

RE-SKILLING WORKERS WITHIN THE MAURITIUS SUGAR INDUSTRY REFORM PROJECT

By

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Abstract

The African-Caribbean-Pacific (ACP) Sugar Protocol countries, of which Mauritius is a member, ceased to benefit from preferential prices for sugar exports to the European Union (EU) as from 2009. In anticipation of the changes, the Mauritian Government presented to the EU a Multi-Annual Adaptation Strategy (MAAS): 2006–2015 for the re-engineering of the sugar industry. The strategy aims to use a cluster-based model to provide efficiency and flexibility in production and marketing of outputs to enable Mauritius to remain a competitive supplier for the EU after the price reduction. The EU is playing a significant role in financing the MAAS through the EC Sugar Accompanying Measures over the period 2006–2014 and the first disbursement of funds (2006/2007) was linked to performance indicators in four areas, namely, de-rocking of lands of small holders; implementation of the centralisation of three factories; signature of contracts under the Voluntary Retirement Scheme 2 (VRS2); and provision of training for those that will make use of the VRS2. This paper concerns the fourth indicator. A profiling survey was carried out by the Regional Training Centre (RTC) in November 2006 on 3852 potential retirees to obtain information pertinent to the re-training of persons opting for the VRS2. The questionnaire covered biographic data, employment history, education, training and competencies, employee's future plans and training needs. The results showed that 72% of the respondents were over 50 years of age and that the majority had more than 15 years experience in the sugar industry. The majority were field workers or overseers and 80% had no secondary education, 45% could not read but 72% were interested in re-skilling/training. Around 27 different courses were designed and implemented according to the retirees' needs in areas such as gardening, vegetable production, plumbing, food production and driving. The performance indicator of 1500 retirees receiving training by 31 December 2007 was achieved.

Introduction

Sugar protocol

Mauritius has benefitted from preferential prices for its sugar exports for over 30 years. The ACP/EU Sugar Protocol (an emanation of the Lomé Convention) was signed in 1975 and provided for guaranteed access to the EU market for fixed quantities of ACP sugar at preferential prices over an indefinite period of time. Out of the 18 ACP Sugar Protocol countries, Mauritius had the largest allocation, which was 507 000 tonnes of sugar annually. This represented 94% of Mauritian sugar exports (and this corresponded to 25% of the EU's sugar imports). In 2006, there was a review of the EU Sugar Regime as the EU restrictive trade practices did not comply with WTO rules on level market treatment. This led to the unilateral denunciation by the EU of the Sugar Protocol that will

become effective on 30 September 2009, together with a staged price cut of 36% over a period of 4 years (2008–2009) (MCA, 2007).

Multi-Annual Adaptation Strategy (MAAS)

In expectation of these drastic changes the Mauritian Government presented to the EU a Multi-Annual Adaptation Strategy (MAAS): 2006–2015 for the re-engineering of the sugar industry. The sector had to be transformed into an integrated sugarcane industry that would optimise the production of higher-value sugars, increase electricity production from bagasse and develop ethanol production (Autrey and Tonta, 2005). The strategy aims to use a cluster-based model to provide efficiency and flexibility in production and marketing of outputs to enable Mauritius to remain a competitive supplier to the EU after the price reduction. The overall objective of the Adaptation Strategy is to ensure the commercial viability and sustainability of the sugar sector for it to continue fulfilling its multi-functional role in the Mauritian economy, but at a significant social cost. The strategy provides for a set of measures/projects aiming at increasing the country's revenue, optimising the use of by-products, maintaining the social welfare of low income groups of the sugar industry, while fully taking into account the social and environmental implications.

The Sugar Industry Efficiency (SIE) Act was amended in 2007 (GOM, 2007) in order to accommodate the MAAS strategies. The main focus was to reduce labour costs and create a more flexible workforce. This entailed the voluntary retirement of an estimated 6000 persons. The age of workers eligible for the VRS2 was brought down from 50 years to 45 for women and from 55 to 50 for men. Voluntarily retired workers were to be provided with a compensation package of a maximum 2 months salary per year of service and a plot of land with basic infrastructure. In addition, the new regulatory framework facilitated the use of seasonal labour which was previously not permitted. Moreover, prior to the voluntary retirement of an employee, he/she had to be provided re-skilling/training opportunities for eventual redeployment into other economic sectors or support for the setting up of a small enterprise within the agricultural or non-agricultural sector.

