

**REPORT OF THE
BLUE-RIBBON ADVISORY COMMITTEE
ON THE ESTABLISHMENT OF A
NATIONAL MINIMUM WAGE**

BARBADOS

27 JANUARY 2021

LETTER OF TRANSMITTAL

27 January 2021

To: Hon. Colin Jordan M.P.
Minister of Labour and Social Partnership Relations
Ministry of Labour and Social Partnership Relations
3rd Floor West
Warrens Office Complex
Warrens
St. Michael

Dear Minister

**Re: Report of the Blue-Ribbon Advisory Committee
on the Establishment of a National Minimum Wage**

On behalf of the members of the Blue-Ribbon Committee, I have the honour to forward to you herewith, the Report of the Committee. We thank you for the privilege of serving on the Committee.

Yours faithfully

(Sgd)

SIR DAVID A.C. SIMMONS K.A., B.C.H., Q.C.
Chairman

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PART I

PRELIMINARY MATTERS

Appointment of Advisory Committee

On 10 December 2020, the Prime Minister, Hon. Mia Mottley Q.C., M.P. announced the Government’s intention to appoint a “Blue-Ribbon Advisory Committee” (the Committee) to review various reports, proposals, and recommendations touching and concerning the fixing of a national minimum wage and sectoral minimum wages.

2. By Instrument dated 22 December 2020, the Hon. Colin Jordan, Minister of Labour and Social Partnership Relations, appointed the following persons as members of the Committee:

- Sir David A.C. Simmons, K.A., B.C.H., Q.C., - Chairman
- Most Honourable Patrick Frost, F.B.
- Sir Allan Fields, K.C.M.G.
- Mr. Joseph Goddard, G.C.M., J.P.
- Mr. John. E.D. Williams
- Ms. Marcia Martindale

3. The Instrument stated that the Committee [should] “advise the Cabinet on the recommendations of the National Minimum Wage Board and the working document on minimum wages”. However, the Committee’s Terms of

Reference that accompanied our letters of appointment spelt out the tasks of the Committee in more detail.

The Terms of Reference of the Committee

4. The Terms of Reference (ToR) are as follows:

- “ (i) To review the draft proposal which was prepared by the Ministry of Labour and Social Partnership Relations (MLSP);*
- (ii) To review the recommendations of the Minimum Wage Board in relation to a national minimum wage and/or sectoral minimum wages and liaise with the Board regarding the recommendation;*
- (iii) To discuss the implications of a national minimum wage and/or sectoral minimum wages with the representative groups of the Social Partnership;*
- (iv) To consult with the Social Justice Committee, the Third Sector, as well as other interest groups or individuals as required;*
- (v) To make recommendations to the Minister responsible for Labour and the Cabinet on the means, methods and time frame for the introduction of a national minimum wage and sectoral minimum wages;*
- (vi) To submit such recommendations in a Report by January 29, 2021.”*

Structure of this Report

5. We have divided our Report into Parts each dealing with individual Terms of Reference or other specific matters. Part I provides information concerning the establishment of the Committee and the background to its establishment. Part II sketches a chronology of Minimum Wage legislation in Barbados from 1938 to 2017. In Part III we discuss some of the key definitions and other aspects of legislation dealing with a minimum wage. In Part IV we begin the

process of summarising the opinions of the persons who discussed a specific Term of Reference with us. Thus, Part IV deals with the Draft Proposal prepared by MLSP (ToR 1) and the recommendations of the Minimum Wage Board (ToR 2). Part V is a summary of the observations, opinions and recommendations of the representatives of employers and employees who are members of the Social Partnership with respect to the implications of a national minimum wage (ToR 3).

6. In Part VI we address ToR 4 to the extent possible, having regard to the limited timeframe that required the submission of this Report by 29 January 2021. We were unable to consult with the approximately 13 organisations that comprise the Third Sector. Instead, we considered it appropriate to consult the views of two Professors of Economics at the University of the West Indies, namely, Professor Emeritus, Michael Howard, and Professor Andrew Downes. Part VII of the Report discusses the Committee's approach to the determination of a national minimum wage and Part VIII records our conclusions and recommendations (ToR 6).

7. Although we were not able to solicit the views of the Third Sector, we wish to remind persons or organisations in that Sector that they will still be afforded an opportunity to discuss their views. Under s.7 of the *Minimum Wage Act 2017*, a period of 40 days is provided within which interested persons may send objections and the like to the Minister in respect of the Minimum Wage Order that he proposes to make.

A Note on the Background to the Appointment of the Committee

8. During the month of November 2020, there was an industrial dispute between the Barbados Workers' Union (BWU) and G4S Security Services (Barbados)

Ltd. (G4S). The central issue in the dispute was the disparity in wages between two types of security personnel. Some of these workers were characterised by G4S as “security stewards” whereas others, performing the same duties, were classified as “security officers”. Security stewards were paid a wage of \$7.42 per hour but security officers were remunerated at \$8.79 per hour. This differential in pay was not disputed by G4S.

9. In seeking to have parity of payment for the two types of security personnel, the BWU contended that, although the nomenclature of the two categories of security personnel was different, nevertheless each category performed the same duties. Apparently, this contention was also accepted by G4S. In effect, the employment of the personnel on unequal and discriminatory terms was contrary to the provisions of two ILO Conventions viz. *Convention C100 – Equal Remuneration Convention, 1951* and *Convention C111 – Discrimination (Employment and Occupation) Convention, 1958* both of which Barbados has ratified but has not incorporated in its domestic law.

10. In the course of a public address on 10 December 2020 in which she announced the settlement of the industrial dispute, the Prime Minister also announced that the Government of Barbados was committed to the fixing of a national minimum wage and the MLSP had, in fact, commenced work preparatory to the introduction of a minimum wage. In addition, the Prime Minister explained that a commitment had been given to the BWU and G4S to have the requisite Minimum Wage Order in place by 1 April 2021. It was in the context of that commitment that the Committee was established with instructions to report on or before 29 January 2021.

PART II

BRIEF CHRONOLOGY OF MINIMUM WAGE LEGISLATION IN BARBADOS

11. Having regard to the widespread social unrest that affected several West Indian colonies, including Barbados in 1937, it was not surprising that, in 1938, minimum wage legislation was first introduced in Barbados. *The Labour (Minimum Wage) Act, 1938*, which came into force on 6 May 1938, provided for the fixing of a minimum wage for labour. The legislation required the appointment of advisory boards prior to the making of an order fixing a minimum wage for any occupation.

12. The Act of 1938 was repealed in 1943 by the *Wages Board Act*. On 27 May 1950 the "*Wages Board (Bridgetown Shop Assistants) Order*" was made establishing a Wages Board for shop assistants in Bridgetown. The Board was responsible for fixing minimum rates for time and piece work.

13. In 1955, the *Wages Council Act*, modelled on the UK's *Wages Council Act 1945*, was enacted. The Barbados Act provided for the establishment of specialised Wages Councils catering to shop workers and workers in garment enterprises. Later, Barbados enacted the *Sugar Workers (Minimum Wage and Guaranteed Employment) Act, 1968* to set minimum wages for sugar workers. And the *Domestic Employees Act, Cap.344* laid the basis in 1982 for providing minimum wages for domestic/household workers. An Order made under this Act in 1982 fixed the minimum wage for domestic employees at \$1.50 per hour for a 44-hour week.

14. The *Wages Councils Act* empowered the Minister responsible for Labour to establish a Wages Council where, in particular, he was of opinion that no

adequate machinery existed for the effective regulation of the remuneration of the category of workers described in the Order. On 1 March 2012, a Minimum Wage Order came into force covering Shop Assistants. It fixed the minimum rate at \$6.25 per hour. - see Appendix I. Most recently, as we explain below, a new *Minimum Wage Act* of 2017 repealed the *Wages Council Act* and sought to enact more contemporary and comprehensive legislation.

PART III

THE MINIMUM WAGE FOR SHOP ASSISTANTS

15. In 2008, the Shops Wages Council proposed to the Minister that the minimum wage for Shop Assistants be increased in a phased manner as follows:

January 1, 2009 - \$275 per week/\$6.87 per hour

January 1, 2010 - \$300 per week/\$7.50 per hour

January 1, 2011 - \$315 per week/\$7.87 per hour

16. The current Minimum Wage Board explains in the extract from its Report (*infra*) the influence of the Shop Wages Council in causing the minimum wage for Shop Assistants to be set as \$6.25 in 2012:

*“The Shops Wages Council’s work provided guidance and support for an increase of the minimum wage, which was set at **\$6.25 per hour** for shop assistants and household domestics in Barbados effective March 1, 2012. Legislation at the time did not provide for a national minimum wage. **However, many sectors utilised the rate as a benchmark.**” (Our emphasis). – see *Proposal for a New National Wage – Report of the Barbados Minimum Wage Board, 24 December 2020 – p.4.**

Since 1 March 2012, therefore, the minimum wage for Shop Assistants has been widely used as a guide or to establish relativity in respect of other categories of worker.

17. On 1 December 1985, a new *Shops Act, Cap.356A*, entered into force. It defined “shop assistants” in these terms:

“shop assistant” means any person except a member of the occupier’s family, wholly or mainly employed in a shop in connection with the serving of customers, the receipt of money or orders for goods, or the delivery or despatch of goods.”

18. Ever since 1985 that narrow definition of Shop Assistant did not deter employers operating businesses other than shops from paying various categories of lowly paid workers at the rate prescribed for Shop Assistants. By 2015 Parliament recognised that a wider and more elastic definition was required to take account of categories of worker other than Shop Assistants. Accordingly, the *Shops Act, 2015* enacted the following definitions of “shop” and “shop assistants” in section 2 as follows:

“shop”

(a) means, subject to 3(2), any premises or place in which a person

(i) conducts, manages or carries on any retail or wholesale trade or business; or

(ii) conducts business by providing services in respect of the sale or hire of commodities,

whether or not the business is conducted, managed or carried on to the exclusion of, or in addition to, any other business; and

(b) *includes any place used for the storage of goods, the receipt of orders for goods, or the despatch or delivery of goods dealt with in the business.”*

“shop assistants” means any person, except a member of the occupiers family directly or indirectly,

(a) *employed in operations carried on for the purpose of sale or hire of articles; or*

(b) *employed in connection with the trade or business of a shop, including clerical or other office work.”*

The Minimum Wage Act 2017

19. In 2017, Parliament passed the *Minimum Wage Act*. One of the creations of the Act is the Minimum Wage Board whose overarching function is –

“to advise the Minister on all matters relating to the fixing of a minimum wage including –

(a) *the national minimum wage to be paid to an employee;*

(b) *the minimum wage to be paid to a specified group or sector of employees; and*

(c) *the terms and conditions of service and the minimum work conditions of an employee to whom a minimum wage applies.” – s.3(1).*

National Minimum Wage

20. The concept of a national minimum wage is defined in law. It is provided in s.2 of the Act that:

“national minimum wage” means a sum prescribed under a Minimum Wage Order as the lowest sum which an employer shall pay an employee in Barbados.”

21. Section 5(1) of the Act authorises the Minimum Wage Board to forward a recommendation to the Minister that may include “(a) the proposed minimum wage; (b) the proposed change in the minimum terms and conditions of service of employees generally or in relation to a specified group or sector of employees....”.

Matters to be considered by the Board prior to a Recommendation

22. Statutory guidance is offered to the Board in making a minimum wage recommendation. The Act enumerates the factors which the Board must consider prior to making a recommendation. Under s.5(2) these are:

- “(a) the rate of inflation, cost of living and general level of wages in Barbados;*
- (b) contributions payable and benefits provided under the National Insurance Act;*
- (c) the taxes to be deducted in accordance with the provisions of the Income Tax Act;*
- (d) economic factors, including the requirements of economic development, level of productivity and the desirability of attaining and maintaining high levels of employment;*
- (e) payment for similar jobs or tasks in other countries in CARICOM, the Commonwealth or similar jurisdictions; and*
- (f) any other relevant or related factors.”*

PART IV

REVIEW OF DRAFT PROPOSALS UNDER TERMS OF REFERENCE 1 AND 2

23. We turn now to a review of the draft proposals of the MLSP and the Report of the Minimum Wage Board in accordance with the Terms of Reference 1

and 2, starting with the Draft Proposal of the Manpower Research and Statistical Unit (MRSU) of the MLSP.

