



## **Construction, Metal, Wooden and Related Industries Employees Union**

*Affiliated to the CTSP & BWI*

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### **“MAURITIUS AN EXAMPLE OF NON INCLUSIVE GROWTH”**

The republic of Mauritius is an island of 1,860 sq kms with a lively multi-party democracy enjoying a relatively high degree of social cohesion among its ethnically diverse population.

The country successfully transformed itself from an agricultural based economy to an export oriented, manufacture based economy by the mid 1980's. After the emergence of Tourism, since the 1990's the focus has been on Mauritius as a provider of knowledge based services and banking to the local and international markets, particularly in the hi-tech financial and I.C.T arrears.

The economy grew at a rate of around 3.1 percent in 2009, 4.2 percent in 2010, 4.0 percent in 2011 and expected to grow by 3.6 percent in 2012.

Despite the global crisis, Mauritius has registered positive growth which to a large extent can be attributed to the ultra liberal reforms which the country has embarked on since 2006.

Sectors like the Tourism and Export Oriented Sector have registered positive growth with nearly 16,789 jobs losses between 2009 and 2011. The Agricultural Sector (Sugar Sector) in the name of modernisation and competitiveness, 80% of the sugar factories have closed down with a total job losses not less than 10,000.

In 2008 the Mauritian government has deregulated all existing labour laws thus rendering the employment of nearly 500,000 workers of the Private Sector precarious. With the introduction of the new labour legislation, employers now have the right to sack workers without any prior justification. The cost for any termination of employment has been reduced by 70%. Nearly 100,000 workers of the Private Sector earn prescribed wages less than the poverty line of Rs 6,200 monthly (200 USD).

Since 2006 we are witnessing an institutionalization of poverty in the country.

The economic success of Mauritius in the 1980's was mainly attributed by our universal welfare state system where every citizen could get free access to their basic needs. Every child was enjoying free quality education from pre-primary to tertiary level. This learned population has been beneficial to the economic transitions.

Today all opportunities to make money are not neglected. The Private Sector both local and foreign wants to transform the public social services into profit making business. Tertiary Education is now a luxury for a vast majority. Students are encouraged by government to contract loans to pay for their tertiary education.

Workers are encouraged by Ministers on live telecast program to use their savings in the national pension fund to buy private medical insurance cover while health care has always been free and universal in Mauritius. In fact they are acting as private brokers to prepare the people for the privatisation of the health care system.

Mauritius has embarked on an ultraliberal reform to pave the way for a more business friendly environment. With the deregulation of the labour legislation, Mauritius has been classified first in easy doing business in Africa and Seventeenth in the world for easy doing business by International agencies.

The employment of migrant workers has been a major factor in the process of a money flexible labour market. Before employers had to pay a one off bank guarantee of 1500 USD for the employment of a foreign worker which represent the return air ticket fare and all other cost. Migrant workers were employed only for skilled jobs then mere scarcity.

Today a migrant worker can come to Mauritius with a tourist visa and then search for employment. The employment of migrant worker is not subjected to any regulation. The Minister of Labour who is also the Minister of Employment has the sole discretion to accept or reject an application for a work permit. The bank guarantee for the employment of a migrant worker has fallen from 1500 USD to 18 USD per year.

This has resulted in more migrant worker working on the black market without any work permit or even those with a work permit are subjected to unprecedented exploitation. The cost for the employment of a migrant worker has considerably decreased and there are no restrictions in the quality and quantity of jobs they performs.

The competitive edge of the Mauritian economy fully resides on the precarious aspect of the jobs. Mauritians are encouraged to take employment abroad on the so called “*Circular Migration*” system.

Jobs created in Mauritius are mostly geared towards migrant workers as they are more exploitable and are considered as beast of burden with no social or family obligations or Union affinity as their local colleagues.

Workers for fear of being sacked and found themselves without any economic support, do not dare to disclose any ill-health or file any complaint against their employer. They do not want to assume the role and take the responsibilities of Union delegates, despite the fact that Collective Bargaining is enshrined in Labour Legislation. Trade Unions have a very limiting role at enterprise level. Figures speak for themselves, since the promulgation of the new labour legislation in February 2009 the number of unjustified dismissals has increased considerably.

The C.M.W.E.U (*Construction, Metal Wooden and Related Industries Employees Union*) represents workers of the Metal, Wooden and Civil Engineering Sector. The Civil Engineering Sector account 8% of the total workforce directly and indirectly. 80% of the workers are contractual workers and 5% are casual workers. It was quasi impossible to enter into Collective Agreement at enterprise level. The precarious nature of the jobs was detriment to the bargaining power of the Union.

To response to the challenges ahead we had to organise ourselves at national level and lobby for a Collective Agreement at sectoral level covering the whole Civil Engineering Sector. Our first agreement was signed in 2000 and extended to the whole sector in 2001. The second agreement was signed in 2006 and extended in 2008.

The agreements were signed between the C.M.W.E.U and the B.A.C.E.C.A (*Building and Civil Engineering Contractor Association*) which is the only employer’s organization in the Civil Engineering and Construction Sector grouping all the local contractors.

The agreements are the only known sectoral Collective Agreements covering a whole sector in Mauritius.

Since 2007 we are witnessing an increasing number of Chinese contractors in Mauritius in the Civil Engineering Sector. They are bidding for private and public contracts and in almost all major contracts of not less than one billion rupees it is the Chinese contractors that are preferred.

They employed only Chinese workers and despite many cases of abuses and working in hazardous conditions have been reported by Trade Unions and members of the public, the Ministry of Labour has not dared to intervene to take the cause of the Chinese workers.

In October 2011 a third agreement between the C.M.W.E.U and the B.A.C.E.C.A was signed and referred jointly to the Minister of Labour for extension to the whole sector, surprisingly the Minister of Labour has refused to support the joint request on the pretext that Construction workers are well-paid and any immediate increase in wage will have marked legitimate bearing on other sectors of the economy to claim for a wage increase.

In fact, the foreign contractors in the Construction and Civil Engineering Sector have actively lobbied for freeze in wages as any increase in wage will negatively impact on their competitiveness.

Mauritius is not an exception like many countries in Africa, our political deciders seem to be under the whims of the Chinese. We have no other alternatives. Gone are the days when Collective Bargaining could be done at enterprise level. Labour legislation no longer protects workers. Instead it should be called "*Business Facilitation Act*". Social protection is targeted towards the most vulnerable group who lives in extreme poverty. Trades Unions should act collectively against such a barbaric economic system. Workers have been converted into a commodity that bears its existence according to the whims of the market. Trade Unions should advocate for a new economic system that is environmentally, economically and socially sustainable.

**C.M.W.E.U – Mauritius**

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