



Trade Unions' Strategy in the Context of Globalisation: A Case Analysis on an open-market economy, Mauritius

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Abstract

This research aims at understanding how globalisation impacts trade union organisations in Mauritius, an island-nation in the Indian Ocean which is also considered as one of the most developed economies in the sub-Saharan African region. Taking into consideration that globalisation is no longer a buzzword as initiated in the mid-nineties, trade union leaders in Mauritius cannot state that they are spared such a factor. Island economies are affected by global forces and the Financial Crisis 2008 rendered more vulnerable small economies. In this context, even employment within the workplace suffered and in the same way trade unions were questioned as to their relevance in a modern and changing world. The research aimed at asking whether there was a need for trade unions to believe in globalisation and consider that this phenomenon affects their future. Based on a mixed-method study that comprised both quantitative and qualitative questions, the study found out that trade unions did consider the global environment in Mauritius and accepted that they could no more be shielded from global changes. At the same time, employees who responded to the research stated that trade unions had to properly consider globalisation including the related factors affecting them. The study revealed that if trade unions in Mauritius adapted their strategies by learning what takes place globally and abiding by such changes either through adaptation or implementation of new strategies, they could survive in the future which is characterised by more uncertain nowadays.

Key words: Trade Unions, Mauritius, Globalisation, Strategies

Introduction

Globalisation has put national labour movements under severe pressure due to the increasing transnationalisation of production and informalisation of the economy (Bieler and Ingemar, 2010). Ghoshal (1984) supported the argument by stating today's global environment as the borderless world with higher similarities and fewer differences. Consequently, trade unions are called to play a more active role in achieving a social dimension of globalisation and regional integration (Misser 2002). This could affect trade unions globally. The context of unions with globalisation would be relevant to a mixed-market economy like Mauritius. Misser (2002) stated that in order for trade unions to benefit from regional economic integration, they should increase their role by ensuring that they are involved in the design stages of any regional integration effort and demand of their governments the right to be involved and consulted, together with other stakeholders, on all matters of regional concern; labour and other social issues take centre stage, as there cannot be any economic development devoid of a social dimension. The question here is to what extent unions should be concerned with globalisation and how should their members view their trade unions within the global economy. Bieler and Ingemar (2010) state that there are potential power resources available to them and positive examples exist, indicating potentially successful counter-strategies by trade unions.

Literature Review

Perspectives of Globalisation

The concept of globalisation has been differently interpreted by scholars. Frege and Kelly (2003) state that the current need for trade unions is to revitalise in order to remain relevant in the new trend of internationalisation.

Baylis and Smith (1997) defined globalisation as "the process of increasing interconnection between societies such that events in one part of the world have more effects on peoples and societies faraway". The globalised world could be viewed as one in which political, economic, cultural and social events become more and more interconnected with more impact. Standing (1997) emphasized that the changes from social regulation to market regulation would affect all part of labour market structure from employment security to representation security and dismantling labour regulatory system. This could change international division of labour and increase unemployment or push for flexible labour market arrangement whereby trade union power would be weakened (Sanding, 1997).

Sagagi (2007) said that globalisation helped some countries to grow faster than expected, provided that they had otherwise localised their strategies. At the same time, it blamed for widening the gap between poor countries which are mostly located in Africa, and those of the industrialised nations. Ishola (2013) stated that the globalisation of the world market has brought about several competitions on local companies which invariably have an adverse effect on trade union density due to unfavourable macroeconomic policies used for the promulgation of globalisation.

Globalisation and Mauritian Trade Unions

Under tremendous pressure of macroeconomic change under globalisation, Mauritius as an island economy currently faces a tremendous challenge of turning the economy around, in order to sustain the past development achievement, while also boosting economic growth and creating decent and productive employment opportunities for all (Obote, 2008). Schmidt (2003) advocates that the promotion and implementation of international labour standards is an important tool to achieve a fair globalisation. A strong and unified trade union movement, with a vision of social justice

for all, coherent concepts for social and economic policy, effective collective bargaining and a modern and inclusive form of trade union structures, are key prerequisites to achieving this objective.

