

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Tuesday, May 26, 1998.

Pursuant to the adjournment, the House of Assembly met at 11.20 a.m. on Tuesday, May 26, 1998.

PRESENT

His Honour R. D. MARSHALL, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B. A., M.A., (Econ.), J.P.
Hon. Sir HENRY FORDE, Q.C., M.A., LL.B.
Rt. Hon. O. S. ARTHUR, M.Sc.(Econ.), (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)
Hon. D. A. C. SIMMONS, Q.C., LL.M. (Attorney General and Minister of Home Affairs)
Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)
Sir HAROLD St. JOHN, Q.C., LL.B.
Mr. L. R. TULL, Q.C., M.A.
Hon. G. W. PAYNE, (Minister of Public Works, Transport and Housing)
Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C. (Minister of Agriculture and Rural Development)
Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P. (Edin.)
Hon. R. N. GREENIDGE, B.A., LL.B., (Minister of Labour, Community Development and Sports)
Mr. J. M. EDGHILL
Mr. F. J. STUART, B.A., LL.M.
Mr. W. C. C. CALLENDER, J.P., B.A., Dip. Ed., B.Sc.
Mr. H. F. LASHLEY
Hon. R. St.C. TOPPIN, LL.B., (Minister of State, Ministry of Foreign Affairs, Tourism and International Transport)
Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON, LL.B. (Minister of Health and the Environment)

Mr. C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A. (Public Finance)

Prayers were led by Rev. Canon Ivan Harewood.

Mr. DEPUTY SPEAKER: The House is in session.

MINUTES

Mr. DEPUTY SPEAKER: The Minutes of Tuesday, May 19, 1998. -/.

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, I beg to move that the Minutes of the Honourable the House of Assembly of its meeting of Tuesday, May 19, 1998, which Minutes have been circulated, be taken as read.

Rt. Hon. O. S. ARTHUR: I beg to second that, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: If there are no corrections or observations, then let those Minutes stand confirmed.

PAPERS

Rt. Hon. O. S. ARTHUR: Mr. Deputy Speaker, Sir, I am commanded to lay:

- (1) The Public Officers Loan and Travelling Allowances (Amendment) Regulations, 1998
- (2) The Business Transfer (General Finance Corporations Limited) Vesting Order, 1998.

Hon. G. W. PAYNE: Mr. Speaker, I am commanded to lay the Barbados Water Authority (Water Services) (Amendment) Regulations, 1998.

Hon. Miss H. E. THOMPSON: Mr. Speaker, Sir, I am commanded to lay the Green Paper on the Report prepared by the Task Force for Nursing.

FIRST READING OF BILLS

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, I beg to move the First Reading of:

- (1) the Protection against Unfair Competition Bill, 1998;
- (2) the Geographical Indication Bill, 1998;
- (3) the Integrated Circuits Bill, 1998.

Rt Hon. O. S. ARTHUR: I beg to second that.

The question that the Bills be read a first time was put and resolved in the affirmative without division.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the rest of this day's Sitting.

Hon. G. W. PAYNE: I beg to second that.

The question was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

Mr. DEPUTY SPEAKER: Government Business is now the order of the day.

ORDER NO. 3 - RESOLUTION TO APPROVE THE CIVIL ESTABLISHMENT (LEAVE PASSAGES) (AMENDMENT) ORDER, 1998

Rt. Hon. O. S. ARTHUR: Mr. Deputy Speaker, Sir, the Civil Establishment (Leave Passages) Order, 1996 enabled public officers on reaching certain salary levels to be granted leave passages provided that certain conditions were met and none the least being 4 years' resident service. The grant of leave passage did not include persons holding posts of teachers or senior contract officers or officers temporarily appointed to act in established posts.

However, teachers could become eligible for leave passages if and when they were appointed as head teachers

or education officers and had completed a 4-year tour of duty. A decision was taken in 1979 to discontinue leave passage facilities to new entrants to the Service who entered the Service on or after the 1st of January 1980 and an amendment was made to the definition of an officer to give effect to this decision.

There however has been some uncertainty in applying the legislation to teachers and junior teachers who were teachers before 1980 but became head teachers or education officers after January 1, 1980. This matter exercised the attention of the Ombudsman and a special report was prepared on it.

Sir, the intention of the 1979 decision was to discontinue leave passages to new entrants to the civil service but obviously persons who were in the service before retained existing rights. So that in principle a person who was a teacher in 1979 but who became head teacher after 1979 retained the right to leave passage if he were appointed as a head teacher after January 1, 1980.

It was never the intention therefore to preclude persons holding posts as teachers who subsequently became head teachers or education officers after January 1st from being entitled to leave passages. What is being contemplated by this legislation is an appropriate amendment to the definition of officers under the Civil Establishment Act to enable head teachers and education officers who might not have held those posts in 1980 but held other posts in the system to be able to enjoy the benefit of this facility.

This is a simple matter, Sir, and I beg to move that this Resolution do now pass.

Hon. G. W. PAYNE: I beg to second that.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, we have no problem at all with this amendment. I believe it is one of those long outstanding matters which have been constantly brought to the attention of successive governments and we are glad that this piece of legislation has made it to the House today.

The question was put and resolved in the affirmative without division.

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, I beg to move that Private Members' Business be now taken. I spoke to the Honourable Member for St. Michael South Central and he is prepared to start his Resolution that is on the Order Paper.

The question was put and resolved in the affirmative without division.

PRIVATE MEMBERS' BUSINESS

ORDER NO. 9 - TO MOVE THE PASSING OF A
RESOLUTION CALLING UPON GOVERNMENT
TO INITIATE AND IMPLEMENT LEGISLATION
FOR A MINIMUM WAGE FOR ALL
WORKERS IN BARBADOS

Dr. R. C. HAYNES: Mr. Deputy Speaker, it gives me great pleasure to introduce this Resolution to this Honourable House and I am confident that it should attract the support of the entire House of Assembly. The Resolution, Sir, is relatively simple in that in its preamble it refers to the fact that there has been significant economic growth in Barbados over the past four years. I do not think that that is a contestable fact because as we look around Barbados there is clear evidence of expanding economic activity. It also adverts to the fact that accompanying that expansion there has been some increase in the rate of inflation in 1997. Again that is not a matter which should be the subject of any significant debate and indeed in the latest Central Bank Annual Report on page 5 it confirms that the rate of inflation at the end of 1997 was 7.7% compared to 2.5% a year earlier. On a point to point basis, there is a difference. The inflation rate was 3.6% at December 1997 compared to 1.8% at the end of 1996. 11.30a.m.

It also speaks to the desirability to ensure improvement in the living standards of the working poor and stability in their earnings and calls on the Government to initiate and implement legislation that provides for a minimum wage for all workers in Barbados.

Now, Sir, despite the fact that there is clear evidence of economic expansion, it is very important to remember that in the present system of economic development in which we participate, especially in the Western world, there is no guarantee that economic expansion by itself would result in an alleviation of all the problems relating to poverty. As a matter of fact, there is a very real chance in many instances that poverty can be exacerbated despite economic growth. So, Sir, while I notice there is some concern about cost push as a result of wage inflation, I do not think we need to be too over concerned about that at the moment but we need to reflect on what has happened to wages in Barbados, and what has been the history of wages in Barbados.

Under slavery, Sir, there were no wages. Wages were zero. In the entire post slavery period, wages were absolutely minimal. It is the problem of long hours of work and low wages which triggered the situation in 1937 and brought about the trade union movement in this country and, in fact, saw the birth of the Barbados Labour Party and subsequent political parties in Barbados. Much of it centered around the issue of low wages and low standards of living in this country.

As a matter of fact, Sir, it is very important to reflect, when you really think about it, that if you take the totality of the existence in Barbados, it is really only in the last 30 years or so that a significant proportion of this population earned adequate wages, and you are talking about a whole 300 years and more of the history of a country and you can only point to the last 30 to 40 years to say that the majority of people in this country earned adequate wages. A lot of those persons were, of course, persons who were unionised.

At the same time, there were a large number of people who did not benefit from the thrust of unionisation because of the nature of their work and because of a whole lot of problems. So, today, Sir, we have certain categories of workers, particularly domestics, in some industries in Barbados, some workers in certain sectors of the hotel industry especially those who are non Barbadians. There can be no question that there is an element of exploitation of workers in this country. What is more, Sir, is that women are the principal victims of this exploitation in our country.

I do not believe that we can leave the correction of these matters to the marketplace especially as there is still a hard core of unemployment. I do not think that the market forces will correct that phenomenon. I therefore believe that now is the time when we have falling levels of unemployment and increased levels of economic output well before the year 2000 when we should deal with this issue to make sure that the laws of this country protect the working poor.

Indeed, Sir, when we look at what we have on the statute book, we have, for example, legislation providing a minimum wage for domestics, but that minimum wage is \$1.50 an hour. I think it was passed in the 1960s. And to give some support to my previous argument, when you recognise that in the 1960s it was acceptable to pass legislation at \$1.50 an hour then you recognise the truthfulness of what I have said about the fact that it is only in the last 30 years or so that adequate wages have been paid to the majority of people in this country because I presume that the Legislature of the day would have regarded that as a reasonable wage for a domestic in Barbados.

There is also the Shops Act. I believe the level fixed by the Shops Act is something like \$4.25 for persons 18 years and over. I am not sure what the figure is for those 18 years and under. I have not been able to get that particular bit of information.

Sir, this is a time when I think it is recognised that many of the big issues facing Barbados over the past years, the issues of slavery, emancipation, adult suffrage, independence, expansion of democracy, a lot of these things have been solved, but the one residual problem that still resides with us arising out of those changes is the issue of poverty. There is no question about that. I myself believe that this is the major issue which we have to deal with as we

approach the 21st century and beyond. I also believe that broad-based measures are very necessary to deal with these issues.

In this House, there has been debate on the role of education in dealing with that major problem of poverty, the role of our health services, the role of our welfare services, the role of pensions in relation to the elderly and the role of housing. We have had a number of specific measures which have been introduced in the hope of dealing with these matters.

I refer, Sir, to the issue of housing repairs and so on, the Urban Development Commission, the Rural Development Commission, the Social Investment Fund, the restoration of the \$ 15 000 tax-free, the promise of a VAT tax credit under another name. All these things, Sir, I think are important in terms of going toward the relief and eradication of poverty and at the same time fortunately there has been some reduction in the rate of unemployment. But we must recommit ourselves to the task of full employment. Indeed, I believe this Resolution falls into the category of a whole series of measures which go to fill existing gaps as they relate to dealing with poor people and dealing with the issue of the alleviation and eradication of poverty.

Now, Sir, there are a whole lot of issues which have been raised internationally and which will be raised no doubt in relation to this piece of legislation and I want to deal with a few of them. Would it cause wage inflation? That is a question that is often asked and the answer is "No." I shall produce the evidence to this Honourable House of Assembly because I have done extensive research on this matter over the past two or three months. 11.40a.m.

