Mediation of Employment Cases in the Seychelles

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Mediation has only recently been recognised as an effective mainstream dispute resolution mechanism but its use dates back centuries:[1]

"The Hindu villages of India [have] traditionally engaged the panchayat justice system, ... In traditional African societies, respected notables were often called to mediate disputes between neighbours, and Islamic traditional pastoral societies in the Middle East also established mediation methodologies. In the Jewish culture, a form of mediation was, in Biblical Times, practised by both religious and political leaders ..."

The Seychelles imported mediation as a means to resolve disputes in the employment situation with the introduction of section 61(1A)-(1E) of the Employment Act 1995. Section 61(1A)-(1E) introduces the necessity to register a grievance with the Ministry of Employment followed by compulsorily engaging in a mediation negotiation process mediated by a Competent Officer. If there is a failure to resolve a problem through mediation the resulting case is heard by the Employment Tribunal set up under the same Act. This was, however, not always the case in practice as the Employment Tribunal was only created in 2008.

This essay will comment on this amendment, that is, section 61(1A)-(1E), and on whether the Executive, through the Ministry of Labour, should be involved with dispute resolution in employment cases.

Section 61 of the Employment Act

An extract from section 61 is set out below:

(1A) Where a worker or employer has registered a grievance, the Competent Officer shall endeavour to bring a settlement of the grievance by mediation.

(1B) A Competent Officer in mediating a settlement, shall draw up a mediation agreement which shall be signed by the parties and be presented to the Tribunal for endorsement as a form of judgment by consent. (Emphasis the author’s)

(1C) If a party breaches the mediation agreement or any part thereof, the agreement shall be enforced by the Tribunal.

(1D) If the Competent Officer is unsuccessful in the mediation he shall issue a certificate to the parties as evidence that mediation steps have been undergone by such parties.
A party to a grievance shall bring the matter before the Tribunal within 30 days if no agreement has been reached at mediation.

These subsections introduce mediation as a compulsory dispute resolution mechanism that each party must undertake to attempt to settle the claim before reaching the adjudication process in the Employment Tribunal.

Firstly, section 61(1A) whereby following the registration of a grievance the parties are subjected to the process of mediation is arguably contrary to the fundamental characteristics of mediation. Hedeen[2] points to the fact that many mediation proponents have claimed, and some researchers have concluded, that the voluntary action in mediation is part of the “magic of mediation” that leads to better results than those from courts or other fora: higher rates of satisfaction with process and outcomes, higher rate of settlement, and greater adherence to the settlement terms.[3]

Purists of mediation[4] have upheld the view that the fundamental principle is one of voluntariness. This brings into question the basis for section 61(1A) which compels parties who register grievances to engage in the mediation process where a Competent Officer (defined as “Competent Officer in relation to any matter in respect of the matter and means also the Minister wherever the Minister thinks it fit to act in person in respect of any matter”) would act as a mediator and attempt to reach an amicable settlement. This compulsion to participate in the mediation process may strain the effectiveness of mediation and in fact may account, to an extent, for its low success rate in employment grievances. As Nicolau states, “volition is the key to successful outcomes – volition validates those [mediated] outcomes, compulsion does not”. However undoubtedly in different jurisdictions a practice where compulsory participation in mediation is the norm has developed. Nolan-Haley[7] gives the example of England where mediation is consensual but the consent is almost illusory as courts can punish parties who do not agree to the invitation to mediate as well as in the United States where an Act authorised the federal courts to compel parties to participate in mediation.[8] Therefore whilst the position provided by the Employment Act 1995 may be criticised by the original movement for mediation, it is a practice that can be seen in various countries.

“Justice must not only be done but must be seen to be done” – Perception of bias

The Competent Officer is an employee of the Ministry of Labour holding the position of Competent Officer but undertaking several tasks including acting as mediator for the mediation as well as prosecutor for quasi-criminal offences under the Employment Act. It is important to note that the mediator does not adjudicate cases but is the neutral third party using his or her skills to facilitate a settlement but if there is a perception of bias by the mediator then it is likely that mediation will fail.

