Temporary Foreign Labour: A critical Success Factor for the Clothing and Textile industry in Mauritius

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Abstract
One of the biggest challenges for the Clothing and Textile (C&T) industry in Mauritius is the shortage of labour that has prevailed over the past 10 years. In view of coping with the situation, many companies had recourse to Temporary Foreign Workers (TFW) (also known as foreign workers) as one of the immediate short term solutions. Actually, the C&T industry in Mauritius is one of the biggest employers of TFW in Mauritius representing 40% of the total workforce of the Export Oriented Enterprises (EOE) and 50.8% of the C&T industry. This situation is getting worse as one side there have been an increasing trend of import of TFW over the years and on the other there has been an increasing trend of unemployment among local workers which was qualified as a “Paradox” by local authorities. The aim of this study is to demonstrate that TFW is a critical success factor for the C&T industry in Mauritius. The study also revealed that the C&T industry is already dependent and will be dependent on TFW for the next five years if the C&T companies want to maintain competitive advantage over our competitors. A mixed methodology used in this study has provided through the qualitative study the reasons for mismatch in the labour market where unemployment among local is becoming a major concern. This study also provides the base for future research in this field where no research work was conducted on the role and contribution of TFW in Mauritius. This provides to the stakeholders an insight of the labour market situation in the industry for future manpower planning.

Key words: Foreign labour, Temporary Foreign Workers, Labour market, Clothing and Textile industry, Mauritius, EPZ, Apparel industry, labour force, mismatch, labour shortage.

1. INTRODUCTION
In the recent years, there have been a lot of controversial issues reported by the press and international articles with respect to the recruitment of Temporary Foreign Workers (TFW) and its socio-economic benefits to Mauritius. Besides, with the increase in unemployment in the country and the increasing recruitment of TFW which creates imbalances in the labour market, it was imperative to find out the causes and dissipate the misunderstanding. This research study focuses on the importance of continual recruitment of Temporary Foreign Workers (TFW) as a determining factor for the Clothing and Textile (C&T) Industry in Mauritius. It also analyses the labour market conditions and sheds light on the mismatch of the labour market between the local workforce and rising unemployment while highlighting the reasons for the local manpower to snub the sector. This sets the base for understanding the reasons for employers in the C&T industry with information such as types of skills and jobs they occupy, their nationalities, remuneration packages and terms of employment. The research work also unveils the reasons for recruitment of TFW and assesses its impact on the Mauritian’s economy. The study also highlights the various reasons for employers’ preference to recruit TFW while also demonstrating that TFW are not cheaper as compared to local workers as this is the case for many other countries as outlines in most literatures. The study confirms that TFW is a determining factor for the success of the C&T industry and employers agree that they will face many challenges as they have no choice but to depend on a continual dependence of TFW for at least the next five years.

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2. Migration: A Worldwide Phenomenon

As at present, the ILO has reported that there are approximately 175 million migrants around the world with around 50% of them as workers. Over the last decades, there has been a rise in the migration of workers from developing countries to the industrialized countries; however, in 1998 migrants still represented no more than 4.2 per cent of the industrialized countries’ total workforce. The United States absorbed the bulk of the increase (more than 81 per cent of the new migrants from developing countries), while Canada and Australia accounted for another 11 per cent. In the European Union, migrants were also heavily concentrated in four countries – France, Germany, Italy and the United Kingdom. Throughout the 1990s the number of those coming from developing countries grew significantly faster than those originating from other OECD countries, so that by 1998 they had become the bigger group, representing some 57.8 per cent of all migrant workers in the organization’s member countries (ILO, 1999). According to Abella (2003), almost half of all reported migrants move from one developing country to another. He explained that this is due to migration of employment that takes place among countries where wage differentials are not very large and cited some examples of movement between countries such as from Haiti to the Dominican Republic, Burkina Faso to Côte d’Ivoire, from Egypt to Jordan, from Indonesia to Malaysia, or to Argentina from neighbouring countries. Abella further highlighted that each year some 2 million Asian workers leave their countries to work in other regions of the country as well as outside the region under short-term employment contracts. This is very similar to those workers coming from Asia working on a 3 year renewable contract (max 5 years) in the Clothing and Textile Industry in Mauritius under the temporary migration time-bound employment channel.

