

Ministerial Statement on Establishing Minimum Rates of Pay and Conditions of Work in the Accommodation Sector

Made by Hon. Colin E. Jordan, M.P.,
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in
The Honourable The House of Assembly
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Mr. Speaker, for many years since the demise of King Sugar, the Tourism industry has been the mainstay of the Barbados economy. The industry can trace its roots to eighteenth century. Rachel Pringle Polgreen began operating the Royal Navy Hotel in the late 1770's in Bridgetown. After the railway line was constructed in 1883, Atlantis Inn and Crane Beach Hotel were built and began operating. The modern Tourism Industry can be traced to the visionary leadership of the Barbados Labour Party and its founder, the now Right Excellent Sir Grantley Herbert Adams, and the Hotel Aids Act of 1956.

The industry has employed and continues to employ many people across a broad range of skills. It has earned and continues to earn a significant portion of the country's foreign exchange. It has facilitated national development, and it has allowed us to share our heritage and way of life with the many persons from across the world who we invite to visit our shores. Because of what I have just said, it is what we refer to as an export industry.

Tourism is a people-centred industry with limited scope for mechanization or automation. It is essentially people creating experiences for other people, whether those experiences are in the form of sporting events, are for medical reasons, business meetings, exploring nature, visiting friends and relatives, or for rest and relaxation. As a people industry, it is necessary that those who create the experiences are valued, and that their ideas, their input, their work, their creativity, their labour is valued.

Allow me, Mr. Speaker, to make the following point: Barbados emerged from two hundred years of the most heinous form of enslavement in human history inflicted by the English on Africans and people of African descent.

Our post-emancipation experience during the one hundred years after the passage of the Emancipation Act was not a good one. This led to the people's uprising of 1937. I grew up hearing discussions about the industry and references to service versus servitude. It is important that we be clear that our major industry is not tainted by the vestiges of a not-so-positive past.

Over the years, there have been engagements that sought to bring employers and workers together to ensure sustainable growth and mutual satisfaction. Many of the engagements have been with organized workers and established businesses and employers, and much of that engagement was successful. In more recent times, there has been a palpable air of dissatisfaction in the relationship between some employers and workers in this segment of the industry.

We became aware that a significant number of accommodation establishments had left the Collective Agreement between the BHTA and the BWU. Many of these indicated that they would engage directly with the trade union on terms and conditions of employment, but had not done as they had promised. In addition, some of those establishments no longer honoured some aspects of the Collective Agreement to which they were formerly party.

Government, recognizing this state of affairs and acutely aware of the importance of a well-functioning industry to our economic fortunes, convened a series of symposia between the months of September and December 2023 with employers and workers in the industry. The parties were the representative organisations of the employers and workers, the BHTA and BEC and the BWU. The objective of the meetings was to address and resolve some specific matters that affected workers and their performance at work, and to agree general minimum terms and conditions of work for the sector. After a series of meetings, the last taking place on December 28, the parties were not able to reach an agreement on the language, even though we believed they were very close on the principles underlying terms and conditions.

The Barbados Workers' Union, the union that has represented workers in the hotel sector for many decades and still does, requested that an approach be adopted, said approach to mirror the approach used for employers and businesses in the construction road building sector when they are benefitting from public contracts – contracts with Government.

Mr. Speaker, this Government operates on the principle that policy is one of the options at its disposal as it seeks to manage the affairs of the State and do right by the people. The setting, for the first time in our history, of a national minimum wage was one policy option to do right by the people of this country. And we employed that policy option.

The approach I just referred to is where Government took the position that those employers benefitting from contracts for construction and road building paid for by the public purse, that is to say, the taxpayers of this country, must be held to standards with respect to the rates of pay and conditions of work offered to their workers. The Labour Clauses (Public Contracts) Act, Cap 349, of the Laws of Barbados was the legislation under which minimum rates of pay and conditions of work were established.

The Labour Clauses (Public Contracts) Act, Cap. 349 was passed in 1952 under the leadership of Grantley Adams, and last amended in 1976 under then Prime Minister J.M.G.M. "Tom" Adams.

The provisions of the Act closely mirror the Articles of the International Labour Standard, Convention 94 – Labour Clauses (Public Contracts) Convention, 1949, which was ratified by Barbados on May 8, 1967.

The Purpose of Cap. 349 (and C94)

The Act, Cap 349, serves to address certain terms and conditions of work for persons engaged in employment, where that employment is directly related to construction, alteration, repair or demolition of public works, the manufacture, assembly, handling or shipment of materials, supplies or equipment, and the performance or supply of services under a contract with any ministry, department or agency of Government, including secondary schools.

