

**MESSAGE BY HER EXCELLENCY MS. JANET JAGAN, O.E.,
PRESIDENT OF THE REPUBLIC OF GUYANA,
ON THE OCCASION OF MAY DAY, 1999**

Fellow Citizens and Workers,

For workers everywhere, May Day is of great significance. It symbolises both their heroic struggles and their many accomplishments. This May Day tradition takes a place of pride in Guyana as a National Holiday.

Looking back over the past fifty years, I feel special pride for having contributed my modest efforts to enhance the struggle of our working people and to bring some improvements to the lot of our workers. And most importantly, that I have campaigned at the side of, and with, our labour stalwarts such as Hubert Nathaniel Critchlow and Cheddi Jagan.

These were exceptional times that produced exceptional leaders, who fought not only for more pay but the general welfare of workers and their families. They fought for a better Guyana for all.

It is in this context that I will try to examine the present dispute over pay increases in the public service, and the efforts by our working people's Government to meet all reasonable expectations.

I remember one such effort that I will now share with you. During January 1997, the Guyana Public Service Union (GPSU) had threatened to call a 40-day strike. Just two weeks before he was to fall fatally ill, the then President, our late Dr. Cheddi Jagan, met with TUC leaders. He made the unprecedented decision that a joint labour-government technical team should examine the Government's books to determine whether money could be found to meet further increase in salaries.

It was at that meeting that President Jagan announced what has become an important gain for the labour movement: a regular periodic consultation, once quarterly, with the TUC. It concretized government-labour partnership, which Dr. Jagan had fought for, and always wanted.

It is unprecedented for a Caribbean country that, since then, not only wages and important labour issues are discussed directly with the Head of State. This government has been consulting with the unions and private sector on the broad framework of the national budget before its presentation to Parliament.

The cooperation between the labour movement and government had become necessary because of the many years of neglect of the working people. During the 28 years of dictatorship, the working people

had become impoverished. Public servants were receiving the lowest wages paid in the entire Caribbean.

We recognized that an end should be brought to the starvation wages as well as the dehumanized practice for civil servants to give forced labour for basic food items.

Once we came into government, we sought to do something about wages in the public service. We did so consistently, year after year, simultaneously doing our best to find resources to take care of the needs of all other sections of the society, which had been neglected.

Side by side with wage increase, we increased the tax threshold from G\$6,000 to G\$18,000 which released thousands of workers from having to pay any income tax whatsoever. At the same time, we ensured that wages were not eroded by taking measures to reduce inflation and to keep the cost of living from rising.

We paid attention to our pensioners and senior citizens, and abolished the oppressive Means Test. We had placed also at the top of our priorities the needs of Amerindian communities, and the rural poor.

I invite you to look at the record of pay levels in the public service: In 1988 the monthly minimum salary was G\$595, when the minimum daily wage was G\$24.95.

During 1989, the worse ever assault took place on workers' earnings when the Guyana dollar was devalued from G\$10 to US\$1, to G\$100 to one. In those years the workers used to protest against what they termed "Dracula budgets", and we were all in the forefront, in unity, to defend the working people.

The struggles of the workers resulted in wages increasing in 1989 to G\$857 per month. And as inflation mounted, the fight intensified until wages were pegged at G\$3, 137 monthly, which was a daily minimum of \$144.64. By then the exchange rate depreciated to US\$1 to G\$125, and inflation was running at 70%.

Our government, which came into office in late 1992, gave two increases in 1993, amounting to 35%, which took the minimum wage to G\$4,314, and in 1994 we made four increases totaling 27.5%, which took wages to G\$5, 500.

In 1995 salaries went up by another 16%, a further 15% in 1996, 20% in 1997, when the minimum was G\$8, 804, and last year there was a further 30% increase, which took the minimum wage to G\$11,445.

It is therefore not an idle boast when we remind our nation that since we came into office, public sector wages have been increased by over 300%. While our wage bill increased from US\$26 million in 1992 to US\$66 million last year we brought inflation to below 5%, and restricted

drastic increases in the cost of living.

But these figures do not tell the whole story of the Herculean tasks undertaken by our government over these past six years. The greatest stumbling block to our progress was, and still remains, the huge debt burden inherited from the past rulers. That stood in the sum of US\$2.1 billion. To service that 'monster' we were spending 96 cents out of every dollar we collected in revenues, or about one-half of our foreign earnings.

It must come as a great victory for our working people, and all the people of Guyana, that through hard negotiations and persistent efforts initiated on a worldwide basis by our late Dr. Jagan, these debts have been reduced to US\$1.4 billion, and we continue the battle for further debt write-offs and rescheduling.

