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# **Productivity and Worker Protection:**

**Lessons from the Past Decade**

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# Central Thesis



- **People are the centre of Development and Management.**
- **A Regime of worker Protection pays economic benefits**

# **CIRA/IIRA in 2002**



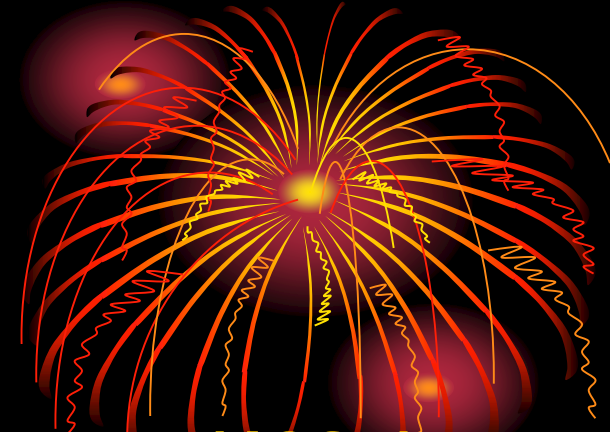
- **Since 1994, the return to Laissez Faire and ‘Race to the Bottom’**
- **Conference, “Trade & Worker Protection: Can the Two be Made to Work Together”**

# New Economic Paradigm



- **Late 1980s to 1990s Structural Adjustment's second phase**
- **SA ended in theory in 1992 but the Liberalisation Model Continued**
- **WTO gains ascendancy in 1994 and beyond and re-affirms the Neo-Liberal Economic Model of Adam Smith and David Ricardo et al**
- **Laissez Faire Doctrine = The “In restraint of trade” doctrine of the late 1700 to late 1800s**

# Historical Data



- **Adams (1965) Jibowo (1977) Lawler (1985)**
- **Carl Stone's Workers Attitude Survey 1980s,**
- **ILO Studies of 1970s and later**
- **Cowell early Y2Ks**
- **Taylor Y2K2**
- **All point to the importance of Decent Work and economic outcomes such as increased productivity and economic growth.**

# ILO: Decent Work



- **“It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”**

# Decent Work Cont'd



- Creating Jobs
- Guaranteeing rights at work
- Extending social protection
- **working conditions that are safe, allow adequate free time and rest, take into account family and social values, adequate compensation in case of lost or reduced income and access to adequate healthcare.**
- Promoting social dialogue

# The LRIDA and other Statutes



- **Compulsory recognition of Trade Unions**
- **Formal Three Tiered System S. 6 LRIDA**
- **Labour Relations Code S.3 LRIDA**
- **IDT and Reinstatement S. 12. 5(c)**
- **C. 158 and the Eight basic Human Rights Conventions; 87, 98, 100, 111, 29, 105, 138, 182.**



# **Bifurcated Labour Relations System 1985-2010**



- **S. 6 of the LRIDA presumes collective agreement. i.e. union representation.**
- **S. 20 and 21 of the Code presumes collective scenario.**
- **No mechanism for non-unionised workers.**
- **Unions = A Labour Aristocracy?**
- **West Indies Yeast**
- **LRIDA S. 11A amended**
- **Single Worker Conduit to the IDT Closed**

# The Race to the Bottom

- **WTO rules enforceable ILO standards are not**
- **Governments have either refused to enact or enforce labour laws**
- **Corporations are moving away from unionised labour to more fragile “contract-type”**



# Employment Dimensions



- **Between 1980s and 2004 more than 40, 000 manufacturing jobs lost**
- **More than 30,000 agricultural jobs retrenched**
- **This has led to a reduction to the unionised workforce to an estimated 17% (Taylor 2003)**