Accompanying measures

In order to support the adjustment process of ACP countries affected by the sugar reform, the EU is assisting these countries through a mechanism known as the European Commission (EC) Sugar Accompanying Measures (EC, 2005; EC, 2007). Funding is provided for country-specific strategies, which lead to sustainable adaptation and hence the MAAS was accepted by the EC as the basis for the restructuring of the Mauritian sugar sector. The disbursement of funds is linked to performance indicators in four areas:

- the de-rocking and preparation of 300 ha of land belonging to small planters;
- the closure of three sugar mills;
- signature of an initial number of contracts under the VRS2; and
- the provision of a social package, including re-training and re-skilling, to 1500 workers leaving the industry.

This paper is concerned with the fourth indicator, namely the re-training and re-skilling of 1500 workers leaving the industry.

Profiling exercise

In November 2006, in anticipation of the re-skilling project, the Regional Training Centre (formerly known as the Robert Antoine Sugar Industry Training Centre), in collaboration with the Mauritius Sugar Producers' Association (MSPA), members of the Personnel and Industrial Relations Officers' Committee of MSPA (PIROC) and trade union representatives, developed a profiling survey questionnaire to facilitate the matching of the training needs and levels of literacy

of the potential VRS2 beneficiaries with existing and novel training courses. The questionnaire covered biographic data, employment history, education, training and competencies, employee’s future plans and training needs. Training was then provided for all the Human Resource Managers / Personnel Officers of the sugar companies involved in the VRS2 who were to carry out the profiling exercise.

The profiling survey covered 3852 potential retirees from 24 different sugar companies. An individual analysis for each company and a combined analysis for all of the companies was conducted. The combined results showed that 72% of the respondents were over 50 years of age, and that 85% of the potential retirees were male. The age distribution is shown in Figure 1. There were, however 937 employees who were under 50 years of age.

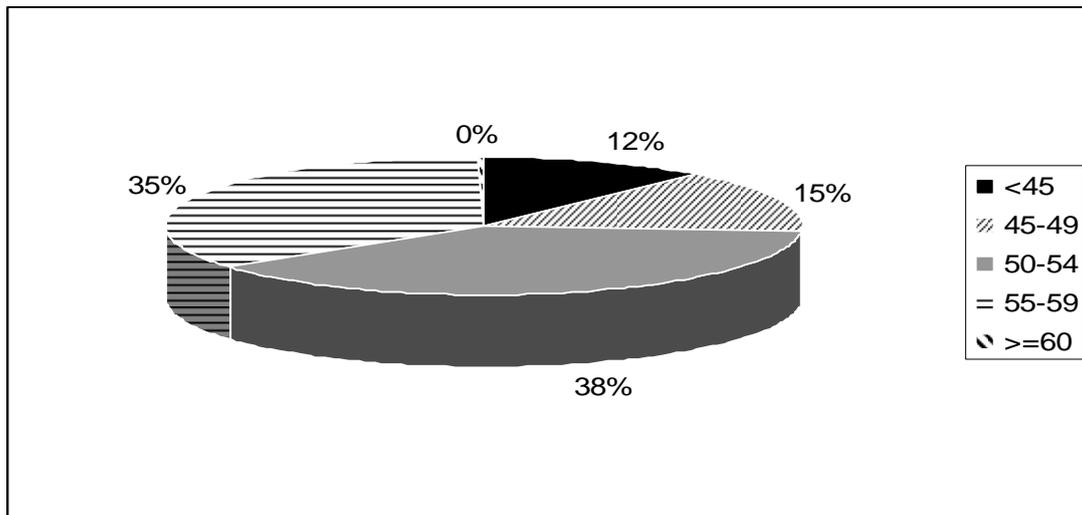


Fig. 1—Age distribution of the potential VRS 2 beneficiaries.