(i) Draft Proposal of MRSU

Mr. Ricardo Norville, Chief Researcher in MLSP, led a team of researchers that examined and analysed available materials germane to the issue of a minimum wage for Barbados. On 28 December 2020, the team produced a discussion document “*Proposal for a National Minimum Wage for Barbados*” (the Proposal).

24. We compliment the research team on the quality and quantity of the research materials that were used and analysed.

25. Adhering to the methodology of the OECD which based its research on 2.3 persons living in a household, the Proposal based its research on the assumption of a family consisting of one female and two children cohabiting in the same living space. This basic assumption was further refined to assume that the family had no savings and no supplementary income and spent no money on recreational/entertainment activities. It was further assumed that the family’s medical needs were addressed at the Queen Elizabeth Hospital or polyclinics and the family had the usual household conveniences such as a refrigerator, stove, wardrobe, beds, tables, and chairs. Nutrition was based on the prices of food items so that it was estimated that the family spent \$147.24 per week on a basket of goods. Weekly expenditure on clothing was estimated at \$45.23 and similar expenditure on household items was estimated at \$48.74 – see Appendix II.

26. MRSU estimated that, at the high end, total weekly expenses were approximately \$446.30 whereas the total weekly expenses at the low end were calculated at approximately \$404.09. An hourly rate applicable to these two calculations was found to be \$11.16 and \$10.10 at the respective ends.

27. Using the methodology of the *Survey of Living Conditions 2016/2017* and, applying an inflation factor of 5.9% for January 2020, the estimated cost of meeting the kilocaloric level in the basic nutritional requirement for two persons was \$145.29 per week.

Statistical Charts and Graphs

28. MRSU made liberal use of charts and graphs which are interlarded within the narrative of the Proposal. These are especially relevant to the ultimate determination of a minimum wage. For the purposes of our review, we draw attention to the following:

- The Labour Force 2013-2018
 - The Labour Force Participation Rates by Sex 2013-2018
 - Employment by Industry and Sex 2017 and 2018
 - Unemployment in Barbados 2013-2018
 - Retail Price Index, December 2013-2018
 - Housing, Water, Electricity, Gas – March 2014 to June 2019
 - Minimum Hourly Wage for CARICOM Countries converted into Barbados Dollars
- see Appendices III to IX

29. Appendix X provides important information relating to the types of workers at a level similar to that of security guards. The Appendix contains definitions of workers classified according to Barbados Standard Classification of Occupations 2016. We reproduce the Appendix in this Report since we are satisfied that the Research Team took into consideration those other categories of worker that fall with the same or similar job catchment.

Observations and Recommendations of MRSU

30. The Research Team made the following observations at p.40 of its Report:

“Having considered that there is a high cadre of workers earning an average weekly wage below \$250 and that the cost of living has increased over the period 2012-2020, it has become even more difficult for persons to maintain a decent standard of living. In 2012 a Shop Assistant earned \$13,000 a year or \$6.25 per hour. In 2019 given the effect of inflation, that \$6.25 now has a purchasing power of \$3.21. However, for there to be equilibrium or rather, for a Shop Assistant to have the same purchasing power today, as was the case in 2012, the minimum wage would need to be set at approximately \$12.15.”

31. Notwithstanding its observations as stated in the preceding paragraph, the team took into account “the overall analysis and the concerns of the labour market and its ability to pay.” Accordingly, the team made the following recommendations at p.41:

- “1. that a proposed national minimum wage should be set;
2. the hourly national minimum rate should be set at \$10.00;
3. the \$10.00 rate proposed, be phased in over a three (3) year period” namely -

Year 1 - April 2021 - \$8.00;

Year 2 - April 2022 - \$9.00;

Year 3 - April 2023 - \$10.00.

In addition, with respect to the Security Sector, a sectoral wage of \$8.00 was recommended.

(ii) Report of the Minimum Wage Board

32. The succinct Report of the Minimum Wage Board was delivered to the Minister on 24 December 2020. The Board, which is tripartite in nature and therefore includes representatives of employers and employees, was appointed to serve for three years with effect from 1 August 2018.

33. The Report takes as its starting point the rate of \$6.25 per hour that was set in 2012 as the minimum wage for shop assistants and household domestics. In making a proposal for a new national minimum wage, the Board said at p.5 that it took into consideration the following factors:

- rate of inflation;
- relativities with wage rates in other occupations;
- requirements necessary to support a family of three persons;
- labour productivity measurements in the macro economy;
- profitability of businesses and their capacity to afford a new minimum wage especially in light of the COVID-19 pandemic;
- the non-wage labour costs of businesses;
- data from the Barbados Employers' Confederation (BEC);
- data from the Central Bank and Barbados Statistical Service.

34. Upon a first reading of the factors enumerated in the preceding paragraph, it appears as though those factors were bald statements bereft of empirical or supporting data. However, the Chairman of the Board, Professor Philmore Alleyne, and two other members, Ms. Lynda Goodridge, (Deputy Chair), and Professor Troy Lorde, met with us on 20 January 2021. The Chairman explained the methodology used by the Board.

35. He said that the Board relied upon the extensive primary research conducted by MRSU that formed the basis of MRSU's "Proposal for a National Minimum Wage for Barbados". This process was not explicit in the Board's Report which merely mentioned that it "was provided with research assistance from MRSU...."(p.5). Thus, the factors were indeed supported by the research data revealed in MRSU's document but the Board's Report was abbreviated.

36. At para.3.0, where the Board listed its "Considerations regarding Increasing Minimum Wage", it reported that –

"in arriving at the proposed new minimum wage, the Board was especially mindful of the challenging economic conditions facing the country. Other factors were:

- *The possible effects on employment levels as employers may shift from full to part-time work for employees. In some cases, workers may be laid off or dismissed;*
- *The potential effect on very small businesses which may not be able to absorb increased costs or pass them on to the consumer;*
- *The cost of doing business, for example, security companies and retail enterprises passing on the cost to clients."*

THE BOARD'S PROPOSED NATIONAL MINIMUM WAGE

37. The Board proposed a national minimum wage phased as follows:

April 1, 2021 - \$8.00 per hour - \$320 per week;

April 1, 2022 - \$9.50 per hour - \$380 per week;

April 1, 2023 - \$10.00 per hour - \$400 per week.

The Security Sector

38. The Board proposed a sectoral minimum wage for security officers, phased as follows:

April 1, 2021 - \$9.00 per hour - \$360 per week;

April 1, 2022 - \$9.75 per hour - \$390 per week;

January 1, 2023 - \$10.50 per hour - \$420 per week.

39. Prof. Lorde made it clear that the national minimum proposed by the Board was \$10.00 per hour. However, its implementation was to be phased over a three-year period.

40. Prof. Alleyne also explained the Board's rationalisation of a recommended starting rate of \$8.00 per hour vis-à-vis the rate of \$12.15 extrapolated from the data provided by MRSU. MRSU had calculated that the purchasing power of \$6.25 per hour in 2012 was \$3.21 whereas a rate of \$12.15 would be required in 2020 to restore purchasing power.

41. In the opinion of the Board, "a jump from \$6.25 to \$12.15 in 2020 would be 'too traumatic for businesses'". Such an increase would have the effect

of doubling the payroll bill of businesses and would impact the economy negatively. In a memorable phrase, Prof. Alleyne said, “improving the lot of employees does not mean threatening the economy!” The Board followed Prof. Andrew Downes’ recommendation of a phased approach to implementation of a national minimum wage. It recognised that the solution it proposed was not perfect but, taking all relevant factors into account, and seeking to accommodate the several disparate interests, \$10.00 per hour phased in over three years was fair and reasonable.

42. So far as the Security Services Sector was concerned, the Board accepted that personnel in this sector were exposed to risks not necessarily inherent in other occupations and often kept unsociable hours. There was justification for a separate and different national minimum wage for employees in this sector hence the rates set out in p.38 (*supra*).

43. The Board experienced great difficulty in obtaining relevant, important and current data from several institutions and sources and called for institutional strengthening to address the information deficit.

PART V

DISCUSSION OF THE IMPLICATIONS OF A NATIONAL MINIMUM WAGE WITH REPRESENTATIVES OF THE SOCIAL PARTNERSHIP (TOR 3)

(i) Representatives of Employers

44. On 13 January 2021, the Committee met with representatives of the Barbados Private Sector Association (BPSA), the Barbados Chamber of Commerce and Industry (BCCI) and the Barbados Employers’ Confederation (BEC). Mr. Edward Clarke and Mrs. Anne Reid represented the BPSA; Mrs. Trisha Tannis

represented the BCCI and Ms. Yvonne Hall and Mrs. Sheena Mayers-Granville represented the BEC.

45. The employers' representatives all agreed that there was a need to review the minimum wage currently in force in Barbados. It was conceded that an increase was merited in principle. However, having regard to Barbados' fiscal and economic position over the last 12 years, its current involvement in an IMF programme and the devastating impact of COVID-19 since March 2020, the *timing* of implementation of a new minimum wage would be the most important matter of concern.

46. The employers' representatives were unable to present a Paper of their submissions owing to the short timeline offered. But they saw the necessity of having a business impact study commissioned and had actually started the process of commissioning their own study. However, it would be impossible to have the process completed before 15 March 2021. All parties present lamented the dearth of empirical evidence and scientific data in Barbados to inform an evidence-based approach to the determination of a national minimum wage. Such information was especially critical in the context of the prolonged period of recession that has affected the Barbados economy since 2008.

47. The representatives observed that the cost of business was increasing but revenues were declining in the period of recession. A number of companies in the productive sectors were in an unprecedented perilous state of affairs as a consequence of the impact of COVID-19. Therefore, it was important that the imposition of a new minimum wage be done sensitively to avoid creating further risks to the survival of businesses and contributing to an increase in unemployment.

48. The representatives reiterated that, because of the uncertainty and the imponderables posed by COVID-19, timing for the implementation of a new minimum wage was the most critical consideration. Accordingly, the BCCI recommended the introduction of a minimum wage for *one* year only in the first instance.

49. A new minimum wage would be a major decision for businesses at this time following ten years of recession. The Committee was advised to pay attention to the “knock on” or “ripple effect” of an increase in the minimum wage. In other words, we should be alert to the likelihood that an increase in wages at the lowest pay grade would induce pressure for increases at the next two pay grades owing to the relativities that exist within the hierarchy of pay grades.

50. Mr. Clarke’s experience and knowledge of the private sector led him to observe that a large number of companies are paying \$6.25 but this impression needed to be buttressed by hard evidence.

51. The BEC did a minimum wage survey in 2020 and asked the question: “What is the lowest hourly rate in your organisation?” They received 136 responses. Forty-eight (48) of the companies (i.e. 35% of respondents) indicated that their lowest paid employees are remunerated at an hourly rate between \$6.25 and \$8.00. Disaggregated, 13 employers pay \$6.25 or lower and 3 of these pay \$6.00 per hour. Thirty-five (35) employers pay between \$6.25 and \$8.00.

52. According to a document tendered by the BEC dated 12 January 2021, “the BEC currently has a membership of 248 companies spanning different sectors”. Their services cover 22,163 employees. In addition, the Barbados Hotel and Tourism Association (BHTA) is a member of BEC which represents 80 hotels.

BEC believes that “total employee count, accommodation and food service represents approximately 15,000 workers”. The BEC surveys appear at Appendix XI.

53. The representatives of the employers were unaware of the study on the impact of a minimum wage policy on Barbados’ economy, conducted by Professor Andrew Downes in 2008. And there was no information available to them of the impact on business, if any, as a result of the setting of a minimum wage for Shop Assistants at \$6.25 in 2012.

