

KEYNOTE ADDRESS

AT

THE SECOND ANNUAL RETREAT

OF

THE NATIONAL PARTNERSHIP COUNCIL OF JAMAICA

“THE SOCIAL PARTNERSHIP: MAKING THE DECISIVE  
DIFFERENCE”

By

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On the last occasion I spoke on matters concerning Jamaica in Jamaica, I unintentionally stirred up a controversy by stating, in 1999, that the conditions for macro-economic stability had been reestablished but that the manner in which the crisis in the financial sector was being dealt with was likely to compromise the country's development prospects.

The latter part of the observation excited the media and the ensuing controversy held the attention of the public.

**Suitably chastened, I promise today not to wander into the paths of controversy.**

So I will observe the proper spirit and begin by observing that the conditions for macroeconomic stability and sustainable development are being established in Jamaica. It is my expectation that the work of the institution which brings us together today will contribute in a profound way to the achievement of those highly desirable goals.

It is with this goal in mind that I draw from the Barbadian experience to share with you a perspective as to what the Jamaica social partnership can be designed to accomplish.

It may however appear paradoxical that in the same breath that I highly commend the Social Partnership as a model of governance which Jamaica should embrace with enthusiasm, I have also to report that the two countries- Ireland and Barbados-which have sought to make the most use of it, are among the countries which have fared the worst in recent times.

This however is not intended to depreciate the role the Social Partnership has played in Barbados or can play in Jamaica, as I will explain later.

Indeed, I subscribe to the view expressed by another Former Prime Minister of Barbados, that the Social Partnership represents the most momentous and creative piece of public policy engineering in the history of Barbados, both symbolically and substantively. For it has taken the practice of democracy to its highest form. It has done so by creating an agency by which the various estates of the society are conjoined in mutually beneficial relationships for the common good, despite their divergent roles, functions and interests that are in many ways conflicted.

## **A CONCEPTUAL FRAMEWORK**

In the purest sense, the social partnership is a system of Governance. As a system of governance, it does not draw its authority nor legitimacy from any constitution nor set of laws. It draws them from an attribute that is even more profound, but that is especially delicate.

**That attribute is the social capital.**

In 1988, the Sociologist James Coleman in an article “Social Capital in the Creation of Human Capital”, was among the first to treat to the concept of “social capital” as the ability of people to work together for common purposes in groups and organisations.

Capital today is embodied less in land, factories, tools and machines, but increasingly in the knowledge and skills of human beings. Coleman argued that in addition to skills and knowledge, a significant and distinct portion of human capital has to do with people's ability to associate with each other; a factor that is critical not only to economic life, but to virtually every other aspect of social existence itself. Such a capacity to associate in turn depends on the degree to which communities share norms and values and are able to subordinate individual interests to the larger common good.

**Trust** is what emerges as the asset from such shared values. And trust itself can generate a large and measurable economic and social output to underpin and foster a society's development.

Such a thesis is the subject of the monumental work of Francis Fukuyama: "Trust: The Social Virtues and the Creation of Prosperity."

In embracing the social partnership as an element of governance, Jamaica, like Barbados, has signalled its determination to cause its social capital and **the asset called trust**, to be a greater factor in its efforts at socio-economic engineering than ever before.

It is in the context that it is important not to enlarge the social partnership beyond what it is, nor to ascribe to it functions which it cannot carry out.

In this regard, as a mechanism which brings the State, the private sector, the labour movement and the civil society into a coalition to influence the formulation of public policy through social dialogue, the Social Partnership is most effective when used to add value to, rather

than to replace or downgrade established processes for consultation, policymaking and implementation.

As such, it cannot and should not be seen as an agency to pre-empt nor circumvent the preeminent place of Parliament as the making of society's laws.

In addition, it cannot stop the owners of enterprises from being concerned with rates of returns on capital. Nor should it stop the labour movement from having as its chief concern the advancement of the interests of the workers it represents.

Equally, it does not prevent the economy from being susceptible to the influences of business cycles and changes in the level of demand.

Beyond such considerations, the extent of the obligations placed on a Government to function faithfully and effectively as part of a Social Partnership, is often not fully understood.

For the power of a Government comes from the vote of the people to whom it is ultimately accountable. However, through a Social Partnership, it undertakes to share that power with entities which do not have to account to the people in the same way that political Institutions do.