The majority of the respondents had more than 15 years’ experience in the sugar industry but many of them had over 30 or 40 years’ experience.

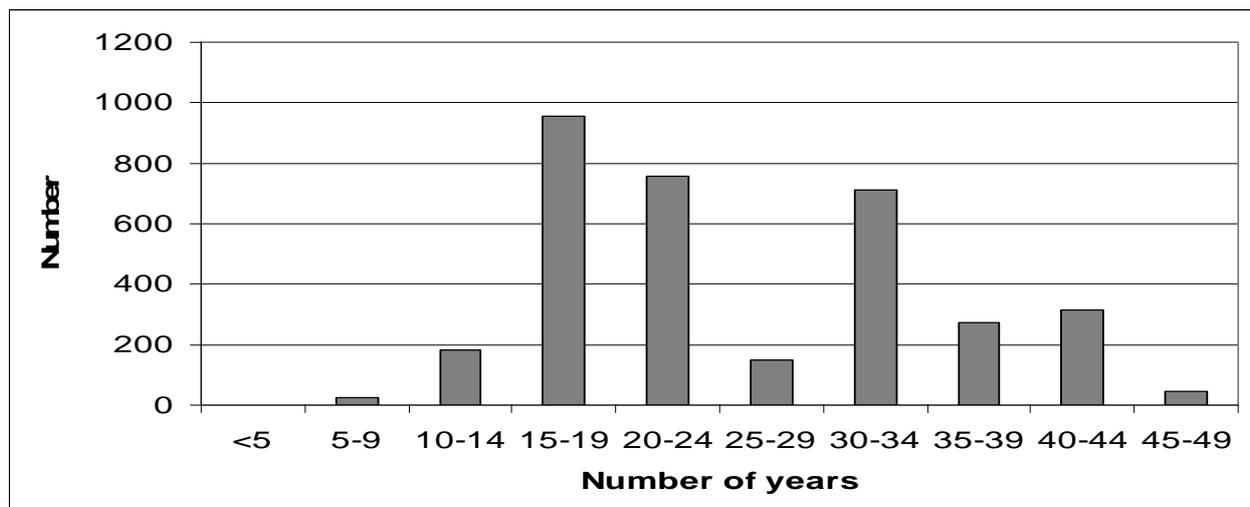


Fig. 2—Years of service in the sugar industry.

The majority (80%) of the employees had only attended primary school. Only 102 employees reported having attended school up to Form V (see Figure 3).

