Changing work and employment institutions in Mauritius: challenges for workers, companies and education & training institutions

Blandine Emilien
Where is Mauritius?
Mauritius: Key economic facts

• Since colonisation until independence in 1968: monocrop economy (sugar)

• Since independence: Export –led growth/diversified economy

• Strong public-private partnership

• Open to international trade/ FDI

• Economic diversification strategy
Background/Rationale

A notable emerging sector:

**Business Process Outsourcing**

- Basic office work outsourced to cheap labour destinations (varieties of partnership)

- Voice (call centres) and non-voice operations (back office, data processing, low-end administrative activities)
Background [Mauritius]

• Colonial heritage: English and French proficiency

• The Mauritian government:
  Unemployment reduction strategy through FDI

• Mauritius is a recognised Francophone destination in the global BPO industry

**Business Process Outsourcing sector**

Approx. *500* companies  
16,800 workers

(‘Invest Mauritius’, Board of Investment newsletter, Dec 2011)
Background [Recent Event]

January 2011: Important industrial Disputes

Largest BPO company

Non-payment of workers’ salaries for 3 months.

Hunger strike- with high media coverage
Employer bailed by government
Rationale

Changing work and employment institutions
How come this was allowed to occur?

- Workers’ reaction: none for 3 months
  • Young workers’ rights awareness?
  • Workers’ profile?
  • Workers’ Education/ skills capacities?
Context: Theoretical

Historical Institutionalism

The role of institutions (formal and informal)

The role of History in shaping, disrupting, re-shaping these institutions (continuity\change)

(Streeck and Thelen 2005)
Context: Theoretical

Main Themes:

• The Contemporary shape of work

• Work and Education: Critical connections
Context: Theoretical

Contemporary shape of work

- new typologies
- altered work and employment institutions
Context: Theoretical

1. New typologies: IT-enabled services
2. Changing work and employment institutions

• Demise of unions
• Increasing worker individualisation in the employment relationship
• Statutory policy has a clear Pro-employer agenda
Context: Theoretical

Work and Education: critical connections

• Work and Education are more connected than ever
  \((Casey\ 2011:5)\)

• Neoliberal regime has brought unprecedented concerns for skills development at national level and at work

• Increasingly popular assumption from the 1990s:
  
  Skill improvement helps citizens deal with economic uncertainty
  \((OECD\ 1996)\)
Reflections

Statutory policies:

**Work:** Employment legislation in line with global trends
Employment relationships in multinational companies

**Education and Training:** Skills development opportunities
Employability
Workers’ skills capacities
  - technical abilities
  - agency
Research Questions
In the light of the BPO sector, what are the main challenges brought about by changing work and employment institutions in Mauritius?
1. What are the main features of the institutional context within which young BPO workers operate in Mauritius?
2. To what extent have Education and Training (E&T) policies been adequately adjusted to current economic trends and requirements?
3. What are the implications of these challenges for workers, companies and Education and Training Institutions in Mauritius, especially in regard to workers’ skill levels and agency?
Adjusting to Contemporary Requirements

Institutional change in Mauritius

**Employment Rights /Relations Acts:**

*Amendments In 2009-*

- Deregulation/ easy redundancy/
- 2013: elimination of collective agreement
- Individualisation of workers
- 24/7 economy: changing social habits (*BPO adjustments*)

- tax incentives
- No unions in BPO
- for employers
- Job insecurity

Older Acts: 1970s
The Context of Mauritius

• **Education**: High literacy rate
  Educated workforce, especially at compulsory schooling level

• **Government’s 2008-2020 Strategic plan**: Develop a knowledge economy and a learning society
The fieldwork

• Main data collection: Summer 2012
• Qualitative approach: semi-structured interviews
• Sample: n=75, including 15 experts
  + documents/local newspaper cuts

• Sample
  - Experts/
  - Employers/
  - workers
  - Educationists
  - managers
The fieldwork

• 15 Experts:
  - Government officers (former ministers of labour, education; Board of Investment officers, etc)
  - Trade unionists/activists/ Employer representative
  - Educationists (academics, E&T officers)

• Managers: both French and local

• Workers: Young (Age range: 18-30)
The fieldwork

Two French-owned BPO companies

Company A
Mainly voice (FR),
But also Backoffice (Ang)

Company B
non voice
FR & Ang back office

(One voice and one non-voice operation to capture varieties)
FINDINGS

(i) Challenges for workers

(ii) Challenges for companies and E&T institutions

Implications: Tensions and Contradictions
Findings I

Context

• Flexible settlement and closure of BPO companies

• Increasing worker individualisation:
  