To be precise, Social Partnership requires the Government to get involved in a power sharing relationship with no certainty of a political return, save and except that by sharing its power it can often get more achieved, to its political credit, than if it acted unilaterally.

Secondly, the obligation to be a part of a Social Partnership places a duty on the part of the Government not to retreat where the exercise of its role is concerned, but to become more entrepreneurial.

It is now becoming fashionable to presume that the chief and highest ambition and purpose of Governments should be to do no harm by restricting their activities largely to maintaining a stable money supply and controlling the size of its deficits.

However, the social contract which Government enters with its social partners generally requires it to venture into new spheres of activity, and through collaboration with its partners, to find new ways of bringing about social and economic progress.

That said, the chief way by which the Social Partnership can add value to the work of the partners in their individual capacities, and to the overall national developmental endeavour, is by **making consensus building**, rather than divisiveness, a major force in national life.

At any given point in a society's development there will always be a few, key strategic things which, if dealt with in a coherent and constructive fashion, will make the decisive difference as to whether the society succeeds or fails.

The ultimate justification for the existence of a Social Partnership therefore is that through it, a consensus can be forged on those few key strategic things which can make the decisive difference to a country's development.

The real strength of the Social Partnership ultimately resides in its capacity to hold those who join the consensus together as one, in order to ensure its successful implementation.

There are some nations that are rich enough to waste their democracy by shutting down their Government, from time to time, for the pleasure of it, by making gridlock the normal and familiar feature of the functioning of their system of governance, and by making opposition to everything proposed by their leader the main political strategy of key political institutions.

In the Caribbean, we cannot afford such a luxury especially, since the countries have to grapple with a range of threats that go beyond the ordinary, and which threaten to overwhelm them.

For us, there can be no sensible option than to embed harmony and cooperation at the centre of our governance, and to do everything necessary to ensure that the partnership works.

### **THE BARBADIAN EXPERIENCE**

Based on the Barbados experience, I would suggest that the following principles should apply to make the Partnership work effectively.

First, participation should be based on voluntarism; specifically the active decision of each partner to engage voluntarily rather than for the imperative of statutory compliance. Since its purposes and modus operandi are not laid down in statute, the Partnership should never become unwieldy and should be able to evolve to address challenges as they arise.

Secondly, in Barbados it was agreed that the tripartite nature of the Partnership would be sustained and that where necessary and relevant, the three core partners would broaden the dialogue to include groups and entities from the civil society which had an active interest in the matters under consideration.

The Barbados Partnership has been criticised on the grounds that it has not made specific provision for the inclusion of the media, NGO's and religious organisations as active members.

However, every provision was made for such entities to participate in National Consultations organised by the Social Partnership. But it would have been difficult to conceive how an open-ended Social Partnership could achieve the pragmatic results expected of it.

Thirdly, the Social Partnership is essentially a Community. A community has to be based on communication which enables it to find and hold common ground. In recognition of this, the Barbados Social Partnership has been served by two main institutions.

The first is a National Productivity Council which serves as a tripartite institution to address and advice the Partners on matters to enhance productivity.

The second is the Centre for Policy Studies which was created to ensure that reports commissioned in the name of the partners provide the common information on which their deliberations came to the based.

## **LESSONS OF THE BARBADIAN EXPERIENCE**

The Barbadian experience in relation to Social Partnership establishes that once Governments have to deal with practical, man-made matters rather than celestial affairs, anything is possible.

It was conceived as an extra-ordinary response to an acute and extraordinary crisis. In 1991, Barbados had effectively exhausted its holding of foreign exchange reserves. Indeed, the net foreign exchange reserves of the Central Bank of Barbados were negative.

This constituted the background against which the country had to enter a programme with the IMF which, following its usual orthodoxy, thought that a devaluation of the value of the Barbadian dollar was the appropriate policy response.

There was however a consensus among all of the stakeholders that there was an alternative course which would entail shared sacrifice and compromise on the part of all, and which would not foist on the people the hardship which would ensue from a devaluation of the exchange rate.

The Barbados Social Compact therefore took the form initially of a Protocol to give effect to Prices and Incomes Policy, and a range of measures tantamount to an internal devaluation, involving wage cuts, wage freezes and the layoff of public sector employees as a means of addressing the country's competitiveness crisis.

From the very outset the instrument to give effect to a social contract among the social partners recognised the need for shared sacrifices, the requirement that each partner should yield some part of its special interests in pursuit of the ultimate common good, and that there

should be clearly defined roles for each of the partners in pursuit of such.

