PERSISTENT YOUTH UNEMPLOYMENT AND HIGH DEMAND FOR FOREIGN WORKERS IN MAURITIUS: EXPLAINING THE PARADOX

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ABSTRACT

The overall unemployment rate in Mauritius has been rising, particularly since 2004 with the end of the Multi Fibre Agreement and the EU Sugar Reforms. The unemployment rate for women has more than doubled relative to men with the male-female unemployment gap widening over the years. 2012. The youth unemployment rate reached 17.2 per cent in 2012, which is more than twice the overall unemployment rate of 7.8 percent. Despite the high unemployment rate, the number of foreign workers in Mauritius has more than doubled over the last decades. This paper thus investigates the impact of foreign workers on the rising unemployment rate in the small island economy of Mauritius. We first examine the trend in male and female youth unemployment. Second, we study the rising number of foreign workers over the last decades and analyse the main sectors which employ them. Third, we explain the paradox between the rise in foreign labour, when the country is in a situation of high youth unemployment. Lastly, we recommend appropriate policies regarding foreign workers and also youth unemployment for the small open economy.

Keywords: Youth Unemployment, Foreign Labour, Mauritius

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