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Haiti: Conflict Over Minimum Wage

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On Aug. 27, the national parliament approved a bill fixing the minimum wage for about 50,000 private sector employees at 25 gourdes ($3.45) per day in the Port-au-Prince metropolitan area, and 20 gourdes ($2.50) elsewhere. President Jean Bertrand Aristide rejected the bill, arguing that it would exacerbate the rural exodus into the capital, and trigger strikes by workers in provincial towns for wage parity. Aristide was expected to propose a new minimum wage prior to Oct. 1, the beginning of the new fiscal year. The parliament's bill also endorsed a 15% increase in salaries above the minimum. Included here are salaries received by nearly 40,000 public employees. In March, the parliament approved a bill submitted by Aristides that would have raised the minimum wage from 15 to 28 gourdes per day. Employer associations opposed the hike, suggesting instead 18.75 gourdes. The legislation was not enforced. After meetings among representatives of the government, employers, and trade unions, the parliament developed the two- tiered wage system. Members of parliament said the scheme would encourage investment in areas outside Port-au-Prince and thus promote industrial decentralization. Employers and labor unions based in the capital rejected the new bill. Employers pointed out that 8,120 jobs had been lost between October 1990 and June 1991, adding to an existing 1.5 million unemployed. The unemployment rate in Haiti is about 60%. The business owners asserted that the new wage increase would make Haitian labor uncompetitive in the Caribbean, thereby exacerbating an already deplorable situation. Trade union leaders demand a uniform minimum wage for the entire country. In addition to a higher minimum, the unions require additional measures aimed at addressing the rising cost of living. According to Central bank statistics, the consumer price index rose 48% in the first half of 1991. (Basic data from Inter Press Service, 09/17/91)

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