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## ***Working Paper Series***

**The Political Economy of Precarious  
Work in the Tourism Industry in Small  
Island Developing States.**

**Mark P Hampton,  
Julia Jayachaya and Donna Lee**

**Kent Business School**

***Working Paper No. 281  
January 2014***

# **The Political Economy of Precarious Work in the Tourism Industry in Small Island Developing States.**

**Mark P. Hampton,<sup>1</sup> Julia Jeyachaya<sup>2</sup> and Donna Lee<sup>3</sup>**

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## **Abstract.**

International tourism is now the predominant industry driving growth in many small island developing states (SIDS). Governments of small islands in the Indian Ocean, Caribbean and Pacific have seemingly put most of their eggs into one development basket – the all-inclusive holiday in a luxury hotel, resort or cruise ship. While this industry generates employment, foreign direct investment, and income for island governments and the private sector, it also brings with it dependencies which are borne from the transnational ownership of these all-inclusive accommodations, the risks from exogenous factors - many of which are tied to the wider security of the global system - as well as the domestic economies in the source markets in Europe and North America. We reflect upon these dependencies and risks through a case study of the Seychelles based on fieldwork research conducted in 2012. Our findings highlight that the international tourism industry in the Seychelles – even in a situation of high or growing demand – creates structurally driven precarity for tourism workers who are predominantly low paid, low-skilled, and increasingly recruited from overseas. These findings provide new evidence that contributes to the growing research into tourism in IPE. Our findings highlights the precarious condition of labour in this fast growing service sector of the world economy and in so doing also adds much needed empirical insights from the South to recent debates about an emerging precariat in contemporary capitalism.

**Key words:** international political economy; development; island economies; precarious work; international tourism; Seychelles.

## **Introduction**

Small island developing states (SIDS) are highly – and in many cases increasingly - dependent upon tourism for their economic wellbeing. Tourism generates employment, foreign direct investment (FDI), as well as government and private income. In countries such as the Seychelles in the Indian Ocean, and Aruba in the Caribbean for example, tourism accounts for some 40% or more of GDP - often in the context of the sharp decline of traditional industries such as agriculture. Rather than pursue economic diversification strategies, many SIDS are focusing investment into international tourism. The Seychelles is a typical case in point. Reliance on tourism for economic growth and development in the Seychelles has increased during the last decade as a result of the steady growth of overseas visitors to the Seychelles, as well as the marked decline of agricultural production. State policies have fashioned the development of the tourism industry so that, as with so many SIDS, it is dominated by the all-inclusive holiday product provided by transnational firms such as Hilton Worldwide. The risks inherent in restructuring the economy in such singular fashion, and in cooperation with international capital, are compounded by the patterns of uncertain and insecure tourism demand experienced by the Seychelles (and other SIDS) as illustrated by the decline in overseas visitors during the first Gulf war in 1991-1992 (Shareef and McAleer, 2006) and again during the increased threat of piracy in the Indian Ocean region during 2005-2009, a period which also included the 2008-2009 international financial crisis which severely impacted international tourism visitor numbers (see UNWTO and ILO, 2013; Commonwealth Secretariat, 2009). Given the dominance of international tourism within the economy there are few alternatives for local workers to this precarious situation. As such, putting so much faith in the tourism industry and overseas capital investment as an exclusive means of economic development and employment runs creates many risks for the condition of labour - even if we accept the argument that international tourism is an effective route to small island state development as some scholars argue (see Bianchi, 2002; Britton, 1982 for instance) – and leaves labour on the islands in a precarious position given their lack of connectivity with, or autonomy from, transnational employers far removed from local governance.

The concept of precarity is central to our purpose in developing a critical analysis of the international political economy of tourism work in SIDS. Our case study serves to challenge some of the claims of poststructuralist and neo-Marxist scholars who look to precarity and the growth of the service sector in the economy as an opportunity for the

empowerment of labour (Hardt and Negri, 2000; Hardt and Negri, 2005; Brett and Rossiter, 2005; Standing, 2011; Robinson, 2011). Our empirically rich analysis of the tourism industry in the Seychelles counters these claims and underscores the more negative aspects of work precarity. In sum, we find evidence that the condition of labour in the tourism industry in the Seychelles – even in a situation of high or growing demand - is one of precarity which we conceptualise as exploitation, uncertainty, and contingency. This unfortunate condition is a consequence of the policy choices made by the state as it restructures the economy in cooperation with overseas capital. The predominantly low paid, unskilled, and increasingly migrant workers in the tourism industry in the Seychelles are in no position to open up a new democratic commons to resist the continuing power of the state and the growing influence of foreign capital as the neoliberal turn in the economy unfolds. Rather, their position is entirely indeterminate as a result of the structural instability in the tourism industry in the Seychelles.

Structured in three parts, the Working Paper begins by exploring the concept of precarity around issues of work . We then discuss these conceptual issues through a case study of the Seychelles, highlighting the negative aspects to precarious work so often under-scrutinised by recent poststructuralist and Marxists analysis of labour precarity. Our case study maps the expansion of the tourism industry in the Seychelles and analyses the recent restructuring of the economy from a predominantly locally-owned agricultural economy to a service economy dominated by foreign owned tourism firms; that is a process of dispossession. In the final section of the paper we draw our conclusions from this mapping exercise, highlighting the conceptual and empirical significance of the findings to issues of tourism and the continuing precarious condition of labour in SIDS.

### **Precarious Work and IPE**

Work can be precarious in a number of obvious ways. It can be uncertain, unpredictable and insecure when it is based in an industry that is declining, is unregulated, or subject to significant changes in demand and production. Work can be precarious for the worker because it can involve working in unhealthy or even life-threatening conditions (as we recently witnessed in the clothing industry in Bangladesh), or because it can be casual work undertaken by highly educated employees in the cultural industries, or an unlegitimated form of work such as sex work (Smith, 2011). Work can also be precarious because of the lack of bargaining power for labour, which is a particular concern within the tourism industry in SIDS where the exclusive focus on international tourism as a tool of development, the

increasing foreign ownership of the growth areas of the industry, the low skilled nature of much of the work, and the growing proportion of overseas workers in the industry curtails any marketplace bargaining or workplace bargaining power of labour in tourism. Clearly then, precarity is not the unfortunate condition of one type of worker (unskilled, female, migrant etc.) but “ strays across any number of labour practices” (Brett & Rossiter, 2005:5) and can be the condition of a range of otherwise fragmented categories of workers from the highly-educated to the undocumented migrant.

