
THE HONOURABLE FENTON FERGUSON, CD, MP
MINISTER OF LABOUR AND SOCIAL SECURITY

**STATEMENT TO PARLIAMENT ON THE INCREASE IN THE NATIONAL MINIMUM WAGE
AND
THE MINIMUM WAGE FOR INDUSTRIAL SECURITY GUARDS
JANUARY 19, 2016**

MR. SPEAKER: IT IS, INDEED, A PLEASURE FOR ME TO BE AFFORDED THIS OPPORTUNITY THIS AFTERNOON TO INTRODUCE IN THIS HONOURABLE HOUSE THE **NATIONAL MINIMUM WAGE ORDER, 2016** AND THE **MINIMUM WAGE INDUSTRIAL SECURITY GUARDS ORDER, 2016**.

MR. SPEAKER, I AM PARTICULARLY HUMBLED BY THE FACT THAT THE FIRST DEBATE I WILL LEAD IN THIS HONOURABLE HOUSE IN MY CAPACITY AS MINISTER OF LABOUR AND SOCIAL SECURITY IN THE HARD WORKING ADMINISTRATION OF THE MOST HONOURABLE PORTIA SIMPSON MILLER, IS IN RESPECT OF THE **MINIMUM WAGE** THAT IMPACTS THE LIVES AND LIVELIHOOD OF THE WORKING MEN AND WOMEN WHO TENANT THIS PIECE OF ROCK WE CALL HOME AND CONTINUE TO LEND TO IT A SENSE OF PLACE AND PURPOSE IN THE POST-COLONIAL ERA THAT HAS IMPACTED ON THE DEVELOPMENT OF THIS NATION IN FUNDAMENTAL WAYS.

I APPRECIATE, TOO MR. SPEAKER, THE IMPACT WHICH THE RESOLUTION WE DEBATE TODAY WILL HAVE ON THE LIVES OF SOME OF THE MOST VULNERABLE WORKERS IN OUR SOCIETY, AND THE FACT THAT IT WILL ALSO AFFECT EMPLOYERS WHO ARE EQUALLY COMMITTED TO THE GROWTH AND DEVELOPMENT OF JAMAICA.

IF WE OPT TO START FROM THE VANTAGE POINT OF WHAT WE HAVE BEFORE US RATHER THAN WHAT WE WISHED WE HAD, THEN I AM CERTAIN THAT NOT ONLY WILL WE REINFORCE AS A LEGISLATIVE BODY OUR RESPONSIBILITY TO SAFEGUARDING THE INTERESTS OF OUR MOST VULNERABLE CITIZENS; BUT MORE IMPORTANTLY, WILL LAY THE TEMPLATE OF CO-OPERATION AND CIVILISED SOCIAL LIVING FOR THE NEXT GENERATION OF JAMAICANS TO FOLLOW.

THE RATIONALE

SO, MR. SPEAKER, THE RATIONALE BEHIND THE PROMULGATION OF THE MINIMUM WAGE ACT IS THE RECOGNITION OF THE FACT THAT THERE ARE CERTAIN CATEGORIES OF WORKERS WHO DO NOT HAVE THE BARGAINING POWER TO NEGOTIATE FAIR WAGES WITHOUT THE INTERVENTION OF THE LEGISLATURE OR THE MINISTER OF LABOUR.

IN FACT, MR. SPEAKER, THE MINIMUM WAGE ACT SETS OUT THE MECHANISM WHEREBY MINIMUM WAGES FOR GROUPS OF WAGE EARNERS CAN BE FIXED AND ADJUSTED FROM TIME TO TIME.

THIS IS OF MORE THAN PASSING IMPORTANCE, MR. SPEAKER, BECAUSE BY VIRTUE OF SECTION 3 OF THE ACT, THE MINISTER OF LABOUR IS AUTHORIZED TO FIX A MINIMUM WAGE BY '**MINISTERIAL ORDERS**' FOR ANY OCCUPATION IN THE ISLAND, EITHER GENERALLY, OR IN ANY SPECIFIED AREAS, FOR PERSONS EMPLOYED IN CERTAIN OCCUPATIONS WHERE THE WAGES PAID ARE CONSIDERED TO BE **UNREASONABLY LOW**.

IN RESPONSE TO **SECTION 3 OF THE ACT**, MR. SPEAKER, SEVERAL **ORDERS** WERE ESTABLISHED THROUGHOUT THE YEARS, BUT AS TIME PROGRESSED MANY OF THE CATEGORIES OF WORKERS PREVIOUSLY ENCOMPASSED UNDER THE VARIOUS **ORDERS** OBTAINED TRADE UNION REPRESENTATION AND NO LONGER NEEDED THE ASSISTANCE OF THE LEGISLATURE TO, AS IT WERE, 'FIX' THEIR WAGES.