The ILO (2004) in its publication “Towards a fair deal for migrant workers in a global economy”, highlighted that there was various categories of migrant workers based on motivations, skills, age, occupation or distance from origin; the categories most commonly used are based on anticipated duration of stay, reflecting the fact that control over entry and stay is a core aspect of national sovereignty. The report explained that most migrant workers enter other countries as permanent migrants, primarily for highly skilled migrants, family unification and refugee resettlement or temporary migrants also known as guest workers where they are employed for all types of employment to fill vacant jobs that persist, such as nursing positions. However in our case, the TFW in Mauritius are those who enter a country as temporary migration for a time-bound employment or to fill seasonal jobs – jobs that will end with the completion of a project, e.g. a construction job and service providers, trainees and students.

2.1 The Labour Market in Mauritius

With the advent of fundamental structural changes in the Mauritian economy, the labour market structure has evolved over the past 43 years. The rapid development of the manufacturing sector in the seventies and eighties led to a rapid demand of relatively low-skilled jobs to cope with the fast expansion of the EPZ sector. Lincoln (2009) also explained how in the 1990’s, Mauritius started to source labour from overseas to compensate for withdrawal of workers in low wage sectors. He also pointed out how already through the late 1990s and early 2000s the coincidence of rising national unemployment and sustained levels of foreign worker recruitment was an indicator of the value of labour migrants for Mauritian manufacturers. The HRDC (2012) conducted a survey on manpower planning requirements and found out that out of those 15% of respondents who employed expatriates, 24% had to employ expatriates because of unwillingness of locals to work in this sector. Moreover, during the same period, we have seen the emergence of new sectors, namely the tourism and financial services sectors which necessitated higher skilled manpower. In the wake of the new millennium, the government in its vision to further develop the economy of the island, decided to promote the ICT sector. This further created a need for high-skilled labour with higher level of education. This economic transformation involved some cost adjustment: the economic cycle necessitated the decline of certain traditional sectors such as the sugar sector at the expense of new ones, which were very different in nature. At the same time, remaining sectors had absorbed
almost all their capacity of unskilled labour (NESC, 2010). For the past 10 years, new service sectors have emerged with many companies offering high end services to the market with required different input mix, generally more capital intensive than labour intensive. While labour was easily being absorbed by the new emerging sectors, there was a further need for more skilled human capital. However, those who lost their jobs from the traditional sectors of the economy could not easily be absorbed by the new sectors because of a lack of higher academic qualifications. The services sectors such as the ICT sector imposed both minimum academic qualification and other additional skills such as language skills and higher degree of technological know-how.

However, the CSO (2013) notes that despite the rising trend in joblessness, two paradoxical facts can be observed. On the one hand, the number of unfilled skilled-job vacancies, especially in the financial services sector and in the ICT sector has been increasing since the last 10 years. On the other hand, the EPZ is crippled by labour supply shortages, and is compelled to import foreign labour mainly from China, India and Bangladesh. Lee (2008) explained how similar situation has prevailed in Taiwan in the 1980’s in the manufacturing industry which gave rise to employment of illegal immigrants and how it was necessary for the government to establish a decree for tackling this issue. Similar situation prevailed in the 1990’s in Malaysia during its industrialization process, where the growing presence of foreign workers could be explained by excess demand for labour combine with rapid economic growth, as well as the cheaper cost of foreign workers. Interestingly, in 2001, a similar pattern was observed in Thailand where Thai firms made use of the opportunity to access low-wage foreign workers to enhance their competitiveness. Manning (2002) and Athukorala (2006) explained that most of the foreign workers hired were semi-skilled and unskilled and as a result this acted as a motivation to tighten the labour market and give rise to real wages. Furthermore, Sussangkarn (1996) explained that apart from critics that foreign labour impacts on employment and wages on local workers, migrant workers definitely contribute to greater GDP due to comparatively low wages of migrants. He further pointed out that the removal of all foreign workers from Thailand would deduct total GDP by around 0.5 percent annually. The wage of unskilled workers would increase to 4 percent. On the other hand, it would drop the wage of high skilled workers at about 4 percent.