The concept of precarity originates in the theory of precarious labour developed by Hardt and Negri and others as an analytical tool for exploring the condition of labour in contemporary capitalist development (Hardt and Negri, 2000; Hardt and Negri, 2005; Lazzarato, 2006; Standing, 2011) The novelty of this scholarship is that it looks to precarity as a condition that offers the potential to overcome work exploitation. Robinson (2011), for example, sees work precarity as a way of imagining a more flexible way of working and a reduction in work that workers might look to ‘self-precarisation’ to reduce their own exploitation, Highlighting the rise of a large (and in most cases the largest) service sector workforce in post-industrial economies in the developed North, neo-Marxist and poststructuralists look to this ‘multitude’ of ‘immaterial labour’ to resist the power of the state and capital in the economy. ‘Immaterial labour’, they argue, works in conditions based upon networked, collaborative and cooperative labour practices. These communal practices create new social relationships among otherwise socially and politically fragmented workers which in turn creates opportunities for new forms of political movement. In this schema, the ascent of the service sector in the economy provides ‘the potential for a kind of spontaneous and elementary communism’ (Hardt and Negri, 2001; 294). The precarious condition of labour in contemporary capitalism, therefore, is not to be lamented but cheered since it provides a political subject for the mobilisation of resistance to capitalism.

These claims are highly contentious and in particular the depiction of the world of work in the service sector has been the subject of much debate. Thompson (2005), for example. critiques Hardt and Negri’s precarious work thesis for ‘flattering’ significant differences within labour in the service sector between, for instance, the low-paid and unskilled workers (where most service sector job growth has been) and middle-level highly-paid skilled workers (see also Camfield, 2007). These different workers may all experience precarity (that is work insecurity, flexibility and casualisation) but precarities borne out of relations of class, ethnicity, nationality, and gender in capitalism are glossed over by Hardt

and Negri and others. It is not always clear how these differences can be bypassed to create common experiences of labour precarity in the service sector, nor how different categories of worker can have equal political will and power to resist the power of the state and overseas capital. A point highlighted by, for example, feminist scholar Frederici (2008), who criticises this approach for being ‘gender neutral’ not only because it ignores women’s unpaid reproductive labour and housework, but also because it misses the feminisation of service work which, according to Frederici has increased the exploitation of women (see also Bolton, 2009; Wolkowitz, 2006).

Our mapping of the restructuring of the economy in the Seychelles provides evidence to explore the experience of precarity among the service sector on the island following the recent growth of the tourism industry to a position of predominance within the economy and the consequent rise in the number of workers on the island engaged in the ‘immaterial labour’ associated with tourism. The optimistic view of the current conditions of labour in the service sector in contemporary capitalism is unrecognisable in the tourism industry in the Seychelles. The assumption that services work and ‘immaterial labour’ represents higher, less exploited forms of work, and that workers in the service industry enjoy empowering conditions of labour is hugely problematic in of itself and is particularly mistaken when viewing the conditions of the unskilled casual labourers working in the tourism industry in the Seychelles. Our research left us pessimistic rather than optimistic about the precarity of work amongst the local and migrant workers in the tourism industry and serves to augment many of the criticisms made by Munck (2013) as he laments the ‘Northern-centric’ theoretical frame and empirical reference points of the concept developed by Standing and others. Our analysis of precarity provides a useful Southern reference point to highlight how neoliberal restructuring led by the state in the Seychelles has led to the predominance of the service sector, the expansion of ‘immaterial labour’ and, significantly, a resultant deepening of precarity in the condition of labour. State policies have driven the decline in the agricultural sector and locally owned enterprise so that workers have few alternatives to service sector labour offered by foreign owned transnational firms. Rather than empowering labour, the restructuring has, we argue, deepened the exploitation, uncertainty and contingency of work in the Seychelles.

Munck points out that ‘decent work has never been the norm in the postcolonial world’ (2013; 752) and as such precarity is neither a novel nor empowering condition but rather the natural and oppressive condition for workers in the South. The growth of the

international tourism industry led by the state has shifted precarity of work from traditional sectors to the new services sector with the notable changes not being the emergence of a ‘dangerous new class’ to use Standing’s phrase but the state-led dispossession of land from local agricultural workers and the few local manufacturing firms that existed in the fishing industry. And, as we highlight in our analysis, the Seychelles is an authoritarian state so that it is impossible to imagine effective worker resistance - even if we can begin to imagine their emergence as a new political movement. The issue of precarious work in contemporary capitalism should be of much more concern to IPE scholars since analysis of this phenomenon can contribute to so many current debates about, for example, the restructuring of economies, the growth of the knowledge economy and the service sector, the hegemony of neoliberal political-economy, global labour inequalities in the international economy, and so on. Yet, as Moore (2012) points out, IPE has to date paid too little attention to the impact of either capitalist restructuring, the growth of the service sector, or the neoliberal policy turn in the international political economy, upon the condition of labour. Where analysis of work, or, more generally, labour relations in political economy does take place, it is chiefly concerned with the process of state institutionalisation to regulate and accommodate workers (see, for example, Edwards et al, 1994; Jessop, 2008) rather than the process and impact of economic restructuring undertaken by states in collaboration with transnational capital as they seek to adjust to shifts in global and regional markets. While sociologists such as Beck (1992) have highlighted the emergence of a ‘risk society’ as a result of the transformation of the world economy, and other sociologists have developed labour process analysis (see O’Doherty and Willmott, 2009 for a detailed review of this literature) few contemporary IPE scholars investigate the consequences for work despite the fact that work is a key factor in any economy.<sup>1</sup>

There are notable exceptions to these silences in IPE. A growing number of feminist scholars work through the lens of gender, analysing the impact of gender relations and gender identities on (unpaid) work (Elias & Ferguson, 2010; Herrera, 2008; Hoskyns & Rai, 2007; Salzinger, 2003), including the role of gender in tourism work in developing countries (Chin, 2008; Ferguson, 2010a; Ferguson 2010b; Ferguson, 2011; Sinclair, 1997). Ferguson’s research is particularly interesting as it documents the rise of global capitalism through tourism development and the impact this has on gender equality, employment opportunities for woman and the changing consumption patterns of local people in LDCs (Ferguson, 2011).



Much of this feminist scholarship on work, however, remains “largely unrecognised in IPE discourses” (Ferguson, 2010a: 861).

### **The Ascent of International Tourism as a Development Strategy**

International tourism has grown rapidly since the 1970s with more than one billion international tourists travelling in 2012 and they spent more than \$1,075 billion (UN WTO data). These large figures have also resulted in the rapid growth in the number of workers employed in the service sector of the global economy with recent studies finding that the tourism industry accounts for one in twelve jobs globally (ILO, 2010; UNDP, 2013). Since the late 1960s, international tourism has been championed by agencies such as the OECD, World Bank and IMF as the ‘passport to development’ and poverty reduction (de Kadt, 1979) for less developed countries (LDCs) and regions; a direct means to increase incomes and create significant employment. Governments in LDCs, as exemplified by Mexico and Indonesia, grasped this opportunity and large-scale tourist enclavic resorts such as Cancun on Mexico’s Caribbean coast and Nusa Dua in Bali were planned and built for international hotels (Hampton, 2010). This growth of international tourism to developing regions was dubbed the ‘pleasure periphery’ by Turner and Ash (1975). Facilitated by falling real prices of long-haul air travel (economies of scale), significant flows of international tourism began to reach such countries with present examples including Mexico hosting more than 23 million tourists in 2011, Thailand 19 million, Indonesia 7.6 million and Brazil 5.4 million (UNWTO, 2012b).