The Government of Mauritius has recognised that the current paradoxical labour market situation of high unemployment on the one hand and a long list of vacancies on the other is a result of labour market rigidities imposed in the past (Employment Relations Act, 2008). Globalisation, per se, represents something different like a broader and unexplored environment that might add to the challenges of contemporary trade union problems in Mauritius. This may explain how and why that the global situation is a key issue that has to be considered in the new Employee Relations climate (ERA). The ERA, from a particular perspective, supports the argument that Circulatory Migration encourages the placement and exposure of Mauritian employees in an international environment whereby basic skills could be earned as well as an opportunity for employment.

Research Methodology Technique

The Importance of the Mixed Methods study

Borkan (2004) states the importance and relevance of the mixed methods and multi-method research possess where these approaches suggest, discover, and test hypotheses; they give new insights on complex phenomenon; they allow the investigator to address practice and policy issues from the point of view of both numbers and narratives; they add rigour.

Mixed methods research, according to Borkan (2004) refers to those studies or lines of inquiry that integrate one or more qualitative and quantitative techniques for data collection and/or analysis. Qualitative data collection methods, such as interviews, focus groups, or participant observation, are now almost routinely used as exploratory (hypothesis formation) phases of subsequent, more quantitative surveys in health care (Larsen et al, 1994). They have great potential for exploring new topics or familiarising research teams with a new area. They may also assist in theory building, especially when methods aggregating qualitative studies are utilised (Eastbrooks et al, 1994).

Cresswell, Fetters, and Ivankova (2004) have constructed an insightful conceptual framework for making sense of the mixed methods field, particularly around issues of quality. Mixed methods not only expand the research toolbox, they also provide the opportunity for synthesis of research traditions and give the investigator additional perspectives and insights that are beyond the scope of any single technique (Cresswell et al., 2004). The result is more than simple addition: the results often transcend the individual methods and disciplines.

Mixed Methods relating to the Current Research

Regarding the present study, the forms of data collection and analysis were a population-based survey, in-depth interviews and field observations, and tracing of preventable adverse events like private company respondents who were not unionised but could also answer the questions. Precautions were taken to see that all respondents belonged to at least a union and they were employed. Analytical techniques were quite broad and included both statistical and qualitative interpretive processes. According to Borkan (2004), the priority given to them in this research appears to be equal, though separate, and the implementation sequence is first synchronous (multi-method assessment), then sequential (further qualitative inquiry after the survey phase).

The present analysis uses qualitative data to interpret the quantitative findings, and integration between qualitative and quantitative phases occurred at both the beginning and the end of the study - when the unexpected insight arose and when interpretations were applied to the temporal plots (Cresswell et al, 2004).

Research Methodology

The researcher developed the survey questions with a small and dedicated team of fieldworkers to ensure prompt monitoring and collection of data from various recipients. Qualitative researchers know that the success of our work depends on participants. As it is phrased it in a manuscript, Qualitative researchers only gain control of their projects by first allowing themselves to lose it (Kleinman, Copp, & Henderson, 1992). Questionnaires were printed and sent to fieldworkers that were recruited for the process. The questionnaires were printed in four parts; each part addressing two issues. They were assessed with the same respondents over three weeks with an average of one questionnaire sheet per week. Fieldworkers also comprised employee or union representatives in certain sectors like clerical and operational. Their contacts with respondents facilitated the computation of data.

Z-Test and Evaluation

The research area under review is quite new to Mauritius. Z-tests were used as a means of finding out differences between two samples. The Z-test is a statistical test used to determine whether two population means are different when the variances are known and the sample size is large. The test statistic is assumed to have a normal distribution and nuisance parameters such as standard deviation should be known in order for an accurate Z-test to be performed (Investopedia.com). For example, differences in bargaining power between two unions. GraphPad Software was used to input and analyse the data. The one-sample Z-test was useful because the sample size is fairly large, usually above 30. The Z value showed the distance from the mean in relation to the standard deviation of the mean.