Would it depress wages? Would it influence the level of wages elsewhere in the society and those related to collective bargaining? The answer is a resounding no. Would it cause unemployment? This is always an argument which is put forward by people. The answer to that is a resounding no, based on evidence all over the world, the latest, of course, being what has happened in the debate within the United States over the past year where the Republicans were absolutely confident that if the minimum rate was raised it would lead to economic decline and increased unemployment. In fact, the reverse has taken place. Would it impede economic growth? That is a question that has often been asked. The answer is no. What contribution does it make in fact, to the overall macro situation.

Mr. Deputy Speaker, there has been extensive econometric studies done in many parts of the world and the answer shows clearly that it has always been positive. Would it interfere with the collective bargaining process in Barbados. The answer is no. Would it interfere with tripartite arrangements? The answer is no. Would it do violence to existing protocols signed by the Social Partners?

The answer is no. Would it be vitiated in any way by non-compliance? The answer is no, except that the appropriate Ministry would have to exercise appropriate levels of vigilance.

What is important, Sir, is that the passage of this Resolution today would send a powerful signal to the entire community, to all employers and workers that this House, today, without dissent by anyone is determined to put an end to any loophole for exploitation of workers and close a long chapter which has dominated Barbadian history from the days of slavery until today. Sir, it would mark the end of a chapter, that chapter would be finished and we would begin to look to the 21 st century for a new dimension in relation to workers.

As to the mechanisms by which this should be done, I believe that it should be done by means of a Bill brought by the Government and there probably should be an appropriate Schedule to the Bill. I believe the rate should be set on an hourly basis, x amount an hour as a minimum wage and that there should be provision in the Bill for a periodic upward adjustment. At the same time there should be a repeal of any legislation which interferes with the purpose and intent of the Bill, for example the legislation relating to domestics.

Mr. Deputy Speaker, what is the legitimacy of this kind of legislation apart from the moral compulsion to do it in a society such as ours? I have already dealt with all the major objections. My responses to those objections have not been responses where I just used my imagination. They have been rooted in long established experience in a wide variety of countries around the world. So, Sir, at this stage, I would like to, since it is only half of an hour, to quote briefly but fairly extensively on the international experience in relation to these matters.

First of all, on the issue of definition. I believe there are several definitions relating to minimum wages but I will advert to the "International Labour Conference, 79 Session 1992, Wage Fixing Machinery Application and Supervision, the International Labour Office Geneva". This is the definition which is appropriate to Barbados. It is on page 13, Section 42:

"In the light of the foregoing, minimum wage may be understood to mean the minimum sum payable to a worker for work performed or services rendered within a given period whether calculated on the basis of time or output which may not be reduced either by the individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum needs of the worker and or his or her family in the light of national economic and social conditions".

There are a wide range of definitions but I have picked this one because I believe that this one is the appropriate one

for Barbados and it would have the authority of the International Labour Conference 79 Session, 1992.

Sir, I also want to refer to another volume here, the International Labour Office, Geneva, Minimum Wage Fixing by Gerald Starr. Here are some very interesting observations on the issue of minimum wages.

"It would appear that the precursor to this kind of thinking goes back to the Hammurabi Code as far back as 2000 BC".

We have a long precedent in dealing with these matters. There is precedent here in the Caribbean as well. On page 11:

"Colonies of the Caribbean inherited minimum wage systems closely patterned on the Wages Councils of the United Kingdom shortly before and soon after the Second World War. The legislation envisaged the fixing of rates in individual industries through a decentralised decision making system. In some cases, this machinery was used to cover a significant number of industries, for example Jamaica. In most of the countries it was applied to only a few industries on an irregular basis. The workers most often covered are those in domestic service, small commercial enterprises and agriculture".

Indeed, Sir, our domestic legislation is just as a result of what has happened in the colonies in the post Second World War period. Recently, a number of Caribbean countries have modified their original legislation to provide for a more centralised form of decision making as well as for general minimum rates applicable to most workers, for example The Bahamas, Trinidad & Tobago and Jamaica. They have broadened the basis of their minimum wage legislation. Ours remain very similar to what was inherited from Britain after the Second World War, they have already broadened theirs. We are not just doing something that does not exist elsewhere.

Sir, how do we establish a floor? What are the considerations? Again in this document on page 39, I would suggest that the model for Barbados should be based on the following principles:

The basic aim is the reduction of poverty.

There are many other aims of minimum wages, several different ones but I think for Barbados, the basic aim should be the reduction of poverty. Instead of attempting to fix rates in line with the circumstances of individual industries or occupations, a generally acceptable lower limit is set in order to protect workers in all industries against wages which appear to be unacceptably low. The point I am making is to indicate that there is also good and sound academic support

for that approach. I think it is the one that is relevant to Barbados.

On the issue of adjustments, I already indicated that the Bill should be so structured as to provide for easy adjustments over time. Many people would consider issues such as indexation and other areas but I think that at this stage it is better for us to remain more flexible in that particular area.

I also spoke on the whole issue of the overall macro economic impact of minimum wages legislation and the excellence of work done which shows very carefully, by various types of econometrics analysis and so on, that the stuff that people complain about, the negative impact on economic development is not correct. 11.50a.m.

Finally the impact of minimum wages on employment levels. Again there is no evidence whatsoever that minimum wage legislation can trigger higher levels of unemployment and indeed the United States' experience as quoted here has been different not only in this year and last year but in several years prior to this. Therefore I do not think that we have any fear whatsoever in dealing with these matters.

How widespread, Sir, is the issue of minimum wage legislation? Again, Sir, there are a number of briefings which I have available to me which can be made available to any Member of the House. The Japanese Minimum Wage legislation was adopted in 1959 and is so structured that it minimises Government intervention and fosters a cooperative industrial climate.

In Korea, way back in 1986, a Minimum Wage Act was adopted and significant changes took place in the levels of wages in a society whose development was previously predicated on extremely low wages in that society.

Nearer home in Uruguay minimum wage legislation was adopted in 1943 but restructured in 1969 along the lines which I am suggesting today.

In Mauritius, as far back as the 1960s again minimum wages legislation has been introduced.

I am not misleading the House, I hope, because in many of these countries it took different forms. In some instances various sectors were excluded, different levels for different sectors and all this kind of thing. But basically I think the world movement is towards a floor that is applied across the country.

In Portugal, Sir, again the minimum wage system was conceived as a national level instrument and they had a temporary differential rate but after that there was a single rate.

In Costa Rica the 1949 Constitution establishes that every worker has the right to a minimum wage which provides a decent standard of living and flowing from that a series of legislation follows.

The same applies to Brazil where it is a constitutional matter that minimum wage legislation is a requirement of the constitution of those countries.

Now we have no such provision in our Constitution. I do not know what the position of the Constitution Review Committee would be or whether any submissions have been made in that regard but I do not think so nor do I think that we need it in the context of Barbados. So, Sir, I have no doubt whatsoever that this piece of legislation is desirable, that it would capture and relieve a large number of people, I cannot say how many, who are subject to exploitation in this country today. The problem is that the ones who are subject to exploitation are the ones who are non unionised and have a relationship with their employer which makes it very difficult for them to protest. For example, domestics working in the context of a home and so on. So that the only way those people can be protected is by having appropriate legislation on the Statute Books.

The principle has been established in law in Barbados because I have referred to two pieces of legislation, the Shops Act and the one covering domestics so that all we will be doing now is making sure that all categories of workers are covered at a higher level.

Now, Sir, I do not propose today to recommend a figure for a minimum hourly rate to this Honourable House for a variety of reasons. I believe, first of all, I would like to see the legislation passed and there might be some difference of opinion over what should constitute the minimum wage.

I also believe that in the context of the tripartite arrangements which have been functioning in Barbados in recent times that these are matters that should be subject to discussion at that level rather than imposed by Parliament unless an impasse is reached. So I do not think it would be appropriate for me, Sir, on either score to come down with a figure rather than deal with the principle.

And so, Mr. Deputy Speaker, it is my sincere belief that the passage of this Resolution, followed by the speedy bringing before this House of Assembly of an appropriate Bill, dealing with this matter, would fulfil an important need for workers in Barbados, would offer security to those people who are subject to exploitation and above all would signal to Barbadians out there that there are men and women in this House who are fully aware of the very important historical traditions which they follow and that they too, even in these times, can look at some of these big issues and make sure that this Parliament takes decisions in the broad interest of the masses of our people.

Mr. Deputy Speaker, I have sought to introduce this Resolution within the strict framework of half an hour. I have plenty of good documentation here which can be made available to any member. A lot of it is pretty highly academic stuff but nevertheless it certainly gives tremendous insight and certainly, after careful study, has bolstered my confidence that this is the appropriate thing to do and that there is no way, no mechanism, by which any harm can be done to the Barbados economy and only good can come about as a result of this Resolution. So, Mr. Deputy Speaker, I commend this Resolution to this Honourable House and I beg to move that this Resolution do now pass.

Mr. D. St. E. KELLMAN: I beg to second that and reserve my right to speak.

Hon. R. N. GREENIDGE: Mr. Deputy Speaker, I know it is very difficult to defend a situation where, on your Statute Books, there is only one genuine piece of legislation which refers to a minimum wage. I do believe, Sir, that that particular piece of legislation gives us some indication that there is an acceptance by Government that there should be some form of minimum wage for workers in this country. 12.00 noon.

I have always wondered why it is that we only have on our Statute Books the Shop Wages Council and no other wage's council. Sir, the Shop Wages Council comprises three persons representing employers, three representing workers and three persons, including the Chairman appointed by the Minister.

I say that quite early, Sir, because very often you get the criticism that a particular figure is not acceptable or is not high enough or good enough to be a minimum wage. But the very fact, Sir, that you have deciding this minimum, persons drawn from employers, from workers and from the Government, I think should give the public the insight that it is a wage which has been set, not unilaterally by the Government, but certainly by the involvement of workers and employers alike.

The function of this group of persons, Sir, is to ensure that there is a reasonable standard of wages for unprotected or non unionised workers, in this case, the Shop Assistants. As I said, there is only one class of persons now that come under the scrutiny of the Wages Council and that is the Shop Assistants.

Now, I do believe that when the definition of the shops under the new Shops Act, this is an amendment which we are now working on in the Ministry, is actually brought before Parliament, we would realise that the persons included now to be shop attendants would be considerably broadened. Whereas it was very restrictive, we now would include persons working in doctors' offices, persons working in floral shops and video shops and so on.

Right now, the Employers and the Unions are studying that definition. We have given them, I believe about 12 categories in addition to what were there before, for them to study. Also the dentists' shops and so on so that eventually, we will come up with the definition as to what really constitutes the Shop Assistant, but it is something which I have said, we are working on. Clearly when we refer to shop assistants now, we are going to mean what used to be there, plus, I do believe this wider category which I am speaking about.

We have from time to time at the Ministry tried to find out whether or not there are other categories of workers who are in need of this kind of protection which the Shops Wages Council will offer to Shop Assistants and clearly it is there. There are other categories as well who would want to be protected and would want the assistance, certainly from a Wages Council.

We have found in particular, Sir, that the domestics are definitely in need of some form of protection and also that some of them work for low wages. We have also found that Security Guards, which is a growing area, some of them are badly paid and we have to admit that. These too, are very non unionised and they are also calling for a Wages Council.