54. The view was expressed that, to the extent that the Government had signalled an intention to introduce a Prices and Incomes Policy, it might be tidier to allow the introduction of a new minimum wage to await the introduction of a Prices and Incomes Policy.

55. In any event, the BCCI saw the 1st of April 2021 deadline as a challenge for businesses.

The Small Business Association

56. The representatives of the Small Business Association (SBA), Senator Dr. Lynette Holder, Chief Executive Officer, and Ms. Andrea Taylor, Programme Manager, gave the Committee the benefit of their views on Friday, 15 January 2021.

57. Senator Holder informed us that, based on a 2017 poll, there was broad support from the membership of the SBA for the implementation of a minimum wage for Barbados. Of 200 businesses polled, 90% agreed with the

introduction of a minimum wage. 67% supported a wage of \$8.00 and 21% recommended \$6.00. Ten (10) per cent were not in favour.

58. The SBA intends to conduct another exploratory poll of 50 businesses in the week of 18 January 2021. Senator Holder was confident that there would be support for a minimum wage. The real issues would be timing and quantum.

59. Senator Holder promised the Committee an extract from the poll conducted in 2017.

(ii) Workers' Representatives

60. The Committee met representatives of the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB), the National Union of Public Workers (NUPW), and the Barbados Workers' Union (BWU) on Friday, 15 January 2021.

A. *CTUSAB*

61. CTUSAB supported the need for a review of the minimum wage situation in Barbados in principle but they recommended that discussions should take into account the prevailing economic climate, the IMF presence, the Barbados Economic Recovery and Transformation (BERT) programme and the impact of COVID-19. The Congress sent us a Memorandum on a minimum wage policy for Barbados on 18 January 2021. The Committee is grateful to CTUSAB for their very informative memo.

62. The Congress emphasised that unemployment was at a precarious level owing to the protracted economic recession.

63. CTUSAB asked the Committee to carefully consider –

- the cost of living and the impact of inflation over time;
- the need to protect the most vulnerable workers;
- that it was necessary to ensure that the collective bargaining process was not threatened by the implementation of a minimum wage;
- the fact that empirical employment data was not up to date and was difficult to obtain. It was important that discussions and decisions be backed by relevant data.

64. CTUSAB informed the Committee that it was more concerned with establishing a *living* wage than with establishing a minimum wage.

B. NUPW

65. NUPW was of the view that the principle of a national minimum wage was not diminished by a lack of empirical evidence. Mr. Wayne Walrond was of the view that the time had come to be bold and decisive with respect to implementation of a minimum wage since, for too long, the issue had been deferred because of a perennial lack of empirical evidence or allegations that the prevailing economic climate was not propitious for the implementation of such a policy.

66. Mr. Walrond urged the Committee to try to assist in establishing a livable wage at this time rather than waiting for the economy to be restored to a growth pattern.

67. He assured the Committee that he had never seen any evidence to suggest that the introduction of a minimum wage for shop assistants in 2012 had any negative impact on the economy or employment levels.

C. *BWU*

68. Ms. Toni Moore MP and Sir Roy Trotman of the BWU discussed with the Committee the implications of implementing a national minimum wage as well as a sectoral minimum wage for security personnel.

69. For many years, the BWU has advocated for the introduction of a livable wage or a minimum wage and, during the course of such advocacy, the Union has witnessed the emergence of a category of worker best described as “the working poor”. These are persons who have jobs but are yet unable to sustain themselves.

70. Because the BWU has experience of a large number of households comprising 5 to 7 persons, they suggest that the sample family unit of 3 used by MRSU should be increased to a family unit of 5.

71. The BWU advised us that, in the determination of a minimum wage, factors such as inflation, national insurance, taxation and employment levels should be taken into account. It is plain that, in the last 10 years, wages have not kept pace with movements in the cost of living, despite negotiated increases in wages.

72. With regard to the *security sector*, the BWU recommends that that sector should be treated separately from any other sector because of the risks inherent in the job and the long hours worked by security personnel.

73. It was explained to us that G4S workers did not have an increase for six years and the BWU is seeking a wage over and above \$8.79 per hour. Ms. Moore says that “\$9.25 is within the zone of expectation”.

74. For non-security personnel, BWU is recommending a minimum wage of \$8.00 per hour as a starting point for the reason that Barbados “was committed to that amount since 2007”, according to Sir Roy Trotman.

75. The BWU also requests that we consider other categories of worker such as sales assistants, domestic workers, gas station attendants, agricultural workers, and general workers. These are vulnerable groups who ought to be protected.

PART VI

CONSULTATION WITH TWO DISTINGUISHED ECONOMISTS

76. Our fourth Term of Reference allowed us the latitude to consult with “interest groups or individuals as required”. Since it was not practicable to meet with members of the Third Sector, the Committee decided to discuss the matter of a minimum wage for Barbados with two eminent Professors of Economics. Accordingly, on 19 January 2021, we met with Emeritus Professor, Michael Howard and Professor of Economics, Andrew Downes. Professor Downes has researched and published papers on minimum wage policy, in particular, the important dissertation of February 2008 “*The Impact of a Minimum Wage Policy on the Economy of Barbados*”. This paper was presented to the social partners in 2007 and was often referred to by the representatives of the workers during our meetings with them. Since the announcement of the establishment of the Committee, Prof. Howard, out of a sense of public-spiritedness, and a desire to inform public debate, sent two letters to the Press indicating his views on a national minimum wage.

(i) Professor Michael Howard

77. Prof. Howard highlighted the main issues in minimum wage analysis and made a proposal of a rate for a national minimum wage. He warned us not to recommend a sectoral minimum wage for different groups or sectors since such a mechanism was too complicated to administer and might lead to wide-scale non-compliance. Thus, he suggested that Barbados should have one national minimum wage.

78. Prof. Howard was of opinion that an appropriate national minimum wage could stimulate consumption and be advantageous to the economy as a whole. Such a wage was also socially desirable but care had to be taken not to set the rate too high lest it conduce to inflation and unemployment.

79. In his view, a national minimum wage of \$8.00 per hour seemed reasonable and was unlikely to have any serious, negative effect on businesses. Moreover, the Committee should pay regard to the current economic circumstances of Barbados and the realities of persistent negative growth, high unemployment as well as the impact of COVID-19.

80. Professor Howard told us that the literature showed that “a high national minimum wage can cause unemployment because businesses may choose to employ less labour as the cost of labour rises”.

81. The Professor based his recommendation for a national minimum wage “on the available private sector data supplied by the BEC”. The Committee had sent the BEC survey to Prof. Howard beforehand for his information and study. It is the document referred to at paras.51 and 52 *supra*.

82. What was very clear from the Schedule of Wage Rates in the tourism and hospitality sector was that none of the workers in the several categories earned as little as \$250 per week viz. the current minimum wage for Shop Assistants.

83. Prof. Howard's proposal is for a national minimum wage of \$8.00 per hour or \$64 per day viz. \$320 per week.

(ii) Professor Andrew Downes

84. Professor Downes is a former Chairman of the Wages Council and the Productivity Council. We have had the benefit of studying his 2008 Paper which proved to be most instructive.

85. The Professor acknowledged the desirability of a national minimum wage but advised that it should be complemented by an occupational minimum wage as was the case in Jamaica and Trinidad and Tobago. He said that changes in the minimum wage were usually linked to the cost of living, average earnings, basic negotiated wages, the poverty line or an estimate of "a living wage". The concept of a living wage was broader than the concept of a national minimum wage and it was more contentious.

86. He said that it was accepted that, depending on the rate of a minimum wage, there could be an increase in prices. And he said that inflation and/or the cost of living should be the prime factor in formulating a national minimum wage policy and setting the level of the wage.

87. In Prof. Downes' view, a national minimum wage should be revised every 3 or 5 years depending upon market conditions. He explained to the Committee that there was a technical difference between inflation and the cost of

living and he advised that the minimum wage should be higher than “the poverty line”. He summarised the arguments for and against implementation of a minimum wage.

88. The arguments in favour of a minimum wage were as follows:

- Elimination of or prevention of exploitation of workers;
- Reduction of poverty or the number of the working poor;
- Elimination of unfair competition in the labour market;
- Assistance in resolving industrial relations problems by setting a nominal floor for wages;
- Promotion of social justice, growth and stability;
- Increased productivity.

89. The arguments against a minimum wage policy were:

- Imposition of an implicit tax on employees;
- Creates dis-employment;
- Induces labour market segmentation;
- Leads to a misallocation of labour;
- Depresses wages in the informal sector.

90. Prof. Downes defined “the living wage” as “a certain minimum hourly wage PLUS reasonable benefits package which allows the worker to enjoy a decent standard of living”. A minimum wage affects one component of the living wage but raises the issue of a trade-off between wages and non-wage benefits.

91. The Professor recommended one national minimum wage and a select set of occupational minimum wages. He saw compliance as the most troublesome

issue and informed the Committee that it proved to be a big challenge for Jamaica and Trinidad and Tobago.

92. He pointed out that the minimum wage set for Shop Assistants is “an occupational minimum wage” and a national minimum wage should be lower than any occupational minimum wage. The rate of \$6.25 applies to a specific occupation whereas a national minimum wage addresses the issue of the lowest wage any worker should receive. He agreed that indexation would make it easier to tie a national minimum wage to inflation.

93. The *poverty line* figure is \$7,494.48 according to the *Survey of Living Conditions 2016*.

94. Prof. Downes’ research, updated to February 2008, made important recommendations. Some of these have been incorporated in legislation. For example, his recommendation of a tripartite body, supported by modern legislation to oversee minimum wage policy, has been enshrined in positive law, namely, the *Minimum Wage Act, 2017*. When he recommended a national minimum wage of \$7.50 per hour in 2008, there was evidence that some workers were being paid wages as low as \$175 per week (\$4.37 per hour) and \$200 per week (\$5.00 per hour).

PART VII

APPROACH OF THE COMMITTEE TO THE DETERMINATION AND IMPLEMENTATION OF A NATIONAL MINIMUM WAGE

Introduction

95. Having discussed the issues with the various organisations and persons who gave us the benefit of their opinions, expertise and experience, we

are now in a position to offer our own perspectives while ensuring fidelity to the views of those persons and organisations and the evidence.

96. Collective bargaining has traditionally been the primary source of regulation of basic rates of pay. However, more and more it has become accepted that minimum wage legislation can also regulate basic rates of pay to ensure that employees receive a certain minimum level of income in return for their labour. The objective and effect of such legislation are to establish a floor for remuneration. Of course, some employers are free to remunerate their employees above that floor created by the minimum wage legislation.

97. As indicated earlier at para.13, Wages Councils were the mechanism for recommending minimum wages. The Barbados model was taken from its English counterpart. These Councils were abolished in England in 1993 and in Barbados, since 2017.

98. A variety of international instruments remain relevant to the issue of minimum wages. Broadly, the intent of these instruments is to recognise the right of workers to a remuneration such as will give them and their families a decent standard of living.

99. *ILO Convention 131 (1970)* highlights two sets of factors that should be considered in setting minimum wage rates. These are:

(i) *The Basic Needs of Workers and their Families Inclusive of –*

- the general level of wages in the country;
- the cost of living and changes therein;
- social security and other non-wage benefits;

- the relative hiring standards of other social groups.

(ii) *Economic Factors* such as –

- the requirements of economic growth and development;
- the levels of productivity;
- the desire for a high level of employment.

Analysis of Criteria relevant to Determination of Minimum Wage

(i) Statutory

100. We listed at para.22 the statutory factors which the Minimum Wage Board must take into consideration before recommending a minimum wage to the Minister. Accordingly, we propose to examine these criteria and analyse to what extent the Board took them into account.