Data Analysis

Statistical techniques along with computer-generated solutions (where applicable) formed the basis of gaining data and making inferences. Descriptive statistics helped to summarise the sample data. Numerical descriptors included mean and standard deviation for continuous data types (like preferences), while frequency and percentage will be more useful in terms of describing categorical (like gender).

Qualitative Analysis referred to questions that called for personal input of data from the respondents. The questions were open-ended and covered each component of the research. The objective behind this exercise was to encourage

respondents to give personal opinions regarding the problems affecting unions. There was also the possibility for respondents to give direct answers to questions like to which union or federation they belonged to. No particular software was required for the exercise. Most of the answers were grouped and synthesised in this data analysis technique.

Research Sample

The population of Mauritius in 2009 was 1,275,000 and the density of population per square kilometre was 626, rating it as one of the highest in the world (Statistical Mauritius¹, 2009). The male population was 629,100 and the female population was 645,900 meaning that the ratio is nearly 1:1 with 49% of men and 51% of women.

The most sizeable age group is between 15 and 59 years of age comprising 67.1% in 2009. Generally, Mauritius is a relatively young nation since the percentile range of its population is essentially focused in the 32 year-old group. The median age as at 2010 was therefore close to employees in their early thirties. The survey focused on working people who were people in employment both from public and private sectors with a median age of 32, which can range up to 60. The age spans 23-55 because most people are active at work in this age group and the higher percentage comes from younger employees. To align the research sample with the working population sample, the researcher selected randomly more than 50% of respondents within the age group of 32 while this also spread both to lower and higher age groups, say 23 to 55.

Research Question and Hypothesis

Is there a statistical relationship between globalisation forces and the functioning of trade unions in the current Employee Relations Context?

Null Hypothesis: Globalisation as a concept has no incidence on the structure of trade unions in Mauritius. Trade unions will therefore operate in the same way without modification of their structure. It may be stated that by virtue of tradition and long-term existence, trade unions are protected from globalisation forces.

Alternatively, respondents can state that globalisation which comes economic, political and social forces from the outside can compel trade unions to modify and adapt themselves to the new paradigm. It might be a question of survival by redefining trade union strategies and, particularly, structure like decentralised structures, etc. to better respond to the needs of their members.

Research Findings and Discussion

The researcher evaluated how globalisation as a current business concept impacted on the structure of trade unions. There was the need to see how globalisation has affected or improved the functioning of unions. Globalisation has been considered as a vital reason that has accounted for the decline of unions. Globalisation has also affected how firms see their employees (Binghay, 2005). For instance, global forces might compel management to respond in a different way to external forces whereby employees are expected to better consider the impending threats of globalisation on their future. At the same time, unions were expected to be loyal in terms of their bargaining vis-à-vis employers.

Some employers perceived that unions were obsolete in the current context when the threat was not from the domestic environment but rather from an uncertain and complex external environment. There might be an alternative to make internal unions more lenient towards management and grouped as employee representation associations, especially in the private sector that covered manufacturing and the service-based industries.

Quantitative Issues on Globalisation

Impact of globalisation on Mauritian Trade Unions

In the first part of the research that comprised quantitative questions, respondents were asked to select options whereby globalisation had a direct impact on their unions. Four options were proposed and a single choice was allowed in this case.

Table 1: Respondent's opinion of globalisation

Options	Public	Private
Lessens the importance of trade unions	14	5
Makes trade unions more vulnerable	7	7
Enforces trade unions to modernise	37	14
Renders trade unions obsolete	8	2

A two-tailed test was carried out to check the p -value of the outcomes and ensure that they were consistent with the sample. The two-tailed test probabilities gave the following: P_a and $P_b = 0.364$. Since the p -value exceeded 0.05, the test probabilities were not considered to be statistically significant. The findings correctly highlighted, with minimal errors, that globalisation better enforces trade unions to modernise in both sectors although samples could also mention that unions could become less important in a globalised world.