Above all, there was appreciation for the fact that a strong commitment to the attainment of social justice for all had to be clearly evident in the design and workings of the Social Contract.

As said earlier, the Social Contract which created Barbados Social Partnership initially took the form of a Protocol on Prices and Incomes. However, the nature of the Social Contract itself has evolved and has been made to take the form of Protocols to give explicit effect to a Social Partnership.

The focus of the Social Partnership has also evolved beyond issues pertaining to the growth and competitiveness of the Barbados

economy, but to address every conceivable major issue which affects the cohesive and harmonious development of Barbados as a Society.

In addition, the Social Partners have also placed great emphasis on **problem solving** as part of their cooperation. In this regard, a special select committee was formed to monthly address and fix issues relating to prices, employment and other such matters, which unattended, could undermine the harmonious atmosphere required for a partnership to succeed.

It is beyond dispute that the Social Partnership has contributed massively to Barbados' progress over the past two decades.

It contributed by being the chief agency by which the economy was stabilised and its decline reversed.

Secondly, the range of matters on which its consensus decisions were put into effect placed the country on a path of sustained growth.

And thirdly, it served the strategic role of being the mechanism which built a national consensus to facilitate national development on the strength of socially acceptable public policy.

I would judge that the Social Partnership has been of greatest value to Barbados in respect of the latter matter facilitating national development on the strength of socially acceptable public policy.

For the sake of completeness and ease of reference and to assist your deliberations, I have prepared an Addendum to this Presentation which contains a summary of the main provision of the Six Protocols, some of the key Institutional and legislative Initiatives that were the product of

the Social Partnership, and the suite of major policies that were the subject of consultation within the social partnership.

It can be gleaned from this that the Social Partnership of Barbados was not of the greatest benefit where common ground existed, but where it had to conceive of policies for the nation in areas where unilateral action by the state, though necessary, would have been counter-productive, or where it had to find a solution to a problem which would only become apparent many years in the future.

In this regard, one the most enduring legacies of the Social Partnership of Barbados is that it provided the tripartite framework within which the National Insurance Scheme of the country has been reformed.

Barbados is an aging society. At the turn of the century it was recognised that without substantial reform, its NIS would become bankrupt by the early 2030's, or require impossibly high levels of

contributions from the projected working population to fund the pensions of projected beneficiaries.

It had to be reformed by making significant adjustments to the retirement age and to the rate of contribution to the fund.

In a democracy it is very difficult for the Government, acting unilaterally, to get citizens to accept major changes to their financial circumstances to deal with a national problem that is likely to occur some 30 years in the future.

For prudence sake, a special Task Force, appointed under the auspices of the Social Partnership, was convened to advise on the matter. Its report, whose recommendations enjoyed the support of all the Partners, diffused a problem which the Government would have had a great challenge resolving if it had acted unilaterally.

The Social Partnership also played a role that is likely to be of historic significance in creating the National consensus which enabled Barbados to accept the full jurisdiction of the Caribbean Court of Justice.

Indeed the Fifth Protocol spoke in the following terms at Section 3:10:

**“The Social Partners acknowledge that implicit in the advent of the CSME must be the establishing of a regional court to provide legal authority and appellate jurisdiction so necessary for the maintenance of social and economic stability.**

**The Social Partners therefore support the creation of the Caribbean Court of Justice, and regard it as further example of regional confidence and maturity and as the logical corollary to the changing relationships of nation states.”**

**Enough said on that matter in Jamaica.**

It is also my hope that another Institution which has been created by a deliberate act of the Social Partnership of Barbados will flourish and justify the investment and confidence which caused it to be established.

That Institution is the National Initiative for Service Excellence. Barbados has chosen to adopt a strategy for its development under which it has to become more and more an exporter of premium quality services.

To supplement macro and sectoral initiatives to help to accomplish this, the National Initiative for Service Excellence was conceived to embed excellence in service delivery and an appreciation for quality service in every facet of National life.

Having said all of that, it would be inappropriate for me to make this presentation without also drawing reference to the challenges involved in placing an instrument such as a Social Partnership at the core of a nation's development efforts.

I drew reference earlier to the fact that Barbados has been cited as one of the success stories regarding the functioning of Social Partnerships, yet it finds itself in dire straits today.

This is due not so much to any failings of the concept of a Social Partnership per se, but in large measure to the recent significant departure from its proper use.