NEVERTHELESS, MR. SPEAKER, TWO MAIN **ORDERS** HAVE WITHSTOOD THE PROCESS OF TRANSFORMATION AND ARE STILL UTILISED TODAY, NAMELY:

- THE ***NATIONAL MINIMUM WAGE ORDER (1975)*** WHICH SETS OUT THE WAGE RATE FOR ALL SECTORS (INCLUDING HOUSEHOLD WORKERS) AND
- THE ***MINIMUM WAGE (INDUSTRIAL SECURITY GUARDS) ORDER (1982)*** WHICH ESTABLISHES A MINIMUM WAGE FOR PERSONS EMPLOYED AS INDUSTRIAL SECURITY GUARDS.

MR. SPEAKER, INDUSTRIAL SECURITY GUARDS ARE DEFINED AS PERSONS ENGAGED TO COMPANIES WHICH PROVIDE SECURITY SERVICES.

THESE WORKERS STILL FALL WITHIN THE PROTECTIVE AMBIT OF MINIMUM WAGE LEGISLATION, BECAUSE IT IS PERCEIVED THAT THEY REMAIN VULNERABLE TO EXPLOITATION IN RELATION TO THE WAGES PAID TO THEM.

AS SUCH, MR. SPEAKER I LOOK FORWARD TO THE DAY – AS MUCH AS I INTEND TO WORK TOWARDS THE TIME - WHEN THERE WILL BE NO NEED TO ESTABLISH MINIMUM WAGE ORDERS TO ‘FIX’ WAGES, SINCE ALL CATEGORIES OF WORKERS WOULD HAVE ACQUIRED THE BARGAINING POWER TO NEGOTIATE THEIR OWN WAGES.

MR. SPEAKER, I AM ON MY FEET IN THIS CHAMBER TODAY BECAUSE THE MINIMUM WAGE ACT SPECIFIES THAT AN ORDER IN RELATION TO A NATIONAL MINIMUM WAGE [I QUOTE]: “SHALL BE SUBJECT TO AFFIRMATIVE RESOLUTION OF THE HOUSE OF REPRESENTATIVES.”[END OF QUOTE].

CONSULTATIVE APPROACH

MR. SPEAKER, I WANT TO BRING TO THE ATTENTION OF THIS HONOURABLE HOUSE AND THE WIDER PUBLIC THAT THE MINIMUM WAGE ACT MAKES PROVISION FOR A CONSULTATIVE APPROACH TO BE TAKEN WHEN ADJUSTMENTS TO THE MINIMUM WAGE ARE BEING CONTEMPLATED.

IN FACT, SECTION 4 OF THE ACT, SPEAKS TO THE ESTABLISHMENT OF THE MINIMUM WAGE ADVISORY COMMISSION WHICH IS CHARGED WITH THE RESPONSIBILITY OF CONSIDERING AND ADVISING THE MINISTER ON ALL MATTERS RELATING TO NATIONAL MINIMUM WAGES AND TO KEEP UNDER REVIEW ALL MINIMUM WAGES FIXED BY THE MINISTER WHILE MAKING RECOMMENDATIONS TO HIM OR HER IN RELATION TO THE VARIATION OF ANY SUCH MINIMUM WAGE.

IN CONFORMITY WITH ITS MANDATE THE MINIMUM WAGE ADVISORY COMMISSION ALWAYS CONSULTS WITH VARIOUS INTEREST GROUPS, BEFORE OFFERING ADVICE TO THE MINISTER IN RESPECT OF WHETHER THE MINIMUM WAGE RATE IS TO BE VARIED.

MR. SPEAKER, I MAKE MENTION OF THIS FACT DELIBERATELY, BECAUSE DURING THE COURSE OF LAST YEAR THE THEN MINISTER OF LABOUR AND SOCIAL SECURITY, THE HONOURABLE DERRICK KELLIER DIRECTED THE SAID MINIMUM WAGE ADVISORY COMMISSION TO REVIEW THE NATIONAL MINIMUM WAGE AND THE MINIMUM WAGE FOR INDUSTRIAL SECURITY GUARDS.

IN FURTHERANCE OF ITS MANDATE, THE COMMISSION INVITED THE GENERAL PUBLIC TO SUBMIT RECOMMENDATIONS VIA THE PRINT AND ELECTRONIC MEDIA.

LETTERS WERE ALSO SENT TO VARIOUS ORGANIZATIONS, INCLUDING NGO’S INVITING THE SUBMISSION OF RECOMMENDATIONS TO THE COMMISSION TO ASSIST IN ITS REVIEW.