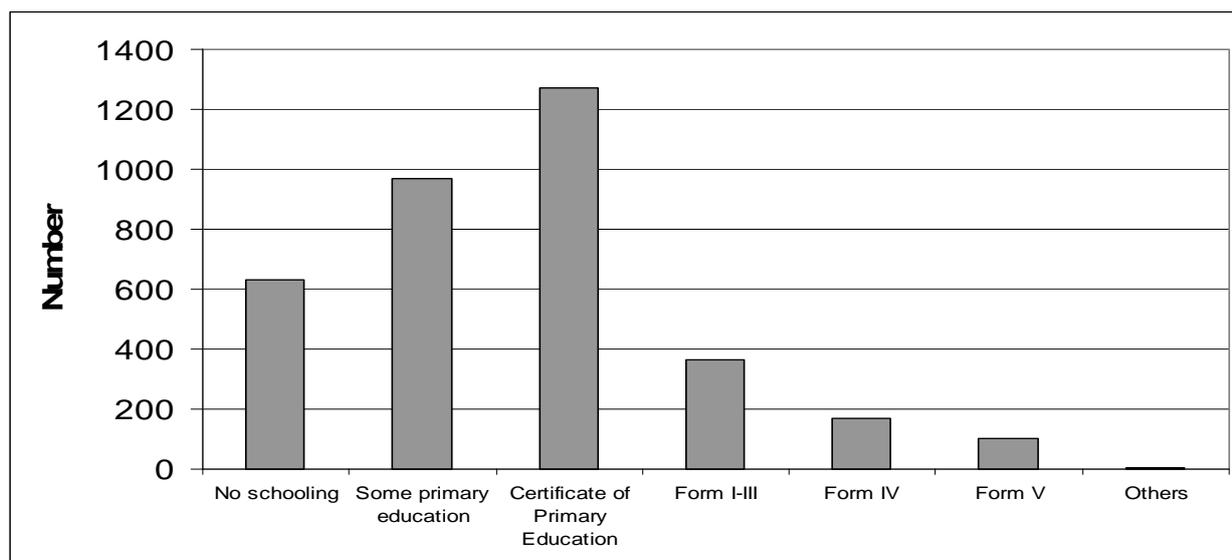


Fig. 3—Educational level.

The majority of the respondents were field workers or overseers and 80% had no secondary education. In Mauritius various languages are spoken. Literacy was reported by the potential retirees as shown in Table 1.

It can be inferred that around 45% of the potential beneficiaries could not read and 49% could not write, and this had implications for the design of appropriate re-skilling programs.

Table 1—Reported literacy in various languages (% of respondents).

	Languages read	Languages written
French	55	51
English	38	35
Mauritian Creole	33	27
Hindi	10	8
Arabic	< 1	< 1

n = 3852

Despite the low educational and literacy levels, 72% were interested in re-skilling/training. They were also questioned about other competencies that they believed they possessed and the most common responses were gardening/vegetable cultivation, masonry/bricklaying, plumbing, woodwork, electrician, painting, sewing, welding, fishing, mechanics and farming.

Training was designed to build upon these competencies as the ultimate objective was to facilitate eventual redeployment into other economic sectors and/or provide the basis for the setting up of small enterprises.

The potential beneficiaries were asked what plans they had for the future and 42% stated that they wanted new employment, 31% hoped to be self employed, while 14% wanted to retire from economic activities and 2% said that they wished to emigrate.

The percentage of retirees who were seeking employment after the VRS2 corresponded to the percentage who were interested in training. Concerning the new employment, the most popular responses are given in Table 2. The potential retirees were also asked to indicate what sort of training that they wanted to follow and Table 2 also shows these responses.

Table 2—Percentage of responses for choices of future employment and training.

	Future employment	Training
Hotel industry + Integrated resort schemes	18	10
Gardening	10	18
Agriculture/vegetable and flower production	10	6
Construction industry	4	7
Driving	2	6
Plumbing/pipe fitting	2	8

n = 3852

Implementation

An agreement was reached on 5 December 2007 between the MSPA and the Government of Mauritius on the industry reform process (MCA, 2008). This agreement successfully triggered the implementation of key reform measures and enabled disbursement of scheduled EU Accompanying Measures. Over 6500 employees of the sugar sector retired under the VRS2 and ERS schemes at the end of 2007. This is in addition to the 8000 people that left the industry in 2001 under the first VRS.

The Regional Training Centre was selected to be the coordinating body for the implementation of the re-skilling project. Around 27 different courses were designed (or selected from pre-existing courses) according to the retirees' needs and level of literacy in areas such as: basic vegetable production, introduction to gardening, livestock production, plumbing and pipe-fitting, domestic electrical installation, food production techniques, housekeeping operations, basic arc welding, lorry driving, heavy goods vehicle driving, etc. All the courses were delivered in the local Creole language, used lots of visuals, and all were very practical in orientation. The course durations ranged from 27–84 hours. These courses were run at the Regional Training Centre and at various centres throughout the island in collaboration with the Industrial and Vocational Training Board of Mauritius and the Agricultural Research and Extension Unit of the Ministry of Agro-Industry, Food Production and Security.

According to the SIE Act (Amended) 2007, the training was to be provided while the beneficiary was still in employment. However, since the agreement between the MSPA and the Government of Mauritius was only reached on 5 December 2007 and the VRS2 had to be completed by 31 December 2007, it was logistically impossible to dispense all the training while the workers were still in service. It was therefore agreed that all transport costs and daily wages were to be refunded to the beneficiaries if they had to follow courses after their retirement.