Based on the above, it was therefore appropriate to say that the unemployment phenomenon in Mauritius is of a structural nature caused by changes in demand and technology and that there is a mismatch between available skills and available jobs. Structural unemployment cannot be cured solely by “reflation”, which is the macroeconomic policy to increase aggregate demand in view of creating more jobs. Instead, a policy that would emphasize on retraining and relocation of the affected workforce is necessary (Ramdoo, 2004). Thus, the NESC stresses on the fact that education plays a central role in the labour market in Mauritius as it is one of the determinants for supplying skilled labour through the various educational systems. They highlighted that Mauritius is one of the countries with a high literacy rate but some weaknesses were outlined especially in the teaching of natural science, engineering and vocational subjects. Our education system is based on academic and traditional fields of study and it was noted that there have been, until recently a lack of training/ retraining programmes that would prepare the labour force for the newly emerging sectors, such as ICT and high value added services. Before the reforms in education launched in 2001, a large proportion of the young were unable to access secondary education because of the competitive system for getting an entry to secondary schools and this created a deficit in the supply of necessary skilled labour (NESC, 2013). Figures show that for the 2004 CPE exams, failure rate was as high as 62.6% with many of those who fail their CPE exams will drop out of the system, therefore remaining unskilled. The consequence is obviously a deficit in the skilled labour market and where the government has brought reforms to the education system in order to remedy to the situation through training/ retraining programmes, technical courses and additional university courses, in particular in technology (NESC, 2013).

In fact, the problem of unemployment is more acute amount the youth population. Tandrayen & Kaseeah (2013) emphasized on the challenges that the country will have to face with respect to the need for the reduction of youth
unemployment as they do not have the relevant education, training and experience to be employable. Also, many of them do not have the necessary soft skills and relevant practical experience required by employers and in many cases, they may lack both. Just like many countries in the world, youth unemployment is a major problem in Mauritius. The ILO reports that worldwide youth population is over 1.2 billion youth and today almost one person in five is between the ages of 15 and 24 years. According to ILO, the majority of them, about 90 per cent live in developing countries, with 60 per cent in Asia and 17 per cent in Africa. The current population of young people in developing countries is the largest; around 1 billion and is expected to reach a maximum of 1.1 billion in 2060 (ILO, 2012). The problem of youth employment is explained by Johnson (1978) where he deplored their attitude of for not willing to take jobs by putting forward the theory of Job shopping which stipulates that a young work seeker must first try a job before deciding if he is going to keep this employment or start a new search. O’Higgins (2001) highlighted that it is quite normal that the initial experience of youth employment in the labour market often involve a certain amount of “shopping around” in order to find the appropriate job whereas Jovanovic (1979) explained that unlike the previous theory, models of job matching explain youth joblessness by decisions from both the perspective of the employee and the employer are based on the individual’s productivity. Lim Fat (2010) explained that in Mauritius all youth who desire a college education are aided and supported by the government in obtaining that education, thus factory work is less desirable to college educated people and is less favorable than working in other service oriented industries. The NESC (2013) added that young people tend to regard the unskilled jobs as being unattractive and would rather stay unemployed. A basic reason for snubbing such jobs on offer is that the wages tend to be low, with the job carrying little potential for career advancement while requiring atypical hours of work including during holidays.