Given the limited opportunities for conventional industrial development, and facing structural issues of being small, open ‘vulnerable’ economies (often combined with remoteness see Baldacchino, 1993; Briguglio, 1995; Armstrong and Read, 2000 ),<sup>2</sup> many SIDS have attempted to use tourism as a key sector to drive economic growth (see Commonwealth Secretariat, 2009). Conventional (and dominant) neoclassical economic models suggest that tourism not only contributes at the national level to GDP, balance of payments etc., but through mechanisms of ‘trickle down’ also eventually benefits local communities. This approach, and the assumptions within it, have been common in many developing areas, and can be seen in contemporary tourism strategies in many SIDS.

Since the early 1990s, however, this dominant neoclassical development paradigm has been increasingly questioned with growing interest in ecotourism approaches that according to Fletcher (2011:447) offered “as an oppositional force to conventional capitalist resource

exploitation via mass tourism”. By the beginning of the 2000s, a new area of tourism further questioned the neoclassical development paradigm with so-called ‘pro-poor tourism’ approaches (DFID, 1999; Goodwin, 2008; UNWTO, 2006) that specifically target tourism benefits for the poorest communities and households, and especially women (Ferguson, 2010a; Ferguson, 2010b). More recently, studies highlight the distributional aspect for the tourism sector with World Bank interest in so-called ‘inclusive growth’ strategies for tourism aimed more widely across lower income groups in a society than the absolute poorest quartile (Commonwealth Secretariat, 2012; Hampton & Jeyacheya, 2013; UN, 2012). Such studies argue that without pro-poor strategies international tourism will continue to have weak linkages to the poorest communities in SIDS and the economic benefits of the industry will leak away from the country as a whole (given the high levels of penetration by developed country transnational firms) or at best only reach the better-off economic and political elites within SIDS. Fletcher (2011:449) draws on Marxist theory and develops the work of Harvey (1989) arguing that tourism acts as a ‘fix’ to limit the overproduction crisis of capitalism by spatially and / or temporally reabsorbing excess capital to areas or communities of underdevelopment, thus “forestalling an overproduction crises” and ultimately sustaining the global system of advanced capitalism.

### **International Tourism and Employment**

Tourism is fundamentally a resource-based industry where primary resources such as climate, landscapes, socio-cultural heritage, customs and cuisine are supplemented by labour intensive customer facing services such as transport, hotels, restaurants and attractions to produce the overall tourist experience.

In many SIDS, the international tourist industry contributes significantly to employment highlighting the dependence of their economies on this sector of the global economy. Table 1 below illustrates the employment dependence on international tourism in the Caribbean and Indian Ocean. As we can see, several SIDS rely on tourism to employ between a third and almost two-thirds of the working population either directly working in hotels, restaurants and so on, or indirectly working in other industries that support tourism such as construction, food production, and financial services.

**Table 1. Contribution of tourism to employment for selected Caribbean and Indian Ocean SIDS (2012)**

|                     | <b>Direct plus Indirect, share of total employment (%)</b> |
|---------------------|--|
| Antigua and Barbuda | 56   |
| Aruba               | 58   |
| Bahamas             | 45   |
| Barbados            | 35   |
| Seychelles          | 53   |
| The Maldives        | 42   |
| Vanuatu             | 37   |

Source: World Travel and Tourism Council Travel and Tourism Economic Impact 2013 Country Reports (Antigua and Barbuda, Aruba, Bahamas, Barbados, Seychelles, The Maldives, Vanuatu)

As such, employment levels in these states are highly dependent on an industry that, while rapidly growing for most of the last three decades, is also subject to significant fluctuations depending on exogenous political, economic and environmental factors that can have a negative impact on tourism demand. A recent study of the impact of the international financial crisis in 2007-2009 on the tourism industry in the Maldives, for example, found that the decline in tourism demand led to 44% of migrant workers and 10% of indigenous workers being made redundant. Most of these were low or unskilled workers (UNWTO, 2013: 59). This typical example highlights the precarious position of the most vulnerable workers in the industry – the low and unskilled and migrant workers – who have less access to the job market and are often employed on temporary or annual contracts and who are predominantly (UNWTO, 2013; 40).

Within the context of these unpredictable threats to the SIDS tourist industry is also the problem that the industry is highly competitive since most SIDS are offering the same tourist product – luxury island holidays. Competition is particularly high, for example, in the Caribbean where many islands compete with each other for the same market of North American and European tourists. For those travellers who can afford it there is a surplus of small island tourist destinations, and so other factors, such as ease and security of travel, as

well as seasonal weather issues, come into play and contribute to uncertainties of demand and lead to the precarity of tourism work. Further precarities of work in the tourism industry derive from its obvious transitory nature. It is an industry that revolves around the temporary movement of people to create the rise in demand for tourism services and also on the mobility of migrant workers to provide some of the labour. Migrant workers are employed in the tourism industry in the developed and developing state tourism industries to meet growing demand for labour intensive services (Duncan et al, 2013: 7). The movement of developed world tourists to the South as tourists, and of developing country migrant to the North and within the South as tourism workers highlights traditional power structures at play in the political economy of the global tourist industry. These North-South patterns are particularly marked in tourism to SIDS which is predominantly long-haul to luxury-end holiday resorts for Europeans and North Americans. The table below, for example, shows the top five origins of visitors to the Seychelles.

**Table 2. Top five sources of tourism in the Seychelles (2011 and 2012)**

|                             | <b>Seychelles 2011</b>                                    | <b>Seychelles 2012</b>                                       |
|-----------------------------|---|--|
| <b>Top 5 Source Markets</b> | France<br>Italy<br>Germany<br>UK and Eire<br>South Africa | France<br>Germany<br>Italy<br>Russia<br>United Arab Emirates |

Source: Seychelles Bureau of Statistics (2012)

While on the one hand this mobility from the Global North to the Global South – and the tourist spending that accompanies this mobility – is an essential source of wealth transfer between the two, on the other hand the growing dominance of Northern owned transnational hotel chains and cruise ship companies in the provision of the all-inclusive packages that most tourists buy when they visit SIDS means that not all the income generated from international tourism benefits the hosting nations.<sup>3</sup> As a result of the high levels of foreign ownership of all-inclusive hotels and cruise ships many of the benefits of the international tourism industry are lost to the host state. As regards employment, for instance, the role of international hotels and resorts as a principal employer in SIDS tourism industries is very clear and best illustrated with recent data from Jamaica which shows that some 15,500 people are employed in all-inclusive hotels while around 5,000 are employed in smaller non-

inclusive hotels (although this is not surprising given the average size of these establishments is usually over 400 rooms (data from Statistical Institute of Jamaica). It is also commonplace to find high levels of expatriate workers in the transnational hotels. In the Maldives, for example, for every one local worker employed in restaurants and hotels there is approximately one foreign worker employed (ILO, 2012: 25).