PUBLIC CONSULTATIONS WERE ALSO HELD IN THE PARISHES OF -

- ST. JAMES
- PORTLAND
- MANCHESTER
- ST. ANN AND
- KINGSTON

DURING THE MONTHS OF AUGUST AND SEPTEMBER 2015.

MR. SPEAKER, THE COMMISSION IN THE COURSE OF ITS REVIEW, HEARD ORAL PRESENTATIONS AND/OR RECEIVED WRITTEN SUBMISSIONS FROM KEY STAKEHOLDERS WHICH INCLUDED THE FOLLOWING ENTITIES:

- THE PLANNING INSTITUTE OF JAMAICA (PIOJ)
- THE JAMAICA SECURITY GUARDS ASSOCIATION
- THE JAMAICA EMPLOYERS' FEDERATION (JEF)
- THE JAMAICA CONFEDERATION OF TRADE UNIONS (JCTU)
- THE JAMAICAN SOCIETY FOR INDUSTRIAL SECURITY
- THE JAMAICA HOUSEHOLD WORKERS' UNION (JHWU)
- THE BUREAU OF WOMEN'S AFFAIRS(BWA)
- THE SUGAR PRODUCERS FEDERATION, AND THE
- TASK FORCE SECURITY COMPANY LIMITED.

IN RECOMMENDING AN **INCREASE** IN THE MINIMUM WAGE THE COMMISSION TOOK INTO CONSIDERATION FACTORS SUCH AS:

- THE CURRENT STATE OF THE ECONOMY
- INCREASED COST IN UTILITIES AND TRANSPORTATION
- THE MOU BETWEEN THE GOVERNMENT AND TRADE UNIONS REPRESENTING PUBLIC SECTOR WORKERS, AND
- THE GOVERNMENT'S ECONOMIC RECOVERY PROGRAMME AND ITS CURRENT AGREEMENT WITH THE INTERNATIONAL MONETARY FUND (IMF).

OUTSTANDING JOB

MR. SPEAKER, THE COMMISSION DID AN OUTSTANDING JOB IN ITS REVIEW AND I WISH TO EXPRESS ON BEHALF OF THE ADMINISTRATION SINCERE COMMENDATION AND GRATITUDE TO ITS MEMBERS AND, INDEED, THE RELEVANT STAFF WITHIN THE MINISTRY OF LABOUR AND SOCIAL SECURITY. THEY EXERCISED TREMENDOUS DILIGENCE IN THE EXERCISE OF THEIR MANDATE WHICH HAS ALLOWED US TO MAKE AN INFORMED DECISION IN RESPECT OF THE ADJUSTMENTS TO BE MADE TO THE NATIONAL MINIMUM WAGE AND THE MINIMUM WAGE FOR INDUSTRIAL SECURITY GUARDS.

THE INCREASES

AND SO, MR. SPEAKER, HAVING CONSIDERED ALL THESE RELEVANT FACTORS AND REVIEWED THE **REPORT OF THE MINIMUM WAGE ADVISORY COMMISSION**, I HEREBY RESPECTFULLY ASK THIS HONOURABLE HOUSE TO AFFIRM THE FOLLOWING INCREASES, WHICH WERE APPROVED BY CABINET YESTERDAY.

THE PROPOSED INCREASES, MR. SPEAKER, ARE TO BECOME EFFECTIVE ON **MARCH 1, 2016**:

1. THE NATIONAL MINIMUM WAGE TO BE INCREASED FROM \$5,600.00 PER 40 HOUR WORK WEEK OR \$140.00 PER HOUR TO **\$6,200.00 PER 40 HOUR WORK WEEK OR \$155.00 PER HOUR.**
2. THE MINIMUM WAGE FOR INDUSTRIAL SECURITY GUARDS TO BE INCREASED FROM \$8,198.00 PER 40 HOUR WORK WEEK OR \$204.97 PER HOUR TO **\$221.35 PER HOUR OR \$8854.00 PER 40 HOUR WORK WEEK.**
3. LAUNDRY ALLOWANCE FOR INDUSTRIAL SECURITY GUARDS TO BE INCREASED FROM \$37.30 PER HOUR TO **\$40.30 PER HOUR.**
4. FIREARM PREMIUM ALLOWANCE PAYABLE TO INDUSTRIAL SECURITY GUARDS TO BE INCREASED FROM \$41.00 PER HOUR TO **\$44.30 PER HOUR.**
5. DOG HANDLERS PREMIUM ALLOWANCE PAYABLE TO INDUSTRIAL SECURITY GUARDS TO BE INCREASED FROM \$27.58 PER HOUR TO **\$29.80 PER HOUR.**
6. THE INSURANCE COVERAGE PAYABLE ON ACCOUNT OF SECURITY GUARDS WHO ARE KILLED OR INJURED IN THE LINE OF DUTY, TO BE INCREASED FROM TWO MILLION DOLLARS (\$2,000,000.00) TO **TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00).**