Barbados is now mired in a most debilitating economic crisis which is imposing incredible strains on the social fabric of the country and engendering new forms of social disharmony.

The crisis persists because no substantial nor successful effort has been engaged in to build a national consensus as to how the crisis should be resolved. Communication has also broken down between the Partners.

In the absence of consensus and communication in Barbados, where there should be cooperation there is now increasing conflict,

So what is the ultimate message I wish to leave with you as Jamaica embarks on its own endeavour to press its Social Partnership into national service?

It would do well always to understand that the Social Partnership is a very highly sensitive instrument. It must be carefully nurtured. For at its core is the delicate, intangible asset of trust which once lost cannot ever be easily regained.

## THOUGHTS ON THE JAMAICAN INITIATIVE

I suspect that you have invited me to be a part of this deliberation in the expectation that I will be “fast” in Jamaica’s business.

I will not disappoint you.

I said at the very outset that the work of Your Partnership Council will likely make the decisive, harmonious difference in Jamaica’s search for sustained and successful development.

Indeed, the specific areas which have been chosen to be the chief focus of this Council’s work draw from an impressive array of studies that has prescribed a realistic and highly imaginative growth and development agenda for Jamaica. More importantly, there appears to be a great national consensus that these must be the areas where sustained effort and attention have to be focused.

It is important that confidence is created in the Partnership by your straining every sinew to ensure successful delivery on the chosen areas, in the same way that the Barbadian Partnership was underpinned by the confidence of early success in helping the country to avoid a devaluation.

Your Partnership, like Barbados', is also going to evolve.

My comments today therefore relate to the manner in which you may wish to seek to strengthen it as it evolves, rather than how you should change your focus before the Partnership has yielded an early and bountiful harvest.

First, the programme for fiscal consolidation has been rightly given primacy. Indeed, the successful accomplishment of that programme is,

and will for some time continue, to be the main precondition for creating an environment to support sustained growth and development in Jamaica.

It however has to be appreciated that the implementation of a programme of fiscal consolidation will afford Jamaica very little fiscal space to support its development by fiscal stimulation per se.

The country will therefore have to foster development by relying more on economic drivers and enablers which can change the costs of doing business, improve the competitiveness of sectors and enterprises and reposition the Jamaican economy in the global arena.

The recognition of the need to improve the drivers and enablers of economic activity already reflected in the work of this Council, is from the Ease of Doing Business component.

Indeed, Jamaica has made rapid improvement in this matter that is vital to building a competitive economy, as evident in its recent rapid promotion in the global Ease of Business Report.

But it should go the whole distance and seek to implement new benchmarks in areas other than the Ease of Doing Business, which are vital to its competitive standing, but where it is substantially below international best practice.

In this respect, the World Bank's Report, "The New Trade Environment and Trade Performance in the Caribbean" of June 2014, indicates that not only in regard to the ease of doing business, but across a wide spectrum of quantitative indicators which measure the quality of policy and infrastructure that function as the key determinants of trade performance, the Caribbean and Jamaica lag behind all other regions, and all other small economies.

These indicators include.

- Trade policy as measured by the level of tariffs;

- Trade facilitation as measured by the World Banks Logistics Performance Index and the cost to export a container.
- UNCTAD's Liner Shipping Connectivity Index which measures the efficiency and availability of shipping services; and
- the extent of innovation as measured by Investment in Research and Development and the number of patent applications.

Other studies have pointed to the fact that while Caribbean countries exhibit high levels of IT penetration, too little of it is used to facilitate E-commerce or to improve transactions in both the public and private sectors.

A useful purpose can be therefore served by widening the Ease of Doing Business Component of the work of your Council, to enable Jamaica to adopt international best practices in all the other areas which affect its competitiveness, but in which it is now lagging.

Secondly, the adoption of a major National Programme to enhance productivity should be as soon as practicable be Incorporated into the work of the Council

The World Bank's 2011 Country Economic Memorandum on Jamaica, succinctly states that Jamaica's disappointing economic performance is due in large measure to low productivity.

It indicated that between 1992 and 2008 labour productivity was negative in eight (8) out of ten (10) sectors, and that Total Factor Productivity per worker in Jamaica, lagged significantly behind most other countries in the region. A major sustained broad-based initiative to enhance productivity in order to remove this constraint as a specific area in and of itself, is warranted.