While it is clear that international tourism does contribute directly to the economy and employment of SIDS, it is also the case that the dominant tourism sectors in SIDS – that is the all-inclusive hotels – are owned by transnational companies who may restrict local employment opportunities. However, in terms of mitigating seasonal unemployment, the international hotels and resorts appear to maintain employment levels throughout the year and as such can reduce some tourism work insecurity caused by varying seasonal demands.

While employment in the tourism industry in SIDS is precarious for all the reasons already outlined, levels of pay are usually higher than in most other industries (except the public sector) and it is one of the few growth industries that caters for workers with low skills (UNWTO, 2013: 55). That said, welfare and social security provision for workers in SIDS who lose their jobs is often, though not always, limited (see Amosa, 2012; Prasad and Kausimae, 2012; Campling, Confiance and Purvis, 2011; Lewis, 2010)

Having highlighted some of the factors that lead to precarity in the international political economy of the international tourism industry and the condition of labour within the industry in SIDS, we now turn to a more detailed analysis of the issues through a case study of the Seychelles. Following a brief introduction to the island's tourism development and recent history, we discuss the distribution of benefits from tourism before highlighting the impacts from different tourist types and activities. This case study is supported by qualitative and quantitative data gathered during a research trip to the Seychelles in May 2012. Before going on to discuss the findings of the research we will first outline the research aims, objective and methodology.

### **Seychelles Case Study: Aim, Objectives and Research Methodology**

The aim of a country visit was to investigate precarity within the characteristics of inclusive growth in SIDS tourism by identifying the critical factors that would inform and guide the framework. To test the key factors of inclusive growth and the proposed framework, two key objectives were set:

(1) to investigate work precarity by examining the distribution of equality in economic and employment opportunities and, (2) to investigate precarity by examining the impact of tourist types and tourist activities on the local economy, people and environment.

The most appropriate methodology was to use in-depth, semi-structured interviews with gatekeepers selected from the main stakeholders across the tourism industry of the Seychelles. Fieldwork took place in May 2012 and n=24 interviews were completed over a seven day period. N=22 interviews took place on the main island of Mahe and n=2 were conducted on Praslin island. Before starting the fieldwork, we drew up interview protocol sheets that contained specific technical questions as well as open-ended questions. Interviews were recorded digitally and extensive notes were also taken. The exception to this were interviews with government officials, where, at their request, no digital recordings were made. Both interviewers were present at the majority of interviews (n=17) and this included all meetings with senior respondents. The average duration of the interviews was around 1.5 hours. Key statistical data was also made available by key government departments. Interview data was systematically analysed by key themes. Recordings and interview notes were closely reviewed and then compared with pre-fieldwork coding patterns.

**Table 3. Interview respondents (n=24) categorised by sector and type.**

| <b>Role</b>  | <b>Sector</b>      | <b>Type</b>       | <b>Number interviewed</b> |
|--|--------------------|-------------------|---------------------------|
| Indirect Providers / Producers of services and goods | Agriculture        | Association       | 1                         |
|  |                    | Farmer            | 1                         |
|  | International org. | Development       | 2                         |
|  | Finance            | Ministry          | 1                         |
|  | Education          | Ministry          | 1                         |
|  | Revenue            | Commission        | 1                         |
|  | Statistics         | Agency            | 1                         |
|  | Natural Resources  | Research services | 1                         |

|  |   |                                |   |
|--|---|--------------------------------|---|
| Direct Providers / Producers of services and goods | Tourism                                 | Destination Management Company | 1 |
|  | Tourism                                 | Ministry                       | 1 |
|  | Ports                                   | Authority                      | 1 |
|  | SME (Small and Medium-sized Enterprise) | Development Agency             | 1 |
| Direct Suppliers of Services and Goods             | Sea transport                           | Charter boat hire (fishing)    | 1 |
|  | Air transport                           | Carrier                        | 1 |
|  | Accommodation                           | International hotel resort     | 3 |
|  |   | Locally-owned self-catering    | 2 |
|  | Catering                                | Restaurant (large)*            | 2 |
|  |   | Cafe (small)                   | 1 |
| Indirect   | Business                                | Offshore finance               | 1 |

\*Denotes restaurants with over 100 covers per sitting; includes lunch and dinner service; on-site event host and caterers (wedding receptions, celebrations).

Source: field notes, 2012

Finally, interviews having been numbered in the order they were conducted, were then assigned random numbers between 1 and 24 to further protect the anonymity of respondents. This was done in line with good practice, research ethics, and in recognition of the challenge of undertaking key stakeholder interviews in a small island community.

#### Review of results from research

Our findings are broadly comparable with other SIDS of similar size and population (UNWTO, 2012a); however what is useful for our discussion here is the Seychelles' government steer for their economy and policies towards international trade (including tourism) since the islands' independence.

## **International Tourism and Precarious Work in the Seychelles**

The Seychelles is a remote and isolated archipelago that lies between 4 and 10 degrees south of the equator. There are 115 islands extending over a geographic range of more than 1000 km that provide a total land area of only 500km<sup>2</sup>. The remoteness of the Seychelles archipelago and indeed individual islands as well as favourable year round temperatures appeal to tourists seeking a luxury holiday for relaxation (sun, sea and sand), for health (holistic treatment), or for romance (weddings and honeymoons), and was described by Archer and Fletcher (1996: 1) as “...one of the most isolated and scenically attractive groups of islands in the world, offering high quality beach holidays, based on year-round sunshine and coral beaches fringed with tropical vegetation backed by attractive, accessible mountain ranges”. This typifies the imagery used in promotional literature to sell the destination to a global market and has been largely successful in attracting predominantly European wealthy tourists since the early 1970s (Kothari and Wilkinson, 2010).

In 1971 after the opening of the airport on the administrative island of Mahé and in the first eight years (1971-1979) the number of foreign tourists rose from 3,175 to 78,852 arrivals. The European economic recession in 1980 was the first temporary but significant global event to affect the Seychelles tourism industry with international arrivals falling to 47,280 tourists (Department of Tourism, Seychelles). In spite of further shocks in the 1990s (the first Gulf War and Asian economic crisis) and in the last decade (9/11 terrorist attack in New York, SARS epidemic, the second Gulf War, 2004 tsunami, piracy and the global recession), tourist arrivals have grown steadily. This suggests that although the Seychelles is vulnerable to exogenous shocks it appears to be resilient enough to limit the long term impact on visitor arrivals and the contribution tourism makes to GDP. In 2011, for example, tourism directly contributed to 25% of total GDP and 26% total employment with the total contribution (direct plus indirect) rising to 61% and 60% respectively (WTTC, 2012); this is forecast to increase by 3.6% per annum (direct contribution) and 3.5% p.a. (total contribution) over the next ten years (WTTC, 2012) in spite of the most recent (and ongoing) European economic recession.

