

ABSTRACT

Fair Payment Security Strategy for the Trinidad and Tobago Construction Industry

Lystra A. Charles-Ragoo

The construction industry in several countries have been plagued with poor payment practices, which tends to have an accelerated effect impacting on the entire supply chain. Failure of any party to pay for completed work on time tends to trickle down the supply chain to subcontractors and entities lower down the supply chain. It should be noted that the unfair practice of late, irregular or non-payment is a contributory factor to a crippled economy. In an effort to determine a fair payment security strategy for the construction industry of Trinidad and Tobago, studies were conducted through literature previously published into unfair payment practices and its impact within the construction industry in other countries; the unfair delay payment practices and the impact within the Trinidad and Tobago construction industry; fair payment security strategies implemented by other countries to combat unfair payment practices and fair payment security strategy for the Trinidad and Tobago construction industry.

To achieve the objectives of this research a questionnaire survey was developed for a sample of contractors who are members of the TTCA and MOWI. There were three sample pools for this study which were small, medium and large Contractors' from TTCA and MOWI which highlighted the variation in opinions between unfair delayed payment consequences and the requirement for security of payments in the construction industry of Trinidad and Tobago.

Based on the findings of the research and the result achieved it can be said that unfair delayed payment practices do exist in the Trinidad and Tobago Construction Industry and therefore there is an urgent need for further studies to be undertaken in respect of the various payment mechanism discussed in this research. Many countries have implemented harsh mechanism such as legislation and Statutory Adjudication to deal with the consequences of unfair delayed payment practices, however the respondents to this study rejected these harsh mechanisms, choosing the milder methods.

Keywords: Lystra A. Charles-Ragoo; Trinidad and Tobago; Delayed Payments; Fair Payments; Prompt Payment Legislation; Statutory Adjudication.