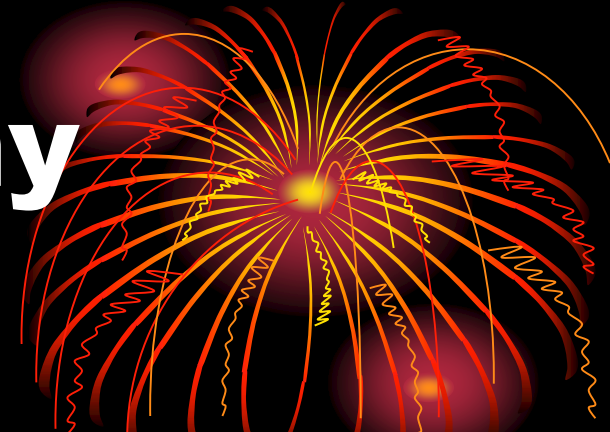
# De-Unionization of the Workplace in Jamaica



- **Ballots**

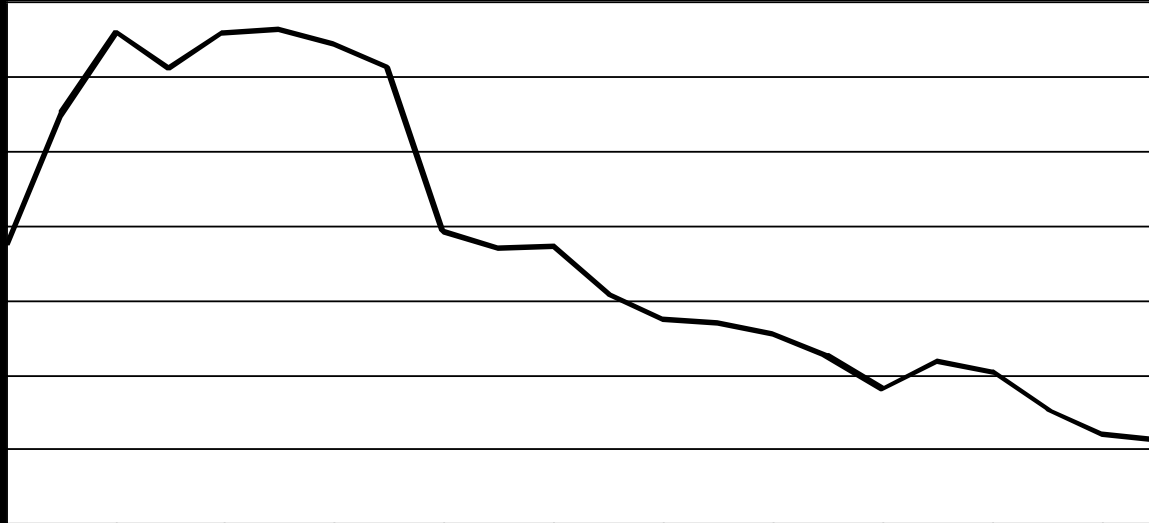
	<b>1989</b>	<b>29</b>
<b>1990</b>	<b>44</b>	
<b>1995</b>	<b>30</b>	
<b>1996</b>	<b>21</b>	
<b>2001</b>	<b>12</b>	
<b>2002</b>	<b>02</b>	

# Industrial Harmony Impact

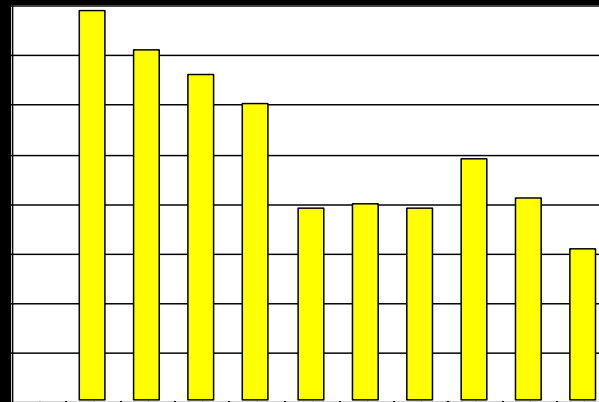


- **Average Number of disputes 1970s = c.600**
- **1985= 611 but fell dramatically to 391**
- **Average of 1985-1990s= 300**
- **1990s= 220**
- **Y2Ks= 180**
- **Dismissal cases declined from 78 in 1990 to 30 in 2000**