The Seychelles attracts high value tourists whose individual average daily spend is significantly higher than the mass tourism markets typically seen in the Caribbean, for example, spending approximately \$150 per day over an average period of 10 days (Seychelles Tourism Master Plan, 2012) and contributing US\$ 181 million in foreign exchange earnings to the national economy. In terms of direct employment, 86% of jobs are



in the service sector, specifically accommodation and food, and the levels of pay are slightly above the national average and have been steadily increasing since 2007.<sup>4</sup> This appears to reduce precarity in work but the importance of international hotel and resort chains, such as Hilton and Four Seasons, to provide the necessary investment, infrastructure and employment that now supports a significant proportion of the 90,000 inhabitants, has led to a level of structural dependency that is arguably deepening precarity as well as inequality for service sector workers.

### **Neoliberal developmentalism in the Seychelles**

The Seychelles recent IMF / World Bank-induced economic restructuring programme in 2008 included “bold fiscal reforms” focused around reductions in business tax, increases in personal and non-progressive taxation on goods and services. Sharp rises in global commodity prices and a 20 year reduction in overseas development assistance had led to rising government debt, severe balance of payments deficits and an inflation rate of 60% prompted the IMF to provide a \$24 million loan on the condition that the Seychelles government liberalise the economy (Kothari and Wilkinson, 2013).

The neo-liberal reforms were accompanied by structural reforms to the political economy aimed at ‘downsizing’ the public sector by reducing the size of the civil service and increasing the role of the private sector. This reduced public sector debt to just over 15% of GDP in 2012 from a high of 140% in 2008 (World Bank, 2013; World Bank, 2011; however this has clearly led to increased poverty among the most vulnerable sectors of society with changes to social security payments (especially for those working in the tourism industry). The recently re-elected political party, the Parti Lepep, has continued to implement the reform programme and has proven a willing partner in World Bank monitoring of the restructuring of the political economy. Although a multi-party system since 1993, the Seychelles is in essence still an authoritarian one party state<sup>5</sup> having been ruled by a seemingly unassailable executive in the context of a compliant, uncritical press, a party-run single TV channel, and a political culture of intimidation and bribery (Connell, 2013; Mwenda, 2003; Yoon, 2011). The ruling party’s commanding control of the political economy of the Seychelles, and particularly since the IMF informed economic reform programme in 2008, has increased precarity among all workers as the decline in the traditional economic sectors has left few options beyond the ‘immaterial labour’ of the service sector. Furthermore, the restructuring of the public sector that followed the IMF

intervention has increased pressure on the welfare and social security provision, which is relatively generous in comparison to other SIDS (ss Campling, Confiance and Purvis, 2011), with the number of claimants seeking benefits doubling in 2009 (World Bank, 2011). The Parti Lepep government’s transformation of the welfare administration systems and processes however, has resulted in the creation of the Social Welfare Agency to implement stricter eligibility criteria. This has disadvantaged women in particular and increased household poverty in multi-generational dwellings (World Bank, 2011: 43). Restructuring, while clearly impacting poor communities with the Seychelles, has not led to any social or political unrest of any note. This is hardly surprising given the authoritarian nature of the political system we highlighted above. There is no evidence in te Seychelles of the emergence of a precariat as a new political movement that might begin to critique and challenge the power of the state or overseas capital.

### **Decline of agricultural industries**

Since 2008, and the directed introduction of a free market into the domestic economy of the Seychelles, the traditional agricultural industries have declined in the face of unprotected global competition and growing domestic and foreign investment in international tourism. This has left the Seychelles ever more dependent on the latter for its development thereby reducing the already small linkages of the tourism industry to the poor working in these declining traditional agricultural industries. The decline in the production of tea, fish, cattle, poultry and pigs is particularly marked over a period of five years (2007-2011) (see Tables 4, 5 and 6). . and is evidence of the dispossession of land and industry from workers and local firms.

**Table 4. Production of Key Crops (2007-2011)**

| <b>Year</b> | <b>Copra (tonnes)</b> | <b>Cinnamon (tonnes)</b> | <b>Tea (tonnes)</b> |
|-------------|-----------------------|--------------------------|---------------------|
| <b>2007</b> | 41                    | 63                       | 222                 |
| <b>2008</b> | 29                    | 94                       | 137                 |
| <b>2009</b> | 31                    | 63                       | 63                  |
| <b>2010</b> | 19                    | 23                       | 49                  |
| <b>2011</b> | 10                    | 39                       | 38                  |

Source: National Statistics Bureau, Seychelles

**Table 5. Fish Production (2007-2011)**

| Year | Canned Tuna (tonnes) | Fish Catch (tonnes) |
|------|----------------------|---------------------|
| 2007 | 31569                | 4211                |
| 2008 | 28907                | 4800                |
| 2009 | 30824                | 3364                |
| 2010 | 30338                | 2597                |
| 2011 | 30152                | 2875                |

Source: National Statistics Bureau, Seychelles

**Table 6. Animal and Feed Production (2007-2011)**

| Year | Cattle (nos) | Pigs (nos) | Chickens (nos) | Animal Feed (tonnes) |
|------|--------------|------------|----------------|----------------------|
| 2007 | 75           | 9036       | 833320         | 13881                |
| 2008 | 54           | 7293       | 768115         | 13053                |
| 2009 | 35           | 6014       | 606697         | 10015                |
| 2010 | 34           | 5363       | 550685         | 9053                 |
| 2011 | 15           | 6555       | 622303         | 4088                 |

Source: National Statistics Bureau, Seychelles

Field interviews conducted in 2012 with direct and indirect producers and suppliers to the tourism industry indicated that the decline in agriculture and the fisheries sectors were inherently linked to directed tourism investment and government policy. For example one respondent noted that “Land set aside for agricultural production is on the steep granite slopes where terracing is the only option to grow crops. Flat land adjacent to the coast is designated for tourism infrastructure therefore the option to farm livestock is limited to few cattle (less than hundred), pigs and chickens” (Respondent 9). A further respondent continued to explain that: “Compounding this issue is the rising cost and availability of land to farm beyond subsistence level. Soft loans up to SCR250,000 (\$17,556) (at 2% interest) are available; however they are only granted once land has been secured. Land clearance is costly and can account for 40% of the total loan. This combined with the cost of basic infrastructure that is secure from increasing thefts<sup>6</sup>, and rising labour costs means that often the loan is insufficient”. (Respondent 22). In this context there is little opportunity for the rural and poorer communities to participate directly or indirectly with the tourism industry and even

less opportunity for empowerment, suggesting that the reform process “has diminished the importance of property and land use ... and changed the economic significance of rural territory, which is now considered a strategic space of accumulation in service-related activities.” (Ferguson, 2011:351) Furthermore, this apparent dis-incentivisation is fuelling the island’s dependence upon tourism as the overwhelming source of economic development and employment. Given the insecurities associated with this industry highlighted earlier in this paper, this development strategy enhances the vulnerability of the Seychelles and its workforce to exogenous shocks and transnational decision-making as government policy is reducing opportunities for non-tourist based labour and making the local workforce ever more dependent on transnational firms who dominate the international tourist industry. There are examples of small farms that are profitable businesses in the Seychelles; however their existence can be attributed to one of two factors: embedded (political) patronage; and the role of private finance (interview respondents). The impact of this has led to unequal opportunities for farmers and has restricted many local people from starting businesses within the (declining) agricultural sector subsequently raising uncertainty and thus, precarity.