APPEAL TO EMPLOYERS

MR. SPEAKER, LET ME USE THIS OPPORTUNITY TO REMIND EMPLOYERS AND THE WORKING PUBLIC AT LARGE THAT THE MINIMUM WAGE ORDERS I HAVE JUST PRESENTED ESTABLISHES A MINIMUM – I REPEAT, MINIMUM – STANDARD OR THRESHOLD FOR THE PAYMENT OF WAGES TO THE CATEGORIES OF WORKERS WE HAVE IDENTIFIED.

TOO OFTEN, MR. SPEAKER, EMPLOYERS TAKE THESE BENCHMARK MINIMUM WAGE FIGURES AS THE NORM, OVERLOOKING THE FACT THAT THEY REPRESENT THE MINIMUM WAGES RECOMMENDED TO BE PAID.

IN THIS REGARD, THE GOVERNMENT IS APPEALING TO THOSE EMPLOYERS WHO CAN PAY WAGES WHICH ARE HIGHER THAN THE WAGES SET OUT IN THE ORDERS TO DO SO.

AS A GOVERNMENT, WE HAVE TAKEN INTO CONSIDERATION THE LIVED EXPERIENCES OF THOSE AT THE LOWER LEVEL OF THE SOCIETY WHICH EXPLAINS WHY THE PROPOSED ADJUSTMENT TO THE NATIONAL MINIMUM WAGE CONSTITUTES A **10.71% INCREASE**, WHILE THE INCREASE IN THE MINIMUM WAGE FOR INDUSTRIAL SECURITY GUARDS CONSTITUTES AN INCREASE OF **8%** FROM THE PREVIOUS RATES ESTABLISHED IN JANUARY **2014**.

LEAVE NO ONE BEHIND

MR. SPEAKER, I BELIEVE THAT ONE OF THE WAYS WE AS A SOCIETY CAN BEGIN TO BE HOPEFUL AGAIN IN THE FACE OF AUSTERITY CHALLENGES HINGES ON EACH AND EVERY ONE OF US BEING WILLING TO TREAT THE LESS FORTUNATE – LIKE MINIMUM WAGE EARNERS – WITH JUSTICE.

FOR CONTRARY TO THE VIEWS OF SOME, LIVING ON MINIMUM WAGE IS NOT A CHOICE IN THE BEST OF CASES – IT IS A CONDITION. GIVEN THIS, I WOULD URGE EVERY PATRIOTIC JAMAICAN TO HEED THE WORDS OF DR. MARTIN LUTHER KING JR. WHO ONCE SAID: **“LIFE’S MOST PERSISTENT AND URGENT QUESTION IS: “WHAT ARE YOU DOING FOR OTHERS?”**

NO GOVERNMENT, NOW OR IN THE FUTURE, CAN EVER HOPE TO BUILD A SOCIETY OR SHAPE A NATION ALONE. AND I AM CONVINCED, **MR. SPEAKER**, THAT EVERY MODERN SOCIETY STANDS THE GREATEST CHANCE OF SURVIVAL IN FACE OF STUBBORN ODDS, WHEN NO ONE IS LEFT BEHIND.

MR. SPEAKER, I CALL UPON OUR MORE FORTUNATE JAMAICANS - WHETHER THEY ARE INDUSTRIALISTS, PROFESSIONALS, CAPTAINS OF INDUSTRY, SMALL AND MEDIUM ENTREPRENEURS OR PHILANTHROPISTS –

TO LOOK BEYOND THESE MINIMUM WAGE INCREASES WHEN THEY CAN AND JOIN IN THE STRUGGLE TO TRANSFORM THE LIABILITIES IN THE LIVES OF THE LESS FORTUNATE INTO ASSETS WHILE WE AS A GOVERNMENT CONTINUE TO STRIVE TO BRING GROWTH AND DEVELOPMENT TO THE NATIVE ECONOMY.

AS WINSTON CHURCHILL ONCE SAID: **“WE MAKE A LIVING BY WHAT WE GET, BUT WE MAKE A LIFE BY WHAT WE GIVE”**.

MR. SPEAKER, IT IS WITH PLEASURE THAT I NOW SEEK THE AFFIRMATIVE RESOLUTION OF THIS HONOURABLE HOUSE IN RELATION TO THE **NATIONAL MINIMUM WAGE (AMENDMENT) ORDER, 2016 AND THE MINIMUM WAGE INDUSTRIAL SECURITY GUARDS ORDER 2016**. I THANK YOU.