  (i) Workers encouraged to represent themselves
  (ii) Redefining ‘worker representative’ with the help of ILO conventions
  (iii) The ministry’s rationale: 80% of Mauritian workers are not unionised (L’Express 2012)
Findings I

Challenges for workers: lack of protection

Challenges for workers (expressed by unionists/activists): lack of rights awareness/low agency
Findings I

Lack of rights awareness

(History-related) Explanations:

• Unions still persist in traditional industries (Dockers, sugar) where they started in the 1920s- Young workers more easily initiated today.
• Turmoil of the post-independence decade: Loss of ideology, lack of continuity
• **BPO sector**: same conditions as female workers in the textile industry in the 1970s

[Activists 2 and 3]
Findings II

1. Challenges for Companies: Employer expectations not satisfied.

- Issues with workers’ transferable skills, linguistic skills.
- Managers and Experts criticise the Education system.

Risks for workers – lack of Employment security
Findings II

2. Challenges for companies:

Lack of anticipation of the government:

‘Between the selling discussion and the actual performance, there is a big difference’ [Educationist 1]

Skill mismatch
Palliative measures by government: setting up of new training institutions that do not solve the problem: high-skill development aspirations do not help address the immediate low-skill development problem
Findings I + II

New challenges for E & T institutions

1. Reliance on existing systems to accommodate new economic and social conditions.

2. Changing work and employment institutions required adjustments within E & T systems.
Conclusions

Path dependence:
Economic diversification strategy
(Textile-Tourism-BPO)

Workers in emerging sectors: low agency

However....
Conclusions

Inconsistencies

Work & Employment
• The path dependence itself- Over-reliance on past experience (textile\tourism)
• Increasing individualisation for individualised workers

Education & Training
• Government’s poor anticipation regarding the most important factor: workers’ skills
Conclusions

Education and Training policies

• Lack of *institutional coordination* with economic development and contemporary work-related requirements

• New economic and social imperative: a wider range of skills to be developed among Mauritian citizens
Conclusions

- Economy, Work and Education: critical connections (Casey 2011)

- Interdependence between economy and society (Streeck 2010)
Conclusions

In the case of Mauritius, changing work and employment institutions demand more mindful attention to its Education & Training policies.

Rethinking Education in Mauritius

- Economy-work
  - Work-related skill devt
  - mechanisms
- Society
  - Rights awareness
  - Agency development
  - ‘knowledge’ economy (Context-specificity)
Conclusions

• Can FDI and innovative labour relations be reconciled?
  (i) There is still need and scope for innovative labour relations in Mauritius.
  (ii) At organisational level, there may be tensions and challenges due to a lack of institutional coordination.

• How can we act on the future of work and employment in Mauritius?
  (i) E& T systems, context specific and sustainable solutions, consideration for the varieties of skill needs.
  (ii) Agency of actors (innovative labour relations)
Thank you
Addi@ional	
  Info

1. Historical background:
   - **1638-1810**: Dutch/ French Colonisation + Slavery
   - **1810- 1968**: British colonisation/ abolition of Slavery/ Indentured labourers
   - **1968**: Political instability
   - **1970s: 1973: Industrial Relations Act**
   - **Economy: Diversification-** Export-led- Textile industry (recruitment of female workers)
   - **Two main programmes** (quantitative scope): ‘Education-for-all ; ‘Work-for-All’
   - **1975: Labour Act**
   - **1983-1999 : Consolidation of the Mauritian Economy**
     Sugar/ textile: Export-led growth-Tourism- Beginning of financial services
   - **New education institutions: consolidation of vocational training board, Hotel school, etc…**
2. Historical Institutionalism

• **Normative forces**: contemporary challenges to changing institutions are identified and analysed in relation to past institutional arrangements

• **History** matters

• **A holistic approach**: any given institution is embedded within a larger set of institutions (*Steinmo 2010: 129*)

• **Institutions are formal and informal** (*Streeck and Thelen 2005*)

• Formal: Policy, Statutory regulations and structures

• Informal: norms (cultural)
3. Increasing worker individualisation

- **Proposed reform of the Collective Agreement**: ‘if employees are not represented by a trade union, they will, ‘be authorised’ to represent a particular bargaining unit (by themselves) and sign a collective agreement on their behalf’

- **Industrial Relations Expert 2**: ‘ILO conventions 135 and 154 were ratified by the Mauritian government. These state that the term ‘workers’ representatives’ can be defined under national law or practice (C135) while this also determines the enactment of collective bargaining with these representatives (C154)*.’