### **International Tourism and the lack of inclusive growth**

The rise in international tourism to the Seychelles has not led to pro-poor inclusive growth and, as noted above, the development of an open economy has fashioned the decline of traditional agricultural industries and the increasing foreign ownership of the growth areas of the economy. Like many SIDS, the Seychelles is affected by its openness to world trade and the speed with which the transition to a free market economy has taken place (less than five years) means that the Seychelles appears to be struggling to adjust. This was particularly apparent with non-progressive tax increases leading to a rise in fuel by 78% (excluding the 475% duty on fuel), in electricity (68%) and liquor by a staggering 450% which have had a far greater impact on local residents compared to the international tourist companies and tourists who can factor in the increased costs into pricing and spending. One respondent argued that “The market is distorted because of the short-term focus on the economy. This is suffocating any opportunity for entrepreneurship” (Respondent 1).

From our research, the opportunities for entrepreneurship are increasing through SEnPA (Seychelles Enterprise Promotion Agency) and STA (Seychelles Tourism Academy) for example, but further barriers were identified in interviews as ‘suffocating’ those opportunities. Of particular note, embedded political patronage and bribery were factors that

continued to restrict equal opportunities for the Seychellois especially with accessing soft loans and business start-up packages resulting in . The singular direction of economic policy in favour of tourism, particularly following IMF intervention in 2008, has meant that the economy is growing but is less diversified now than it was five years ago. In response, other problems in the economy are beginning to emerge which suggests that precarity is likely to deepen further. These factors are now examined in detail.

### Dysfunctional Supply Chain

Part of the argument in support of international tourism as a tool of SIDS development is that tourism creates growth in the supply chain with food producers in particular benefitting from increased international tourism (for detailed discussion of pro-poor tourism see Ferguson, 2007). In the Seychelles, however, this economic linkage is simply not happening as the large-scale privatisation and liberalisation of the economy has significantly affected the basic infrastructure necessary to sustain the Seychelles agricultural economy. In effect the supply chain has been broken and as a consequence, dependence upon food imports has increased significantly. For example, the closure of the main chicken feed factory in late 2011 was responsible for the loss of jobs and the increasing volume of imported and highly discounted frozen chicken from Brazil. This was mentioned by many interview respondents as an indication of the growing disconnect between the rise in tourism and other sectors of the economy.<sup>7</sup> A further challenge is the lack of infrastructure that prevents local producers from taking economic advantage of the growing tourism industry. Storage facilities (dry goods and frozen) in the Seychelles are minimal thus the opportunities to harvest, store and then sell the abundance of tropical fruit to hotels and restaurants are severely limited. More especially, the lack of cold storage distribution units and refrigerated transport trucks restricts the extent to which local produce can be stored and safely transported around the islands.<sup>8</sup> “To buy locally would be a dream” (Respondent 6) is one of many similar sentiments expressed by hotels and restaurants which suggests that there is unequivocal support and preference to source local produce over imported goods and this clearly indicates that there would be genuine demand if supply was consistent and reliable.

A final challenge identified by various respondents was directly linked to the dominance of transnational hotel and resort companies over several decades and the gradual erosion of the backward and forward economic linkages that the Seychelles economy may have benefitted from. The progressive shift from relative independence to complete

dependence on imported food was noted by one respondent: “They took control of the vegetable supply from the international market. And because of that they were making more money from that than buying from local suppliers. So the tourism industry became dependent on imported goods.” (Respondent 1).

When considering the current state of the Seychelles’ agriculture sector, it seems very unlikely (in the foreseeable future) that the tourism industry will be able to source produce locally and thus develop links to the poorest communities on the island. Furthermore, the revenue generated through import taxes is significant and unless alternative revenue streams are revived to compensate (other than increasing GST, soon to be VAT), dependence on imported goods will remain high.

### Foreign Ownership of the Fishing Industry

Creating an open economy in the Seychelles has also led to the foreign ownership of the fishing industry, particularly tuna canning, which remains buoyant in spite of competition from Asia. However, it is unclear what profit is retained in the local economy because; firstly, privatisation in the mid-1990s led to majority ownership of the canning factory by the transnational foreign firm H.J. Heinz<sup>9</sup> initially, and then MW Brands. Secondly, MW Brands use the Seychelles offshore finance centre for intra-firm transfers (Recalde, 2010) and the canning industry is located in the International Trade Zone which means taxation revenues are slight. This limits opportunities for the Seychelles government to raise revenue from this growing sector. Finally, there has been an increase in migrant workers from the Philippines for example, who have been employed in the industry since privatisation, and subsequently excluding local workers. This pattern of foreign ownership and reduced opportunities for Seychellois clearly raises levels of precarity in employment in what is one of the few remaining viable industries outside of tourism.

Apart from tuna fishing and canning, the remaining fishing industry has become extremely precarious as Somali pirate attacks within the Seychelles maritime territory started to affect the industry after 2008. At the time of the field visit, fishing vessels were confined to operations within the inner islands only as a measure to limit their risk of an attack. This, however, also limited the size of their catch as well as a 20% increase on the price of fish (Respondent 1). Apart from the price rise in fresh fish, the impact of piracy operations has more broadly contributed to breaking the supply chain and raising prices of basic food and

non-food items because: “What took three days for shipping supplies from Mombasa now takes 12 days.” (Respondent 1).

### Increasing Dependence on Foreign Ownership in the Tourism Industry: Direct Travel and Tourism Services and Products

The government focus on the tourism industry as a vehicle for the island’s development and the IMF-driven liberalisation of the domestic market has led to a growing dependence upon, foreign owned tourist-related operations. Consequently, tourists do not arrive on the island through Seychellois businesses, nor do most of them stay in Seychelles-owned accommodation as the key sectors of the tourism industry are increasingly owned by transnational firms, from the airlines to the all-inclusive hotels and resorts.

Between 95% and 99% of tourist arrivals enter the Seychelles by air with the remainder arriving by sea as cruise passengers (Respondent 7 and Respondent 12). This level of dependence on one transport sector to service the tourism industry is certainly not without risk however the relative remoteness of the Seychelles offers few alternatives. Given this, the argument to retain a significant market share in air transport (cargo and passenger) is unquestionable. Contrary to this reasoning, it became apparent very early on in the research that the national carrier, Air Seychelles, was now operating under Etihad; a result of selling 40% stake to the airline (Respondent 15). The impact of this recent acquisition was described by one respondent as: “We have had a drastic reduction in flights to the Seychelles which is killing the country. And it’s killing the country from the top down; all the way to the bottom of the social ladder” (Respondent 21). The importance of a national carrier to a small island developing state that is remote and isolated cannot be underestimated as this form of transport is the only realistic option to access the country. With Etihad now operating Air Seychelles, direct flights from key European markets have halted and all air traffic now transits through the United Arab Emirates (UAE). The level of uncertainty among Seychellois business owners was clearly elevated and it was cited as the key problem facing the tourism industry by almost all respondents. This may appear to be a somewhat minor issue, but luxury tourists who can afford to travel to long-haul destinations expect to take direct flights rather than having to change aircraft at a large hub airport and there was a strong perception among respondent that this presented a real risk to the tourism industry and their livelihoods; “The loss of direct flights has made all the theories and all the hypotheses redundant” (Respondent 21). Because this is a very recent development, there is no statistical evidence available yet

to show the impact of this on tourism arrivals and there are no plans in place to fill the gap in air transport. The increasing dependency of the Seychelles on transnational businesses to support the tourism industry has ultimately transferred some business decision-making off the island.