For obvious reasons, a lot of the workers are afraid to join Unions. The Honourable Member for St. Michael South Central has given the example of why, for instance, today's domestic may find it difficult to stand up and speak to the home owners, the boss, the employer and tell the employers that this is not right, you are not treating me well and so on, because, at the snap of a finger that person will go. But, still what they are finding is that a lot of the domestics are now being called upon to do other things. You will find that a person who is a domestic now has to cook, wash, iron, look after the children and so on. Still the pay is not what you would expect because it is almost like adding additional duties to what you would consider to be the duties of a domestic.

Asides.

Hon. R. N. GREENIDGE: The Honourable Member for St. Andrew is adding another function which the domestic may be called upon to perform.

Mr. Deputy Speaker, from time to time the Minister has made an order as to what the pay for a domestic should be and it is almost embarrassing to bring this before the House that when the last Order was made that the minimum wage was now just a mere \$66 per week. One Dollar and Fifty Cents per hour for 44 hours.

Aside.

Hon. R. N. GREENIDGE: It was there a long time ago. Even as it stands now, a lot of homeowners actually pay

more. I could virtually close my eyes and say that the majority of domestics in Barbados are paid above the minimum. It is that low. Certainly from what vibes would have reached the Ministry of Labour, a lot of the domestics do get above the minimum wage.

Mr. Deputy Speaker, at this stage of our development when jobs are scarce too, a lot of employers may want to take advantage of these non unionised workers, shop assistants, domestics and so on. They might even be tempted at times to pay them half pay, or less than what they actually should be getting. They know that jobs are scarce and workers will sometimes take less, just to get footing and to start working and just to get something in their hands. We, from time to time, have learnt that illegally a lot of what we call the foreigners, the St. Lucians, the Vincentians, the Guyanese and so on have been victims of this kind of approach. As I said, they only want to get a foot in the door.

The thing about the Shops Wages Council which we find to be almost embarrassing is that when the employer breaches some provision in the Act that he is fined the principal sum of \$100 and that is clearly a loud statement that this type of legislation virtually wants repealing. I mean, \$100 when you breach the Act.

The question is, Mr. Deputy Speaker, what kinds of mechanisms are you going to use to address the problem of the national minimum wage. Can we take the Shops Wages Council to address it? The answer clearly is 'no', because this particular Shops Wages Council accepts the minimum wages for Shop Assistants, if we are dealing with a national minimum wage, clearly that is not going to suffice. It is not going to be easy therefore to use that mechanism of the Shops Wages Council.

What we may have to do is to take one general Wages Council and let that one embrace the shops as well and therefore we can deal with it through that particular mechanism or the other alternative might very well be to set an individual wages council for each category of worker and have specialist persons sitting on that council for that particular category in that particular area, people who know about hotels or whatever category you are using. It is either a matter of using one general one or having various ones. Whichever methodology, obviously, this is going to be the subject of some tripartite discussion before we actually decide which mechanism we are going to use. 12.10p.m.

The minimum wage is now \$170 per week, the domestics a meagre \$66 for 44 hours a week. The question asked was whether or not we should have one blanket minimum wage or whether we should do it in schedules. In other words, should we be saying rather than have a national minimum wage of, let us say, \$170 or \$200, should we say shop assistants - \$170, domestics - \$150, security guards - \$160, how should we do it? Should it be done by

schedules that way, doing it category by category or, should we have a national or as they call it a blanket minimum wage? In other words, should we place a domestic where a shop assistant is?

You have to realise that some employers may very well have a difficulty with putting domestics at the same \$170 as shop assistants. We must be aware that, as I said earlier of the whole question of shops, you will have more people coming within the net. Let me say that where Government is concerned we are very much in favour of the national minimum wage. We have been looking at it. We believe that a national minimum wage would be the first step to creating an environment which is worker friendly. If you want to speak about worker friendly then one of the first things you have to do is to ensure that workers are properly remunerated. We believe this as a Government.

The advantage of having a national minimum wage is very obvious to us. It would ensure that there are no true discriminatory work practices, particularly in terms of remuneration, for a large number of our employees who are now extremely vulnerable. I think the point was made quite clearly this morning by the Honourable Member for St. Michael South Central.

I am speaking in particular of those workers who hold a job for which minimum skill, if any, is required. Those whose jobs can be taken away and who can be replaced virtually at the snap of a finger. Those who are usually the victims of pressure and coercion at the place in which they work. The national minimum wage will contribute to a general upliftment we believe in the standard of living. It would therefore be developmental in that respect. Our citizens ideally, Mr. Deputy Speaker, should be living at a certain level and one of the real barometers as to what your standard of living is, is the level of the wages and salaries. A minimum wage, to my mind, Sir, is something that is an indicator of survival in this day and age. I think the phrase used by the Honourable Member for St. Michael South Central was that the basic aim should be the reduction of poverty which is something which Government also believes.

Mr. Deputy Speaker, some people have argued that a national minimum wage will pull wages down. This is an argument by some which we do not necessarily believe. In other words, they argue that if they are already paying a domestic \$220 a week and you declare your national minimum wage at \$200 per week that people would prefer to pay the \$200 which you now claim to be the national minimum wage. In other words, they are saying that the employers will see the lower end of your minimum wage. That is an argument which some people have advanced. I do not agree, as I said, Mr. Deputy Speaker, with the argument and I hope that the employers will see the wisdom and the logic of paying employees well.

There is also the unfounded belief that a national minimum wage will witness the loss of a few people for instance a few domestics, that if you have a national minimum wage and you say it is now \$ 175 that you are going to get people sending home and sending off domestics. Personally, I do not know whether there is any real scientific evidence that this will happen. I do not know if they got it from elsewhere, from abroad, or what, but certainly it is an argument which they advance that if you put a realistic minimum wage people will start laying off and sending home their workers.

Perhaps the most striking argument advanced to date is the argument involving the offshore companies, the ones that specialise mainly in assembly work. They are the ones on whose behalf you have been hearing an argument being advanced that a national minimum wage would have some effect as to how they operate their businesses.

Some of them may now be paying less than the minimum wage, some of the companies that specialise in assembly work, and they may be paying less than what the shop assistants get. I use that very often when I speak of minimum wage generally as the kind of gauge but some of us may be paying less than that. They will argue that they have certain contractual obligations to meet, overseas obligations in particular that they have to meet and if you move them from paying \$ 120 to be paying \$ 175 that it would affect their business. Let us say they are now paying \$120 and if you say to them the wage is now \$175, they are going to argue that that is going to affect their business because to them they are going to consider this to be some dramatic rise. Any great increase in their wage bill they argue could mean a significant decrease in their already small profit margin. This is the way in which they argue their case and that this could lead to layoffs or a pull out altogether. I am not arguing with any employers. I am just saying the argument that they bring.

Mr. Deputy Speaker, I want to say that very often in order for a lot of those workers to obtain a half decent wage to take home to their families that many of them in that particular sector have to work for long hours to make it. That is work of a very intense nature. You have to sit down long hours if you really want to take home something that looks like a decent or half decent wage.

Mr. Deputy Speaker, as a Government we welcome any measure to improve the conditions of workers in this country. I am sure that most Barbadians will agree that what Government has done so far for workers is enough indication that this is a Government that cares about workers and the working class. 12.20p.m.

When we came to this House, Sir, and we amended the Constitution in order to ensure that salaries would not be cut willy-nilly again, when we made the casual workers public

workers, indeed we actually took the minimum wage which was there and put it at \$1.70 for the shop assistants. All these are measures which we introduced to show that this was a Government that cared about the workers of this country. When something like this comes before the House about the national minimum wage, you can be sure that most of us, indeed I could virtually say all of us, will have no difficulty in appreciating that this is something which is necessary.

The Ministry of Labour has never closed its eyes to the possibility of a national minimum wage and, even now, there is ongoing discussion on this whole question. What is true though, Mr. Deputy Speaker, is that we realise that at a time when tripartism is virtually the order of the day, that Government by itself cannot unilaterally perform such a task. We find it absolutely necessary to involve the unions and employers in discussion on this particular matter.

We feel that discussion on the matter by the Social Partners is the way forward and even though we have not had a formal meeting on this particular subject of a minimum wage, at almost all of the meetings we have had, it was one of the topics which we have discussed. Therefore, you can rest assured that the matter is very much before us as a Government, and it will be discussed at the level of the Social Partners. It is something, as I say, which has the favour of this Administration and we will do everything in our power to bring about the national minimum wage.

I thank you, Mr. Deputy Speaker.

Mr. C. A. MASCOLL: Mr. Deputy Speaker, I rise, of course to support this Resolution. There is no doubt that there is need for an increase in the minimum wage level in Barbados, and there is every reason to believe that proper consultation with the Social Partners should ensure an increase in the minimum wage of workers in Barbados.

[In principle, Governments over the years have recognised that there are certain basic needs for individuals as well as families and households across Barbados and this concern, in fact, is what is responsible for the minimum Income Tax threshold which used to be, until recently, \$ 13 000 per year and has now risen to \$ 15 000 per year.

In introducing that minimum threshold there is recognition that an individual needs a certain basic income with which he can obtain a certain minimum standard of living by way of the provision of shelter, clothing, housing and adequate nutrition. So that for several years respective Governments have recognised that there is a minimum income level below which individuals will certainly not be comfortable. As I said, that has shifted to a maximum of \$15 000, it was reduced to \$13 000, and it has now gone back to \$15000. That constitutes almost, I think, around \$1 275 per month.

There is no doubt that to pay a worker a meagre \$ 175 per week and to expect that worker to survive adequately in today's Barbados is to be expecting a miracle almost because we have, perhaps, the highest cost of living in the region with the exception of The Bahamas, maybe the Cayman Islands and a few others. In fact, sometimes I myself wonder how Barbadians survive in terms of being able to purchase the quite expensive goods and services which we have here on the island. On the question of the need for a minimum standard of living, it is very evident from the data that we need of necessity to increase the minimum wage in Barbados.

Now, the category of worker that is affected by this legislation is the shop assistant and, as a percentage of the working population, the shop assistants, workers in the distribution and retail sector in particular, represent about 16% of overall employment according to the Central Bank's information at page 212 of the Annual Statistical Digest.

Aside.

Mr. C. A. MASCOLL: Yes, 16% of those employed in the economy work in the retail and distribution sector which is the largest sector of the economy in terms of the Gross Domestic Product and it is also the largest sector apart from Government in terms of employment share across the economy.

I recently stated that since 1994 the level of employment in the Government Service has increased from 20 000 persons to 25 000 persons, an increase of 5 000 over the last four years which constitutes really a reversal of the principle that was to be invoked during the structural adjustment period that the private sector should carry the brunt of the burden of the economy in terms of not only growth but also in terms of employment creation. That evidence does suggest that so far since 1994 we have not seen the kind of growth and initiatives in the private sector to sustain the employment levels which we are all desirous of seeing in the economy. Once again, it has fallen to Government to try and provide employment for Barbadians. As I have stated, it is the major employing sector in the Barbados economy after which there is the distribution sector. 12.30p.m.

