

When Bobby Morris invited me to address you today, he intimated that I might wish to change the title of if it would be more congenial. Once I sat down to prepare this talk, I decided to take him up on that suggestion. I am sure this audience has forgotten more about collective bargaining than I will ever claim to know. I am therefore going to look more broadly at the responsibilities of labour and management as the Barbados economy grows to maturity. I am convinced that the requirements for economic growth from now on are rather different than they have been in the last twenty-five years or so. This may be a good time to reflect on the role of trade unions in the growth process so far and to discuss how unions may be most effective in the changing circumstances of the future.

I shall begin by suggesting the changes that are taking place in the opportunities for workers to improve their material condition; secondly, I shall outline changes in the ways in which Barbados may find additional income and output. I shall then suggest some of implications-of the first two topics for worker/management relationships.

The Source of Gains for Labour

The labour movement in Barbados and the Barbados Workers' Union in particular, deserves its reputation for championship of workers' welfare. I am always fascinated to listen to men like your General Secretary, the Governor General and others of that generation, who have witnessed the transformation of conditions of working people in Barbados. I myself have lived long enough to know a time when the average working head of household did not earn enough from his regular employ to afford decent housing, adequate nutrition, good education, proper health care and some recreation. For most of the history of this country the surpluses appropriated by the rich were enormous, compared to the share allowed to the working class. Fundamental change has been wrought in rectifying that situation. In the process of that change, workers gained by improved access to a share of existing product, at the expense of owners. The essential challenge of unionism in that early phase was redistribution. Unions did not need to concern themselves so much about overall economic performance. Whether sugar went up or down, there was enough surplus in the system for workers to improve their lot by gaining additional access to the surplus.

I believe that phase of our economic development is now at an end. The worker has gained everything that is available and reasonable from the redistribution of existing economic wealth. From now on, our living standards will

improve only if our firms can produce more with the same number of workers. That is to say, each worker must become more productive if he is to improve his access to real income. If the only way that you can increase output is to employ more workers, then the existing worker will not earn any more and standards of living for the average worker will not improve. A new challenge facing workers and workers' organisations is to find ways of making the worker more productive. That is a challenge to which I will shortly return.

Sources of Economic Growth

When you are desperately poor and every dollar counts, you will sell your goods at rock bottom prices to catch every possible sale. Quality is not important; you simply want to get out as much as you can as cheaply as is necessary to attract the customer. As you become more affluent that strategy is closed to you. You simply cannot produce enough of the cheap stuff to reward you for a day's work. You then have to try a different tactic, to abandon the cheap end of the market to the less affluent and sell products of a better quality. This is essentially Barbados' dilemma. Barbadian workers are considerably better off than their neighbours in Jamaica, St. Lucia, St. Vincent, Antigua and the Dominican Republic, not to speak of Haiti. Income per person in these countries is one-quarter to one-half of what it is in Barbados; our per capita income is 14 times Haiti's. However, we are still producing

the same shoddy stuff to the same slack timetables as our poorer brothers, and we want to sell at twice their offer price. We should not really be surprised that we have no market.

What is to be done about the situation? A surprising number of people advise us - in effect - to impoverish ourselves back to the levels of our less fortunate neighbours. That is what is being said when you hear advice that we reduce our costs. To reduce real costs, we have to make our people materially worse off. I am very much afraid that it may yet come to that if workers, management and government are unable to put together workable systems to enhance worker productivity. The cost of failure is impoverishment. It will come about very simply - our products, no better than the much cheaper competitive goods offered by our neighbours, will not sell, firms will close and no new firms will arise to replace them. With rising unemployment, hungry workers will accept jobs at whatever wages they can get, perhaps after waiting in vain for a job that will sustain their accustomed lifestyle. It is a real prospect and one that is extremely disquieting.

Enhanced productivity is the key to avoiding this distressing future and it is our paramount challenge. We must ensure that productivity considerations dominate worker/management and worker/government discussions from now on. By enhancing productivity, we secure the only means of producing

goods of a quality and at a price that will sell on export markets. It is the only way that workers as a group may improve on their real standards of living without bankrupting the firms which provide them employment. A whole new agenda is set for the relationships between worker and management. It will concentrate on the survival of firms and industry and on finding new ways of beating the competition. Workers must aim to rescue standards of living which are under threat, not from wicked owners and managers, but from discriminating foreign buyers.

A Few Items for the Agenda

The first item I want to suggest for the worker/management agenda is how to facilitate the introduction of new technology. If it is done sensibly, this is the fastest way to dramatic productivity increases. We must not take the narrow view that more productive technologies are against workers' interests. In fact, the present low technology is against workers' interests, because it makes no economic sense to pay smart workers good money to do simple, low skilled jobs that yield output slowly. Cheap, labour intensive processes are profitable only if you have cheap labour, which, comparatively speaking, Barbados no longer has. Our workers are clever and they insist on adequate salaries, so they must be given sophisticated tools that will enable them to produce products of high value and in quantity.