The cruise industry is the only other means for visitors to arrive in the Seychelles and unusually for SIDS, this sector is benefitting the economy and is a growth area as the revenue generated from port fees and charges is significant. It is a relatively new industry but the infrastructure is already in place to support this market however, the current challenges with Somali pirates operating in Seychelles territorial waters limits the options to promote the country as a cruise destination and port of call. This has left the Seychelles vulnerable and the cruise industry at a standstill, and is a contributory factor in raising precarity on the islands. As one respondent commented: “We pray and hope that stability in Africa, in Somalia, will try and help the situation. Last year, Mauritius increased its cruise tourism, probably ... because they have to go through pirate infested sea to come to Seychelles. Those cruise ships love coming to the Seychelles.” (Respondent 7).

The cruise industry is still an emerging market to the point where “cruise tourism is not a word you hear in the Seychelles.” (Respondent 7). It has, however comparative, not competitive, advantage given its location and therefore there are opportunities that could be harnessed. If there were no piracy, then this could arguably be a stronger market that could make a significant contribution to the economy and more importantly, employment and SME growth in delivering port services to the cruise ships and passengers. The evidence remains a little unclear however because although there has been a steady decrease in the number of ships visiting the island from around 2005, the number of cruise ship passenger arrivals has remained broadly the same over this period averaging around 30,000 per year. The cruise industry has seen a trend to ever-larger vessels (to capture economies of scale) so it remains unclear whether the declining number of cruise ships visiting the Seychelles is predominantly driven by passengers’ (or firms’) perceptions of the risk of piracy, or whether there is some steady state in arrival numbers at present given the increasing average size of cruise ships.



**Table 7. Direct Contribution to GST (%): Tourism Sector Activities (2007-2010)**

|  | Contribution to tourism GST Receipts (%) |             |             |             |
|--|--|-------------|-------------|-------------|
|  | 2007                                     | 2008        | 2009        | 2010        |
| <b>Accommodation</b>                                   | <b>84.3</b>                              | <b>83.8</b> | <b>83.2</b> | <b>82.9</b> |
| 5 star hotels  | 47.8                                     | 47.9        | 46.7        | 49.3        |
| 1-4 star hotels  | 30.5                                     | 28.8        | 27.6        | 23.2        |
| Other Accommodation (guest houses, self-catering etc.) | 6.0                                      | 7.0         | 9.0         | 10.3        |
| <b>Other Transport and Tourism Activities</b>          | <b>15.7</b>                              | <b>16.2</b> | <b>16.7</b> | <b>17.1</b> |

Source: adapted from Seychelles Tourism Master Plan, 2012: 24

Other activities that contribute to tourism GST remains under 17% however, marine-based tourism activities have increased (2007-2010) such as scuba diving and game fishing. These lucrative niche markets attract high value customers and rely upon a skilled indigenous workforce therefore these activities are more likely to contribute to economic growth in the islands than the declining land-based activities typically associated with 3S tourism. Growth of this more inclusive tourism could arguably decrease work precarity quite significantly, if more local people could be trained and qualified to gain employment or set up a business.<sup>10</sup>

#### Employment in the Seychelles Tourism Industry

Although there is employment in the tourism industry among Seychellois there is a surplus of jobs in the sector and hotels are struggling to fill the positions with local people which has led to an increase in the number of migrant workers in the sector from 8% to 23.4% between 2001 and 2010 (Tourism Master Plan 2012-2020: 77)<sup>11</sup> This is in spite of the Seychelles having a tourism academy (STA). Interviews with key personnel provided some insight into why these patterns of employment in tourism existed with one respondent citing the lack of night-time infrastructure to support workers: “Seychelles’ infrastructure doesn’t cater for night shifts” (Respondent 12) and others making reference to the low levels of pay, particularly when compared to work in the public sector. Furthermore,, many respondents commented on the young, local workforce lacking an entrepreneurial approach and displaying an unwillingness to work outside of formal office hours. Subsequently, 85% of Seychellois graduating from the Seychelles Tourism Academy do not seek employment in the industry (Respondent 1). One key factor may be that local tourism students are not being

taught management skills at the Seychelles Tourism Academy, but rather the syllabus appears to focus training mainly on customer service rather than wider and higher level business skills. Graduates are not necessarily equipped with the right skills, knowledge and experience to qualify for the higher-level posts. Consequently they are unable to secure the high-skilled (and higher paid) positions within the tourist industry. This has arguably deepened precarity in employment, but more significantly, there appears to be an implicit understanding among young, tourism graduates that the ‘immaterial labour’ of the private tourism and related service sectors is perceived as being an exploitative (with low wages) and unequal (with limited upward mobility) sector that presents uncertain work conditions as opportunities outside the international hotels and resorts are severely limited. Furthermore the rise in the number of migrant workers employed in either the higher levels of management where technical skills and knowledge of working in the international accommodation sector is vital to the industry; or workers who are unskilled and more willing to work for low pay, work nights or unsociable shifts, adds to the uncertainty felt by the Seychellois tourism graduates. Interestingly, the gender of respondents in high level, public sector jobs directly and indirectly related to tourism was fairly balanced between female and male Seychellois employees, while the private sector (international hotels and resorts mainly) were males and expatriate workers. This could arguably be a key reason why firstly, the Seychellois are reluctant to enter the tourism industry at any level and secondly, the local tourism training provision (STA) only focuses on skills training suitable for lower paid employment.

The resort nature of the international tourism product places little demand on local restaurants and other establishments, particularly at night. Developing a night-time economy in local tourist spots outside of the resorts and hotel complexes would be a significant contributor to employment and potentially SME development in the arts, entertainment, recreation, sport and handicrafts sectors, which play a very minor role currently in the tourism economy and employment. Nonetheless, these activities would generate employment and reduce the uncertainty, risk and inequality that employees and potential employees in the tourism industry have expressed concern over. During the research visit a new Tourism Master Plan 2012-2020 was published promoting a more sustainable and responsible approach to the industry over the next eight years. This is critical for inclusive growth and could reduce work precarity in the tourism industry significantly, if the plan is effectively implemented. The development of this plan will be interesting to follow up.