(a) Rate of inflation, cost of living and general level of wages

101. Among the factors listed by the Board at p.5 of its Report, a reference is made to the rate of inflation. The MRSU calculated the rate of inflation at 5.9% and it must be assumed that the Board kept in mind that rate. There is also evidence that the cumulative rate of inflation for the years 2012 to 2018 was 20.9%. Similarly, in so far as the MRSU also mentioned at p.40 of its Draft Proposal that it considered that “the cost of living had increased over the period 2012-20”, it must be assumed that the Board took the cost of living into account though there is no explicit statement as to the rate of increase that the Board considered relevant.

102. Nevertheless, we are satisfied that there is empirical evidence that the rate of inflation for 2019 and a part of 2020 was 5.9% (see Appendix XII) and the

cost of living increased during the period 2012-2018 by 20.9% - see Appendix XIII. We have seen data as to the general level of wages but we direct attention to the Wages Index for the Public and Private Sectors 1994-2018 (see Appendix XIV) and to the Schedule of Wages in the Hospitality and Hotel Sector appended to the research document of the BEC shown above.

103. In our opinion, it is unarguable that since the setting of a minimum wage for Shop Assistants in 2012, there has been enough compelling objective evidence to lead to the conclusion that increases in inflation and the cost of living adversely affected the general level of wages for the period 2012-2020.

(b) Contributions payable and benefits provided under the National Insurance Act, Cap.47

104. The Board's Report makes no mention of this factor. We cannot assume, without more, that the Board took this factor into account. It is our finding that during the period 2012-2020, national insurance contributions payable by employees increased to 11.1% with effect from 1 October 2018. This increase would have had a negative effect on the real value of wages.

105. Similarly, the Government introduced a new "tax" in 2018. The *Barbados Water Authority (Amendment) Act, 2018* amended the *Water Authority Act, Cap.274A*. The amending Act authorised the Barbados Water Authority to add to domestic customers' bills "a garbage and sewage contribution levy", of \$1.50 per day. This levy effectively adds \$45.00 per month to domestic households' expenditure.

(c) Taxes to be deducted under the Income Tax Act, Cap.73

106. Again, we find no explicit statement from the Board to indicate that they evaluated the impact of taxation. However, in fairness, it must be said that workers receiving the minimum wage are not liable to pay income tax. Indeed, they are beneficiaries of the Reverse Tax Credit of \$1,300 since they earn less than \$25,000 per annum. The statistics in respect of recipients of the Reverse Tax Credit for the years 2015 to 2019 are shown in Appendix XV.

(d) Economic Factors, including the requirements of economic development, level of productivity and the desirability of attaining and maintaining high levels of employment

107. The Board stated that they took into account “labour productivity measurements in the macro economy”. However, we are obliged to point out that the Productivity Council, which previously conducted research into productivity, has been disbanded. However that may be, the Board listed at para.3.0 of its Report “the challenging conditions currently facing the country” and “the three other factors” that we have reproduced at para.36.

108. It is a matter of common knowledge that COVID-19 has seriously damaged economies worldwide, including Barbados. Since March 2020, the Severance Payments Fund and the Unemployment Benefits Fund have been almost decimated by the valid demands of workers joining the ranks of the unemployed by reason of lay-off or severance. The National Insurance Scheme provided statistics showing the impact of COVID-19 on employment in Barbados for the period 1 January to 31 December 2020. In that period, the NIS received 52,282 claims for unemployment benefit and paid out \$155,456,856.02. Thirty-four thousand and sixty-three (34, 063) **persons** made claims and were paid.

109. We are satisfied that the Board gave due consideration to Barbados' current economic and fiscal circumstances. We desire to add only that it should be remembered that since 2018 Barbados has been involved in a programme with the International Monetary Fund (IMF). This programme has had a restraining impact especially on the fiscal side. Moreover, during the period 2012-2020, Barbados recorded negative and anaemic growth annually.

110. Having regard to all those circumstances, we understand the reasons why the Board was departing from the rate of \$12.15 per hour found by the MRSU as appropriate to restore purchasing power in its determination of a national minimum wage.

(e) Payment for similar jobs in other Caribbean States

111. The Board said that one of the factors which it considered was "relativity with wage rates for other occupations" but we cannot find a clear statement to the effect that it considered comparative data from other CARICOM countries. On the other hand, the Draft Proposal of the MRSU contains a detailed examination and analysis of wage rates in other CARICOM States. We reproduce the Comparative Tables at Appendix IX.

(ii) Other Relevant or Related Factors

112. Section 5(2) (f) of the Minimum Wage Act empowers the Board to consider "other relevant or related factors". We think that the matters discussed at (a) to (d) below may reasonably be taken into consideration in the determination of a national minimum wage and we have taken these additional matters into account.

- (a) The Poverty Line which is currently estimated at \$7, 494.48.
- (b) A different “basket of goods” in 2021 compared with that in use in 2012.
- (c) The undeniable fact that, during the period 2012-2020 and, particularly since March 2020 and the arrival of COVID-19, a significant number of businesses have “fallen by the wayside” in the words of Mr. Edward Clarke.
- (d) The data emerging from surveys.
- (e) The evidence and opinions of those persons/organisations that met with us.

113. During the period May to August 2006, Prof. Downes conducted “a survey of 300 establishments in Barbados in order to determine their views about the likely impact of a minimum wage policy at the economy”. Sixty-seven (67) establishments responded (22.3%). Eighty-four per cent (84%) supported the introduction of a minimum wage. It was expected that prices of goods and services “would increase slightly”. It was also likely that the competitiveness of an establishment’s goods and services would decrease slightly.

114. Prof. Downes said:

“This scenario is in keeping with economic analysis, namely, the increase in the minimum wage above the lowest wage in the establishment results in an increase in labour costs and hence the marginal cost of production.” (p.22).

115. When respondents were asked to assess the macroeconomic impact of a national minimum wage, Prof. Downes found that –

“The responses indicate that a national minimum wage is likely to result in an increase in the average level of real wages, increased prices and an improved standard of living..... There was some agreement that a national minimum wage structure would result in poverty reduction, the enhancement of decent work, reduced wage/salary differentials and greater part-time work.”

116. Most importantly, the survey results indicated that, if a national minimum wage were introduced in January 2007, a rate of “BDS\$8 per hour, BDS\$64 per day or BDS\$320 per week” would be the “optimal” level for respondents.

117. Since 2007/2008 there has been no other survey similar to Prof. Downes’. However, at para.52 and 53, we have alluded to the most recent survey conducted by BEC which indicates that a wage between \$6.25 and \$8.00 per hour is currently being paid by several employers.

118. The Small Business Associations’ poll shows that 68% supported a wage of \$8.00 per hour. Recently, one of our members, Ms. Marcia Martindale, conducted her own informal survey of business owners and employees in Bridgetown. She reports that the interviewees were generally in support of an increase in the minimum wage but there were concerned about the affordability of an increase at this time given the impact of COVID-19 on business activity. COVID-19 has had a massive negative impact on employment, productivity and profit margins for large and small businesses across Barbados. Ms. Martindale also

reported that she found a substantial number of employees who were being paid below the current minimum wage.

119. We also heed Prof. Howard's opinion that a national minimum wage of \$8.00 per hour would be justified. Likewise, Prof. Downes did not dissent from a figure of \$8.00 per hour. Indeed, in 2008, his recommendation was then \$7.50 per hour.

120. And on behalf of the BWU, Sir Roy Trotman informed us that, since 2007, Barbados was committed to a rate of \$8.00 per hour, a rate that had been distilled from the evidence of the several persons who held discussions with Prof. Downes.

121. Finally, we are bound to mention that, at p.8 of its 2018 Manifesto, the Barbados Labour Party pledged *"to raise the minimum wage from \$6.25 per hour to \$8.00 per hour and extend it to all categories of workers across the economy."* A similar commitment by the British Labour Party in 1992 and 1997 ultimately led to the introduction of a national statutory minimum wage through the enactment of the *National Minimum Wages Act, 1998*. *Simon Deakin and Gillian S. Morris* in their comprehensive text *"Labour Law"* (3rd Edn.) write at p.282:

"The introduction of a national statutory minimum wage was a commitment in the Labour Party's manifestos of 1992 and 1997, and after the General Election of 1997 the new government made it the first priority of employment law reform."

PART VIII

CONCLUSIONS

122. We have carefully reviewed and considered the evidence and opinions of the several persons and organisations that met with us. We have also taken into account the Report of the Minimum Wage Board and the Draft Proposal of MRSU. And, of course, we have kept in view our own findings and analysis set out in Part VII. In the result, we are driven to the conclusion that the overwhelming preponderance of evidence and opinion is weighted in favour of the introduction of a national minimum wage of not less than \$8.00 per hour.

123. With respect to the **Security Services Sector**, taking all circumstances into account, including the present higher rate of \$8.79 per hour being paid by G4S, we are of opinion that a rate of not less than \$9.00 per hour would meet the justice of the entitlements of workers in that sector.

124. We hesitate to recommend that the duration of the national minimum wage should exceed one year at this time. The uncertainty surrounding Barbados' fiscal and economic position and COVID-19 as well as similar phenomena affecting our key trading partners means that disequilibrium will remain a live reality. No immediate relief from the depressed global environment is easily foreseeable. We think, therefore, that it is a counsel of prudence not to speculate about a minimum wage rate too far into the future and recommend phased rates in the years succeeding 2021. There are too many variables and imponderables. The Minister must constantly monitor both the performance of the economy and the public health situation before proposing an increase in the national minimum wage.

RECOMMENDATIONS

125. We recommend the following for Cabinet's consideration:

- (i) A **national minimum wage** at the rate of \$8.50 per hour or \$340 per week should be implemented with effect from April 2021. This rate should apply to all workers in Barbados irrespective of occupation or sector of employment, except for persons employed in the security services sector. Notwithstanding the severe negative impact of inflation over the years on the minimum wage of \$6.25 per hour implemented as from 1 March 2012, we cannot recommend a rate beyond \$ 8.50 per hour as the national minimum wage. We are of the view that the overriding consideration *at this time* must be to accommodate the circumstances imposed by the Covid-19 pandemic, a phenomenon of massive imponderables in which there can be no measurement of its various adverse effects with any degree of reasonable certainty. Moreover, we believe any rate we recommend should offer some element of amelioration, but not carry the potential to worsen the situation currently confronting Barbadian society.
- (ii) The national minimum wage applicable to persons employed in the **Security Services Sector** should be a rate of \$9.25 per hour or \$370 per week. Employees in this sector are those who are licensed by the Private Investigators and Security Guards Licensing and Advisory Board as security guards under the

provisions of the Private Investigators and Security Guards Act, Cap.372E. A security guard is defined in section 7 of the Act as:

“a person licensed under this Act to provide services for the protection of persons or property or to prevent the theft or the unlawful taking of property.”

In the performance of their duties, security guards have powers of arrest. They are required to pay a fee to allow them to function as security guards. It is obvious, therefore, that security guards are qualitatively different from ordinary watchmen.

- (iii) The national minimum wage should be reviewed in 2022 and every 3 years thereafter.
- (iv) It is recommended that, prior to the implementation of a national minimum wage, the Government should undertake a programme of public education. In 2015 and 2017, there were important legislative changes widening the definitions of “shop” and “shop assistant” or creating the new definition of “national minimum wage” (*supra*). In addition, in 2020, Parliament enacted the *Employment (Prevention of Discrimination) Act 2020* to protect persons from discrimination related to employment. We are not satisfied that many employers and employees are conversant with these definitions or the suite of legislation. Indeed, we were made aware that some employers are still paying employees below the 2012 rate of \$6.25 per

hour. In those circumstances, we urge the Minister, before making a Minimum Wage Order, to endeavour to ensure that employers and employees are not only made aware of the new requirements of that law but also the others to which we have alluded.