Some of the provisions of the Act are:

- the requirement for a contractor to ensure the payment of wages and setting hours of work that are commensurate with the standard in a particular trade or industry;
- the provision for the Chief Labour Officer, in the absence of existing standards, to consult with representatives of workers and employers to establish fair wages and conditions of employment;
- a mechanism for dispute resolution in the case of a dispute concerning wages and working conditions; and
- the binding of sub-contractors to conform to all conditions contained in the main contract and to which the main contractor is held, and the responsibility of the main contractor to ensure that sub-contractors abide by said conditions.

The ILO states that the objectives of Convention 94 are twofold. The first objective is to eliminate labour costs being used as an element of competition among bidders for public contracts by requiring that all bidders respect, at the minimum, country-specific established standards.

The second objective is to assure that public contracts do not exert a downward pressure on wages and working conditions, that is, workers employed under public contracts are entitled to receive wages and enjoy working conditions that are no less favourable than those established for the same work in the area where the work is being done.

The principles underpinning ILO Convention 94 remain of relevance today. As a matter of fact, the ILO Committee of Experts on the Application of Conventions and Recommendations in 2007 was moved to say, in light of globalization and intense competition, “the objectives of the Convention are even more valid today that there were 60 years ago...”

Government was not able to use Cap. 349 with respect to employers in the accommodation sector. Recommendation 84 is the companion Standard to Convention 94 and speaks to subsidies and utilities. Cap. 349 did not extend to those areas covered by Recommendation 84. You should note that much of what was referred to as subsidies in the 1950s is now referred to as concessions. Please

also note that, and this is important, Recommendation 84 states that Labour clauses should prescribe provisions contained in laws or regulations, *collective agreements*, arbitration awards or other recognised arrangements.

Government came to this Parliament in February 2024, and after debate, the Labour Clauses (Concessions) Act was passed and is now law in Barbados. That law is framework legislation for businesses and employers receiving concessions from Government. At that time, I was clear to point out that we would be addressing the tourist or visitor accommodation sector for the reasons I have already outlined.

Mr. Speaker, in accordance with the Law and the process we used for construction and road building, the Chief Labour Officer consulted with the representatives of employers and workers on the matter of minimum rates of pay and conditions of work. Meetings were held on March 5, March 26 and April 3. This consultation was not as difficult as it otherwise could have been because there is a Collective Agreement in existence that serves as the basis of terms and conditions for much of the sector.

Today I have the honour to share with this Honourable Chamber the minimum rates of pay and conditions of work in the *tourist or visitor accommodation* sector that will be established and published in the Official Gazette. They are in the Appendix to my Statement and, for the avoidance of doubt, the Appendix forms part of the Statement.

Allow me, Mr. Speaker, to share *some* of those rates of pay and conditions of work that are being established, and these are based on the existing Collective Agreement. I share them recognizing that negotiations are ongoing between the BHTA and the BWU for a new Collective Agreement, and that revisions to the established rates of pay and conditions of work may need to be made in the not-too-distant future, depending on the outcome of those negotiations. Please also note that I will not speak to matters already addressed by existing laws or regulations.

Before I list *some* of the conditions and rates, which are based on the existing Collective Agreement, I am informing this Honourable Chamber that beside what is mentioned in the Appendix in minimum conditions of work, there is the understanding that, where there is a system of Service Charge in place, there must

be a Joint Service Charge Points Committee. That Committee's role is to monitor and manage the record-keeping and distribution of service charge, including points allocation.

In our symposia, we were reminded by former BWU General Secretary, Sir Roy Trotman, that the implementation of Service Charge in the industry in Barbados was the result of a request from employers. It was recognised that to bring the wages of workers in the industry to a decent level may have been too much for the industry to bear at that time. The long-standing employers present had the same recollection. Service Charge brings wages of workers to an acceptable level. This is why it was *never* intended that managers receive Service Charge. This was agreed by both sides.

I can also inform that, during the symposia, Government restated its commitment to assist the industry with training and ensuring that our workers are at world-class standards. This Chamber may recall that this is a commitment that was made during the terrible days of the COVID-19 pandemic. Our people must be capable of performing at the highest standard in all roles of our most important industry.

Government also committed to assisting the industry to assist with the research on job titles and descriptions to facilitate any required revisions.

Some of the Conditions of Work, based on the existing Collective Agreement, are:

- Work schedules must be written.
- Additionally, other than in exceptional circumstances, written schedules must be posted and communicated to workers no later than 48 hours before the beginning of the work-week.
- A night differential of \$1.50 shall be paid to an employee for every hour of his / her rostered or requested shift that falls between 11:00 p.m. and 7:00 a.m.
- An employee who works on his / her day-off (or rest day) shall be paid at double his / her normal rate of pay.
- Where split shifts are already in operation, there shall not be more than three (3) in a five (5) day work cycle. There are to be no new split shifts arrangements unless agreed between the workers and employers.
- Safety footwear, appropriate for the task, shall be provided by the employer to employees who are engaged as maintenance staff, stewards, kitchen staff, housemen, gardeners and porters.