While I fully support the Resolution, I think that there is consideration of one other aspect of the employment market and that is we need seriously to look at the whole question of the qualification by hours requirements for the National Insurance Scheme. We have a situation in Barbados where to qualify you have to work for 21 hours a week. A number of employers over the last couple of years have been utilising this piece of legislation quite skilfully by employing quite a number of workers but ensuring that they do not reach the required 21 hours per week in order to qualify for National Insurance.

There are two dimensions to income. It is the rate which you are paid as well as the amount of hours which you work that determine your final income. It is my contention that while there is obvious need for an increase in the minimum wage there is also obvious need for reconsideration of the 21 hours per week for National Insurance qualification. In short, I am effectively calling for a reduction in the amount of hours a week from 21 hours to some hour level to be determined by the route of negotiation. I repeat the point, that while I accept totally the need for an increase in the minimum wage, I am also calling for consideration to be given to a reduction in the National Insurance requirement of 21 hours a week at which an employee qualifies for such benefits.

I think that we are all aware that the employers, particularly in the early 1990s skilfully utilised this piece of legislation to ensure that a number of females especially got jobs but worked for perhaps only four hours per day. They paid their bus fare in the morning, they paid their bus fare in the afternoon, they still had lunch but yet still they could not qualify for any unemployment benefit or any such thing because they were never permitted to work for the stipulated 21 hours per week. The call is out for a revision, yes, of the minimum wage legislation but also for a revision of the NIS qualification for workers.

While it is important to ensure that workers do in fact benefit by the way of increased income, it is equally important that the worker is able to spend that income as efficiently and as effectively as possible. This is where it would require Government to pursue other kinds of policies to guarantee that the dollar today is able to stretch much further through initiatives on the part of Government. We can think in terms of several policy initiatives that one can introduce in order to guarantee that the spending power of the worker increases over time.

It is fair to say as we have said in the Resolution that there was an increase in the rate of inflation in Barbados in 1997 directly as a result of the introduction of VAT and that because of the existing Incomes Protocol that the increases which were recently received by the Government workers and other workers across Barbados have not been able to outstrip the increase of inflation in 1997. As a result, it is fair to conclude that the real spending power of the worker in Barbados has declined in the last four years or so. There has not been as a result of the Incomes Protocol of which we boast, any substantial increase of the income of the general population of workers in Barbados. The evidence is there in the Central Bank's Report, the evidence is there in the IADB's Report to demonstrate that real wages have not moved significantly, if at all. In fact there is evidence to show that there has been a decline in the decade of the 90s so far in Barbados.

Initiatives need to be put in place to guarantee that there is improvement in the standard of living of Barbadians

and particularly in the standard of living of low income Barbadians and middle income Barbadians because this is a category of Barbadians that has not benefitted at all from the stabilisation programmes of Government since the early 1990s. When one looks at that group of individuals who earn about \$3 500 a month, who are just on the threshold of the NIS maximum ceiling of \$3 100 a month, when one looks at the policies that were introduced, that category of worker, the middle income worker in Barbados was perhaps the most significant one damaged by the introduction of such policies. The maintenance of an Incomes Protocol has guaranteed that the nominal wage increases of these workers will not, and have not in fact moved sufficiently to cover the increase in the cost of living over the last six years or so in Barbados. There is definite need to pay special attention not only to low income Barbados but also to middle income Barbados.

How then would Government pursue such a policy to guarantee that the plight of lower and middle income Barbados improves in the next two years? Government can certainly introduce measures of reduction in income taxes. Reduction in income taxes is now very much on the cards and one would expect that in the next Budget that measures will be put in place to guarantee

Asides.

Mr. C. A. MASCOLL: From \$ 13 000 to \$ 15 000 would not have been significant enough. It was only \$81 or so per month.

We need now in the light of the increases of revenue from VAT to truly increase the spending power of middle and lower income Barbados and it can be done effectively by either reducing the marginal tax rate or increasing further the threshold. But, there is more need than that. It is not just a question of increasing the incomes of Barbadians. We have been talking about economic enfranchisement, we have been talking about economic democracy and to do that we need not only to look at this question of income, we need to look at wealth and the accumulation of wealth in Barbados. There is absolutely no evidence in the decade of the nineties and the eighties that Barbadians have in fact been able to increase their relative wealth. We might have seen an overall increase in wealth but it has been skewed towards the upper end of the market. We have seen further consolidation on the part of Government with the introduction of all kinds of special developments areas, with the introduction of tax relief, with the accommodation via the financial system but we have not been able to see increased incomes generated into the accumulation or the acquisition of assets on the part of lower and middle income brackets. 12.40p.m.

So that the story now is not just about changing incomes, it is about changing the distribution of wealth in Barbados, It is about giving an opportunity to low and middle income earners to own houses. In fact, in this regard

low minimum wages increases will also contribute to improvements perhaps in the wealth standards and certainly in their capacity to accumulate assets which is even more important than just the mere provision of an income for spending.

In order to be able to get us to pursue this whole question of economic enfranchisement and democracy we have to guarantee that some of the benefits are passed on in specific ways to those groups at the end of the ladder, the low and middle income groups in Barbados and that cannot be ensured without specific policies on the part of Government to guarantee the transfer of wealth from the upper end to the lower and middle ends of the income ladder. So that the best way in which Government can ensure that the overall standard of living and the distribution of income is guaranteed is to ensure that an individual, as was the case in the 1960s, is able to have access to a proper house, is able to believe in today's Barbados that he can own a home in the likes of a West Terrace, the likes of a Kingsland, Wanstead, and such housing areas as was the case in the 1960s and beyond. You do not get the impression now and certainly as a young politician I do not get the impression that people believe that the capacity to own a home has improved over the last two decades or so in Barbados. That is my impression. That is the perception that people's capacity to own a home and in fact whereas there should have been an acceleration in this capacity, this belief, the evidence is there to show on the part of Government's dismal record of building only 24 houses in the last 4 years that certainly they do not feel as though they have access to a home. Anyone who disputes that certainly cannot be on the ground and could not be in the political trenches on a daily basis because apart from the need for a job the second most important thing in life is the need for a house in Barbados among Barbadians.

I am saying to you that just looking at the question of income cannot get us out of the trap which we are in, that is believing that things are so good without recognising that the wealth is not being distributed the way that we would wish to see since we pretend to be socialist in our thinking on both sides of the political fence. We need to ensure something further than just improving incomes.

Another area that is of concern is that many of the persons who work as shop assistants are young females who in many instances have one or two children to support. And I am saying that apart from the whole question of increasing their incomes that perhaps we can look more skilfully at addressing the needs of poor or working poor families in Barbados and that is evidence to show that the young female in Barbados of the age of 25 or below who has one or more children is perhaps that typical individual who has suffered from not being able to either acquire or access income readily in the kind of quantities that they would like. And therefore once that has not been achieved then the whole question of wealth creation, the accumulation of assets such as housing and the like cannot be accomplished unless we

inherit it. I am saying it is now time to move on just beyond the whole question of a minimum wage and look to see how we can facilitate the objective of economic enfranchisement in Barbados. It is not a simple thing about income.

I respect the Resolution. I understand the need for it. It is a beginning and I support it totally that we need definitely to look at increasing the minimum wage levels in Barbados but certainly the agenda has then to be focussed a lot further down the road than just at improving or increasing the minimum wage.

We therefore have a serious task at hand. Not only are females predominantly in the vulnerable groups but also the disabled. How do we address the whole question of disabled people in Barbados or persons who head families in Barbados who happen to be disabled? The same way in which we can quickly construct a 350 provision based on the incidence of VAT and then find all kinds of ways to distribute this 350 even to those who are not alive, and to give those who do not even know that they qualify for this 350. I am saying that we can easily target households in Barbados where there are disabled people, females and males, who are in need of such provision.

Do not look at the whole question of the amount in terms of numbers and what might be the effect through the ballot box but look at the need for providing these individuals with the kind of special attention which they require at this critical stage and it can be done rather easily. There are less than 2 500 persons in households which contain disabled people in Barbados and therefore they can be easily targetted in terms of giving them the kind of income adjustments that they require to cope with their basic needs on a daily, weekly and monthly basis. So that according to the Resolution it is desirable to ensure improvements in the living standards of the working poor and stability in their earnings.

Now, I repeat the call that your income is a combination of two things. It is the rate at which you are paid per hour times the amount of hours you work. If we are so sure and we are very aware that many employers have in fact been utilising the 21 hour per week as a cut off which can also inflate the employment data because it appears as if many more people are working when you decide as an employer to have many more girls come in for four hours per day and guaranteeing that they only work for 20 hours per week and then you have plenty more numbers whereas you are utilising the same 40 hours per week but using two persons to do so, you can automatically or almost immediately inflate your employment data.

Now these are several areas we have to look at. Yes the need for minimum wage in there and in fact the evidence is there to show that in the offshore sector several people do not meet the minimum wage per week but yet we continue to tolerate the presence of these people under the guarantee that there is employment creation.

Now, employment creation has to have more than an income dimension. It cannot be the case that at this critical stage in the history of Barbados that we can feel satisfied to know that a girl goes to work at one of those places down the Harbour and gets less than \$100 a week and we are fussy to include her as part of the employment statistics. Now, if you are satisfied with that on the other side I certainly am not satisfied with it and I am saying that when you look at the demand and supply conditions in Barbados for employment, when you look at the state of the economy now, when you look at the foreign exchange which we have, when you look at the overall standard of living vis-a-vis the rest of the Caribbean, why are we prepared to tolerate the existence of these firms which do not even satisfy the minimum wage requirement in Barbados under the guise in fact that they are employing people? They are under employing. A girl who leaves home to get to work and has to pay 2 bus fares of \$6 a week that is \$30 in bus fare and then you need to eat so when you give her less than \$120 per week what are you saying to me? Are you saying that you could have embraced the bus fare and lunch money concept? That is precisely what it is.

The other thing is that I do not see how the Minister of Labour could come here and say that he was not arguing for the employers but he has to make a point. 12.50p.m.

The point is that we cannot in today's Barbados tolerate those kinds of individuals. We are not that shell shocked to believe that we have to condone companies which see us as scraping at the bottom of the barrel in order to ensure that we meet an objective of creating employment when in fact, the employment is only under employment. We have not met certain basic requirements to guarantee a certain minimum standard of living requirements of an individual, but yet we seemed prepared to tolerate them and to twist legislation and discussions and to avoid and to evade, in order to ensure that they are retained in Barbados under the guise that they are providing employment for Barbadians.

It is time to look at that. That cannot be tolerated forever in Barbados. That is part of the whole question of a minimum wage requirement. It is not just an income debate. It is a debate that has to be taken wider than just the question of providing a dollar per week. There is much more to this debate than meets the eye. In fact, this debate goes so far as to look at the status of women in Barbados. When you check the Shop Assistants in Barbados, you would see that 95% of the Shop Assistants are females. It speaks therefore to the treatment and the status of women in Barbados in the 1990s. So all we talk about men in crisis by a select few, there is now need to look at these sorts of issues to determine really who are the ones being disadvantaged in Barbados.