The global forces that affect trade unions

Respondents were asked to state one of the four options regarding what global forces could represent to unions. Options covered issues like privatisation, unemployment, competition and instability.

¹ Official government authority concerned with Statistical compilation and surveys in Mauritius

Table 2: Respondent's choice of the global forces

Options	Public	Private
Greater need for privatisation	7	5
Loss or the threat of losing jobs	16	10
Intense competition	28	11
Lower level of stability	15	2

A two-tailed test was carried out to check the p-value of the outcomes and ensure that they were consistent with the sample. The two-tailed test probabilities gave the following: P_a and $P_b = 0.205$. The findings correctly highlighted that competition was a significant factor affecting trade unions especially from the external environment. A close option was the threat of unemployment which could also be a sequel of competition. These forces are affecting the Mauritian workplace now namely the rise of China and emerging developing nations in global business.

Globalisation and organisation future

Respondents were asked to give their views regarding how they would regard globalisation in the future. This was an exercise to assess either anticipated pessimism or positivism regarding employees in a global economic order, already since 1995.

Table 3: Views on globalisation and the firm's future

Option	R _A	Scale	R _B	Scale
Negative	3	3	1	1
Fairly Positive	55	110	22	44
Very Positive	8	24	5	15
	Mean	σ	n	
A: Public	2.07	0.404	66	
B: Private	2.14	0.45	28	
SE of Means A and B	0.098	Z Value	-0.0723	

The weighted mean of each type of union or organisation is calculated, Mean value of A was $M=2.07$, Mean value of B was $M=2.14$, H_0 : mean value of A = mean value of B, H_1 : mean value of A \neq mean value of B. Standard deviation A was $S=0.40$ and Standard deviation B was $S=0.45$. Standard errors of both means were 0.0982. The Z score was -0.723. The score for a two-tailed test at the 5% level is 1.96. Also the F-test value was 1.2 with a p-value of 0.27 which is greater than 0.05

As the calculated Z score of -0.723 is within this value, there is nothing to suggest that there is a difference between the two means, and thus the null hypothesis was accepted. Consequently, no significant difference is found about information channelled by unions to both unions. Employees were therefore quite positive regarding the future of their organisation in view of global forces with the perception that globalisation should rather offer them challenges and opportunities rather than threats and gloom.

Qualitative Issues on Globalisation

Qualitative questions were asked in a second stage following quantitative questions where open-ended questions were asked and where the data was synthesised using percentages regarding the option or choices that respondents made regarding trade unions within globalisation.

Awareness of Globalisation

The first question aimed at finding out whether the global environment had an effect on the activities of trade unions. The term globalisation was well known to the respondents who admitted that the issue affected the activities of their union. Above 85% of respondents from both sectors confirmed the importance of the issue. 86% of public respondents were aware of globalisation compared with 96% of private sector respondents. Both organisations, public and private, favoured the importance of globalisation in the agenda of trade unions in the current employee relations context.

Assessing Leaders in a Global Environment

Respondents had to state whether their leaders were prepared to face globalisation. A single option was asked to check leaders' exposure to global forces. Generally, leaders were prepared to face globalisation issues on their agenda with a majority favouring their knowledge of global threats. Percentages were 55% and 64% respectively for public and private employees. Since the private sector is more vulnerable to global forces, private leaders were expected to have more exposure to the global concept.

Globalisation in Union's Agendas

Respondents had to state whether globalisation was a feature in the union's agendas. A single option was asked to check its presence on union agendas. 40% of public sector employees found it important in their agenda while 60% of private sector employees considered it to be very important. It was concluded that globalisation was better present in private union's agendas than in public sector agendas. As mentioned above, private jobs run higher the risk of becoming redundant and less predictable in Mauritius and this could be a reason why it was more present in private unions' agendas than public ones. The sample was correct within acceptable limits since this could be more of an indication of employees who are in a vulnerable sector.