- (v) All of the interviewees accepted that compliance and enforcement of the national minimum wage are two matters that are crucial to the success or otherwise of the implementation of a national minimum wage. We are not unmindful that there are provisions dealing with compliance and enforcement in the *Minimum Wage Act, 2017*. Nevertheless, we urge the Minister to strengthen the relevant department with responsibility for these matters to ensure that the provisions of the law are respected and not honoured in the breach.
- (vi) The Government must take urgent steps to strengthen the institutions which collect data relating to employment to ensure that such data is always current and reliable and in a proper state to inform decision-making.
- (vii) The Government should develop a legislative programme aimed at incorporating into domestic law, two important ILO Conventions, which have been ratified by Barbados, viz. *Convention C100 – Equal Remuneration Convention, 1951* and *Convention C111 – Discrimination (Employment and*

Occupation) Convention, 1958. Another important Convention that has not been ratified however, is *Convention C175 – Part-time Work Convention, 1994.*

Acknowledgments

Assistance Provided for the Committee

Persons/Organisations with whom the Committee held Discussions

126. The Committee met with a number of persons by Zoom to solicit their opinions on the issue of fixing a national minimum wage or sectoral minimum wages. All of these persons readily responded to our invitations and gave unselfishly of their expertise and experience. We owe them all a great debt of gratitude.

127. The persons referred to in the preceding paragraph are:

- Mr. Edward Clarke, Chairman of the Barbados Private Sector Association (BPSA);
- Mrs. Anne Reid, Chief Executive Officer, BPSA;
- Mrs. Sheena Mayers-Granville, Executive Director, Barbados Employers' Confederation (BEC);
- Ms. Yvonne Hall, President, BEC;
- Mrs. Trisha Tannis, President, Barbados Chamber of Commerce and Industry (BCCI);
- Professor Michael Howard, Professor Emeritus, University of the West Indies (UWI);
- Professor Andrew Downes, Professor, UWI;
- Sir Roy Trotman, K.A., Consultant, Barbados Workers' Union (BWU);

- Ms. Toni Moore M.P. General Secretary, BWU;
- Mr. Edwin O’Neal, President, Congress of Trade Unions and Staff Associations (CTUSAB);
- Mr. Dennis DePeiza, General Secretary, CTUSAB;
- Mr. Wayne Walrond, General Secretary, National Union of Public Workers (NUPW);
- Senator Dr. Lynette Holder, Chief Executive Officer, Small Business Association (SBA);
- Ms. Andrea Taylor, Programme Manager, SBA;
- Professor Philmore Alleyne, Chairman of the Minimum Wage Board;
- Ms. Lynda Goodridge, Deputy Chair of the Minimum Wage Board;
- Professor Troy Lorde, Member of the Minimum Wage Board;
- Mr. Leslie Haynes Q.C., Chairman of the National Insurance Scheme;
- Mrs. Louisa Lewis-Ward, Revenue Commissioner, Barbados Revenue Authority.

128. The Committee wishes to place on record its profound gratitude to Mr. Ricardo Norville, Chief Research and Planning Officer of the MLSP. The Committee is also grateful to Ms. June Christian, acting Administrative Director of the Law Reform Commission, who served the Committee as Recording Secretary. Both officers rendered exceptional service, always with good humour, in the highly pressurised milieu that was a consequence of the limited time-frame afforded the Committee to execute its mandate.

129. We wish to express our deep appreciation to the Hon. Prime Minister Mia Amor Mottley Q.C., M.P. and the Minister of Labour and Social Partnership Relations, Hon. Colin Jordan for affording us the opportunity to participate in an

exercise of such immense and historic importance for the advancement of the working class of Barbados. The right of workers to fair remuneration for their labour ensuring for themselves and their families a decent standard of living is an objective of which we were fully conscious at all times.

130. We are pleased to have made a contribution to the public affairs of Barbados and shall always cherish the experience.

Dated this day of January 2021

(Sgd)

.....
SIR DAVID A.C. SIMMONS K.A., B.C.H., Q.C.
Chairman

(Sgd)

.....
SIR ALLAN FIELDS K.C.M.G.

(Sgd)

.....
THE MOST HONOURABLE PATRICK FROST F.B.

(Sgd)

.....
MR. JOSEPH GODDARD G.C.M., J.P.

(Sgd)

.....
MR. JOHN E.D. WILLIAMS

(Sgd)

.....
MS. MARCIA MARTINDALE

2012-02-02

1

S. I. 2012 No.

Wages Councils Act
Cap. 362

WAGES
COUNCILS
(WAGES
REGULATION)
(SROP
ASSISTANTS)
ORDER, 2012

The Minister in exercise of the powers conferred on him by section 12(1) of the *Wages Councils Act* makes the following Order:

1- This Order may be cited as the *Wages Councils (Wages Regulation) (Shop Assistants) Order, 2012*.

2. In this Order,

"shop" has the meaning assigned to it by section

2 of the *Shops Act*; *cap. 356A* "shop assistant"

means any worker employed in this Island

(a) in or about a shop in operations carried on for the purposes of sale of articles or in connection with the trade or business of the shop; or

(b) in the service of the proprietor of a shop, whether within the shop or outside it, in clerical or other office work carried on in connection with the trade or business of the shop.

3. The wages regulation proposals set out in the *Schedule*

shall come into effect on the 1st day of March, 2012.

s

chedule_

4. The *Wages Councils (Wages Regulation) (Shop Assistants) S. 1.1004 Order, 2004* is revoked from the 1st day of March, 2012, and shall No¹⁵⁵. cease to have effect from, that date.

2

SCHEDULE

(paragr
aph 3)

STATUTORY
MINIMUM
REMUNERATION
PAYABLE
TO
SHOP
ASSISTANTS

Minimum Time Rates

Rate of Pay

General Minimum Wage Rates

L (a) The minimum rate of wages payable weekly 250.00 per week

(b) The minimum rate of wages payable daily

where a shop assistant is not employed on

a weekly basis 50,00 per day

(c) The minimum rate of wages payable hourly where a shop assistant is not employed on a weekly or daily basis

hour 6.25 per

Minimum Overtime Rates

2, (a) The minimum overtime rate of wages

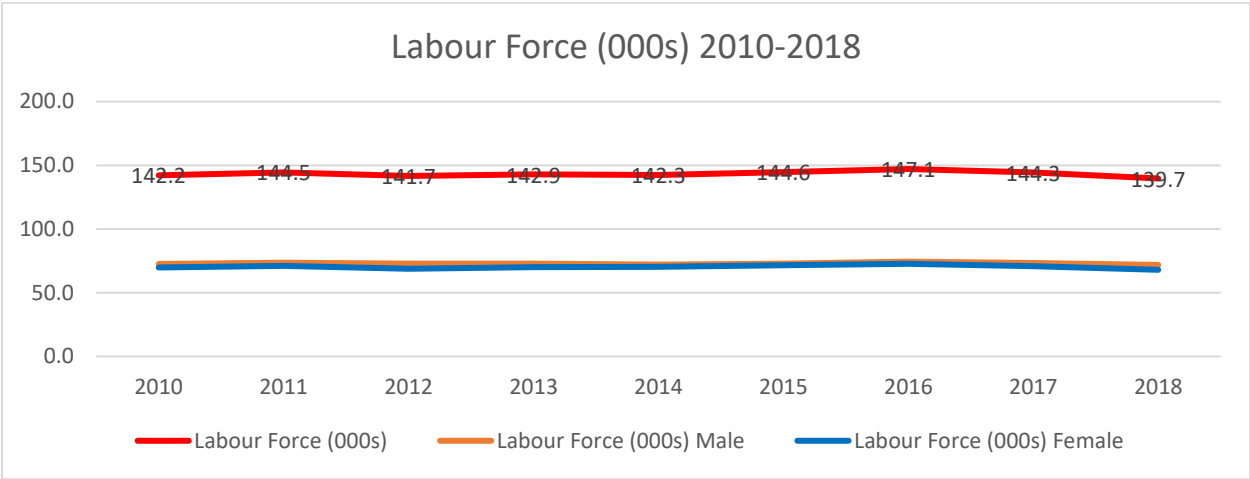
Appendix II

High End			Low End			
WEEKLY ESTIMATES			WEEKLY ESTIMATES			
Clothing	45.23		Clothing	45.23		
Food	147.24		Food	147.24		
Cooking Gas Bottle	10.33		Natural Gas	1.81		
Digicell	27.69	Monthly Service	Digicell	20	Pay As You Go	
Electricity	46.15		Electricity	36.92		
Water	17.77		Water	17.77		
Shelter	48	NHC	Shelter	37.38	NHC	
Transport	49		Transport	49		
Medic. Exp	6.15	Private	Medic. Exp	0	Polyclinic	
Household Supplies	48.74		Household Supplies	48.74		
	High End			Low End		
RAW WEEKLY EST.	446.30		RAW WEEKLY EST.	404.09		
RAW HOURLY EST.\$	11.16		RAW HOURLY EST.\$	10.10		

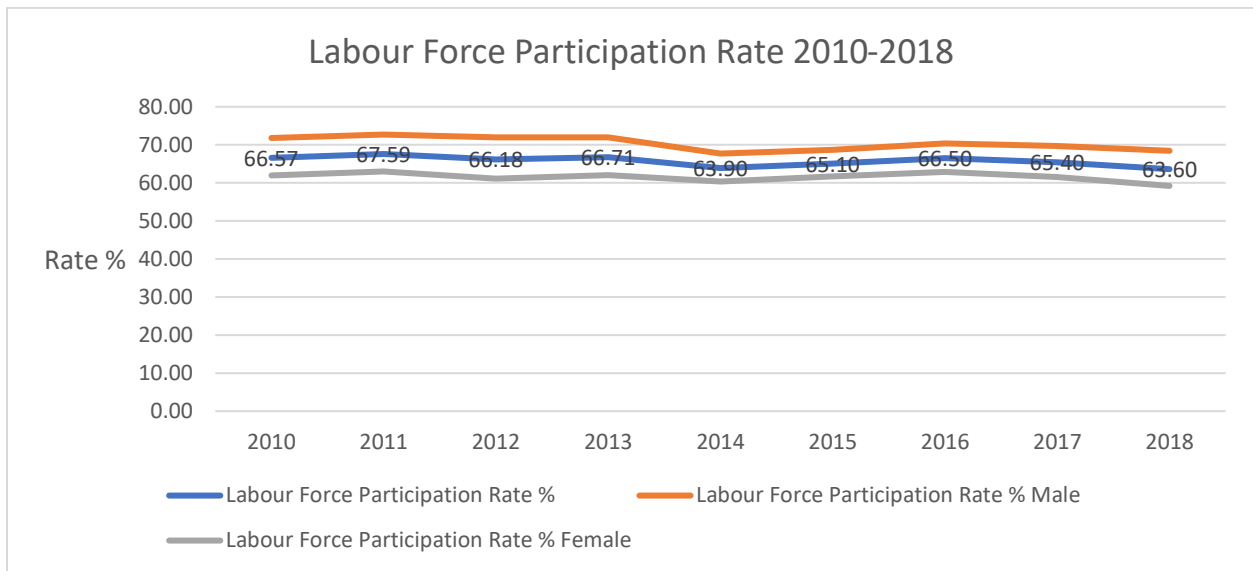
Source: MINISTRY OF LABOUR AND SOCIAL PARTNERSHIP RELATIONS 2020-12-28