Evidence is here to show that in today's Barbados, we still have a state in which the female is being treated to this kind of unfair practise on the part of employers. So women

seem to be very much in crisis when we look at the state's capacity to maintain a framework of ensuring that they are treated even below the minimum wage in terms of their weekly stipend. As I said, 95% of the working population are Shop Assistants and are represented by females.

So the debate goes a little deeper and we also know that when we look at it fully, many times those females who work in these areas are in fact the ones who have a higher propensity to become pregnant because of their social status and their social locations. Therefore, all of the other social problems attend these kinds of individuals. The statistics are available in the population census data of 1990 of Barbados. In fact, I have been requesting such a population census in this Chamber for over the last year and I cannot get the Chamber to understand that that publication is absolutely necessary for me as a starting point in many of my debates.

I call upon the Chairman again to provide me with a population census for 1990. But if I request it, I am told that it is not available. I am asking for it once again. It is the basis upon which most of these debates can be framed. A debate of this nature can be framed by looking extensively at the population census data for Barbados for 1990 and forming a characteristic individual of which I am trying to speak this morning, but I do not have the information.

That individual is one who is earning less than \$ 175 per week who may have a child or two, who may have a particular religious affiliation, or who may have a social problem. I can know who is disabled from that information, but yet still the information is not made available to me.

I am saying therefore that while I fully support this resolution, while I fully recognise the need to increase the minimum wage in Barbados because of the increasing prices which have occurred since the early 90's and particularly since the introduction of VAT, while I understand that there has been some recovery in terms of the Gross Domestic Product, the Net Foreign Reserves and the fiscal position of Government, I am supporting this resolution because I understand the need to increase the living standards of the working poor in Barbados.

I also want to know why it is that in principle for many years, Governments in Barbados have in fact respected the need to have a basic income requirement below which you do not pay income taxes. That has shifted from \$15 000 to \$13 000 over the last couple of years. Why it is that we understand those issues and yet still we do not see the need to fully address the whole question of a minimum wage. That is to make the Committee that is supposed to be available to review this legislation on an ongoing basis to make it work. It does not work.

Aside.

Mr. C. A. MASCOLL: I do not know why it does not work, but it does not work. The reason why it does not work

is that it is not treated as an important issue in the ongoing operation of the economy. We therefore need to ensure that the issues which are raised on a daily basis, the introduction of VAT... in fact the initiatives which we have recently taken in these Chambers, should have come from a well functioning Committee looking at the whole impact of economic circumstances of minimum wages in Barbados.

It should not be to the politicians to look to improve or to give a tax credit. It should not be to the politicians to do all these things, the Committee should have been bringing such things forward, saying that this introduction of VAT has done so and so to the minimum wage. This particular measure has done that, what will be your response for a policy position. It has not been functioning and many other Committees do not function.

I am therefore saying that while I support the Resolution, I understand the need for a minimum wage. I am also asking for consideration to be given to the whole question of the minimum working hours for which one qualifies under the NIS. There are two components of one's income. There is the rate, I repeat, and the amount of hours one works. Since employers have skilfully utilised the legislation to deny, especially young working mothers in Barbados the opportunity to earn an effective income, I am saying that the legislation has to be amended to guarantee or to reduce from 21 hours to something of the order of maybe 15 hours per week to ensure that employers do not use this route, even if you were to introduce the minimum wage legislation.

So I repeat, I support the legislation and I understand its need, but income in itself is not what is required. We need at this critical junction in our history to look at the whole question of wealth accumulation. This can only be the beginning and this is a very small beginning. This in fact, is the tip of the iceberg in terms of addressing the whole question of redistributing wealth in Barbados and ensuring that we achieve the objective of economic democracy and enfranchisement into the 21st century.

Thank you, Mr. Deputy Speaker.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, I beg to move that this House be now suspended until 2.15 p.m. today, Sir.

The question was put and resolved in the affirmative, without division and Mr. DEPUTY SPEAKER suspended the Sitting accordingly. 1.00p.m.

RESUMPTION Mr. DEPUTY

SPEAKER: This Sitting is resumed.

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, before we begin Private Members' Business I would like the item: Government Notices to be reopened.

Hon. G.W. PAYNE: I beg to second that.

The question was put and resolved in the affirmative without division.

GOVERNMENT NOTICES

Hon. D. A. C. SIMMONS: Sir, I beg to give notice of the following Bill:

Reformatory and Industrial Schools (Amendment) Bill, 1998;

and the following Resolutions:

- (1) A Resolution to approve the compulsory acquisition of land at Arch Hall, St. Thomas for housing development and the construction of a fire station;
- (2) A Resolution to approve the vesting in the National Housing Corporation of land at Bagatelle, St. James.

FIRST READING OF BILLS

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, I beg to move that the Reformatory and Industrial Schools (Amendment) Bill, 1998 be read a first time.

Rt. Hon. O. S. ARTHUR: I beg to second that.

The question that the Bill be read a first time was put and resolved in the affirmative without division.

Mr. DEPUTY SPEAKER: Private Members' Business is now resumed.

PRIVATE MEMBERS' BUSINESS (RESUMED)

Hon. Sir HENRY FORDE: Mr. Deputy Speaker, Sir, I wish to make a small intervention on the Resolution which has been moved by the Honourable Member for St. Michael South Central. The Resolution has a very laudable objective and that objective is to ensure that the remuneration paid to anyone who is employed in Barbados is at such a level that it would maintain what we would call a minimum standard of living that is acceptable to the community.

Parenthetically, I would want to say that in a Barbados Labour Party manifesto we once referred to a minimum wage and that was misinterpreted by several people in the Democratic Labour Party at the time to say that we wanted

to keep people at the minimum of wages in the community. That became a very large electoral issue.

I would return again when I am citing the history of minimum wage legislation and policy to the position of the two main parties in the country over the years on this issue. I am sure the Honourable Member during the course of the debate may accept some amendment to this Resolution. I am not challenging the objectives at all. He may accept some amendment because of the fact that it is my contention that there is already on the Statute Book of Barbados substantive legislation which should make it possible for us to provide for a minimum wage for all workers in Barbados.

The Wages Council Act, I think the Honourable Member knows this was passed on October 14, 1955 and under that Act, the Wages Council can legislate minimum wages for all categories of workers in Barbados. The Wages Council is so constituted that the workers as well as employers and I believe governmental authorities are represented on that Council. What has happened is that the Wages Council has concentrated as the Honourable Member knows, only in the area of shop assistants who are a large category of persons and I think prior to that in one or two areas there were non-union organisations.

Therefore, the hiatus which the Honourable Member is seeking to address certainly exists although as the Honourable Member for St. Michael North West says it need not have existed. If there is one point I would like to make and I trust the Minister of Labour is noting this point is that wages councils must be properly serviced because they should on a continuing basis be studying the labour statistics in their territory. If they are able to gauge what will happen where various standards for remuneration are omitted from legislation or not fixed and what would happen in fact when we do fix those standards, what will be the effect not only on the standard of living of those persons employed but what will be the effect on the economy as a whole and how can we get around any adverse consequences that may flow from those employers who take the antagonistic attitude to the legislating of wages.

A fundamental issue, Mr. Deputy Speaker, we have had in the labour market is that we have a contradiction in almost the concept of elasticity of the labour force. We have a reasonably elastic labour force because we still have a high level of unemployment. I think the term that my friend, the Right Honourable Member for St. Michael South, used to repeat is that it is unacceptably high and it remains unacceptably high. We have had fluctuation periods of unemployment that sometimes really would have made any of us ashamed of ourselves being able to work and earn while our relatives, colleagues, constituents and friends and others remain unemployed.

The argument that prevails in developed countries that if you have a minimum wage you are therefore in the circumstances not allowing labour to move freely and therefore the market forces to prevail and people to move to those areas of the economy in which they would get work does not obtain in Barbados in that way.

It does not obtain here because we have a large reserve of unemployed people who ought to be in the labour force. At the same time, unfortunately for us, we have too large a reserve of untrained people for the sort of jobs that may come on the labour market and at the same time the sort of jobs that should lead to self-employment.

For some reason I do not know why our manpower policies have not adequately over the years addressed these problems. Everyone of us in this House will tell you that we are bombarded on a daily basis to find a job for someone. The politician is the first line of what I call labour exchange. I always say to people who come to me that if I knew of a job do you think either as a politician or a human being I would keep that job without sending you for it even if you did not have the qualification.

We are bombarded with persons that even sometimes when you find a job the persons do not have the qualifications for that job. We are bombarded to expand the sector by providing certain kinds of jobs, if somebody wants to work as a security guard, a school meals assistant, sometimes you may get a few who want to be nursing aides, the NCC, but there are a limited number of categories that you are bombarded to send people to.

If all 28 of the members of the House sent 100 of their constituents to these jobs there would not be the availability of jobs. So the Honourable Member's Resolution raises in a very graphic way for us the wider problem of how we are going to treat manpower resources in this country and the kind of training that we are going to put in place in order to provide and anticipate the type of jobs that we are seeking to establish in the economy. If we say that the main planks of our economy in the next generation would be service oriented; tourism; financial services, which seems to be a major plank then we must train the labour force to make use of every opportunity in this area; informatics.

Yet we have the contradiction in our society that we are having to import in the informatics sector 200 or 300 people at the level of designers of software. So that is a void in the educational system. We did not anticipate it fast enough otherwise we would be able to produce our own people to take up those jobs, and they are high priced jobs, as they become available.

We are falling then again in manpower planning in this respect. We have periods as we usually have in this economy of glut and the opposite where we go through the lean years. 2.30p.m.

I am being told now that we may have to import masons, steelbenders and carpenters. What is wrong is that we have not been planning consistently to have been producing from our Polytechnic the people who are in these areas and, therefore, our statistics should lead us to gauge correctly the type of trades, professions and callings that we can forecast and see, will be coming on stream within 5 to 10 years, and our planning of our manpower resources should be along these lines. Some of the very young people who only want to be, as I said, a security guard, have the capacity, if properly trained, to go into the industry and a calling of steelbenders, one of the best paid aspects of trades, in order to make money.

Sir, I also want to say in agriculture that although we have had a dwindling number of our agricultural workforce, that we should not again have to write off agriculture as a whole but recognise that we have to change our methods of agricultural work, the sort of knowledge base that agricultural labourers have, and make use of the opportunities that are coming on stream in agriculture for ourselves.

Let me take horticulture. You will find out, Sir, that the highest single employer of labour in Columbia, for instance, is in the field of horticulture. I believe a very significant part as well of the workforce in Holland is in agriculture.

Aside.

Hon. Sir HENRY FORDE: I am very serious. I am not talking about the production of marijuana, cocaine or the poppy. I am talking about the flower industry. I saw the other day that the industry of exporting flowers is worth something like \$50 billion, and that the main beneficiaries from the export of flowers were Columbia and Holland, and Holland was very far ahead.