# Reported Industrial Disputes 1974-2002



# Figure 1 Reported Disputes over Dismissal and Suspensions 1991 to 2000, Jamaica



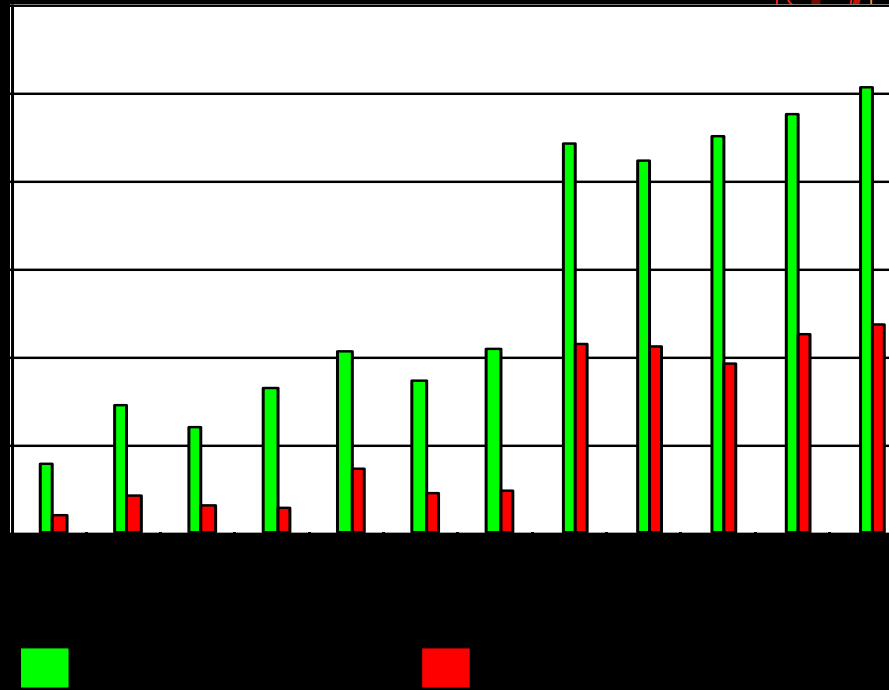
# **Reduction of disputes does not mean less conflict**

- **More workers have less voice**
- **Fewer traditional opportunities**
- **But grievances and inherent conflict increasing and unhappy workers don't work.**





# Figure 1 Reported Complaints over Dismissal and Suspensions 1991 to 2000, Jamaica



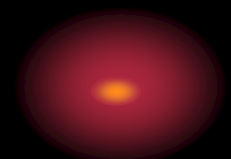
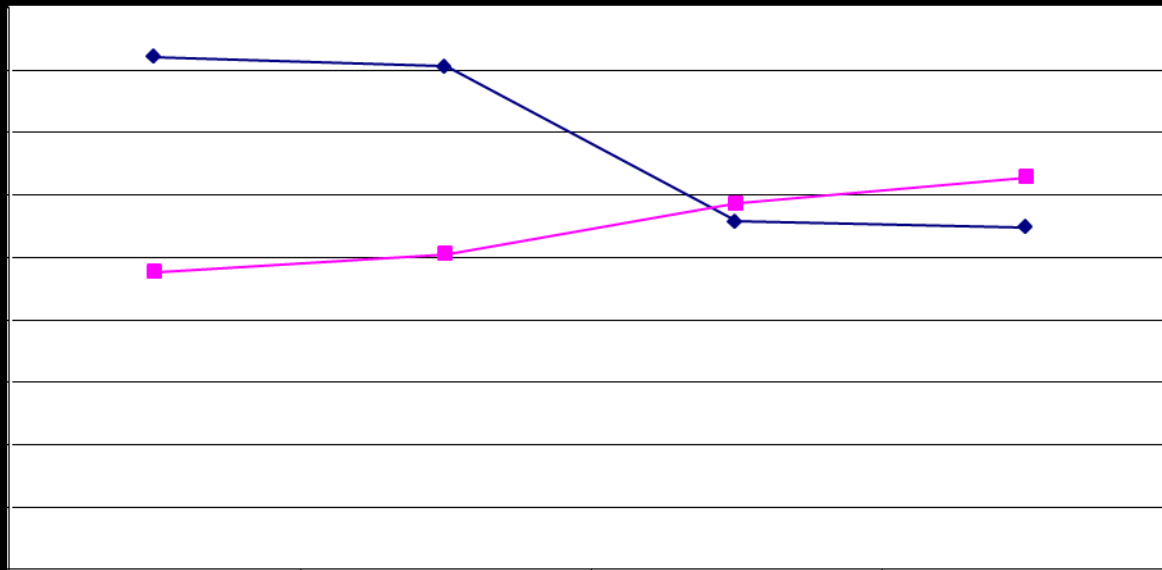
# Complaints by Non-unionised Workers 1991-2011