Despite the time constraint, 1500 beneficiaries were enrolled on appropriate courses and were able to follow at least one training session prior to 31 December 2007 and the remaining sessions were completed in 2008. Evaluation questionnaires indicated that the retirees enjoyed the training programs and many mentioned that it was the first time that they had an opportunity to follow a course and that they were eager to put their new competencies to use.

Discussion

Had the deal between the MSPA and the Government of Mauritius been concluded earlier, the profiling data would have been used directly for the preparation of lists of trainees for each selected course. However, because of the 14 month delay, the data in the database was only partly true as, for example, the ages of respondents had changed, some people who were previously too young to obtain the VRS were now old enough to qualify, and some people changed their training

choices, future plans, etc. Nevertheless, the profiling database was extremely useful for the planning of training courses, for the briefing of training providers about the target audience and for presentation purposes for the EC evaluators.

The feedback from the participants who followed the various training courses was positive but no data are available on how many beneficiaries are actually using their new competencies. Some of the overall objectives of the EU Accompanying Measures were to mitigate the social impact of the sugar industry adaptation strategies and to support ACP countries on their path to poverty reduction and sustainable development. In this context, the support for re-skilling was aimed at facilitating the transfer of employees from the sugar sector to other sectors of the economy. Available data show that around 13% of the beneficiaries were employed in other sectors in April 2008 but this is likely to be an under-estimate as many are self-employed. In addition, many retirees have been re-employed in the sugar sector as seasonal labour under new contracts of employment. The Government of Mauritius has set up a National Empowerment Foundation (NEF) whose aim is to broaden the circle of job opportunities for job seekers through training and placement facilities and help those whose jobs are affected by the global economic crisis. Thus VRS2 beneficiaries who are seeking jobs have been encouraged to enrol at the NEF.

The Regional Training Centre also provides training for those remaining in the industry. As the industry is being transformed into a modern integrated sugarcane industry, new skills are required. Courses and workshops have been designed to meet the new needs in areas such as new farming systems – the Australian model and the Mauritian adaptation, improving harvester performance and impact of extraneous matter on sugar and energy recovery, production of low colour raw sugar and refining technologies, as well as in management topics such as finance for non-finance managers, good corporate governance, negotiating skills, etc. The Mauritian sugarcane industry also has interests in the hotel, real estate and golf industries and therefore training in new areas such as landscape design, customer care, communication skills, sales techniques, and so on, are increasingly sought after.

Although much of the information in this paper is local in nature, it is possible that the processes used by Mauritius could be used as a model for other countries undertaking re-skilling programs in the context of sugar reforms. The European Union is obliged to assess utilisation of funds on an annual basis and reallocates them among protocol countries if the money is not spent as planned. Since the key performance indicator of 1500 retirees following training by 31 December 2007 was achieved to the satisfaction of the EC evaluators, disbursement was not impeded.

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**RECONVERSION DES TRAVAILLEURS DE L'INDUSTRIE SUCRIERE
DANS LE CONTEXTE DU PROJET DE REFORME
DE L'INDUSTRIE SUCRIERE MAURICIENNE**

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**MOTS CLES: Ressources Humaines, Restructuration,
Reconversion, Nouvelle Formation, Sucre.**