Globalisation and Jobs

Respondents had to state whether globalisation affected the job of the respondents. A single option was asked to verify the statements. 70% of public employees stated that globalisation affected their jobs while 75% of private employees favoured the statement. Public and private employees responded in the same way with over 70% responses stating that global issues affected their jobs. Globalisation is a political agenda in Mauritius and concepts like 24/7 work system, the deregulation of working hours, the privatisation of jobs, and so on influenced the choice of respondents. These issues are currently well developed in the press and the various media showing that globalisation affects jobs in Mauritius.

Conclusion on Globalisation Strategy affecting Mauritian Trade Unions

There were broadly good correlations between public and private unions regarding globalisation and the future of trade unions wherever applicable. This meant that unions are seriously considering globalisation in their agendas and are very keen to consider how it would be of benefit to them at a time when the challenges are becoming more consequential in Mauritius.

The *p*-values were measurements of probability that confirmed that results were well within the acceptable limits of accuracy. Generally *p*-values that exceeded 0.05 showed higher levels of consistency in the findings. In a general sense, respondents were aware that globalisation impacted on business and that it shaped the way in which businesses operated. This was true for Mauritian companies, employees and unions since the economy has always focused on the external environment given that Mauritius is an export-based economy.

The perils of globalisation come from a lack of anticipation or foresight regarding future uncertainties, the short sightedness of leaders or managers including a mitigated role of unions that just look for immediate workplace relief. In general, it is seen that unions need to review their agenda, accommodate globalisation as a common feature and attempt at looking forward to challenges and ultimately, long-term benefits from globalisation.

Recommendations on Globalisation Strategy affecting Mauritian Trade Unions

Globalisation should influence union agendas nowadays while those unions limited to the local context will be lagging behind. Its effects are far reaching and affect any nation in the world. Schmidt (2007) stated that increasingly trade unions are enlarging their agendas to include issues such as engaging with international organizations in order to influence their policies and organizing global campaigns and extending and deepening their cooperation at the transnational level. This survey have claimed that globalisation should be part of union agendas and that its influences will affect the future of unions. At the government level, key issues that affect employee relations concern the modernisation of work systems, the global economy, the need for competitiveness and productivity in the middle of an economic climate compelling local firms and authorities to comply with the globalisation concept. This idea can be aligned with the expectation that effective internationalism rests on the ability of the working class to build and intervene all along the supply network and the commodity chain of the transnational corporations (revolutionarydemocracy.org).

Employee education on globalisation is a must in Mauritius since it will overcome bland perceptions that government or the employer is the only responsible party for the miseries of the employer like weak pay compared with high prices, low job security compared with the state's or the employer's intention to privatise work and develop the capitalist concept. It is an accepted fact that society has become more capitalist oriented now and this is a global phenomenon. Te Velde (2004) argues that a focus is needed on how policy seeks to combine a strategy for a positive engagement with globalisation and its overall human resource development (HRD) strategy. Unions will keep having their agendas based on socialist ideals, equity, justice for all, etc, but cannot consider globalisation just as a nightmare for them (Betchoo, 2013). They will have to accommodate global issues, accept that democracy and capitalism go hand in hand and will be a permanent feature in the years to come. It is imperative for unions to modernise and embrace globalisation. Although social justice and related issues will still be in union agendas, they will have to be framed within the globalisation context. Trade unions are well placed and have a major role to play in the governance of globalization as they already have structures and operate at all levels, internationally, regionally, nationally and locally (ICTUR, 2005). Gewer (2005) mentions that Mauritius would be one positive example in the Sub-Saharan Africa region of a country that has deliberately, and relatively successfully, sought to use HRD as a way of positively engaging with globalisation. There is no way out for unions in the contemporary context of employee relations and Mauritian trade unions will have to cope and exist within a global environment.

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