2.2 Migrant Workers in Mauritius

According to the Central Statistical Office (CSO) (2016) in Mauritius, as at December 2015, a total of 22,576 expatriate workers were employed in the Export Oriented Enterprises (EOE) on a total of 56,601 workers while total unemployment rate stood at 7.9% representing 46,600 vacant posts. This mismatch is even more of a concern in the Clothing and Textile Industry where the industry were employing 20,305 expatriates on a total of 39,952 workers, representing 50.8% of the total workforce in that particular industry. In fact Tandrayen (2014) explains that the Textile and Clothing sector is highly dependent on foreign workers, compared to other manufacturing firms and that these manufacturing enterprises also choose to employ foreigners as per the standard working hours as overtime represents a high wage burden. According to her, migrant workers in fact contribute to the flexibility of businesses, leading to cheaper prices, better quality products and higher profits. Lincoln (2009) views Mauritius as intimately involved in the labour migration system and plays a mediating role in positioning the island within the Global Division of Labour (GDL). He explained that Mauritius is trying to optimise the routing of global production chains by using migrant labour. The migrants originate mainly in China and India and are overwhelmingly concentrated in the island’s clothing and textile factories where they now comprise one-fifth of the export processing zone workforce. In Mauritius, the majority of migrant workers work in the Manufacturing sector followed by the Construction sector. Migrant workers enjoy salaries and other terms and conditions of employment which, according to law, should not be less favorable than those prescribed for Mauritian workers. They thus have the same rights as local workers in terms of trade union activity. Lincoln (2009) also pointed out how a statutory dualism in the country’s Industrial Expansion Act of 1993, entitles foreign workers to exceed their standard weekly 45 hours of work by up to 10 hours of overtime (at overtime rates), as well as to work on public holidays (at double the normal hourly rate), providing the workers do not work for more than seven consecutive days at a stretch. According to him, the eagerness and availability to work for longer hours and lower wages than local workers is the main attraction that motivates employers in the EPZ to recruit.

In order to ensure that working conditions are satisfied, the contracts of employment of migrant workers are vetted by the MLIRE before they are granted work permits to ensure that employers are compliant to prescribed
conditions. Migrant workers do not voluntarily take advantage of the same benefits as Mauritian workers because they are often willing to work for longer hours so that at the end of their contract they may return to their home country with as much saved income as possible, being given that the majority come from lower income countries (DWCP, 2012). Lincoln (2009) pointed out that employers laud the low absenteeism and turnover rates of foreign workers as compared to local workers as they have no obligations besides work, and they remain relatively untouched by local conditions, financial or familial. This is also confirmed by Tandrayen (2014) who highlighted that migrant workers from India, China and other countries are known to work harder and more efficiently than Mauritians and are also very committed to their duties and are likely to be less absent from work, they are more skilled and productive and do not have a family life so they spend most of their time at work. Similarly, Oulton (2000) argues that a growing impact of performance was noted among those companies that employ foreign labour with higher level of productivity as compared to locals while Jungnickel and Keller (2003) explain how foreign labour impacted positively on productivity in West Germany.

Mauritius is one of the signatories of the Decent Work Country programme 2012- 2014 where the document was signed in November 2012. The main highlights of this documents relate to the need of the preparation of a National Employment Policy (NEP) as one of the objectives, to take cognizance of the present employment and labour market situation on the basis of statistics on the age, gender and educational level of unemployed persons to identify areas /sectors where there is a mismatch between demand and supply of labour (taking into consideration the increasing demand for foreign labour) and the reasons thereof, to anticipate the labour demand for the medium term in existing and emerging sectors and to propose appropriate measures in this connection, to make recommendations to address the complexity in the placement of job seekers, particularly in the redeployment of redundant workers, and to make recommendations for policies/strategies to address the requirements of the labour market (DWCP, 2012). The National Employment Policy (2014) should make recommendations to review the policy of foreign labour by taking into considerations the types of occupations where there is a real shortage of local skilled and available, the recruitment of foreign workers only those occupations where employers would have submitted justifications/ evidence that they have been unsuccessful in recruiting locally among others. So far as there is no comprehensive policy on the recruitment of foreign workers, the government is mainly addressing the issues with remuneration orders and adhoc amendments of various legislations and guidelines. One of the example being the Occupational Safety and Health (Employees’ Lodging Accommodation) Regulations 2011 have been passed with effect from 28 January 2011 to improve the standards of living conditions in lodging accommodation provided to any employee including migrant workers and a guideline for work permit application in 2015. This is in line with Gopaul (2013) who stressed on the fact that the relevant authorities in Mauritius should make it a must to regulate the export sector where migrant workers contributions are not only recognized as FDI, Balance of payment figures or Profit, but are also accounted in term of more social and human values.