Now, there is no reason why tropical flowers, like some of the tropical flowers we produce here, should not offer opportunities. I am delighted when I drive along the Pine Road, for instance, and see the self enterprise of one of our leading calypsonians who has been able to rent a bit of land from the Government and is cultivating not now cut flowers in that way but vegetables. He produces vegetables. I think he is even employing a few people himself, so the opportunity exists for a lot of our young people not to write off agriculture because of its unsavoury connection with slavery in the past. We cannot only harp on our past or with indentured labourers or anybody in the past. We are now firm craftsmen of our own fate and our destiny is in our hands. We must therefore understand that we must maximise the opportunities to be out there with the resources which we have in order to provide added employment in the country.

I believe that we should not only limit our aim for the niche market of the informatics sector or the financial

services sector, or for that matter tourism and its related sectors. I believe we should not write off agriculture particularly in the field of self-employment with the proper manpower planning, that is the point I am making, for the future.

I want to see the day, as I am beginning to see it in the parish of St. John and St. George in particular, where the people who are now in agriculture, including the women and particularly the women, can drive the tractor, repair the reaper themselves and they are not only doing the hard labour that one associated with slavery. They are now becoming total farmers. We must follow that up with the sort of land reform that would make available to these new farmers, self-employed persons, enough land in order to answer and deal with the problems that come from being so long on the periphery.

Sir, I firmly believe that manpower planning should also apply under other bits of legislation that is related to this Resolution. I am sure the Honourable Member would have had in mind the necessity to have the Training Board properly established and in such a way that it is carrying out its duties under the Occupational Training Act. I want to see the apprenticeship schemes back in place.

Soon after I came into this House, in fact, when the Honourable Member for Christ Church South was in the Senate and then came back to the House, I have heard him consistently talk about proper apprenticeship agreements which would lay down working standards and training methods for young people coming into the trades and professions of calling, and a proper remuneration for them at the same time.

I see from the paper that one company on the West Coast is now having a pilot scheme for two or three years and that this has been given some publicity. I make bold to say that every major employer of labour, particularly where trades are involved and they are bringing on young people who are now coming out of school or out of the Polytechnic, should have an apprenticeship agreement that guarantees them not only proper training but also a proper wage and, if necessary, Government's taxation policy must be so geared as to give the right incentive in order to maximise those opportunities for the people because the more trained our workforce becomes, the more they can produce. The more opportunity there is for proper wage to be put in place which they will earn themselves from their endeavour and which will redound not only to raising their minimum standard of remuneration, but raising the minimum standard of the excellence of performance of our workforce and increasing productivity, therefore widening the wealth of Barbados to the benefit of us all.

Sir, this Resolution is not a narrow Resolution if you look at it. It encompasses much. It is proper that this House should in a non partisan manner look at the Resolution and

put our heads together to see where we can answer these trying problems that are coming before us.

Now, Sir, there could be the tremendous temptation of some of us, as I have seen happened during the time I have been observing politics, even before I came into politics, to misrepresent this Resolution. I saw that happen once here in Barbados.

The late Sir Mencea Cox, God bless his knowledge, was a great socialist, a man who from a very humble beginning was able to raise himself up to be a leading Minister in this country and well respected. I remember in the campaign, I believe it must have been the 1961 campaign, there were persons going through St. Michael representing to the middle-class that Sir Mencea, I am not sure who else was running with him, it might have been Orrie Bryan, was pushing this legislation for a minimum wage and that would cause them not to have their maids any longer because they could not afford to keep the maids. Now, that is the sort of politics I hope has gone out of Barbados. They were actually canvassing door to door in Belleville and elsewhere in the middle-class areas on that level. I was flabbergasted as a young man, I was not yet involved at the level of politics but I could not understand why such a serious subject in a campaign should have come down to very narrow interests to misrepresent what was obviously a very fundamental socialist policy of the then Labour Party Government and particularly Sir Mencea Cox. I am sure the Honourable Member for St. George South who in Sir Mencea's days went to him and helped him will speak on the contribution people like Sir Mencea Cox made in this area. He felt very very strongly on this issue. 2.40 p.m.

I believe that we have to do the studies, that we have to look at the impact both advantageous and disadvantageous, to the extent that there may be any impact of such legislation across all trades. We must seek, and we have the ability to come up with the answers to minimise, if not to get rid of those impacts. Because we have to bring our people to the stage where poverty is an exception rather than a rule in Barbados. Poverty must become an exception.

There will be always a few who drop through that safety net and then we trigger the other part of us if we are humane. There must be the state and others in the community that shoulder their responsibility to help those who drop through the net. We are going to try to prevent them from dropping through the net but if they do then we must readily help them. Those who have the capacity to work or who do not want to rely on welfare, I believe the vast majority of our people do not want welfare, they want work rather than welfare, that is my belief. I believe that the vast majority of people if we are right in how we approach this country, on how we articulate the policies that should guide us would see that they want to see Barbados grow and

the economy grow and they will want to see a fair distribution of that growth.

Sir, Barbados is more fortunate than other Caribbean countries in that we do not have this wide diversity in wage patterns. Having said that, let me qualify it by saying that we still cannot be satisfied in the country with what exists because it could be improved. Because at the lower end of the ladder there are still too many that are falling through those cracks.

I would like to qualify what was said by the Honourable Member for St. Michael North West. He did not see any evidence that there has been accumulation of wealth in Barbados over the years. He felt that the middle class in particular had been dropping through the cracks. I think in the process he was really drawing, I do believe intentionally, a vast criticism of the Governments that have existed in this country since the 1950s in fact, since power shifted to the majority of people.

Consistently, both the main parties and the other parties, the minority parties, except maybe one exception have by and large put their efforts into widening the economic opportunities whether by way of education, whether by way of training in order to benefit people. In fact, Barbados has a very expanding middle class and in the accumulation of wealth, you will see that a lot of it has shifted into the middle class.

I recommend for all Honourable Members to read Professor Danse's book which has looked at the sociology of Barbadian society. It may need updating but there has been quite a shift in welfare. I am told that there are over 90 000 parcels of land in Barbados.

Asides.

Hon. Sir HENRY FORDE: Not merely to me as the Honourable Member is saying. Not merely to the Honourable Member for St. Lucy or not merely to the Honourable Member for St. Michael South Central or St. Michael South.

In fact, we should be proud of our parents. I am sure the Honourable Member has tremendous pride. I know he has because I knew his father particularly well. We should be proud of our parents for on so little, giving us the opportunity and we, having had the opportunity, to use that opportunity to improve ourselves.

All we are saying, all the Honourable Members are saying particularly the older members of this House, all we are saying is that because we had that opportunity and tasted the opportunity, we recognise that there are several thousands out there who have the same ability as we have but have not been getting that opportunity. Those who have got the opportunity and do not use it will not get any easy passing from me. I hear some people outside who believe that they are not going to use the opportunity of education,

something that in my days there were only about 12 of us winning scholarships to get to Foundation. People do not realise that. If they have the opportunity, they must use the opportunity. We have to be severe on those who do not use the opportunity. There are many out there who are not still getting the opportunity that is needed.

Our duty as legislators is to make sure that the avenues of opportunity are not limited, to make sure that the persons who are available to use them have the skills to use them and to ensure that the right policies are in place so that we can empower people, not only by the vote but empower them as well in their pockets and empower in the quality of their lives. Because too often we assume that the quality of life is only judged by money. Money is absolutely essential and a minimum amount is essential to obtain any decent life but we also have to put some emphasis on the different quality of life in terms of the spiritual part of our lives, the environment in which we live rather, it is a Christian or religious environment, the values to which we subscribe. These things are important.

That is why I commend the Honourable Member for giving us the opportunity to discuss a Resolution of this nature. The Minister has spoken and has said to Government that they should accept it but I want a bit more. I am a member of the governing party but let me say to the Minister that when I was a Minister we were still talking about having a proper Man Power Department going. Successive Governments have not done it. Let us stop talking and do. My adopted mother had a motto which I have adopted as my motto which says: "Prove by doing".

I believe that wage councils should be properly serviced and that we should have all of the information that will guide whoever will be in Government at anytime correctly in getting rid of the inequities that exist as they do exist in some areas. At the same time providing the opportunities for those who would want to use them in this country.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, I am extremely grateful this morning to join this debate after listening to the Honourable Member for Christ Church West.

He made some very important points and I realised that he, like myself, has recognised that agriculture is going to be the most important factor in this country in developing self employment. Before we recognise that as a fact, the Ministry of Trade in this country must also recognise that in order for self-employment to be developed in this country, that farmers must be given the opportunity to make money. This attitude that once the small man gets the opportunity to make money, there are people who are prepared to issue licences in this country and import products that are being produced in this country by small poor black people.

I am saying, Sir, that it is a national disgrace that at a time when we come to this Parliament to talk about minimum wages for people when we have an appropriate opportunity in this country to stop people not only from being employed by other people but to encourage people to be self-employed. 2.50p.m.

We have a situation in this country that when small farmers are about to show people that it is time to employ themselves instead of waiting on someone else that the Ministry of Trade in this country allows licences to be issued to large companies in this country that should know better.

I can tell you this, Mr. Deputy Speaker, when you have a situation in this country where there are large companies who have used poor people in this country to get their wealth and as soon as they make their wealth they are going to come to Government to get an import licence to import chicken quarters...

Aside.

Mr. D. St. E. KELLMAN: Of course it is not Julie-N. If it was Julie-N you would have heard it already. If it was Julie-N you would have seen it all across the press in this country but it is a national disgrace, Sir, that in December we had a debate in this country between myself and BAS and the other farmers that we should not be stopping farmers from producing but we should be encouraging farmers to produce and to export and at times when the industry has shown the ability to do that we have a large chicken user in this country importing chicken quarters.

I am saying, Sir, that as long as I am an M.P. in this country and in this Parliament I will not support anything that allows people to abuse this country. People must understand that poor people in this country have a right to get something.

Let me tell you something, Mr. Deputy Speaker, we have a serious situation in this country. Whenever there is a surplus in this country of vegetables and so on, the farmers must suffer but as soon as there is the sign of a shortage somebody issues a licence to make sure that the farmers do not make money. We are anti farmers in this country and I will say something too and I hope my leader is listening. Important Ministries like Trade should not be put in the hands of people who have not gone and canvassed the poor man's vote in this country. We are seeing a situation, Sir, where they are working against the poor man and when people can issue licences like that, Sir, they cannot be working on behalf of poor people. They should be down here to be questioned by me. I am saying, Sir, that this cannot happen and there will always be need for a Resolution like this. Do you know why there will be a need for a Resolution like this, Mr. Deputy Speaker? It is because even though we

have developed in this country and the farmers have shown the capacity to grow the vegetables and to produce, there are still people undermining the same farmers that they want to tell people they want to represent.