Résumé

LES PAYS signataires du Protocole Afrique-Caraïbes-Pacifique (ACP), dont Maurice est membre, a cessé de bénéficier de prix préférentiels pour les exportations de sucre vers l'Union européenne (UE) à partir de 2009. En prévision de ces changements, le Gouvernement mauricien a présenté à l'UE un «Multi-Annual Adaptation Strategy (MAAS): 2006-2015» pour la restructuration de l'industrie sucrière. La stratégie vise à utiliser un modèle de regroupement pour fournir l'efficacité et la flexibilité de la production et la commercialisation de produits permettant à Maurice de rester un fournisseur compétitif pour l'UE après la réduction de prix. L'UE joue un rôle significatif dans le financement de la MAAS, à travers des Mesures d'Accompagnement pour le sucre au cours de la période 2006–2014 et le premier décaissement des fonds (2006/2007) est liée aux indicateurs de performance dans quatre domaines, à savoir l'épierrage des terres des petits propriétaires, la mise en œuvre de la centralisation de trois usines, la signature de contrats dans le cadre du plan de retraite volontaire 2 (VRS2), ainsi que la prestation de formation pour ceux bénéficiant du VRS2. Ce document concerne le quatrième indicateur. Un sondage a été réalisé par le Regional Training Centre en Novembre 2006 sur 3852 retraités potentiels afin d'obtenir des informations pertinentes quant à la reconversion professionnelle des personnes optant pour le VRS2. Le questionnaire portait sur les données biographiques, historique de l'emploi, l'éducation, la formation et les compétences, les plans futurs des employés et leurs besoins en formation. Les résultats ont montré que 72% des bénéficiaires ont plus de 50 ans et que la majorité a plus de 15 ans d'expérience dans l'industrie sucrière. La majorité était des laboureurs ou des surveillants et 80% n'ont pas d'enseignement secondaire, 45% ne savent pas lire, mais 72% étaient intéressés à la reconversion et à la formation. Environ 27 cours différents ont été conçus et mis en œuvre en fonction des besoins des retraités dans des domaines tels que le jardinage, la production maraîchère, la plomberie, la production alimentaire et la conduite de divers véhicules. L'indicateur de performance de 1500 retraités, qui ont reçu une formation avant le 31 décembre 2007, a été atteint.

**RE-CAPACITANDO A LOS TRABAJADORES EN LA INDUSTRIA
AZUCARERA DE MAURICIO PROYECTO DE REFORMA**

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Re-capacitando, Re-entrenando, Azúcar.****Resumen**

LOS PAÍSES que conforman el Protocolo Azucarero África-Caribe-Pacífico (ACP), del cual Mauricio es un miembro, dejaron de beneficiarse de los precios preferenciales de la exportación de azúcar a la Unión Europea (UE) en 2009. Anticipándose a los cambios, el gobierno de Mauricio presentó a la UE una Estrategia de Adaptación Multi Anual 2006–2015 (MAAS por sus siglas en inglés) para efectuar la re-ingeniería de la industria azucarera. La estrategia promueve el uso de un modelo basado en un cluster para dar eficiencia y flexibilidad en la producción y mercadeo de los productos que le permitan a Mauricio permanecer como un proveedor competitivo para la UE después de la reducción de precios. La UE está jugando un papel muy importante en el financiamiento del MAAS a través de Medidas de Acompañamiento del Azúcar en el período 2006–2014 y el primer desembolso de fondos (2006–2007) estuvo ligado a los indicadores de desempeño en cuatro áreas: eliminación de rocas en tierras de los pequeños participantes, implementación de la centralización de tres fábricas, firma de contratos bajo el Esquema de Retiro Voluntario 2 (VRS2 por sus siglas en inglés), y provisión de entrenamiento para aquellos que harían uso del VRS2. En el presente trabajo se describen las actividades de este cuarto indicador. En noviembre de 2006, el Centro de Capacitación Regional realizó una encuesta de perfiles a 3852 candidatos potenciales a retiro para obtener información pertinente de la re-capacitación de personas que optaran al VRS2. El cuestionario incluía datos biográficos, historia de empleos, educación, entrenamiento y competencias, planes futuros de los empleados y necesidades de capacitación. Los resultados mostraron que el 72% de los encuestados, tenían más de 50 años y la mayoría tenía más de 15 años de experiencia en la industria azucarera. La mayoría eran trabajadores de campo o supervisores y el 80% no tenía educación secundaria, 45% no podían leer y 72% estaban interesados en ser re-capacitados/entrenados. Se diseñaron e implementaron alrededor de 27 cursos de acuerdo a las necesidades de las personas en el estudio, incluyendo áreas como jardinería, producción de vegetales, plomería, producción de alimentos y manejo. El indicador de desempeño de contar con 1500 candidatos a retiro recibiendo capacitación para diciembre de 2007 se cumplió.