

# Country Fact Sheet: Barbados

## *Decent Work Response to the Global Financial and Economic Crisis*

*The 98th session of the International Labour Conference of the International Labour Organization held in June 2009, in Geneva, Switzerland, adopted a “Global Jobs Pact” as its response to the global economic and jobs crisis. The Pact is a joint commitment made by the Governments, workers’ and employers’ organizations to work together to weather the crisis through policies in line with the Decent Work Agenda. Measures to retain persons in employment, to sustain enterprises and to accelerate employment creation and jobs recovery combined with social protection systems, are addressed in the Global Jobs Pact.*

*Already countries of the Caribbean region have been responding to the crisis and adopting measures in line with the Decent Work Agenda - measures in job creation and social protection, underpinned by social dialogue and international labour standards. In an effort to share experiences and good practices, the ILO Subregional Office for the Caribbean invited its constituents to provide information on their contribution to the crisis in their respective countries and territories. The information contained in this Fact Sheet was collected through a questionnaire survey and provides a snapshot of decent work responses of Barbados to the ongoing economic and jobs crisis. The ILO Subregional Office for the Caribbean wishes to thank the tripartite constituents for their cooperation in providing the relevant information, which is expected to be updated periodically.*

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### **A. Job Creation and Employment Protection**

- The Government of Barbados has expanded opportunities for job creation in the services sector by promoting Call Centres and Medical Transcription Services. Further, Government’s training institutions - the Barbados Vocational Training Board (BVTB) and the Samuel Jackman Prescod Polytechnic (SJPP) - have been instructed to provide new training and re-training opportunities for displaced persons. Additionally, an unemployment benefit fund of BDS\$10million has been established. It will target those unemployed persons who have contributed to the National Insurance Scheme (NIS). Persons who qualify will obtain a stipend as well as training for pre-approved courses.
- The Barbados Employers’ Confederation (BEC) will collaborate with the Small Business Association of Barbados (SBA) to conduct a study on the impact of the financial crisis on small enterprises. The Government of Barbados has established a Micro Enterprise Assistance Grant Programme. Operators of micro-enterprises can borrow up to BDS\$5,000 to sustain their operations.

*The average rate of unemployment for the first quarter of 2009 was 10.1%, up from 7.6% in 2008. The male unemployment rate increased from 6.5% to 10.2%, while the female unemployment rate moved from 8.8% to 10.0%. There was a decline in the number of persons employed in construction by 4.6%, tourism 7.7% and manufacturing 6.4%. (Central Bank of Barbados, 2009)*

- In its 2009 Budget Statement, the Government announced a new facility for employers experiencing cash flow problems. They have an option to defer their one-year contribution to NIS and use that money as a loan. The loan is repayable over a five-year term at a 3% rate of interest. To access this facility, employers must be up-to-date with their NIS contributions as at June 30, 2009, and give a commitment to maintain current employment levels for the period of the facility.
- The Government, on the request of the Barbados Hotel and Tourism Association (BHTA), has agreed to the creation of a BDS\$15 million revolving fund to be known as the Tourism Industry Relief Fund (TIRF). The Fund would assist the tourism-related enterprises (providers of tourism accommodation and ancillary tourism services) to remain in business and maintain employment levels during the global economic recession.
- In the 2009 Budget Statement, the Government proposed to establish a new scheme to ease the cash flow problems of government contractors. Those enterprises that prove that they have satisfactorily performed their services will be able to speed up collection of up to 90% of amounts due to them.
- The Government has introduced a programme of relief to employers and self-employed persons by providing waivers of interest and penalties on outstanding National Insurance, Income Tax, Land Tax and Value Added Tax (VAT).

## **B. Social Dialogue and International Labour Standards**

- In October 2008, the Government established a Special Working Group (SWG) on the economy to devise a strategy for Barbados to respond to and to mitigate the impact of the global financial crisis. The SWG submitted a report to the Ministry of Finance in December 2008. It recommended the establishment of a Council of Economic Advisors to monitor Government's economic programmes and propose action to mitigate negative outcomes. The Council comprises members from the private sector, the labour movement and the academic community.
- The BEC has reported that they have been meeting with other Social Partners every month to review and report on the status of the identified sectors (tourism and ancillary services in particular) and to discuss the achievements of agreed targets and programmes.

## **C. Social Protection**

- The Government has established a high-level Inter-Ministerial Task Force to monitor and strengthen the Social Safety Net. Its terms of reference include: assessing risks posed by the current global situation; providing reports on, or forecasts for any variations in the demand for social assistance; making recommendations to the Cabinet for any necessary changes in programmes, policies and target populations; and fast-tracking policy implementation as may be required, to facilitate proactive and timely interventions. The Task Force is also to bring about a fully coordinated sectoral approach to the provision of

social services, enhancing the strengths of each sector and avoiding duplication and fragmentation in service delivery.

- According to the BEC, some employers have sought voluntary wage reductions with varying degrees of success. One major construction company has taken the lead, with their executive staff agreeing to a reduction in emoluments in order to save jobs.
- In a bid to protect jobs, some employers in the Tourism and Ancillary Services sector have reportedly moved to shortened working hours, where feasible, by offering day on /day off rotations.

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This Fact Sheet was prepared in October 2009 using information provided by the Ministry of Labour and Immigration of Barbados, with inputs from the Social Partners.