A perception of bias on the part of the mediator may emerge in three circumstances. The first is when the Competent Officer exercises discretion to allow for cases to be heard out of time, the second with the discretion to
reinstate cases which have been dismissed due to the absence of the applicant at mediation and, finally, during the mediation process itself.

In the first situation, there is no issue with the existence of such a provision where Competent Officers are given the power to exercise such a discretion however it becomes an area of contention when no explanation or reasons are provided for the way in which he/she has exercised their discretion. The case of Vijay Construction v Ministry of Economic Planning and Labour[9] provides Competent Officers with the way in which they must proceed when exercising their discretion:

My direction to Cos [Competent Officers] is that in future when such a situation arises, a pre-trial enquiry ought to be held to judiciously establish whether there are good reasons shown for allowing grievances for accrued claims to be filed so long after the cause of action arose. Each case, however, should be determined on its own merits with good cause shown. (Emphasis the author’s)

This position that “good cause” must be shown was recently reiterated in the case of Petite Anse Development v Competent Officer and another [2014] SCCA 46 where the Court of Appeal directed that the Competent Officer ought to inform both parties of the reasons his discretion is exercised in allowing cases to be heard out of time[10]. The reasoning is in line with the rule of law but more so because it is a discretion that is being exercised by an employee of the Executive arm and therefore it calls for caution as the decision may be subject to judicial review. In practice, the direction from the Court of Appeal is seldom followed and the only remedy available is through an administrative route, that is by appealing to the Minister responsible for Employment and if his/her decision is unsatisfactory then an application for judicial review to the Supreme Court of the Seychelles is the next step. This issue of timing which will be addressed below may leave the respondent without a remedy.

Moreover a similar situation extends to decisions relating to reinstatement where cases are dismissed as a result of the non-appearance of the applicant. When government employees are tasked with exercising discretion and providing a decision for the way in which their discretion was exercised, but they then fail to do so, the parties easily lend the reason to bias. The situation is worsened when one of the parties is a parastatal and therefore has a close relationship with the Executive in terms of budget and board members. In practice, parties are keen to associate the failure to give reasons for the way in which discretion was exercised with bias especially for political affiliation and this is fuelled when Competent Officers fail to provide any reasoning.

During the mediation process, the Competent Officer has the challenge of appearing neutral when he/she is in fact a government employee and it is to be noted that the situation is always worsened when the party is a parastatal such as Public Utilities Corporation, Air Seychelles Ltd, Seychelles Public Transport Corporation because of the actual link between the Executive and the parastatals. In avoiding the perception of bias the mediator may feel that he/she needs to assist one party more than the other and at times may lean too far and give the perception that there is bias. In view of this and in attempts to
dissociate legal decisions and politics, the existing situations of Competent Officers (government employees) as mediators poses a problem for the parties but also the process of mediation as it is premised on the existence of a neutral third party.

**Access to Justice**

Furthermore, mandatory mediation has been criticised as a threat to access to justice which is enshrined in the Constitution of Seychelles\[11\]. The argument stems from the case of *Halsey v Milton Keynes General NHS Trust* in the United Kingdom where the judge alluded to the risk of mandatory mediation contravening article 6 of the Human Convention on Human Rights [the right to a fair trial], and that it would conflict with a perception that the voluntary nature of most alternative dispute resolution ('ADR') procedures is a key to their effectiveness.\[12\] Mandatory mediation has also been seen as a further delay to access to justice and an added cost to accessing justice.\[13\] On the other hand, others such as Sir Anthony Clarke criticise the *Halsey* judgment as being overly cautious\[14\] in approach.