PROPOSAL FOR A NATIONAL MINIMUM WAGE FOR BARBADOS

DISCUSSION DOCUMENT

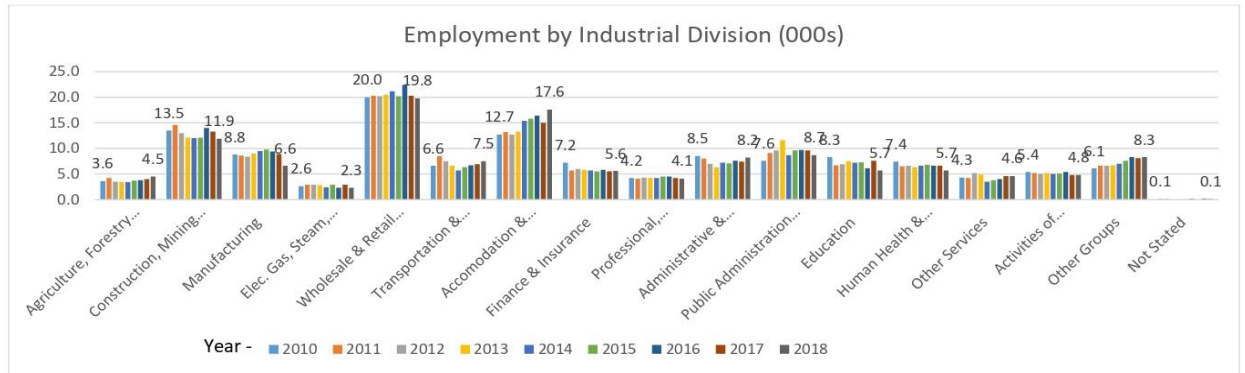


Source: Barbados Statistical Service



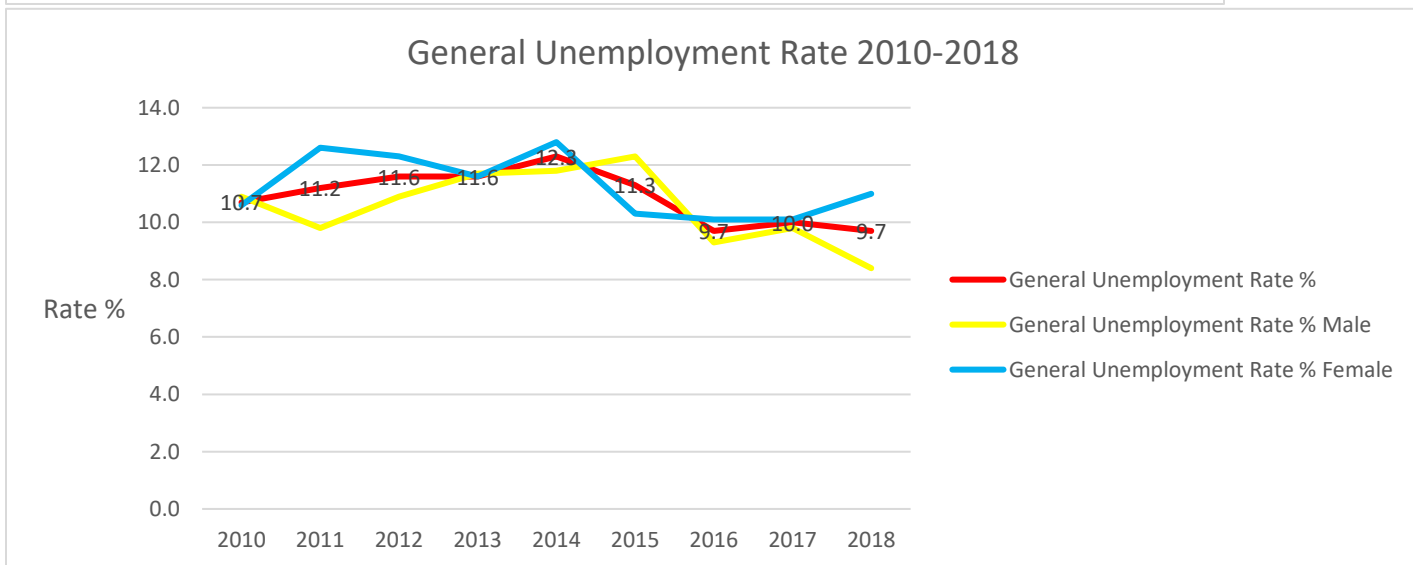
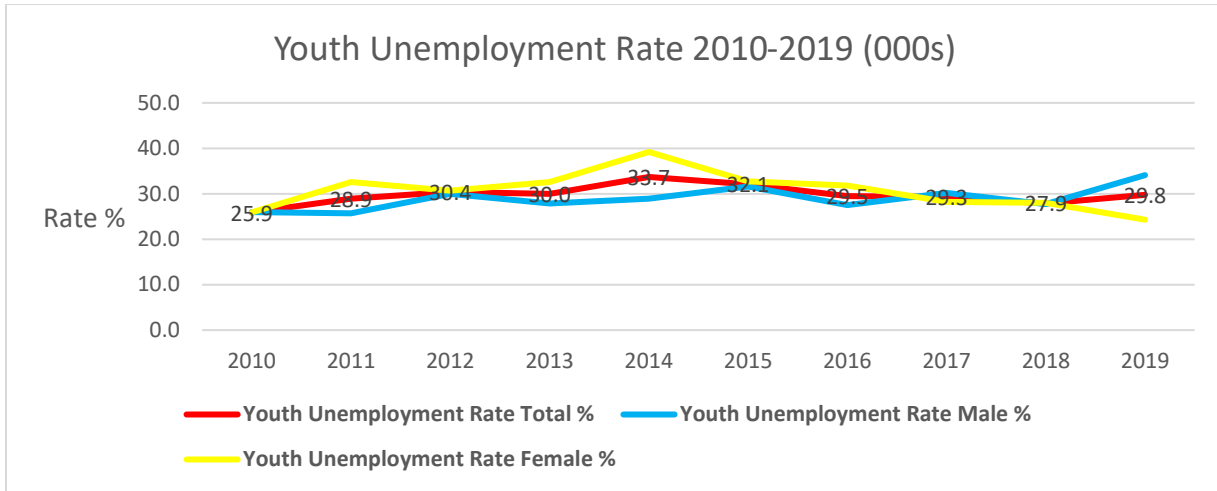
Source: Barbados Statistical Service

Appendix V



Source: Barbados Statistical Service

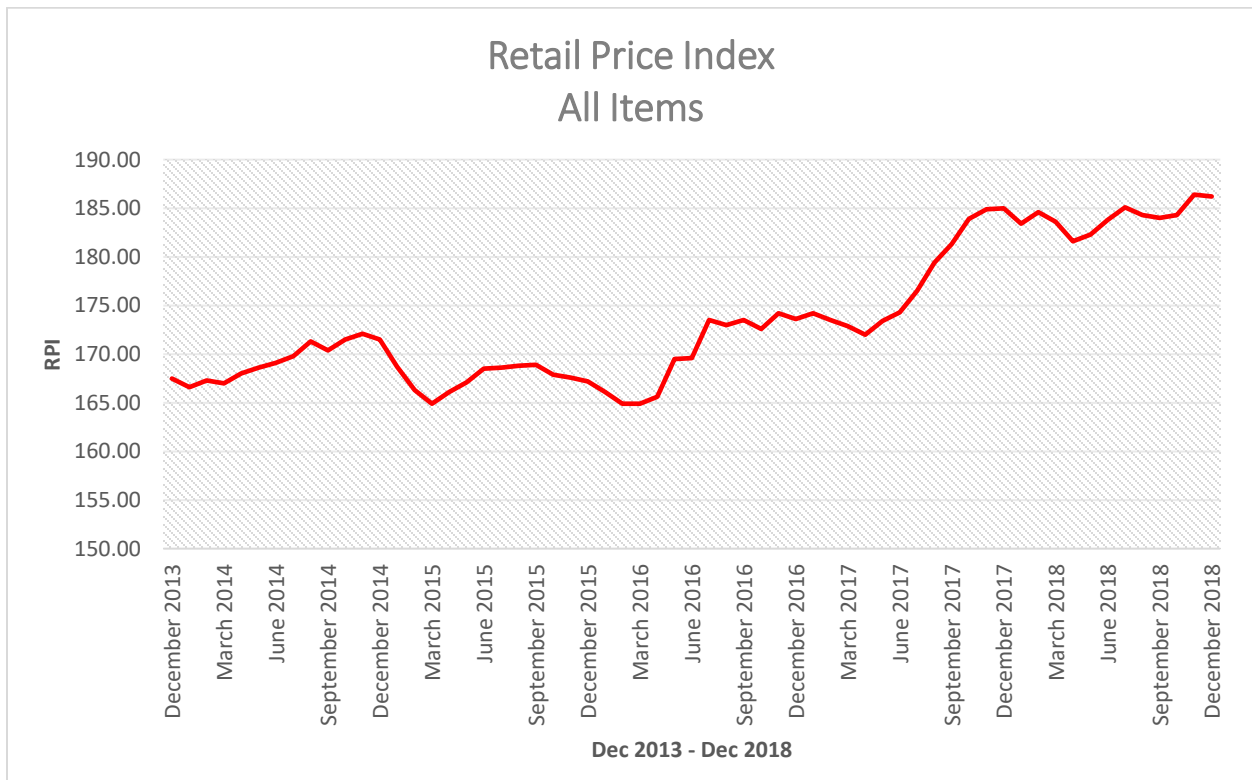
Appendix VI



Source: Barbados Statistical Service

Appendix VII

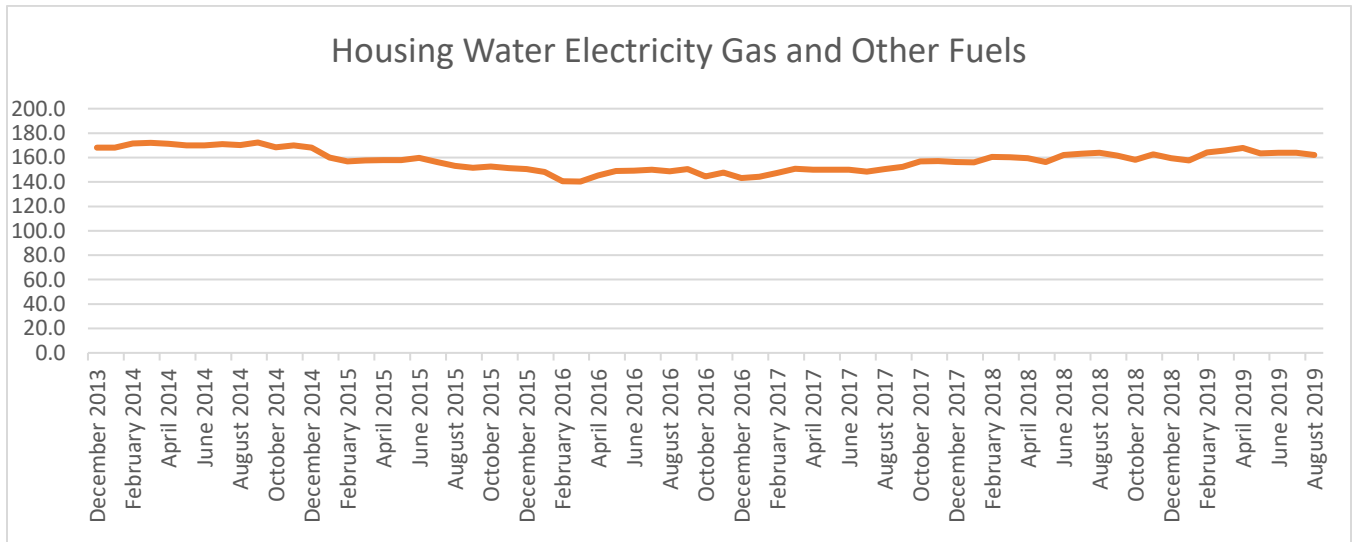
The monthly overall retail Price Index (RPI) for all items during the period December 2013 to December 2018.



Source: Barbados Statistical Services

Appendix VIII

Cost of Housing Water Electricity Gas and other Fuels



Source: Barbados Statistical Service

Appendix IX

The Minimum **Hourly Wage** for Caribbean Countries under the various

Country	Shop Assistants	Security Guards	Gas Station Assistants	Domestics	Maids	Agricultural Workers
Barbados	6.25	6.30	6.25	6.25	6.80	8.10
Jamaica	2.87	3.23	12.39	5.82	6.42	7.03
Trinidad	5.15	5.15	5.15	5.15	5.15	5.15
Guyana	2.30	1.07	2.44	2.44	2.72	2.44
St. Lucia	3.70	1.85	-	3.37	3.37	3.28
Antigua & Barbuda	4.76	3.65	4.34	5.41	5.41	12.58
Belize	2.02	3.66	7.94	3.27	6.33	6.14
Grenada	7.21	3.35	3.30	5.13	7.53	7.35
St. Vincent & Grenadines	3.70	3.35	3.30	2.31	2.96	3.33
Martinique	10.03	6.34	-	12.98	12.83	11.21

categories listed **in Barbados Dollars**.