Thirdly, the affairs of a small open economy cannot be successfully discharged unless they are geared to enable the country to master the dynamics of its relationships with the rest of the world.

The Social Partnership of Barbados was for this reason used to devise the strategy for the country's involvement in the CSME and in the WTO.

The work of this Council is however highly inward looking, especially at a time when Jamaica and the entire Caribbean need to revamp their entire trade diplomacy. And the need for a complete revamping is based on very substantive evidence.

First, the share of Caribbean exports which are going to the new growth poles is lower than expected, based on the forecast of gravity models of trade that reflect various determinants of bilateral exports, particularly size, income levels and distance.

Secondly, the global arena is now dominated by new and transformative trade arrangements in Africa, and between some of the major countries of the world.

The Caribbean not only has the fewest bilateral trade agreements of any region of the world, but also has no organised relationships with the evolving trade blocs, nor with the widespread supply and value chains that are the chief integration force among enterprises globally.

Unaddressed, the Caribbean will languish somewhere in the 20<sup>th</sup> century while the rest of the world marches on into the 21<sup>st</sup>. through new trade arrangements that forged relationships between countries and regions in entirely novel ways.

It needs to act, and Jamaica is perfectly poised to give that needed action leadership.

To begin with, recent developments in Cuba afford us the historic opportunity of conceiving and creating a New Caribbean Basin Initiative that takes the form of a broad-based Economic Partnership Agreement involving Caricom, including the Bahamas, Cuba and the Dominican Republic.

Your Council should structure its work programme to give consideration to a matter like this.

In doing so, it should develop a national consensus on the still sensitive matter as to how far and how fast you wish to go in making economic liberalisation the dominant economic ideology.

For this is a matter on which there is still too much ambivalence, and which is holding back Caribbean and Jamaica development.

Fourthly, like other countries in the Caribbean, Jamaica should devise a programme to be implemented under the auspices of the Social Partnership to put the circumstances of the 20<sup>th</sup> century behind it so that it can come more rapidly to deal with the challenges of the 21<sup>st</sup> century.

In some Caribbean countries, this amounts to building an Airport to accommodate jets.

In Jamaica's case, it may entail accelerating the programme to build a 21<sup>st</sup> century infrastructure and human capital endowment.

Finally, it is important and impressive that this Council is addressing issues relating to law and order.

Indeed, success on this matter may prove to be the largest and most lasting benefit to Jamaica from the operation of a Social Partnership.

It however should be conceived of, not just as a security matter, but as an initiative to enable Jamaica to find its true heart and its true character.

I have had the privilege of being part of daily life of Jamaica, not just in Kingston, but in places like Point Hill in St. Catherine, Sandside in St. Mary, Duanvale in Trelawney, and Crofts Hill in Clarendon. I have spent a lot of time in Southfield in St. Elizabeth and in many of the other nooks and crannies of Jamaica.

I have seen all across Jamaica a strong sense of community. I have felt the desire of ordinary Jamaicans for their nation to succeed.

All across Jamaica there are people of a warm, gracious and generous nature. And a typical Jamaican characteristic is the irreverent sense of good humour that is so handsomely displayed on the Sportsmax Zone programme.

There is therefore no good reason why a nation blessed with such a characteristic, should also not be a people living peacefully in their habitations.

There is no good reason why Jamaicans should kill Jamaicans.

I look forward to this Council making the decisive difference to Jamaica, by succeeding in bringing a new peace and stability as the foundation of Jamaica's future.

And I urge you to press on with it in the certainty that when two or three are gathered together in his name, he will grant their request.



# ADDENDUM TO PRESENTATION

## The Barbados Social Partnership

### Main Features and Achievements

The Social Partnership of Barbados has evolved from a Protocol on a Prices and Incomes Policy (1993) born out of economic crisis to the present institutionalized social dialogue reflected in Protocol 6 of the Social Partnership.

(Protocol 5 was extended to cover the gap of 2008-2011 and Protocol 6 has been extended since 2013 and there is not yet a draft Protocol 7 completed).

The main aspects of the six protocols are presented below:-

#### Protocol 1 for Implementation of a Prices and Incomes Policy 1993-1995

In the first protocol the Government, Trades Unions and Private Sector captured their intent in the following words:

“AGREE to the following broad principles encompassing a Prices and Incomes Policy for Barbados, as part of an overall strategy for the sustained economic development of the country, since it is recognized that there has been a gradual erosion in Barbados’ competitiveness which needs to be reversed by resolute and coordinated action by the Social Partners”.