During the many years of authoritarianism, the decline in the standards of living was also due to the negative growth in our economy, which was finally emerging out of the tunnel by 1991. We maintained one of the fastest growth rates, averaging 7%; during 1993 and 1997, and even though our economy dipped in 1998 to a minus 2%, our aggregate growth over the past six years remains high.

I am the first to readily agree that the minimum wage in the public service is far from satisfactory. Our public servants deserve more, and all of us must work to ensure that the country earns the means to pay more. But the reality at this moment is that we cannot afford big increases, and I want to be honest with you.

We bear no grudge against public servants. Why should we? They form an important component of the entire working population who have equal entitlements to good wages, better social services, basic amenities, community improvements, and so on.

We must also be honest with ourselves. Don't we see the improved conditions of work of our public servants, including teachers, nurses, and personnel in the disciplined services? And what about the improvement in the delivery of education, health and water services, the distribution of house lots and the subsequent improvement in housing? Have these things not been enjoyed by public servants?

What about the huge funds being spent on infrastructural developments, on sea defenses, on drainage and irrigation, on roads, stelling and steamers, community centres and markets, are these not of any benefit to public servants?

I want to tell you that unless revenue increases on a year by

year basis, it is not going to be easy to find enough resources to meet the expectations of all sections of our population, including annual wage increases for our public servants. The alternative is to cut allocations for on-going developmental projects and programmes.

We cannot do this on an *ad hoc* basis, so I believe that we have to work out medium and long-term plans to address the wages issue.

In some Caribbean countries, I am told, wage increases are not calculated on an annual basis. Instead, wage packages are worked out for periods ranging between three to five years. Improvements take place on the basis of annual growth rates.

Here in Guyana we have agreed with the labour movement on the principle of meeting increases by taking consideration of the increase in inflation and the economic growth rate. That was the principled basis of our initial offer of an increase for this year. Surely, it is not enough. I know that. But what we are offering is what we can afford at this time.

Our negative growth for last year has affected our ability to pay more and, besides, the additional \$600 million which we had found last year to top-up wages in the public service, had to be added to our expenditures for this year.

I want to underline that the ability to meet regular increases in wages has to be met from increased revenue and/or cuts in existing programmes. That is why we have decided to establish a Revenue Authority to bring in all the revenue, so we can pay more wages without having to cut allocations for the Regions or for Amerindian communities, or reduce expenditures on health services, transportation, education, the electricity sector, and so on.

Some say that we should divert funds for our school rehabilitation programme, our road construction programme, and repairs to the sea defense system and other such capital projects to meet wages demands. Well, this is not possible. Funds for these projects are mainly from foreign loans, and they cannot be utilised for any other purposes. And do we want to put in jeopardy any of these on-going works?

So, I believe we have to see the condition in the public service in a broader context of general improvement in the welfare of the entire Guyanese nation. The entire nation makes tremendous sacrifices to ensure that we maintain our commitment of gradual increases of pay in the civil service, and that we give more allowances to our hard-working policemen, firemen, soldiers and others in critical areas.

I therefore ask for understanding, and patience. We believe in

the right of Guyanese workers to continue their militancy, their demands for a better life, and we encourage them to make their voices heard. But we wish that you should also take stock, look back, and see the road on which we have traveled. There must be reasons for celebrations also, for the things, which we have achieved, and earned, and deserved.

Fellow Guyanese,

This will be the last May Day of the Twentieth Century. I want to say that we have fought a good battle for labour and for our nation. We have defeated slavery, indentureship, colonialism and the plantocracy, and we have forged ahead with progressive labour laws, democratic political reforms, the fight for equality of men and women, and for an end to race, sex and gender discrimination. We can look back with pride at our heroes -from Cuffy through Critchlow to Cheddi Jagan and so many others.

But the 20th Century still places burdens on our shoulders which we have unfortunately to take into the new century -the problems of poverty eradication, the combating of communicable diseases, the resolution of our debt problem, the strengthening of democracy, the search for markets and equitable prices for our primary products, and our continuing political engagements for a greater cohesive society. of Guyanese workers to continue their militancy, their demands for a better.

We need to confront the problems of our young people, their alienation, their restlessness. We need to create jobs and to open up new opportunities. We need to ensure public safety, and to protect the dignity of all our citizens.

I want to say that our present difficulties cannot be overcome by pulling apart, by indiscipline or by confrontation. We must work together and find solutions in an atmosphere of calm and cooperation.

Today, I reaffirm the commitment of our Government to the causes of labour, and I wish you great successes ahead.

Long Live May Day!

Long Live the Guyanese Workers!



Homestretch Avenue, D'Urban Park Backlands

Tel: 592-02-68849, 66715 Fax: 592-02-64003

E-mail: gis@sdnp.org.gy