A number of examples can be provided where mandatory mediation is in place and has been accepted within a constitutional framework. An EU mediation directive\[15\] came into force on 13 June 2008 that allows for the introduction of mandatory mediation and it has been successfully introduced in Germany. Mandatory mediation for domestic matters has reached other jurisdictions such as North America, Australia and Singapore which entertained compulsory mediation with some success. Turning to examine Singapore where mediation was institutionalised in the early 1990s and mainly seen through court imposed mediation but now with a clear acceptance of mediation as a viable form of dispute resolution, parties do opt for private mediations.\[16\] The statistics show that a substantial number of cases have undergone compulsory mediation and 95% of those have been successfully mediated.\[17\]

Italy’s history with mandatory mediation has been mixed. In March 2010 Italy implemented the EU Mediation Directive by legislative decree (the Decree)\[18\] giving the Italian courts the power to order mandatory mediation in domestic disputes. In 2012 the Decree introducing mandatory mediation was held to be unconstitutional. However, in June 2013, this ruling was reversed and Italy once more has mandatory mediation. Nonetheless, the Decree has been amended to allow for more litigants to withdraw from the mediation process in the early stages than was previously allowed.

The threats alluded to by the abovementioned case may be non-existent in the Seychelles as mediation continues to be perceived as purely a stepping-stone exercise to scurry through the hoops to reach justice in the Employment Tribunal. This can be attributed to a range of reasons including that parties do not understand the mediation process, the presence of litigious lawyers and the willingness of Competent Officers to issue certificates of mediation. It, therefore, is arguably not serving as a real threat to access to justice and therefore in line with the Constitution. This is especially the case as the Chairperson or the members of the Tribunal cannot give a robust encouragement or even redirect
the parties to return to mediation in the presence of a Competent Officer. It is not to say that the Chairperson of the Board may not advise the parties to settle but the process would then change as the time scheduled for mediation would have lapsed[19] and parties engage in negotiation, a different form of alternative dispute resolution, that is in the absence of a neutral third party. This may mean negotiations become a delaying exercise rather than a genuine attempt at settlement. However, the most common objection raised to mandatory mediation is it no longer serves as an effective means of alternative dispute resolution. Mandatory mediation may pressure parties to concede issues they believe they would be successful on in court and leave them dissatisfied with the process, and therefore not the “win-win” outcome mediation is intended to create. In addition an injured party may simply seek to settle so as not to waste time even though they have a good chance of success. This may have adverse implications for access to justice and undermine its effectiveness.

The statistics showing the successful mediation of employment cases in Seychelles reveal that in the third quarter for the year 2015 there was a less than 25% success rate to resolve disputes through mediation.[20] In the year 2013, the statistics reveal a 50% success rate however the rate of success has decreased for the years 2014 and 2015.[21] It is clear that the number of cases which merely end in an issuance of a certificate is very high.[22]

Furthermore, the important case of Halsey[23] introduces concepts that do not feature in the Seychelles jurisprudence. For example, in that case the court held that “[t]he court’s power to have regard to the parties’ conduct when deciding whether to depart from the general rule that the unsuccessful party should pay the successful party’s costs includes power to deprive the successful party of some or all of its costs on the grounds of its unreasonable refusal to agree to ADR.”[24]

This further reinforces the perception that mediation in the Seychelles remains merely a perfunctory exercise without a real conviction in its effectiveness and the absence of powers in the hands of adjudicators to make it more effective. Hence, it is not a real threat to access to justice.

Confidentiality

Pursuant to section 61(1B) a Competent Officer in mediating a settlement shall draw up a mediation agreement which shall be signed by the parties and be presented to the Tribunal for endorsement as a form of judgment by consent. This appears contrary to what is agreed upon by both parties in the mediation agreement that states that everything discussed is confidential and is one of the fundamental principles of mediation. The drafters of the provision seem to suggest that this was a cultural adjustment because Seychellois are likely to attempt to pretend an agreement had been reached and signed and rely on confidentiality to purport this notion. It is to be noted that this provision is in fact not used in practice when a mediation agreement is reached. In practice, the mediation agreement is tucked away at the Ministry of Labour and not endorsed by the Employment Tribunal unless the abovementioned circumstances arise.
However, the process of mediation although premised on the importance of confidentiality does contain certain exceptions one of which is enforcement. It is clear that if this is the mischief the drafters sought to cure then they should have included the exception of confidentiality within the mediation agreement itself. There are a number of exceptions to confidentiality which have developed over time in other jurisdictions. They include where the content of the mediation agreement is necessary for the needs of the criminal process or is related to the protection of public order and it is necessary to disclose the content of the settlement reached in mediation with the view to its execution.