I have people at the Land Lease Project that can produce any vegetable you want but as soon as they hear the word shortage the Ministry of Trade is prepared to issue a licence to import vegetables in this country. How can the small man develop in this country? This is a serious matter. I have a lot of small farmers in St. Lucy and I want to tell the Prime Minister this. I hope he is listening. If the Minister of Trade continues to issue licences in this country something will have to go wrong because he cannot continue to oppress my people in St. Lucy at the Land Lease Project and the average farmers throughout Barbados. We will have to move him because his interest cannot be the same interest as mine and once his interest cannot be the same interest as mine he cannot be representing poor people in this country. So the Prime Minister had better listen and do something about him and watch where he came from because where he came from is not the same place I came from. I came representing the interest of poor people not in the board rooms of the rich and famous. The message must be sent to that gentleman that the interest of poor people must first be represented.

I am saying, Sir, that when my farmers on the land lease in Springhall are suffering and let me declare an interest here now, that most of the farmers that produce chicken in this country come from St. Lucy so when you interfere with the people in St. Lucy you are interfering with me and I will come and talk on their behalf.

Sir, the interest of the farmers in this country is my interest too and I am calling on the Minister of Agriculture who is supposed to be representing the interest of the farmers like me to get up and say something on this matter. His hands are clean so he needs to say something in the interest of the farmers. The Minister of Agriculture did not even know that chicken quarters were imported into this country. This is a situation that he should have been the first to be consulted in this country. There is no need for this Resolution, Sir. It is not that I would not support it. It sounds good on paper but when you look at the facts, Sir, there is no need for this because if you divide the land fair and squarely a lot of people who are unemployed will get an opportunity to grow and produce for themselves. But this mentality of the Barbados Labour Party where people must be dependent on them must stop and we must go to a system where the land is shared among those people who want to grow and who must be given the opportunity to make a profit.

Poor people in this country must not be seen as people who need to work only for the sake of working and the rich work because they make money. Too long I have been hearing this foolishness and I will not tolerate it any more. Black people must be seen as people who can make money

too and people must understand in this country that Ministers must not be used to oppress poor people in this country. That is one of the most disgraceful things of the century where my own people could come and use power given to them by poor people to be used to knock them down.

Fanners at Springhall Land Lease spend thousands of dollars every year and they are never sure if they are going to make a profit. The only opportunities they have to make a profit is when there is a shortage and from the time the word shortage comes up, even before they can spell it good, they only have to see the "s", they import. Then you will hear that the farmers have a lot of carrots and they have to compete against carrots from overseas. If that is the policy of the Government let them declare it today. I am against this foolishness where people must continue to work for other people. Self employment is the way to go and in order for self employment to be viable in Barbados poor people must be given an opportunity.

I believe strongly that we must train our people not to go and work for people. That we must train our people to go and work for themselves because in that way they can help dictate the pace the same way the pace was dictated years ago by other people.

I also have another problem in this country, Sir. Our bright brains feel that they must go and work for people and get a company car and mortgage and then become a slave again. The days for that must stop too because if the state educates you it does not mean you have to go back and do the same thing you had been doing years ago. It is time you come out and you take some risks but at the same time the state must be prepared to back those people too and it is time that some of the political handouts that the rich and the famous get in this country, that it will filter down to those people. If so, Sir, we would not be here discussing this today. As I said I would not knock it because it sounds good on paper.

I want to look at another aspect, Sir.

Aside.

Mr. D. St. E. KELLMAN: There is no need for it because if the state would do what it is supposed to do there would be no need for a Resolution like this.

The Barbados Workers' Union. If the Barbados Workers' Union was to take an aggressive approach and go after those workers who are not presently unionised and adopt a different system instead of an across the board rate and do a scale rate to accommodate the wages of people, there would be a lot more people willing to join the union. But you cannot ask a man who is getting \$50 per week to pay the same rate as a man getting \$400 per week or \$400 per hour. This is not a criticism of the Barbados Workers' Union (BWU) yet. This is only a warning for them to

change their rate structure to accommodate more people. But if after I have said this and a certain time has passed and I do not see any action, then I can only come to the conclusion that the interest of the poor is not being represented there either. 3.00p.m.

I am a strong believer that the way you deal with the people down on the Harbour Road and up in the Industrial Parks...the only money they leave in the country is the wages that they pay the workers and they make money and we must get some. That is why I would support the BWU in the fight against them. They must show me that they are prepared to fight and close down some of them too like they want to close down Julie'N. I am not playing politics here. I am saying it as the way I see it.

Somebody must tell those offshore companies where to get off. The BWU who represents the interest of the people must stand up and make a stance and it must be now. They did it when it was right and the Minister of Labour...

Aside.

Mr. D. St. E. KELLMAN: I want you to tell the Wages Council to get in action. If this Board used to represent the interest of rich people, we would not be here today discussing this. But just because it has to look after the interest of maids who get \$66 a week that is why they do not want to meet and change any legislation. But let me tell them something, you either have to change the Board or change everything, because poor people deserve to be treated better.

This is a conscious country and it is time that we get there. The time where people just treat people for the sake of treating people must stop. Do not feel that I can only talk in the interest of workers. Workers must understand also, the employers who have their interest at heart. They must understand that when an employer gives them leverage that they must appreciate it because there are some employers who do not give any and when they get it, they must appreciate it. I have observed in this country that sometimes when too much leverage is given it is abused. Workers must understand that it is a two-way street.

This is not an evening, Sir, of playing politics, Mr. Deputy Speaker, Sir. This is an evening that I am speaking frankly and telling it as it is. This is not the call-in programme "Telling it as it is," I am telling it from the heart. So I am saying that the BWU needs to change their rate structure to accommodate those maids who might only be paid \$66 per week. The Minister of Labour must do something about the Board to make sure that they protect the interest of those people at the lower level. The Minister of Trade in this country must understand that he has the interest

of the whole country to represent and not the interest of one group.

Do you hear what I tell you, Mr. Deputy Speaker? That the Minister of Trade must understand that he has the interest of the whole country. Large profits in one Corporation will not help this country, but if thousands of people in this country are employed, this country will go forward.

Sir, I have to say what I have to say in this place. The day that I am not welcome in here...will not be by those who curse me in here but by the good people of St. Lucy *and* that is where my first interest lies and that is why I spend so much time where I should. I want to say that all those who want to flex their muscle on me after, they could, because, Sir, they start it, I end it.

I am saying that in this country people must understand that the poor man is the man who will build this country. And, if we look after the poor, this country will always be rich, but if we look after the rich, this country will always be poor.

Thank you.

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, I rise to speak on this resolution. I believe it is an important resolution and I would wish to thank the Honourable Member for St. Michael South Central for bringing this resolution to provide an opportunity whereby Honourable Members of this Honourable Chamber can address one of the issues within the overall economic policy matrix that should inform the direction in which this country should go in the coming years.

I see this proposal, Sir, for an overall minimum wage for the Barbados economy as an important symbolic step that may help to reorient our directions as we proceed on the path of social and economic development. At the outset, let me take objection to the first clause of this resolution. It states,

"Whereas there has been significant economic recovery in Barbados over the past four years..."

Aside.

Rt. Hon. L. E. SANDIFORD: Sir, whether this is an oversight or not and I hope it would be considered as such, I am suggesting that recovery in Barbados started in 1993.

Dr. R. C. HAYNES: On a point of elucidation, Mr. Deputy Speaker, I would be very happy in due course to make the appropriate correction.

Rt. Hon. L. E. SANDIFORD: I am very grateful to the Honourable Member for promising at the appropriate time which is during the course of this debate to make an appropriate correction to bring the resolution in accord with the facts of the situation.

I support this resolution, Sir. I do it because I believe it is in the interest of the poor people who live in St. Michael South, and poor people who live across Barbados. I would be failing in my duties as a representative if I did not forcefully state that it is important for all of us to let our voices be heard in terms of where we wish to take this country and what we wish to see for the people of Barbados. 3.10p.m.

Sir, this is an important proposal and I hope that it will be taken to heart by the Government and that it would get the support from all sides of the House. I say this, Sir, because this Resolution if adopted will have an impact mostly on the working poor. It will not affect my good friend, the Honourable Member for St. George South not in his capacity as an employer but in his capacity as a worker because his income is way above any minimum wage that is paid in this country. So this would not affect him. It would not even affect the mover of this Resolution. So let us understand what we are talking about.

The concept of a minimum wage has always been problematic because it has been felt and economists have argued that it will interfere with the workings of the labour market and will lead not to more employment but to less employment.

Sir, there is no point seeking to ignore those arguments. What we have to do is to ensure that those arguments do not follow as a consequence of any action that may be taken to establish a minimum wage. It does not necessarily follow that this would have any impact on employment levels although it is a possibility. I think that with prudent, economic management we should be able to avoid any deleterious consequences of such action.

I believe Sir, that what it can do on the other hand is to raise the living standards of the working poor and those who are at the bottom of the wages scale in Barbados. What that in turn will do is to give to the working poor in Barbados command over some additional resources whereby they can achieve their own personal and family goals and also make a contribution towards the circular flow of resources in Barbados.

To that extent, therefore, I am supportive of this particular Resolution. Sir, I do not believe that this will necessarily lead to any increase in employment nor do I believe that it will necessarily lead to further unemployment because the impact will not be that great on the total economy of the country.

Sir, unemployment rates in this country have been falling not since 1995 or 1996. I took the trouble to check and I notice in a document for the 1994 General Election not only did we record the fall of unemployment rates but we

also projected under a plan curiously named 5-4-3 that that fall would continue and that is what is happening. A base was laid and those projections are being followed.

An American economist, I believe he was a Nobel laureate, Arthur Okun, projected or worked out some proposal that unemployment would fall by 1% according to some increase in the GDP. He gave some number which I cannot recall now. He established that relationship which has been called a law that for a specific rise in the gross domestic product total output the unemployment would fall by a certain percentage as well.

Sir, I do not believe that law is written in any stone. I do not believe it is really a law and I do not believe it is established. What we have to recognise is that we do not talk anymore about full employment because the phrase itself raises questions about concepts and so on.

I prefer the phrase the natural rate of unemployment which for developed countries, rich countries, they put at 4% to 5% and I believe that for developing countries - I can set up now my own law - that that would be about 10% or 11% or thereabouts.

Asides,

Rt. Hon. L. E. SANDIFORD: I do not know that they say that. I would be skeptical. Well, they are agreeing with me. That is where we are going, Sir. We call it the natural rate of unemployment because I myself have projected that there is absolutely no reason why Barbados should not be a developed country within the near future. There is absolutely no reason why we should not achieve that particular goal and we must keep working towards that particular objective. We must have faith in ourselves that we can do it.

Sir, if we are able to put our hands on the resources and those resources and factors of production are no longer a case of the endowment of a particular country because in today's world and with today's transportation and communication it is now possible for any country given the level of development, given its leadership and given prudent management of its economy, there is absolutely no reason why resources cannot be acquired, utilised and result in the creation of new wealth which will come about if we are able to push our production possibility frontiers outwards. 3.20p.m.

I believe that we are capable of doing that, not inside of our possibilities, but outside. We can only do that by making use of the main factor in development which is the people of Barbados investing in the people, investing in our resources, investing in our technology and in our entrepreneurship. Note, I do not speak about "entrepreneur," Sir. I think we should seek to rise to a level of usage of the language that is appropriate to our economic and social development.