The use of modern technologies may open the way to production on a much grander scale. Small scale is the bane of Caribbean production. How frequently do we hear the complaint that the North American buyers stand ready to place orders which are 10 or 100 times what the Caribbean firm is accustomed to produce. Using new technology an export firm may well increase its scale of output ten-fold, employing the same number of workers as at present. Of course, they will not be the same workers, and therein lies a major problem of transition, one of the main reasons why new technologies are resisted. If workers and managers can co-operate to deal creatively with the requirement for change in the quality of the workforce we may expand production on a scale large enough to satisfy export markets. In so doing, industry can re-absorb numbers of workers comparable to what they now employ, to produce levels of output many times greater.

We should not expect the transition from the old to the new to be without pain; tensions will often run high and the discussions and arrangements may arouse much acrimony. Through it all, workers must insist on defending their interests. However, we must be careful not to block the new technology or to frustrate its effectiveness. We may win that battle with the individual firm but only at the cost of undermining the prospects for industry as a whole.

A second item for our agenda is the search for systems which discriminate in favour of high quality work at the highest volume of production compatible with maintaining that quality. Such systems ought not to be so alien to the temper of the Barbadian. Barbadians believe that if a man works hard, improves himself and is diligent, he should get ahead. Unfortunately, I am not sure that this sensitivity is built into our wage contracts or into the way that these contracts are administered. This is partly the result of another Barbadian trait. Most of us are embarrassed to push our own case and prefer to let everybody be treated alike; it is less contentious.

We are not going to get away with that if it leaves unchanged present work attitudes, present levels of output, and present standards of performance. Customers on whom we depend for foreign exchange will take their business elsewhere. So, distasteful as it may be to our sensibilities, unions and management must sit down to work out contracts that have a productivity bias. They must establish worker/management committees or whatever implementing mechanisms are necessary to ensure visible gains in work performance and material rewards to go along with them.

A third item for the agenda is to improve the flow of information and analysis of firms and industries. Workers and workers' organisations must be well-informed about the

prospects for the firm, the industry and the economy generally. Workers must not be caught napping when markets soften. They should have a supply of information to enable their representatives to judge the performance and prospects of firms, industries and the economy. They should have the capacity to examine the information critically, and to enter into constructive debate with management and with government if they have any doubts about the prospects or the course of policy. This seems something of a tall order, but I believe you have already begun to move in the right direction.

We need dependable information systems. At the firm level, they are virtually absent; at the industry level they are woefully inadequate. Only at the national level do we have a regular supply of ongoing information about economic performance and prospects. We need to insist on similar information for firms and sectors and we need informed discussion of the implications. Such arrangements might include union forums on the national economy and industry consultations, some of which we have already instituted. But workers and managers also need to discuss performance and prospects at the firm level.

The BWU has begun to provide itself with the capacity for economic analysis. I have myself participated to great benefit in union-sponsored activities which have been arranged to address economic issues for the nation and the region. I suspect you may need to go further. Your firm representatives,

industry representatives and shop stewards will have to become knowledgeable about markets and market prospects, the threats they are likely to encounter and the adjustments which may be required to ensure that firms grow and prosper.

I hope that I have been sufficiently provocative and I look forward to debating these issues with you in the course of the discussion which will follow. I trust we will all leave this seminar with the firm intention to take whatever constructive steps lie within our power to contribute a positive response to the export challenge. Many of our hopes for the manufacturing sector have been dashed of late and we are yet still in the process of trying to evolve a promising future for agriculture; even tourism is not quite living up to our expectations. Workers must see themselves as participants in the effort to come to terms with these difficulties and take constructive measures - such as lie within their own powers - towards the solution. We have the advantage of strong professional workers' organisations. We should use that advantage to address the problems of growth by producing workers who are appropriately trained and motivated for the tasks we face.

DeLisle Worrell
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INCOME PER HEAD, 1984

	(US dollars)	Percentage of Barbados' Income per head
Antigua	1,860	43
Bahamas	6,690	153
Barbados	4,370	100
Belize	1,110	25
Dominica	1,010	23
Dominican Republic	970	22
Grenada	860	20
Guyana	590	14
Haiti	320	7
Jamaica	1,150	26
Mexico	2,040	47
St. Lucia	1,130	26
St. Vincent	840	19
Trinidad-Tobago	7,150	164

Source: World Bank, World Development Report 1986.