The research completed in the Seychelles has provided a context to understand the nature of work precarity within the characteristics of inclusive growth in SIDS. Further analysis of the results following the country visit has shown that the critical factors for inclusive growth are two-fold. Pre-requisites are necessary factors and are associated with stability, predictability and safety of the destination; in other words they are the contingent factors. 'Other' factors were considered non-essential even though they influenced the degree to which inclusive growth could be truly established. Of particular note was the inherent mindset of the Seychellois that private sector tourism opportunities involved greater levels of uncertainty in comparison to the public sector, and therefore was not worth pursuing. A second significant factor was the limited infrastructure available to support tourism workers, and the lack of small business loans for SME growth. Many of these factors confirmed the findings of an earlier study of the Seychelles (McEwan and Bennett, 2010) that analysed the tourism value chain; however, some initiatives and recommendations made were found to be either halted or making very slow progress indeed. For example, the Farmer's Association was established in 2010 to encourage further linkages with the tourism industry; however its operations were suspended at the time of the research visit in 2012 due to a shortage of funds, and it was not clear if, or when, the Farmer's Association may resume its role (Respondent 9).

## **Conclusions**

Munck (2013) quite rightly bemoans how the concept of work precarity has been developed by (mainly sociologists) without due consideration to the experiences of workers in the postcolonial world. In this Working Paper we have gone some way to bringing these experiences into the analysis of the precarious condition of labour in the contemporary global economy through a detailed analysis of the impact on labour of economic restructuring in the Seychelles. Like so many other SIDS, the Seychelles has invested in the international tourism industry seeing it as the singular route to economic growth and development. State policies have earmarked land for foreign capital investment to develop luxury hotel resorts, have led to adjustments to employment law to make the hiring of temporary migrant workers more profitable compared to employing and training local workers. Further down the chain, the growth of the tourism industry in the Seychelles has not provided new market opportunities for the growth of local agricultural industries. It has, instead, led to increased imports of food and other goods to service the growing number of overseas visitors. In sum, the growth of the tourism industry in the Seychelles has led to the decline of the traditional agricultural

sector and the restructured economy is now dominated by a foreign owned service sector. In this state-led schema the precarious condition of labour on the island has deepened. Island labour have few options other than work in the tourism industry which, as we have illustrated, operates in an environment of high and unpredictable risks. These include climactic disasters, international terrorism, and economic recession in supplier markets which the Seycehlles (and many other SIDS) have no means of mitigating against. Because of these risks work in the tourism industry is structurally insecure. And with the increase in the number of migrant workers coming to the Seychelles to work in tourism (driven by new employment laws that encourage the industry to employ migrants on temporary contracts with fewer sickness and holiday benefits compared to local workers) work in the tourism industry is increasingly precarious in the descriptive sense that we use here in this paper; it is uncertain, contingent and exploitative. By using an example from the South of the impact of neoliberal restructuring and the growth of the service sector we are also able to understand precarity not as a transformative process leading to “elementary communism” as poststructuralist and Neo-Marxists claim, and but as “a broader process of the dispossession of workers” as Munck (2013; 755) argues precarity can be more realistically understood when we include evidence from the South to the analytical mix.

We have illustrated this dispossessing process at the heart of precarity in our case study of the Seychelles – a SID particularly dependent upon tourism. Our study highlights the decline of local industry and the growing importance of the transnationally owned tourism industry. We have shown how employment of local people is often limited to lower level uncertain jobs with expatriates typically holding higher paid but contingent management positions, and that temporary migrant labour is also employed at the more exploitative low or unskilled level as well, compounding the precarity of work issue in the industry.

Our research also demonstrates how, since 2008, the Seychelles’ Parti Lepep government has been operating in the context of IMF-driven liberalisation and significant reforms that are changing the local political economy from being broadly commandist to a more market-led economy at a very rapid pace. Arguably the pace of change has been exacerbated by existing challenges from embedded political patronage and the continuance of a broadly authoritarian, one party state. This all provides a backdrop to the government’s policy stance towards international tourism which is the main driver of the islands’ economy. The Seychelles government, then, despite engaging in all the rhetoric of local ownership and

community based tourism in its strategy documents, appears to be cheerleading and facilitating the growing role and dominance of powerful international players in its tourism industry. That said, at the detailed policy level, there have been some recent attempts to create more local products to supply the tourism sectors (such as the ‘Made in Seychelles’ campaign). This might ameliorate some of the supply chain issues we discussed earlier, but fundamentally, we would argue that tourism in the Seychelles still demonstrates a high level of precarity both for the overall industry in the islands, and specifically for local and migrant employees. Our study illustrates more than just the features of the international tourism sector in SIDS, but in the final analysis points out the continuing pressures facing small states and the local and migrant workers servicing the tourism industry as they seek to adjust to neoliberal restructuring of the state, the growth of the service sector, the growing dependence upon transnational actors (both organisations and firms), and continuing vulnerability to exogenous shocks.

### **Acknowledgements.**

The research on which this Working Paper reports is associated with a project on tourism in Small Island Developing States commissioned by the World Bank but it does not reflect the opinion, nor formal policy of the World Bank. The authors are grateful to Sona Varma and Apurva Sanghi for their constructive comments during the project, and we also thank our colleagues John Fletcher and Adam Blake. We are grateful to the Ministry of Finance in the Seychelles for hosting our visit, and to the interview respondents who gave their time freely. The usual disclaimers apply.

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## Notes.

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<sup>1</sup> In addition to Moore’s (2012) recent pioneering work on this topic (see also Moore, 2006; Moore, 2007; Moore and Taylor, 2009) there is an emerging body of work on the relationship between global commodity chains and labour (see Selwyn (2012) for an analysis of this literature.

<sup>2</sup> For a detailed critical analysis of this literature and of the international political economy of small states in general see Lee and Smith (2010).

<sup>3</sup> All-inclusive holidays have grown in popularity with UK customers in response to the economic crisis. In 2011 a UK-owned TUI brand, First Choice, focused its operations exclusively and wholly on the all-inclusive market following a 32% increase in sales since 2007 (Travelmole.com).

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<sup>4</sup> Average earnings in the Seychelles in 2012 were 8,722 Seychellois Rupees (US \$612) per annum and average earnings in the hotel and restaurant sector were 9,408 rupees (\$661).

(National Bureau of Statistics, 2013)

<sup>5</sup> The Parti Lepep formerly called The People's Progressive Front took over power in a coup in 1977 and formed a one-party state until 1993.

<sup>6</sup> A rise in crime including thefts and burglaries, was cited as a recent issue that is affecting many respondents; especially locally-owned SMEs.

<sup>7</sup> This particular import was raised by 11 respondents as a major issue and cited as a key reason for the decline in the local poultry sector.

<sup>8</sup> For tourism businesses on other islands there are further costs from inter-island shipping from Mahe and a lack of appropriate chilled containers for inter-island freight for perishable foodstuffs.

<sup>9</sup> MW Brands was bought in 2010 by Thai Union Frozen Products.

<sup>10</sup> Dive tourism, like many niche tourism products, requires specific skills, experience and qualifications. For example, for scuba diving a qualified dive master is a minimum requirement to supervise tourist dives.

<sup>11</sup> Research in other Indian Ocean SIDS show similar issues with employing local people in the tourism sector (Scheyvens, 2011; UNWTO and ILO, 2013)

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<http://www.kent.ac.uk/kbs/research-information/index.htm>