Sir, I believe these things are all possible, and we must work towards it. Within the framework of what we are doing, we can address the problems of those people who are below a poverty line. For Barbados that has to be imaginary because as a legislator I have never seen any poverty line for Barbados. I do not believe that one has ever been enunciated for Barbados.

We cannot wait on foreign institutions, or international institutions to draw up a poverty line for us. That is something we have to do for ourselves and we cannot talk about the eradication of poverty or what I prefer to talk about, the alleviation of poverty, unless we know what we are talking about and there is some measure by which we can judge what we are aiming at and how we are getting there.

We need to get that poverty line and understand what we are talking about, how many families or households, or individuals there are below this poverty line so that we know the size, or the magnitude of the problem we are dealing with. Within that framework minimum wage legislation is useful. It is useful because it will seek to point at an issue which is fundamental for our focus on what we are doing or seeking to do in this country and, that is, that we want to raise the living standards of everyone in this country.

Aside.

Rt. Hon. L. E. SANDIFORD: The Honourable Member for Christ Church South tried into a long and useful political career. He tried, but his efforts were not enough, or always appreciated. We share that particular effort, but we belong to a certain kind of club. You start out. You do well according to the best of your ability, but invariably all politicians tend to come to that particular point where their particular perspectives do not find favour with a majority of people. That seems to be it, so involuntary they have to give up their position, they do not ask for it, and have to take the role of elder statesman. That is what I am seeking to do, Sir, to ensure that there is a social conscience in this country that takes into account prevailing circumstances and seeks to do the right things at the right time, not for pure personal aggrandizement or political fortune but what is in the best interest of the country, the people whom they represent and the people of Barbados as a whole.

Sir, to that extent I am happy not only to contribute to this debate but also to express my own satisfaction that the Honourable Member for St. Michael South Central has brought this Resolution to give us this opportunity.

Mr. L. R. TULL: Mr. Deputy Speaker, I will not be long. I have always considered that the measure of a successful Government is the way it attracts all kinds of points of view around it, building consensus and harmony. This Resolution today has once again demonstrated that all political points of view in this country, seemingly in recent

times, are becoming to focus on what the Government is doing. Nobody can quarrel with the concept of a minimum wage for workers in Barbados. We are all agreed on that in all parties.

I recall there was a time when the Barbados Labour Party carried in its Manifesto of 1971 provision for a minimum wage for workers in Barbados, and the concept was wrongly abused during the Election campaign by the spokesmen on the platform of the Democratic Labour Party. Indeed, the effort was made quite successfully to convince Barbadians that all that the Barbados Labour Party wanted to offer the workers in Barbados was the minimum whereas the Democratic Labour Party was interested in getting them the maximum. Those are the kinds of things that are part of the political lore but today we have come around and circled the wagons around the Government. Never mind that the Resolution was brought by the Honourable Member for St. Michael South Central. This ties in admirably, Sir, with all the important initiatives this Government has been making over the last two years or so.

I used to comment at one point when I was in Parliament a number of years that one hardly ever heard debates about the poor. It was almost like a miasma, the word "poor." They talked about everything and nobody wanted to address the problems of the poor. I feel vindicated, Mr. Deputy Speaker, that we have now reached the stage where every single Tuesday, whatever debate, we are suddenly hearing that at the heart of any good policy the Government must be concerned about the welfare of the poor. I feel vindicated, Sir. We spend a lot of time in here discussing things of that sort. 3:30 p.m.

This Resolution today, as I have said, ties in with a lot of what has been happening. We have had debate on the Social Investment Fund, we have seen poverty alleviation programmes set up, we have seen Rural Development Commission and the Urban Development Commission set up to deal with the problems of the poor, we have seen refunds being given to people from taxes like VAT that we have never seen before and they are raising the threshold for income tax. All these things are happening and there are all part of a concerted effort on the part of this Government to make things better for poor people in this country.

I remember back in 1986 the Democratic Labour Party introduced some measures in the Budget just before elections that gave generously to the rich business places and so on. Big businesses laughed all the way to the bank in 1986 and 1987. If you look back in those days you will see that the companies that are now members of the Securities Exchange, the big business people in Barbados, all of them reported massive profits, all of them almost without exception. One was led to believe that if you made these concessions to the private sector that they would have more money for investments, it would create growth in the private sector and

the creation of jobs. But that did not happen, Sir, because the measures that were introduced were one-sided.

In respect of the particular Resolution, Sir, I am going to say from my own experience that if we take the Resolution only in the form in which it appears before us, support it and we go no further that we are going to run into just the kind of difficulty that we ran into in 1986. We have to consider minimum wage legislation not in the context of the United States. I have heard the argument put earlier that this very year the United States minimum wage legislation did not produce the results that the Republicans had predicted that there would and that it panned out very well in the end, the American economy is booming and they were able to absorb the minimum wage increases without doing any damage to the employment figures. I have also heard the mover of this Resolution made references to places like Brazil and Costa Rica and all these places that historically have minimum wage legislation.

The fact, however, is that the economy of Barbados is nothing like the economy of the United States and the practices in Barbados are no way equivalent to those in places like Costa Rica and Brazil and Ecuador and so on. Because minimum wage legislation or not in Latin American countries, they still have the lowest standard of living anywhere imaginable and there are people who are paid wages in those countries that are scandalously below a normal living wage. Although I am supportive of the concept of the workers at the lower level receiving an increase in the minimum wage, I do not want to join those who believe that this is a panacea, a universal cure and that everything will be alright now.

Sir, the fact is that from an empirical point of view, this is not new in Barbados. As a Minister of Government we have seen this, we have worked it out and we have come up with increased wages for shop workers and so on. I remember year after year when we were confronted with this and we looked at the reality of it that every time minimum wage legislation was passed for shop workers or domestic workers that quite a few of them were laid off. Swan Street was a good example. We increased the wages for shop workers and a lot of people were sent home. Shops that employed ten people started to employ six people to do the same work. It is true that the six got a little bit more money than before but they also put four out of work.

We have also had the same situation with domestic workers. That whenever there is an increase in the minimum wage for domestic workers, that some households decide to do without domestic workers and to share the work between spouses and children. That is something that we have to live with, that is part of the culture.

I say it in this context, Sir, that for this Resolution to have its maximum impact, it will be necessary for the

Ministry of Labour to beef up its legislation which deals with unfair dismissals and wrongful dismissals and securities of jobs and so on. They will have to balance that because there is no point getting a whole set of people sent home and you do not have the type of modern, progressive labour legislation in place that prevent many of these employers from laying off people and making the second condition worse than the first.

Mr. Deputy Speaker, we do not have to prove ourselves about it. Both the public and the private sector behaves the same way when the wage bill gets too high or when they perceive the wage bill to be too high. If you have a small business and you have to up the wages and you feel that the wages are getting a little more than you can manage, you are going to lay off people. That is the history of the relations between worker and employer in this country. Earlier in this decade we saw it in its most egregious form in the public sector when external agencies such as the IMF began to tell the Government of Barbados that its wage bill was too high. Exactly the same thing happened and thousands of workers were sent home. That is the culture in which we operate. We must not believe that just merely saying that the minimum wages will go up, is going to solve all these problems. If you do that, Sir, people in the shops will get sent home, domestic workers will get sent home, people in the media will get sent home, people all over the place will get sent home if the wages are pushed at a certain level.

One of the best things to have developed in Barbados in the last 50 years is the tripartite arrangements. It is something that we will be reading a lot about in the future. It is one of those successes that the Honourable Member for St. Michael South can look up. In establishing this tripartite arrangement and dealing with many of the problems in Barbados, it is a remarkable success. It is one of the successes that will completely transform the way these agencies deal with each other for the future and for the overall benefit of Barbados.

I believe that there is going to be a continuing job for this tripartite body and their triennial protocols. They will be extremely useful in having good governance in this country and we should think seriously about these matters and continue to see the good that is done and give it support. But the minimum wage legislation has to be sold to the employers' section of this tripartite body and sold with a great deal of diplomacy because as I said, our historical experience and our business culture all tell us that the wages of workers and the element of expenditure in the business is the first to make employers react in my view in the anti social way, that is to put people out of work. 3.40p.m.

We need to look at these things. We also have to look at the problems of now that Barbadians are becoming more knowledgeable about the structure of corporate entities and are becoming owners of shares in businesses and so on; they

look forward to their dividends. I do too, Sir. They look with an eagle eye at the auditor's report that is circulated before Annual General Meetings because they want to get more money and therefore they want to look and see where they can cut. These things have to be studied very, very carefully.

Minimum wage legislation cannot operate in isolation. It must be brought within the wider context of what is socially good for this country.

I want, Sir, to wind up by saying what I said a few minutes ago that the Ministry of Labour must work in tandem with those who want to see a Resolution such as this bear full fruit and by making sure that the legislation is in place to prevent a massive falling off of jobs on the implementation of minimum wage legislation.

It is also important to state that when jobs go as a result of minimum wage legislation a burden then is put on the social welfare vote. It is not something for nothing. If people are sent home because the minimum wage has gone up, it means that the National Insurance and Severance Payments Boards must be prepared for another onslaught on finances that are now very parlous.

It also means, Sir, that those who are working must be prepared to make a bigger sacrifice to keep those who are not working going. I hear a lot of talk. It is true that the level of wages between top and bottom is one of the most commendable anywhere in the world. As a matter of fact in the days of when the Soviet Union was at its height and the socialist states around the world were forces to be reckoned with we at one point steadied it and so the wages between the lowest paid worker in Barbados in the Public Service and the highest paid worker in the Public Service was narrower than it was in socialist states where they preached egalitarianism. We have to understand that wherever there is action there is bound to be a reaction and if we go ahead with this particular piece of legislation and we cannot help but go ahead with it, because of the nobility of the purpose we must go ahead

with it, we must bear in mind that there is going to be a reaction and that we must be prepared to deal with the reaction.

Mr. Deputy Speaker, Sir, I must say again before I sit down that I really feel pleased to see that after all these years sitting in this Chamber that the plight of the poor and the allocation of resources to the poor have now become front burner issues and that many Members of Parliament do not any longer feel that they cannot talk about the poor.

The Right Honourable Member for St. Michael South talks about poverty alleviation saying he prefers that to poverty eradication. I am one who feels that this country is sufficiently well endowed in resources that there can be poverty eradication in this country. The Honourable Member speaks about the purity of the language. Alleviation just means keeping the poverty but making it lighter. That is what poverty alleviation is. I believe, Sir, that we have the resources in this country and I am beginning to see, Sir, the political will emerging on all sides to do something about it. I am satisfied that if that political will continues that we would be able to eradicate poverty from this country within the next decade, Sir. I am grateful to you.

Mr. DEPUTY SPEAKER: At this point we come to the end of Private Members' Business for the remainder of this day's Sitting.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Deputy Speaker, Sir, that concludes the business for today. I beg to move that this Honourable House do now adjourn until Tuesday June 2, 1998 at 11.00 o'clock in the morning.

Hon. R.N. GREENIDGE: I beg to second that, Sir.

The question "was put and resolved in the affirmative and Mr. DEPUTY SPEAKER adjourned the House accordingly. 3.50p.m.

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