Source: MINISTRY OF LABOUR AND SOCIAL PARTNERSHIP RELATIONS 2020-12-28

DISCUSSION DOCUMENT

Appendix X

Definition of Workers job title based on the Barbados Standard Classification of Occupations 2016 (BARSOC)

Security Officers/Guards/Watchmen

Security guards patrol or monitor premises to guard property against theft and vandalism. They control access to establishments and maintain order and enforce regulations at public events and within establishments.

Domestic

Domestic cleaners sweep, vacuum clean, wash and polish, take care of household linen, purchase household supplies, prepare food, serve meals and perform various other domestic duties.

Maid/Messenger Maid

Domestic cleaners sweep, vacuum clean, wash and polish, take care of household linen, purchase household supplies, prepare food, serve meals and perform various other domestic duties.

Cleaner

Cleaners and helpers in offices and other establishments (excluding hotels) perform various cleaning tasks in order to keep clean and tidy the interiors and fixtures of offices and other establishments, as well as of aircraft, buses and similar vehicles.

Presser

Laundry workers launder, press or dry-clean garments, linen and other textiles by hand.

Child Care

Child-care workers provide care and supervision for children in residential homes and in before-school, after-school, vacation and day care centres.

Elder Care

Home-based personal care workers provide routine personal care and assistance with activities of daily living to persons who are in need of such care due to effects of ageing, illness, injury, or other physical or mental condition in private homes and other independent residential settings.

Agricultural Assistant

Agricultural technicians perform tests and experiments, and provide technical and scientific support to agricultural scientists, farmers and farm managers, to those undertaking harvesting, resource conservation and environmental protection.

Field Assistant

Agricultural technicians perform tests and experiments, and provide technical and scientific support to agricultural scientists, farmers and farm managers, to those undertaking harvesting, resource conservation and environmental protection.

Nursery Worker

Garden and horticultural labourers perform simple and routine tasks in operations to cultivate and maintain trees, shrubs, flowers and other plants in parks and private gardens, to produce saplings, bulbs and seeds, or grow vegetables and flowers by intensive cultivation techniques.

Gardeners

Gardeners, horticultural and nursery growers plan organise and perform operations to cultivate and maintain trees, shrubs, flowers and other plants in parks and private gardens, and to produce saplings, bulbs and seeds, or grow vegetables and flowers by intensive cultivation techniques, for sale or delivery on a regular basis to wholesale buyers, marketing organisations or at markets.

Gas Station Attendant/Service Station Attendant

Service station attendants sell fuel, lubricants and other automotive products and provide services such as fuelling, cleaning, lubricating and performing minor repairs to motor vehicles.

Shop Assistants/Attendants

Shop sales assistants sell a range of goods and services directly to the public or on behalf of retail and wholesale establishments, and explain the functions and qualities of these goods and services.

Packers

Hand packers weigh, pack and label materials and products by hand.

Cashiers

Cashiers and ticket clerks operate cash registers, optical price scanners, computers or other equipment to record and accept payment for the purchase of goods, services and admissions in settings such as stores, restaurants and ticket offices.

Porter

Freight handlers carry out tasks such as packing, carrying, loading and unloading furniture and other household items, loading and unloading ship and aircraft cargoes and other freight, or carrying and stacking goods in various warehouses.

Receptionist

Receptionists (general) receive and welcome visitors, clients, or guests and respond to enquiries and requests including arranging for appointments.

Handyman

Odd job persons clean, paint and maintain buildings, grounds and facilities, and undertake simple repairs.

General Workers

Manufacturing labourers not elsewhere classified assist the work of machine operators and assemblers and perform a variety of manual tasks in manufacturing, excluding packing and labelling finished products.

Maintenance

Manufacturing and construction supervisors oversee quarrying operations and directly supervise and coordinate the activities of those working in quarries; co-ordinate and supervise the activities of process control technicians, machine operators, assemblers, and other manufacturing labourers; co-ordinate, supervise and schedule the activities of workers engaged in the construction and repair of buildings and structures.

Machine Operators

This unit group includes stationary plant and machine operators not classified elsewhere. The group includes, for example, operators of machines which make silicon chips and splice cables and ropes.

Binders

Print finishing and binding workers bind books and other publications, and finish printed products by hand or machine.

Joiners

Carpenters and joiners cut, shape, assemble, erect, maintain and repair various types of structures and fittings made from wood and other materials.

Sanders

Woodworking machine tool setters and operators set-up or operate and monitor automatic or semi-automatic woodworking machines, such as precision sawing, shaping, planing, boring, turning and woodcarving machines to fabricate or repair wooden parts for furniture, fixtures and other wooden products.

Assistant Cooks

Cooks plan, organise, prepare and cook meals in hotels, restaurants and other eating places, on board ships and in private households.

Washers

Kitchen helpers clear tables, clean kitchen areas, wash dishes, prepare ingredients and perform other duties to assist workers who prepare or serve food and beverages.

Cleaners

Cleaners and helpers in offices and other establishments (excluding hotels) perform various cleaning tasks in order to keep clean and tidy the interiors and fixtures of offices and other establishments, as well as of aircraft, buses and similar vehicles.

Source: MINISTRY OF LABOUR AND SOCIAL PARTNERSHIP RELATIONS 2020-12-28

PROPOSAL FOR A NATIONAL MINIMUM WAGE FOR BARBADOS

DISCUSSION DOCUMENT

Appendix XI

1) Total number of members of the BEC:

The Barbados Employers' Confederation (BEC) currently has a membership of 248 companies spanning different sectors. The services we offer to our members covers over 22, 163 employees. The sectors and number of companies are broken down in the table below:

<u>TRADE GROUP</u>	<u># OF COMPANIES</u>
Ancillary Services	45
Construction & Allied Services	21
Distribution	48
Financial Services	35
Garage	5
Hospitality Services	33
Manufacturers	41
Travel, Utility & Energy	15
Association of Employers	5

Additionally, the Barbados Hotel & Tourism Association (BHTA) , the umbrella association for the hospitality sector, is a member of the BEC which currently represents 80 hotels as well as other direct tourism services. While we do not have the total employee count, accommodation and food service represent approximately 15,000 workers. The breakdown of hotel classes can be seen below:

Class	Number in Class
Luxury Hotels	17
“A” Class Hotels	32
“B” Blass Hotels and Apartments	31
Total Count	<u>80</u>

2) Number of employers who have workers working within the minimum wage:

No holistic data could be gathered on BEC’s membership with respect to this question. However, based on the BEC’s 2020 Minimum Wage survey which garnered one hundred and thirty-six (136) responses thus far to the question **“What is the lowest hourly rate in your organization?”**, Forty-eight (48) of these companies (which represent 35% of the respondents) indicated that the lowest paid employees are compensated at hourly wages between \$6.25 and \$8; broken down as follows:

- Thirteen (13) employers (9.5% of respondents) have employees paid \$6.25 or lower with three (3) companies noting that their lowest paid staff is compensated at \$6 per hour.
- Thirty- five (35) employers (25.7% of respondents) pay employees between \$6.25 and \$8.

Kindly note that this survey is being done in collaboration with the Barbados Private Sector Association (BPSA) and the Barbados Chamber of Commerce and Industries (BCCI). The data collection is currently ongoing and analysis needs to be performed.

3) Number of workers in the minimum wage bracket of \$6.25 /\$250 week that your organization can account for from your members.

Regrettably, we cannot account for the number of workers from each organization operating at or under the minimum wage bracket.

**SCHEDULE I
 BARBADOS HOTEL & TOURISM ASSOCIATION
 Wages Rates For 2017-2020
 LUXURY CLASS HOTELS**

	2016/2017 Rates	Effective 2.0% 15/12/2017	Effective 2.0% 5/12/2018	Effective 1.5% 15/12/2019
General Cook	423.62	432.09	440.73	447.34
Pantry Worker	394.90	402.79	410.85	417.01
Dishwashing/ Potwasher	386.16	393.89	401.76	407.79
Bartender	445.24	454.14	463.22	470.17
Assistant Bartender	423.61	432.08	440.72	447.33
Head Waiter	445.24	454.14	463.22	470.17
Assistant Headwaiter	431.46	440.09	448.89	455.63
Waiter/Waitress	423.61	432.08	440.72	447.33
Bus Person	390.53	398.35	406.31	412.41
Linen Room Attendant	421.01	429.43	438.02	444.59
Assistant Linen Room Attendant	394.90	402.79	410.85	417.01
Room Attendant	390.61	398.42	406.39	412.49
Laundry Worker	394.90	402.79	410.85	417.01
Front Desk Clerk	423.61	432.08	440.72	447.33

Receptionist	423.61	432.08	440.72	447.33
Wine Steward	423.61	432.08	440.72	447.33
Butcher	423.62	432.09	440.73	447.34
Baker	423.62	432.09	440.73	447.34
Night Auditor	486.39	496.12	506.04	513.63
Maintenance Men	432.35	441.00	449.82	456.56
Senior Gardener	394.90	402.79	410.85	417.01
Junior Gardener	386.15	393.88	401.75	407.78
Lifeguard	423.61	432.08	440.72	447.33
Beach Attendant	384.43	392.12	399.96	405.96
Bell Captain	427.98	436.54	445.27	451.95
Bell Person	391.40	399.23	407.21	413.32
Security Guard	422.74	431.19	439.82	446.42
Food & Beverage Cashier	427.98	436.54	445.27	451.95
Telephone Operator	423.61	432.08	440.72	447.33
Storeroom Attendant	404.46	412.55	420.80	427.11
Night Porter	423.61	432.08	440.72	447.33
General Worker	387.94	395.70	403.61	409.66

Minimum Rates for Supervisor and Senior Supervisor

Supervisor	419.00	427.38	435.93	442.47
Senior Supervisor	471.54	480.97	490.59	497.95
Night differential	1.00	1.50	1.50	1.50
Meals	8.00	8.00	8.00	8.00

BARBADOS HOTEL & TOURISM ASSOCIATION

Wages Rates For 2017-2020

A CLASS HOTELS AND APARTMENTS

	2016/2017 Rates	Effective 2.0% 15/12/2017	Effective 2.0% 15/12/2018	Effective 1.5% 15/12/2019
15/12/2017				
General Cook	377.48	385.03	392.73	398.62
Pantry Worker	345.36	352.27	359.31	364.70
Dishwashing	325.10	331.60	338.23	343.31
Bartender	400.96	408.98	417.16	423.42
Assistant Bartender	361.78	369.02	376.40	382.04
Headwaiter	400.96	408.98	417.16	423.42
Assistant Headwaiter	382.68	390.33	398.14	404.11
Waiter/Waitress	361.81	369.05	376.43	382.07
Bus Person	331.18	337.80	344.56	349.73

Linen Room Attendant	347.84	354.80	361.89	367.32
Room Attendant	327.71	334.26	340.95	346.06
Laundry Worker	341.76	348.60	355.57	360.90
Front Desk Clerk	378.34	385.91	393.62	399.53
Receptionist	378.34	385.91	393.62	399.53
Butcher	392.52	400.37	408.38	414.50
Baker	392.52	400.37	408.38	414.50
Night Auditor	442.06	450.90	459.92	466.82
Maintenance	387.94	395.70	403.61	409.67
Persons				
Senior Gardener	341.76	348.60	355.57	360.90
Junior Gardener	321.61	328.04	334.60	339.62
Lifeguard	349.61	356.60	363.73	369.19
Beach Attendant	321.61	328.04	334.60	339.62
Bell Captain	378.34	385.91	393.62	399.53
Bell Person	327.71	334.26	340.95	346.06
Security Guard	369.64	377.03	384.57	390.34