3. Methodology
A combination of methodologies using a mixed method approach was used in the study to show how inferences from mixed methods may be greater than the single method components (Tashakkori & Teddlie, 2003). The research was conducted by adopting an exploratory approach among employers through a focus group discussion, workers and representative of Unions in the industry. Both quantitative and qualitative methods were adopted using primary and secondary data. All data relevant to the case have been gathered and organized to provide intensive analysis of many specific details often overlooked by other methods.

3.1 Research Design
The study was conducted using a three-phase approach using a mixed method methodology. The first phase was conducted through a qualitative exploration in the form of interviews with foreign workers of various nationalities by collecting data from participants already working in the sector. The data collected provided allows us to have an in-depth understanding and assess their contributions in the context. This has largely contributed to the formulation of the questionnaire for carrying out the survey for the quantitative method and the
open ended interviews for the qualitative method among employers employing Temporary Foreign Workers in the Clothing and Textile Industry in Mauritius. The questionnaire was tested with a sample from the Clothing and Textile industry where the relationship between the independent and dependent variables were measured. The purpose of this concurrent mixed method approach helped to better understand the research problem by converging both qualitative data in terms of detailed views from experts in the field and quantitative data in terms of broad numeric trends data. In the study, a questionnaire with open-ended questions was also used as main instrument for interviews and observations gathering the views of experts in the field. At the same time, quantitative instruments were used to measure the relationship between independent variables and dependent variables within the companies. The findings from the survey was cross analysed to the findings of the interview to validate the results.

3.2 Questionnaire Design
The questionnaire was designed to be as simple and comprehensive as possible, covering widely the different aspects related to the assessment of foreign labour as determining factor for the Clothing and Textile industry. The questionnaire was designed to reflect the various determining factors identified as covered both in the literature review and from the exploratory exercise. This was listed under a specific section which led for quality of information. A pilot test was run among 4 companies and feedback obtained allowed us to make constructive changes for the final questionnaire.

Analysis of Results

Table 1.0 Foreign labour as a determining factor

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Foreign workers are immediate short term solution to increase production capacity in your organization.</td>
<td>21%</td>
<td>42%</td>
<td>16%</td>
<td>21%</td>
<td>100%</td>
</tr>
<tr>
<td>II</td>
<td>Foreign labour is a short term solution for labour scarcity in the Clothing and Textile sector.</td>
<td>23.5%</td>
<td>45%</td>
<td>13%</td>
<td>16%</td>
<td>2.5%</td>
</tr>
<tr>
<td>III</td>
<td>Clothing and Textile companies will continue to recruit foreign labour in the next 5 years due to scarcity of manpower in this sector.</td>
<td>42%</td>
<td>55.5%</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Foreign labour will contribute to maintain world's competitive advantage for the Clothing and Textile sector.</td>
<td>37%</td>
<td>47.5%</td>
<td>10.5%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>V</td>
<td>The Clothing and Textile industry in Mauritius is currently dependent on foreign labour.</td>
<td>37%</td>
<td>52.5%</td>
<td>10.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI</td>
<td>The future of the Clothing and Textile sector in Mauritius is dependent on foreign labour.</td>
<td>34.5%</td>
<td>47.5%</td>
<td>13%</td>
<td>5%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The sample was drawn from a list comprising of 85 Export Oriented Companies (EOE) obtained from the Ministry of Industry working in the Clothing and Textile industry. During the survey, it was found that 5 of the companies closed down during the year 2014 and these companies have therefore been excluded from the list. Besides, 4 of the respondents have informed us that they will not participate in the study for confidentiality reasons. In order to have a representative sample, care has been taken to include among the respondents organizations from various sizes in the Clothing and Textile industry. The sample included 39 organizations grouped under various sizes with respect to their turnover which is in accordance with the Ministry of Industry in Mauritius. As company size is defined by the Ministry of Industry by turnover, we have therefore taken care that in the sample respondents, all participants are
from the three mentioned categories. These are classified as small, medium and large companies with turnover of less than Rs.10 million, Rs.10 - 50 million and over Rs.50 million respectively.

