors in the region by improving soft loan facilities, grants and entrepreneurial training covering financial management, and business planning and execution;
- b) Strengthen the capacity of all social partners to assist in the development of medium, small, and micro enterprises (MSME) through
 - i) Research to ascertain the needs of MSMEs and potential new sectors of operation in both the formal and informal economies;
 - ii) Lobbying for and providing easy credit access through national, regional and international lending and donor agencies;
 - iii) Actively pursuing and encouraging market accessibility in non-traditional and niche markets; and
 - iv) Networking with existing institutions, government agencies, financial institutions, and associations of small businesses to coordinate various efforts such as lobbying, research and training, and access to finance and markets.

6. PRINCIPLE: Transformation in education, innovation, training and re-training systems in the Caribbean.

Actions:

- a) Commit to a holistic, flexible and relevant education system for our peoples from early childhood to tertiary levels;
- b) Effectively align education, training and re-training with the employment and long-term skills needs of the region through consultation and collaboration with social partners;
- c) Preserve and increase, where possible, the expenditure and investment in education and human resource development by governments, employers and trade unions; and
- d) Ensure accreditation and proper regulation of education and training institutions.

7. **PRINCIPLE: Reform of International Financial Institutions to make them sensitive to the needs of developing countries and non-metropolitan territories.**

Actions:

- a) Advocate for access to credit on terms conducive to sustained development;
- b) Advocate for the reform and restructuring of existing institutions to promote fairness, and reduce economic policy conditions to a minimum;
- c) Establish new institutions reflective of the current environment with special programmes and systems catering to developing countries; and
- d) Call for the democratization of the decision-making structures of the International Financial Institutions in order to take into account the interests of all countries.

8. **PRINCIPLE: Enactment of legislation that protects wages and pensions of workers, including migrant workers:**

Actions:

- a) Guard against adjustments of wages and pensions without prior consultation with employers' and workers' organizations;
- b) Advocate close collaboration and information-sharing between regulatory bodies that negotiate employment policies at national and regional levels; and
- c) Establish mechanisms that protect and guarantee pensions of Caribbean workers at national and regional levels.

9. **PRINCIPLE: Strengthening mechanisms that foster social dialogue on a permanent basis at national and regional levels:**

Actions

- a) Enact legislation that supports and promotes social dialogue mechanisms;
- b) Develop structures that promote trust and respect, and invite tripartism; and
- c) Develop and implement incentive mechanisms that foster active tripartism.