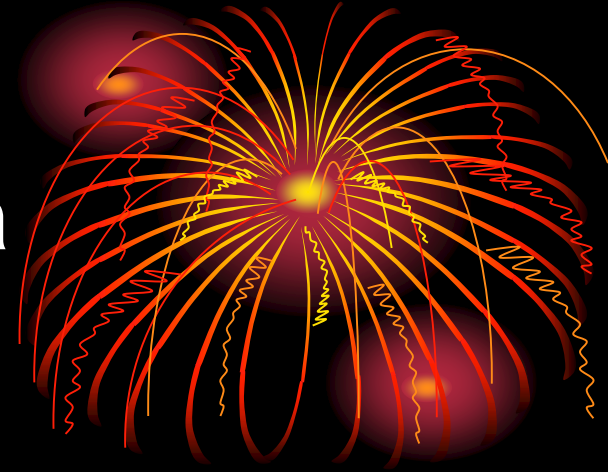
	1991	1995	2001	2002	2006	2007	2008	2009	2010	2011
ETRPA	200	721	2267	2,380	*2500	2799	3112	3772	4013	2879
All Causes	792	2052	4765	5053	5869	6288	6272	7977	8413	6019



# Unit Labour Productivity and Complaints by Non-unionised Workers 2001-2011



# Main points from Data



- **The steady increase in ‘indecent’ work led to decreased labour productivity**
- **The increase after 2008 caused by amendments to the ETRPA and especially the 2010 LRIDA**

# Recommendations from the MOL's NPC



- **The Eaton (1996)**
- **Report, which made ten (10) main recommendations:**
- **1. Review of the LRIDA**
- **2. Occupation Safety and Health (OSH) Legislation**
- **3. Flexible work arrangements**
- **4. National Pension Scheme**
- **5. Training and Education**
- **6. Transportation**
- **7. Physical Security**
- **8. Gender issues**
- **9. Restructuring the MLSS**
- **10. Labour Market**

# Recommendations from the MOL's NPC



- **1. Promote and encourage productivity-based compensation systems – align wage increases to productivity growth and employers' capacity to pay;**
- **2. Align educational and training output with skills demand (difficult to conceptualize this without central planning)**
- **3. Facilitate revenue-neutral switch from taxing labour to consumption**
- **4. Revise labour laws that are binding constraints to growth thereby making the LM more flexible (Redundancy payment)**
- **5. Encourage a competitive real effective exchange rate to help employment growth**
- **6. Strengthen data availability for policy analysis**
- **7. Enhance labour-management cooperation**

# The Way Forward



- **More open HRD Practices needed**
- **Even MOL 'Experts' ignorant of the myth of the ETRPA's effectiveness**
- **Recognise the link between Productivity and Job Security**
- **Improved Social Protection especially in Pension benefits**
- **Redundancy Payment Fund**
- **Unemployment fund**