- Where an employer requires that a distinctive uniform is to be worn by an employee, at least three (3) changes of uniforms shall be provided to the employee on an annual basis by the employer, at no cost to the employee.
- Where an employee is required to work beyond 12:00 midnight, the employer shall provide for the employee, transportation to his or her home.
- Where on a workday an employee is required to report to for duty before or up to 6:00 a.m., the employer shall provide transportation to work for that day at no cost to the employee.
- Where an employee is not expected to work beyond 12:00 midnight but expects to take the 12:00 midnight or last scheduled public transport vehicle to his/her home, the employees should advise the employer of his / her transportation issues so that adequate provision can be made for them to be permitted to take the public night transportation. An employee who is granted permission in this instance shall not suffer any loss of wages.

Under Rates of Pay, the minimum weekly rates (not including Service Charge) for some categories, based on the existing Collective Agreement, are as follows:

- Room Attendants in a Luxury establishment \$412.49
- General Worker in an A Class establishment \$340.00
- Bell Person in a B Class establishment \$340.00
- Receptionist in an A Class establishment \$399.53
- Waiter in a Luxury establishment \$447.33
- Storeroom Attendant in an A Class establishment \$369.19
- General Cook in a B Class establishment \$340.00

These are all based on the existing Collective Agreement. They could be subject to further adjustments based on the outcome of current negotiations between the BHTA and the BWU.

Mr. Speaker, this Barbados Labour Party Government continues to demonstrate our commitment to the workers of Barbados. The establishment of minimum rates of pay and conditions of work in the tourist or visitor accommodation sector is an important addition to our programme of recognising the value of workers and their labour. We reaffirm our agreement with a fundamental principle in the ILO's 1944 Declaration of Philadelphia, which states that labour is not a commodity. I will remind this Honourable Chamber of some of what this Government has done since taking responsibility for the management of this country's affairs.

Actions taken so far by Government in the protection of workers

We set about discharging our moral responsibility in 2020 when Parliament debated and passed the Employment (Prevention of Discrimination) Act. This legislation was enacted to ensure that the diversity of workers in Barbados was respected and that they were protected against discrimination on the grounds of race, origin, political opinion, trade union affiliation, colour, creed, sex, sexual orientation, social status, marital status, domestic partnership status, pregnancy, maternity, family responsibility, medical condition, disability, age or physical feature, subject to situations that involve genuine occupational qualification, unjustifiable hardship, measures intended to achieve equality, care of minors, religious bodies, and educational institutions administered in accordance with particular religious beliefs.

In 2021, The Cabinet established, for the first time in the country's history, a national minimum wage of \$8.50 per hour, as well as a sectoral minimum wage for security officers of \$9.25 per hour. This was influenced by the advocacy and work of the Barbados Workers' Union as well as the shop stewards of G4S. Establishing the national minimum wage was done recognizing that, even in the middle of a pandemic, workers and their families were being severely impacted by rising prices and the imported inflation that is its principal driver.

The rate used by many employers as the floor prior to the establishment of the national minimum wage was the rate set by virtue of the Shops Act for the category of workers known as Shop Assistants, that rate being \$6.25 per hour.

We did not stop there. Government, recognizing that while the Safety and Health at Work Act provided for establishing Regulations to address in greater detail and give greater clarity in certain matters identified in the Act, there were no Regulations. In 2022 we gazetted eight Regulations. These Regulations cover noise, workstations, personal protective equipment, general duties, drinking water, sanitary conveniences, and washing facilities. A Regulation was also gazetted to address the plight of one of the groups of workers we considered as a forgotten group – workers at fuel stations. This particular Regulation, Medical Supervision, mandates that workers at fuel stations are entitled to certain medical tests on an annual basis at no cost to themselves.

These, Mr. Speaker, represent some of what Government has done to recognise the value of workers and protect them as they seek to be engaged, productive citizens who are able to lead fulfilling lives for their own benefit and the benefit of their dependents. I have not spoken to restoring the Reverse Tax Credit, introducing the Compensatory Income Credit, reducing income tax rates, appointing 138 Clerical Officers to the position of Custom Officer IV, appointing over 1,000 public officers, and three pay increases for public officers in six years.

Mr. Speaker, this Government will continue to ensure that workers in Barbados are protected, valued, and encouraged to be fully productive participants in national development. We will continue to be people-centred in our governance, people-centred in our policy-making and people-centred in our legislation.

Mr. Speaker, I am obliged to you.