Whilst Seychelles relies on confidentiality within the agreement it does not provide for this important derogation from the confidentiality term of a mediation. There has not been legislation or jurisprudence on the procedure that would be adopted if a party wished to breach the confidentiality agreement and the accepted basis for breaching the term. With Competent Officers prosecuting quasi-criminal matters on behalf of the Ministry with the implied authority of the Attorney General there arises a real risk that a confidential mediation agreement may be made public to defend quasi criminal allegations in the Employment Tribunal. An example is if the Ministry is prosecuting an employer for failing to pay its employee minimum wage and the same employee has registered a grievance with the Ministry about his employer. The matter is settled at the mediation stage but prosecution follows. The employer may wish to rely on the mediation agreement as proof that he has fulfilled his obligations but the Act appears to be silent when dealing with this matter.

The role of lawyers in the mediation process

Upon the registration of a grievance both parties are notified of a date set for mediation and sent an explanatory note consisting of a description of mediation and included in this document is a reference to legal representation. In this note it states that parties are discouraged from bringing legal representation as this is a hindrance to reaching an amicable agreement. Whilst there is a general consensus that lawyers are litigious and amicable settlements can be perceived to be against their own interest and therefore lawyers are seen as a threat to the success of mediation, this note does not appear to contravene any right such as that of a right to a fair hearing[25] as it is merely advisory and although a lawyer may feel as a “persona non grata”[26] in the mediation process lawyers are generally not turned away. Therefore, it would appear the advisory nature of the notice ensures that all rights are respected. In the presence of a lawyer, especially if only one party is legally represented, there is an added burden on the Competent Officer in his or her capacity as mediator to ensure a level playing field and prevent the lawyer from taking over the mediation process.

It is accepted that mediation is a process where legal arguments and laws of evidence are placed aside and the parties attempt to reach a settlement. It is for this reason that lawyers are always seen to pose a hindrance to an amicable settlement. However in the absence of the parties’ lawyers, knowledge of the provisions by the Employment Act by the lay parties are limited and it is therefore for the Competent Officer to ensure a level playing field. The problem becomes evident when the mediator fails to put forward a legal issue which is
detrimental to the case of one party. An example of this is one of time limits. Let us take the hypothetical scenario:

Between 2007 and 2010 A (a worker) worked for B (the employer). In 2010 B terminated A’s employment because of his insubordination in front of business partners. A was suspicious about his termination but because he was immediately offered another job he did not register a grievance. It is now 2015 and A decides he wants to take action against B for unfair dismissal. A decides to initiate the grievance.

As per Schedule I part II section 1 of the Act:[27]:

...Wherever an employer or worker is empowered by or under this Act to initiate the grievance procedure, the employer or worker may, within 14 days of becoming aware of the event, act or matter giving rise to the grievance, register a grievance with the Competent Officer furnishing the officer with all the information the officer may require.

1.

(3) An employer or worker who fails to register a grievance within the time specified under subparagraph (1) loses the right to do so, but the Competent Officer, if satisfied that the failure to do so is not attributable to the fault of the employer or worker as the case may be or if the officer has himself suspended registration under sub-paragraph (2), shall allow registration out of time....

It is clear that there is a strict time limit when it comes to matters relating to employment law. However, some discretion is assigned to the Competent Officer to register grievances out of time for only limited reasons. It has to be a reason that is not attributable to either the worker or the employer. The real problem arises when neither the lay parties nor the Competent Officer raises the point that the grievance is out of time as the parties are not aware of legal provisions. This issue was alluded to at the beginning of this essay.