The main features of this instrument for economic recovery were as follows:

1. Commitment to maintaining the existing parity of the exchange between the Barbados dollar and the US dollar.
2. A Wage freeze in the public and private sectors.
3. A price freeze on goods and service with only unavoidable increases due to imported inflation.
4. A mechanism for monitoring prices
5. Commitment to establishment of a National Productivity Board.
6. The Partners would meet at least four times annually under the Chairmanship of the Prime Minister.

#### Protocol 2 for the Implementation of a Prices and Incomes Policy 1995-1997

In Protocol 2 the Social Partners sought to build on the success of the first Protocol in order to complete the economic objectives. It however went beyond it this to create institutional mechanism to improve and formalize to operations of the partnership. The establishment of Sub-Committee of Social Partners chaired by a Minister and mandated to meet monthly was a major step forward towards effective partnership.

The main features of Protocol 2 were:

1. Wage restraint with increases based on productivity gains.
2. Price restraint with continued monitoring.
3. Commitment to collective bargaining, worker security and reduced labour disputes.
4. Commitment to enhanced competitiveness through productivity gains.
5. Commitment to social dialogue.
6. Establishment of the Sub-Committee of Social Partners “to be the first line of consultation regarding all aspects of the implementation of this Protocol.” The sub-committee was mandated to meet on a monthly basis. The composition was as follows: “two Ministers, one of whom shall be the Chairman, the Head of the Civil Service, the Director of Finance and Economic Affairs, the Permanent Secretary, Ministry of the Civil Service, the Chief Personnel Officer and an equal number of representatives of the Employers and the Congress of Trade Unions and Staff Associations of Barbados.”
7. The protocol also committed support to the formation of consumer associations, and small business development.
8. An addendum entitled “Framework to Protect Workers’ Security of Tenure” was agreed by the partners pursuant to clause 2(b) of Protocol 2. It including, among other things, the following:
  - a. Employment policy.
  - b. Industrial harmony
    - i. Avoid and reduce the potential for labour disputes by recourse to such consultative procedures as may be efficacious, including reference to the Sub Committee of the Social Partners for its advice and the use of its good offices.
    - ii. Recognition of the need to safeguard the employers’ viability as well as the workers’ security of tenure.
  - c. Terminations
    - i. Procedures for consultation with respect to redundancies due to economic, technological, structural, or similar cause which affect 10% or more of the workforce.
  - d. Sub-contracting and part time employment

Protocol 3 for the implementation of a Social Partnership 1998-2000

Protocol 3 moved the tripartite agreement from being an economic policy instrument to that of being a protocol for the implementation of a social partnership. The statement of intent on page 2 of the protocol is instructive.

“STATEMENT OF INTENT

1.1. The Social Partners desire through their association in a Social Compact to create a modern, efficient economy which is able to produce high and sustainable economic growth accompanied by increased employment, to establish through low inflation an equilibrium between prices and incomes, and to achieve a society which enjoys a greater degree of inclusiveness in all its facets and where a conscious and deliberate effort is made to distribute equitably the benefits of economic growth.

1.2. The Social Partners regard this Protocol as an instrument of policy to achieve industrial harmony and as a means to confront the challenges of globalization and the demands of the information age with a view to improving the competitiveness of the economy as part of the future social development of Barbados.

1.3. The Social Partners believe that their association in this endeavour should be characterized by a willingness to pursue a joint approach to the formulation of policies, to the solving of problems, and to the management of a process of change and social development.

1.4. The Social Partners accept that the success of the private sector is an important element in the continued economic growth of Barbados, and agree to the development of such strategies as would strengthen the potential for expansion by the entire private sector.

1.5. The Social Partners agree that during the period of the Social Compact labour shall not be required to vary benefits and conditions which it currently enjoys, unless it is for immediate general improvement, or unless by any such variation, labour assists in effecting the long term improvement in the conditions of those employed and creates jobs for the unemployed.

1.6. The Social Partners accept and agree that the Social Compact must be based on mutual respect, on an implicitly expected discipline in the scrupulous observance of obligations, and on a clear and unequivocal national commitment to its stated objectives.”