The respondents were asked to what extent they agree that temporary foreign workers (also referred as foreign labour) are critical to the Clothing and Textile industry as per Table 1.0 below:

63% of the respondents agree that foreign workers are immediate short-term solution to increase production capacity in their organization whereas 68.5% agree that foreign labour is a short term solution for labour scarcity for the Clothing and Textile sector. A high percentage of 97.5% of the respondents agree that Clothing and Textile companies in Mauritius will continue to recruit foreign labour in the next 5 years due to scarcity of manpower in this sector and 84.5% of the respondents agree that foreign workers contribute to maintain world's competitive advantage for the Clothing and Textile sector in Mauritius. 89.5% of the respondents agree that the Clothing and Textile industry is currently dependent on foreign labour while 82% of them believe that the future of Clothing and textile industry is dependent on foreign labour.

4.1 Inferential Analysis

Tests of ANOVA were conducted for Factors associated with Foreign Labour as a Determining Factor in the Clothing & Textile Industry by Size and Type of industry. Before proceeding with the ANOVA tests, the data was tested for normality and homogeneity. A normality test using Shapiro-Wilk (Sample < 50) was carried out test to verify whether the data follows a normal distribution for all sizes of companies. The results show that P-values (> 0.05) of 0.434 and 0.145 for medium and large companies and P-value of 0.921 for small companies thus concluding that the data follow a normal distribution.

The Levene's test was also conducted in order to check the assumption of homogeneity of the variances of the data. The results show an F value of 0.082 and P value of 0.921. Since P-value > 0.05, we infer that there is no significant difference between the variances thus they are homogeneous.

Since the conditions of normality are satisfied, an analysis of variance test was conducted among companies of various sizes in order to test whether the three groups have the same variance. The results show that F = 0.764 and P-value of 0.474 > 0.05. We accept H0 and conclude that there is no difference in the mean score among small, medium and large companies and factors associated with foreign labour as a determining factor in the Clothing and Textile industry.

The same set of data was analysed to see whether it satisfies the conditions to run an analysis of variance test (ANOVA) among those companies involved in various sectors of the Clothing and Textile sector. Since the data follows a normal distribution, an analysis of variance test was conducted where results show an F = 0.387 and P-value of 0.682 > 0.05 thus indicating that there is no difference in the mean score among companies operating in various sectors of the industry and factors associated with foreign labour as a determining factor in the Clothing and Textile industry.

