

# **Employment Relations in New Caledonia: Overview and Focus on Indigenous Labour Activism**

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## **Pacific Employment Relations**

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# Research Background

- Fieldwork research conducted in July 2011 and three years later in July 2014
- Interviews with the two major trade unions, the main employer association (MEDEF)
- Secondary data collection from various Government agencies
- On-going participant observation of the Kanak people's struggle for sovereignty

# Overview

- New Caledonia has a rich labour history and a strong labour movement which can to a large extent be explained by the prevalence of its mining industry. Besides, there is a militant indigenous movement which for historical reasons intersects with and is channelled through organised labour. In the overall background of the colonial politics of reconciliation – the political platform for a ‘Common Destiny’ – which engulfs employment relations and social dialogue, key issues arising, such as inequalities and employment, often have a political content and, as a consequence, contention becomes politicised across the racial and social divides of New Caledonia.

# Political Economy: a Context of Wealth and Social Inequalities

- New Caledonia is by far the most developed Pacific economy, thanks principally to its large nickel mining sector – an estimated 25% of the world reserve of nickel are to be found on the main island which recently attracted up to US\$7 billion of foreign direct investments (FDIs). As a result, New Caledonia's GDP per capita is higher than New Zealand and almost same as France itself.
- Yet a relatively high *gini* coefficient (.43); or the difference between the 10% richest and 10% poorest households is seven-fold in New Caledonia. It is estimated that up to a third of the population live below the poverty level, based on the median revenue of Noumea regional area
- It is commonly acknowledged that access to employment is the key factor in explaining and addressing social inequalities

# Political Economy: a Contrasted Context of Social Dialogue and (Indigenous) Contention

- The platform for social dialogue as a political strategy for reconciliation and the promotion of a 'Common Destiny' under a revised Caledonian citizenship to subsume Kanak's People struggle
- New Caledonia is being engaged in a far-reaching process of decolonisation dating back from the 1980s indigenous led insurrection – euphemistically referred to as the 'events' and which resulted in the *Accords de Matignon* in 1988 followed by the 1998 *Accord de Nouméa* and is now registered on the UN list of countries to be decolonised.

# Labour Market Inequalities, Low Participation and High Youth Unemployment

- Low Participation Rate: 55% (especially among Indigenous People)
- Female labour force participation rate: 45%
- A gender pay gap (9%)
- Unemployment level at 12%, it is estimated that 36% of job seekers are between 20 to 30 years old, and around the same proportion of those are unskilled
- Providing more qualified jobs in average, the public sector pays twice as much than the private sector

# Labour Market Inequalities: Explaining the Gender Pay Gap

- According to the ISEE, in 2010 women median wage stood at 9% below those of men, mostly as a consequence of the employment structure, with male and female dominated jobs. Yet, the picture is a bit more complex with an 18% pay gap in the public sector and 12% in the private sector (**pay gaps reaching up to 28% in the Health sector and Tourism industry**). Women are in majority within and in majority employed in the public sector but usually employed in low qualified occupations, with less women accessing to managerial positions. The overall gap of 9% is then overall explained by the fact that the public sector pays in average twice as much as does the private sector where women are in far less number than men. From their sample of the private sector, the IDC-NC also identified that **only 28% of managerial positions were filled by women** and moreover that the gender pay gap was widening correlatively to education levels: **the gap being the wider at the higher end.**

# Industrial Relations: A Militant and Mobilising Labour Movement

- Two dominant trade unions:
  - Union des syndicats des ouvriers et employés de Nouvelle-Calédonie (USOENC) linked to the French CFDT
  - Union Syndicale des Travailleurs Kanak et des Exploités (USTKE)
- IR get readily politicized:
  - Examples: the freeze of prices and the *loi du pays* (law) on the protection of local employment



# Key Challenges

- Balancing the economy
- Fighting inequalities and pauperization and addressing the cost of life: 2014 Labour day joint declaration read *'chaque coup de pioche dans le sous-sol doit apporter quelque chose à la nation'* ['every and each pick strike on the ground must bring something to the nation']
- Engaging the youth, vocational training and upskilling
- 'Oceanisation des cadres' (and beyond)

# Focus on the Kanak Labour Struggle

Us as a People are different and the 'cultural', 'social' and 'political' distinctiveness of Kanak workers are improperly represented by existing unions (...) Before colonisation, our society was a rich civilisation, a culture based on ancestral rules which command respect; a culture that the colonial (brutal) forces wanted to break but that is still alive and standing and which is our distinctive identity (...) We are numerically superior but economically subordinated (our value systems not being the same) and we are considered as inferior beings (...) The exploitative violence of capitalism does not suit the Kanak way of life (...) We are a colonised People, our dignity has been scorned ; we seek to regain our freedom and we will carry on the struggle till we see the day of an independent and socialist Kanak country...

[author's translation of extracts of the 1981 USTKE foundation statement]



The USTKE's slogan '*Usines Tribus, Même Combat*' ('Factories, Tribes, Same Struggle') as well as their foundation manifesto both illustrate the distinctive role of indigenous labour activism as a catalyst in the broader struggle for colonial emancipation in New Caledonia.

# Anti-Colonial Political Unionism

To the view of the USKTE the anti-capitalist struggle is an underlying component of the broader struggle for independence. The preamble of the USTKE thus reinstates:

“In reference to the Universal Declaration of Human Rights and the Charter of the United Nations, the USTKE appeals for the right of the Kanak people to self-governance and to the free exercise of their national sovereignty, and to the suppression of capitalist exploitation (...) We are thus committed to the Kanak people’s struggle for independence and socialism” [authors’ translation].

# Anti-Colonial Political Unionism

- The USTKE was first established in December 1981 and got subsequently involved aside pro-independence political parties such as the *Union Calédonienne* and *Palika* in the creation of the FLNKS (Kanak National Liberation Front), brought to bear in September 1984. The USTKE departed from the FLNKS in 1989, yet kept on providing their support to the FLNKS political action. The USTKE later decided to get back in the realm of politics and to present candidates in pro-independence lists in the 2007 legislative elections and then in November of the same year to create its own political arm, the *Parti Travailleiste* (Labour Party). The leader of the New Caledonia Labour Party, Louis Kotra Uregei, is one foundation member of the USTKE.

# Anti-Colonial Political Unionism

In a nutshell, the colonial context much explains that the indigenous union struggle is embedded in the struggle for independence and therefore that the struggle for independence is carried on by indigenous organised labour.