The specific objectives of Protocol 3 are set out below:

“In pursuance of the foregoing the Social Partners agree that the Social Compact is predicated on the following major objectives:

- i) Maintenance of the existing parity of the rate of exchange.
- ii) Maintenance of a stable industrial relations climate.
- iii) Sustainable expansion of the economy through its competitiveness.
- iv) Restructuring of the economy.
- (v) Reduction of social disparities through increased employment.
- (vi) National commitment to increased productivity.

- (vii) Achievement of a balance between prices and incomes.
- (viii) Consolidation of the process of tripartite consultation.”

The objectives clearly maintain those of the previous Protocols while adding to the scope of the agreement. The addendum to Protocol 2 was fully incorporated in Protocol 3. New areas included:

1. Commitments related to
  - a. Poverty elimination
  - b. Strengthening the National Employment Bureau
  - c. Promotion of a Code of Practice on Employment of People with Disabilities.
  - d. Non-discrimination against persons with disabilities with respect to employment
2. Implementation of the Protocol
  - a. Recognizing that implementation was a critical factor in the success of the protocol, there was agreement as follows:
    - i. “The Social Partners accept and agree that the implementation of all aspects of this Protocol will be undertaken in a manner that fully acknowledges the spirit into which it has been entered and which honours the principles of transparency and objectivity. They therefore re-affirm their commitment to the principles of voluntarism in industrial relations, and to those practices and conventions which have developed over the years as a result of the application of those principles.”
  - b. The three partners each made specific commitments related to aspects of the protocol for which there were responsible. Some examples are:
    - i. Government
      1. Consult with the other partners at the earliest opportunity on major economic and social policy changes.
      2. Set an example of employer best practice
      3. Ratify ILO Conventions
      4. Amend or bring new legislation to support the objectives of the social partnership, e.g.
        - a. Labour
        - b. Consumer protection
        - c. Public sector reform
        - d. Incentives

5. Inform all departments of that the protocol is applicable to them and that they should abide by the principles and process.
- ii. Private Sector
    1. Specific commitments followed the following general statement; “Employers’ Representatives recognize their responsibilities to respond to the challenges and opportunities of globalization, corporate restructuring, trade liberalization and the other influences affecting a small open economy and commit themselves to ensuring the success of the Social Compact”.
  - iii. Trades Unions
    1. Specific commitments followed the following general statement: “The Workers’ Representatives recognize their responsibility to make a contribution to the development of a work force that is skilled, that is understanding of their role in assisting Barbados to be competitive, and that is committed to improved efficiency in production.
- c. Administrative procedures were set for the Sub-Committee of Social Partners;
- i. including expansion of the Government representation,
  - ii. the monitoring of a basket of food items with respect to pricing after the implementation of VAT,
  - iii. taking such initiatives as it deems appropriate in the resolution of industrial relations but without acting in a manner to trespass upon the specific statutory duties of the officers in the Labour Department as stated in Cap. 23 of the Laws of Barbados.

#### Protocol 4 of the Social Partnership 2001-2004

The preamble to Protocol 4 provides some insight into the further evolution of the Social Partnership. It speaks to it in terms of a participatory democracy and the subjugation of sectoral interests in favour of the national good. It also attributes the economic turnaround experienced by the Barbados economy to (in large measure) the collaborative efforts of the social partnership.

“RECOGNISING that there resides among them a mutuality of interest, an inherent interdependence and a maturity in the exercise of their relationships;

FURTHER RECOGNISING that the success of any sustained social and economic progress in Barbados will depend to a considerable extent upon their on-going individual and collective commitment to a philosophy of governance which is characterized by participatory democracy and the subjugation of their sectoral interests to the national good;

ACKNOWLEDGING that the recent continued social and economic development of Barbados has in large measure been achieved by an adherence to the broad principles contained in the initial Protocol for the period 1993-1995 and its successors.

FURTHER ACKNOWLEDGING that there are potential societal and economic benefits to be derived from an expansion of the scope of such previous tripartite agreements;”

This protocol builds on the success of those before it by maintaining the existing features and adding additional elements to broaden its scope. This is reflected in the tone and content of the statement of intent as follows:

“1.1 The Social Partners desire through their association in a Social Compact to create a modern, efficient economy which is able to produce high and sustainable economic growth accompanied by increased employment, to establish through low inflation an equilibrium between prices and incomes, and to achieve a society which enjoys a greater degree of inclusiveness in all its facets and where a conscious and deliberate effort is made to distribute equitably the benefits of economic growth.