4.2 Factor Analysis

Before proceeding to Factor Analysis, the data was tested for normality using Shapiro-Wilk test as our sample is (< 50) small. As all p-values < 0.05, this implies that the data does not follow a normal distribution. Moreover, a reliability test using Cronbach's Alpha was also conducted where an alpha coefficient of relatively high internal consistency of 0.724 was obtained thus allowing us to proceed with factor analysis. Prior to the extraction of the factors both the Kaiser-Meyer-Olkin (KMO) for measuring sample adequacy and Bartlett's Test of Sphericity were conducted. The KMO test indicates a 0.5 index which is within the range of 0 to 1 considered to be suitable for factor analysis (Hair et al., 1995). The Bartlett's Test of Sphericity should be significant (p < 0.05) for factor
analysis to be suitable (Barlett, 1954). If any pair of variables has a value less than 0.5 we will consider dropping one of them from the analysis. As our sample size is below 50, we will refer to Kaiser (1974) who recommends 0.5 as minimum (barely accepted), values between 0.7 - 0.8 as acceptable and values above 0.9 are superb. In our case, KMO measure is 0.584 with a p-value of 0.00 < 0.05 also indicating that the Bartlett's test of Sphericity is significant indicating that the correlation matrix is not an identity matrix.

4.2.1 Total Variance Explained
The six factors associated with foreign labour as a determining factor for the Clothing and Textile Industry labour were subjected to principal components analysis (PCA) using SPSS version 21. Principal components analysis revealed the presence of four components with Eigenvalues (>1) of 2.737 and 1.404 explaining 45.6%, and 23.4% of the variance respectively. An inspection of the scree plot revealed a clear break after the second component. The two component solution explained a total of 69.0% of the variance, with component 1 contributing to 41.2% and component 2 contributing to 27.8%.

4.2.2 Rotated Component (Factor) Matrix
Varimax rotation technique was performed, and the simpler orthogonal rotation yielded meaningful item groupings and strong, unambiguous loadings. By referring to the content of those items, one can discern the nature of the latent variable that each factor represents. The idea of rotation is to reduce the number factors on which the variables under investigation with high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. Looking at the table below, four factors are loaded on factor 1 as determining factors (DF) for the C&T industry as: The future of the C&T industry is dependent on Foreign labour, the Mauritian C&T industry will continue to recruit Foreign worker for the next 5 years, the dependence of the Mauritian C&T industry on foreign labour and foreign labour will contribute to maintain world competitive advantage for the C&T industry in Mauritius. Two factors are loaded as DF for the C&T industry in Mauritius on factor 2 namely: Foreign labour as a short-term solution for labour scarcity and foreign workers as an immediate short term solution to increase production capacity

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>The future of the C&amp;T industry is dependent on Foreign labour as a DF</td>
<td>.914</td>
<td></td>
</tr>
<tr>
<td>The Mauritian C&amp;T industry will continue to recruit Foreign worker for the next 5 years as a DF</td>
<td>.739</td>
<td></td>
</tr>
<tr>
<td>The dependence of the Mauritian C&amp;T industry in Mauritius on foreign labour is a DF for the industry</td>
<td>.733</td>
<td></td>
</tr>
<tr>
<td>Foreign labour will contribute to maintain world competitive advantage as a DF for the C&amp;T industry</td>
<td>.731</td>
<td></td>
</tr>
<tr>
<td>Foreign labour as a short term solution for labour scarcity is a DF for the C&amp;T industry</td>
<td></td>
<td>.896</td>
</tr>
<tr>
<td>Foreign workers as an immediate short term solution to increase production capacity is a DF for the C&amp;T industry</td>
<td></td>
<td>.851</td>
</tr>
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</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

4.2.3 The Two Topic Factor
A two component solution emerged from the factor analysis conducted on whether foreign labour is a determining factor for the Clothing and Textile industry. The two components explained a total of 69% of the variance with component one relating to the recruitment of foreign labour in the C&T industry. The four items loaded onto Factor 1 are associated with determining factors leading to the recruitment of foreign labour in the C&T industry. The factor loads on the dependency of foreign labour, the continual recruitment of foreign labour for the next 5
years, the dependence on foreign labour of the C&T industry in Mauritius and the contribution of foreign labour for the C&T industry in Mauritius to maintain world competitive advantage. This factor is labelled “The dependence of the Mauritian C&T industry on foreign labour”.