Food & Beverage Cashier	377.47	385.02	392.72	398.61
Telephone Operator	378.34	385.91	393.62	399.53
Storeroom Attendant	349.61	356.60	363.73	369.19
Night Porter	361.78	369.02	376.40	382.04
General Worker	321.59	328.02	334.58	339.60

Minimum Rates for Supervisor and Senior Supervisor

Supervisor	381.80	389.44	397.22	403.18
Senior Supervisor	421.85	430.29	438.89	445.48

Night differential	1.00	1.50	1.50	1.50
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Meals	8.00	8.00	8.00	8.00
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BARBADOS +W2:AD36HOTEL & TOURISM ASSOCIATION

Wages Rates For 2017-2020

B CLASS HOTELS AND APARTMENTS

	2016/2017 Rates	Effective 2% 15/12/2017	Effective 2% 15/12/2018	Effective 1.5% 15/12/2019
General Cook	278.94	284.52	290.21	294.56
Dishwashing/Potwasher	269.37	274.76	280.25	284.46
Bartender	287.64	293.39	299.26	303.75
Assistant Bartender	277.19	282.73	288.39	292.71
Waiter/Waitress	276.31	281.84	287.47	291.79
Bus Person	269.37	274.76	280.25	284.46
Room Attendant	269.37	274.76	280.25	284.46
Front Desk Clerk	326.88	333.42	340.09	345.19
Receptionist	326.88	333.42	340.09	345.19
Bell Person	269.37	274.76	280.25	284.46
General Worker	264.11	269.39	274.78	278.90

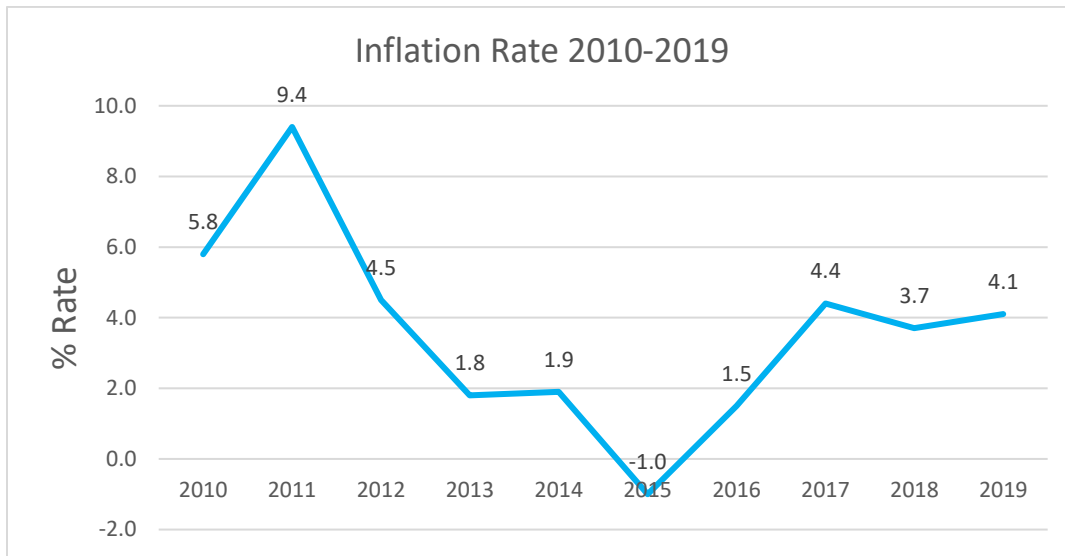
Minimum Rates for Supervisor and Senior Supervisor

Supervisor	330.75	337.37	344.11	349.27
Senior Supervisor	340.50	347.31	354.26	359.57

Night differential	1.00	1.50	1.50	1.50
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Meals	8.00	8.00	8.00	8.00
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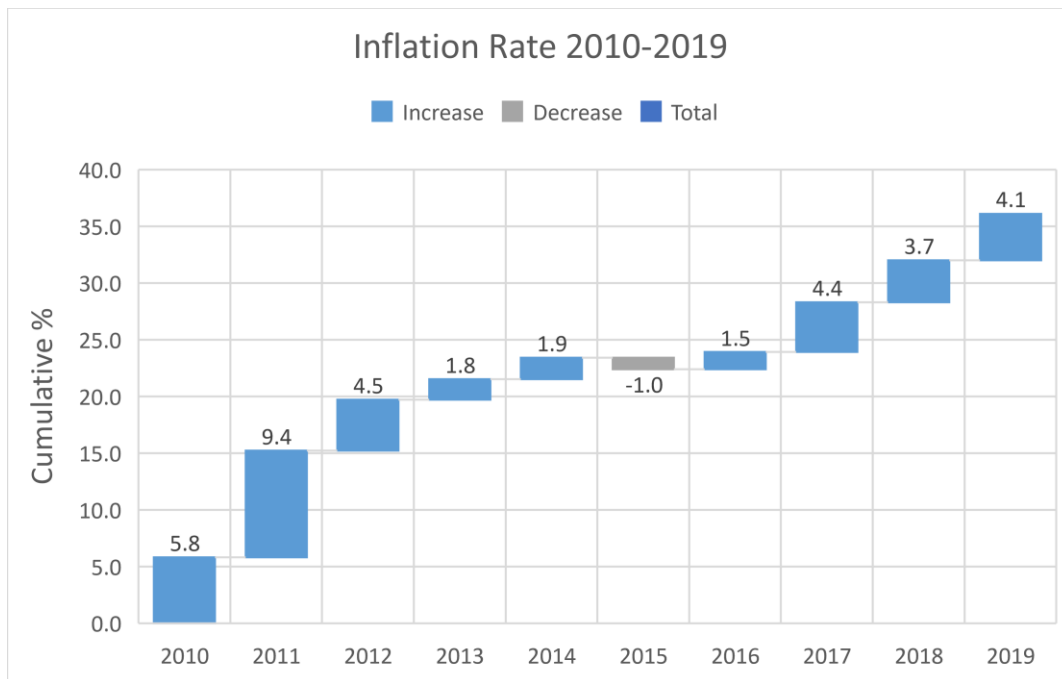
Source: Barbados Employers Confederation



2020 inflation does not include April 2020 due to Covid-19 no information has been collected and December 2020 has not been calculated as yet (10 months available only).

Source: Barbados Statistical Service

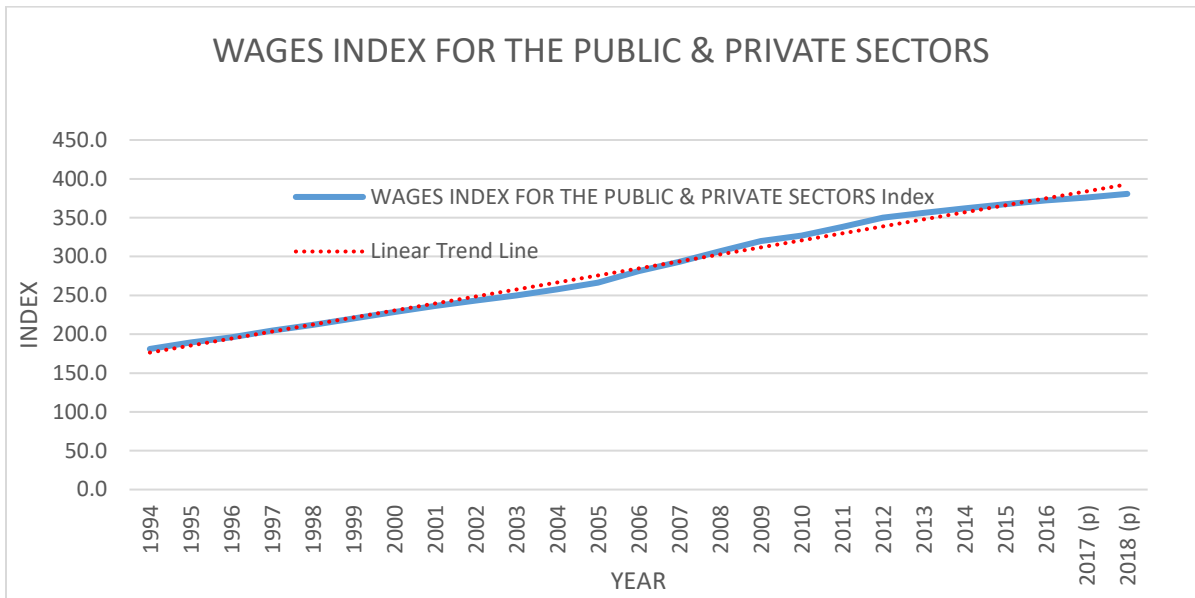
Appendix XIII



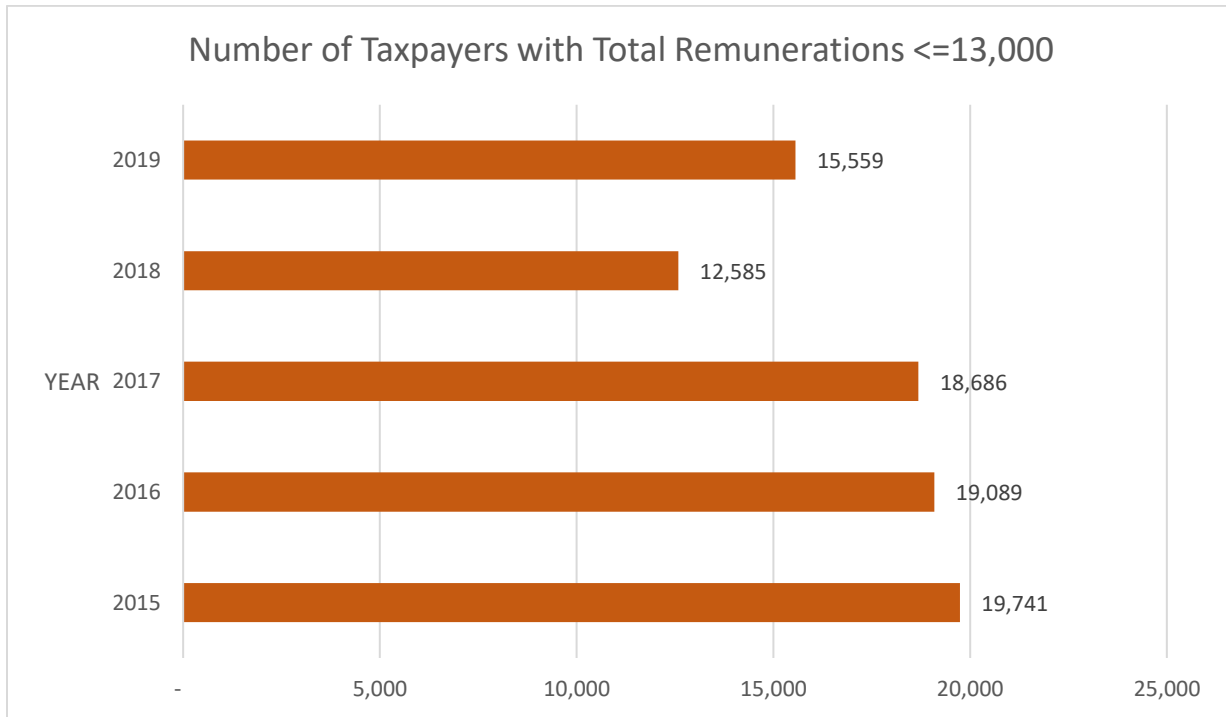
2020 inflation does not include April 2020 due to Covid-19 no information has been collected and December 2020 has not been calculated as yet (10 months available only).

Source: Barbados Statistical Service

Wages Index for the Public and Private Sectors



Source: Barbados Central Bank



Source: Barbados Revenue Authority