1.2 The Social Partners regard this Protocol as an instrument of policy to achieve industrial harmony and as a means to confront the challenges of globalisation and the demands of the information age with a view to improving the competitiveness of the economy as part of the future social development of Barbados.

1.3 The Social Partners believe that their association in this endeavour should be characterised by a willingness to pursue a joint approach to the formulation of policies, to the solving of problems, and to the management of a process of change and social development.

1.4 The Social Partners accept that the success of the private sector is an important element in the continued economic growth of Barbados, and agree to the development of such strategies as would strengthen the potential for expansion by the entire private sector.

1.5 The Social Partners agree that during the period of the Social Compact labour shall not be required to vary benefits and conditions which it currently enjoys, unless it is for immediate general improvement or, unless by any such variation, labour assists in effecting the long term improvement in the conditions of those employed and creates jobs for the unemployed.

1.6 The Social Partners accept and agree that the Social Compact must be based on mutual respect, on an implicitly expected discipline in the scrupulous observance of obligations, and on a clear and unequivocal national commitment to its stated objectives.”

This protocol contains the following new features:

1. Support of strategies to restructure the economy to confront globalisation especially as reflected in the impact of WTO inspired trade liberalisation.
2. Explicit support for the productive export sectors.
3. Partner support for strategies to strengthen the domestic economy and support micro enterprises.
4. Policy on persons in the workplace with HIV/Aids and other life threatening illnesses
5. Protection of the environment
6. the deepening and widening of the social partnership including, where appropriate, the formal involvement of accredited non-governmental organisations in its dialogue.

### Protocol 5 of the Social Partnership 2005-2007

Protocol 5 preserves and expands the provisions of Protocol 4. Among the new features are:

1. Commitment to the goal of making Barbados a fully developed society
2. Explicit support for the CARICOM Single Market & Economy (CSME)
3. Support for the goals of the National Strategic Plan 2005-2025
4. Incorporation of the May Day Declaration of the Social Partners (2004) into the Protocol
5. Commitment to improved service excellence and the establishment of the national Initiative for Service Excellence (NISE)
6. Commitment to the Decent Work concept of the ILO
7. Establishment of a Secretariat with the following responsibilities:
  - a. provide secretarial functions and logistical support for the regular and special meetings of the Social Partners;
  - b. provide effective follow up action on matters arising from the meetings of the Social Partners;
  - c. facilitate the establishment of a website for the Social Partners for information and archival purposes;
  - d. facilitate the creation of a corporate identity for the secretariat through the development of the appropriate material, including a logo and letterhead;
  - e. disseminate information to the media following meetings of the Social Partners.
8. Creation of the Centre for Policy Studies as a tripartite entity to undertake research in support of the work of the social partnership.
9. Policies on

- a. Migrant labour
- b. Occupational Health and Safety at Work

### Protocol 6 of the Social Partnership 2011-2013

In Protocol 6 there is little change beyond Protocol 5, except for the following additional items:

1. Commitment to the goal of making Barbados the Number One Entrepreneurial Hub in the World by 2020.
2. Adoption of the Government's Medium Term Strategy 2010-2014.
3. Policy on health, chronic disease and human development.
4. Support for pension reform.

## Some key achievements

### Institutional

The following institutions have been created by the social partnership:

National Productivity Council 1993

National Initiative for Service Excellence 2004

Centre for Policy Studies 2005

Sub-Committee of Social Partners 1995

Secretariat for the Social Partnership 2004

### Legislation

The following were developed with direct tripartite input:

Public Service Act 2007

Employment Rights Act

Safety and Health at Work Act

Occupational Pensions Act

### Consultation

The following major policies and/or projects were the subject of consultation within the social partnership:

Introduction the VAT 1997

National Strategic Plan 2010-2025 (2005)

Annual National Consultation on the Economy

Medium-term economic strategy

Public Sector Reform

Pension Reform to preserve the viability of the NIS

Occupational health and safety

HIV/Aids strategy

National Human Resource Development Strategy

100% Bajan Campaign (buy local campaign)

Alternative energy policy

Non-communicable chronic diseases

Trade liberalization – minimizing the impact on local businesses

CARICOM Single Market & Economy – Free movement of workers

Immigration policy on work permits

### Industrial Relations

The sub-committee used its good offices to prevent and/or resolve several actual or potential industrial relations issues. These included:

Long delays in the appointment of teachers and other public officers to vacant posts.

Re-structuring of several companies resulting in job losses.