The two other items that load onto factor 2 relate to the need to recruit foreign labour for increased capacity in production in the C&T industry. The factor loads on foreign labour as a short-term solution for labour scarcity and foreign labour as an immediate short term solution to increase capacity production. This factor is labelled “Foreign labour as a determining factor in the C&T industry”.

Component One – The dependence of the Mauritian C&T industry on foreign labour

This component groups the factors related to the importance of recruiting foreign labour to work in the C&T sector. Four items were identified in the first component as the future of the C&T industry is dependent on foreign labour, the Mauritian C&T industry will continue to recruit foreign worker for the next 5 years, the current dependence of the Mauritian C&T industry in Mauritius on foreign labour and foreign labour will contribute to maintain world competitive advantage for the C&T. This factor is labelled “The dependence of the Mauritian C&T industry on foreign labour”. The four items loaded onto component 1 have high factor loading of 0.914, 0.739, 0.733 and 0.731.

82% of the respondents agree that the future of Mauritius is dependent on foreign labour while 97% agree that the Mauritian C&T industry will continue to recruit foreign worker for the next 5 years. 90% of the respondents find that the C&T industry is already relying on foreign labour and 84.5% agree that foreign workers will contribute to maintaining world competitive advantage for the C&T industry. An interview conducted with one of the CEO’s of one of the biggest Clothing factory in Mauritius confirms that Mauritius has no way out but to depend of foreign labour for its production for the C&T industry. It was also reported that without the foreign labour, there is no way that any factory can survive in Mauritius. According to the interviewer, foreign labour is today an essential component that drives the production in the factories as they are mainly involved in lower skills jobs such as
Machinists that are the core skill required in the C&T industry. The results are perfectly in line with the above findings using quantitative methods through factor analysis.

**Component two – Foreign labour as a determining factor in the C&T industry**

This component has listed two items related to the use of foreign workers as a short term solution to labour shortage in the Clothing and Textile industry. These items are Foreign labour is a short term solution for labour scarcity for the Clothing and Textile sector and foreign workers are immediate short term solution to increase production capacity in your organization. 68.5% agree that foreign labour is a short term solution for labour scarcity for the Clothing and Textile sector whereas 63% of the respondents agree that foreign workers are immediate short term solution to increase production capacity in your organization. This component is labeled “Foreign labour as a determining factor in the C&T industry and has factor loadings of 0.896 and 0.851 respectively.

During the interview, it was also explained clearly that foreign labour in Mauritius should not only be considered as a short term solution but they are rather essential for the C&T sector. They are today considered as the one maintaining the production in the Clothing &Textile sector and as the sector demands both lower and high skills jobs, they are the one that are ready to fill in the lower positions as explained in the previous sections.

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<th>Question</th>
<th>Responses</th>
<th>Coding</th>
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<tr>
<td>Also foreign labour has been identified as a short term solution for labour scarcity and an immediate short term solution to increase capacity production? Do you agree and why?</td>
<td>Foreign workers are not only a short term solution but it is rather an essential engine of production. The C&amp;T sector is a labour intensive sector that demands both low skill labour where foreign workers is essential.</td>
<td>Essential engine of production</td>
<td>Importance of Foreign labour</td>
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<td></td>
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<td>Labour intensive sector with low skill jobs</td>
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the importance of foreign labour both as a determining factor but also how dependent the C&T industry is and will be for the next 5 years.

These findings are of paramount importance to all stakeholders in the C&T industry which is still one of the pillars of the economy. It is important that the situation of the labour market is well explained so that investors are aware of the prevailing situation in Mauritius as the country has always relied on Foreign Direct Investment to maintain economic growth. However, no study has been conducted to assess the impact of the shortage of labour on the C&T industry in Mauritius to measure to what extent this will affect the total exports of the country. Also, it will be quite interesting to pursue further studies to assess the cost implication of employing foreign labour which has been revealed to be more costly than employing local labour unlike in many other countries in the world.

References


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Page 87


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