Furthermore the issue of time limits is further influenced by Article 2224 of the Civil Code of Seychelles which states as follows:

A right of prescription may be pleaded at all stages of legal proceedings, even on appeal, unless the party who has not pleaded it can be presumed to have waived it.

The case of Vijay Construction[28] gives a clear direction that a judicial inquest as to why time limits were not complied with should be made and the reasons shared with the parties. However as is mentioned this is rarely done. The situation is aggravated by the introduction of lawyers post mediation when the parties now instruct counsel for their case before the Employment Tribunal.

English jurisprudence gives some guidance on the issue in the case of Rogers v Bodfari (Transport) Ltd [1973] ICR 325[29] where after the Employment...
Tribunal had given its decision, the employer raised the point that the limitation period had expired and as such the Employment Tribunal dismissed the application on the basis that it did not have the jurisdiction to hear the claim *ab initio*. The decision was upheld on appeal as neither the Tribunal nor the parties is able to waive a jurisdictional provision.[30] There are two exceptions to the rule and they are, if it is not reasonably practicable, or just and equitable. In order to ascertain whether the exceptions apply, the Tribunal must question the parties.[31] However, the Employment Tribunal of the Seychelles does not consider that it enjoys such powers as it can only assess limitation in relation to the 30 days period[32] from mediation to making an application to the Employment Tribunal.[33]

**Are you out of time for any legal redress?**

A conundrum occasionally features before the Employment Tribunal because of the time limits issue. First of all a party has 14 days to appeal to the Minister if they are dissatisfied with the decision of the Competent Officer with regards to discretionary matters such as reinstating cases that have been dismissed or registering grievances out of time. However, the person who registers the grievance has 30 days to bring the claim to the Employment Tribunal[34]. It is not always a certainty that if a party leaves mediation they will file a case in the Employment Tribunal. It is also the practice by parties that they will instruct a lawyer only after being served with an application to the Employment Tribunal. Therefore, if an applicant wishes to place the respondent in difficulty they can allow for the 14 days to lapse and file the claim after that and the general trend has shown that it is only after this period that the responding party having received the claim would seek the advice of a lawyer. It is then obviously too late for the person to appeal from the Competent Officer’s decision to the Minister and subsequently judicially review it. The applicant has successfully created a mischief that is urgent need of attention.

Another issue that arises is when a party needs to appeal to the Minister following the decision of a Competent Officer. As the Competent Officer is appointed by the Minister they have a vertical relationship (government to citizen) with the parties participating in the mediation, rather than a horizontal contractual relationship (private citizens). It is therefore an administrative (legal meaning) process and if a party is aggrieved by a decision of the Competent Officer the injured party appeals to the Minister rather than as a matter of breach of contract. It raises the question as to whether a Minister, who appointed the Competent Officer and on occasion, gives advice on the basis of which the officer’s decisions are made, will review the decision of the Competent Officer without bias. This is the problem of having a Ministry, arm of the Executive, carry out the mediation process as an administrative procedure.

**Is failing to raise a legal point at mediation fatal to raising it in the Employment Tribunal?**

Let us continue with the hypothetical situation set out above. A has successfully registered his case at the Employment Tribunal within the 30 days time limit. However, during that time B has had the opportunity to speak to a lawyer who
has discovered that the action should be time barred as it is some 5 years too
late.

In examining the particularity of Seychelles law when it comes to the issue of
prescription it is clear that a failure to raise this point of law in the lower courts
does not stand as a bar to raising it in an appeal court.[35] This implies that
failing to raise it at a lower court does not qualify as a waiver and a similar
analogy can be drawn to failing to raise the time bar at an earlier stage. However,
the Employment Tribunal in Pillay v Seychelles Broadcasting Corporation held that it is a two-tier process created by section 61(1A)-(1E); the
mediation process is an administrative procedure and not part and parcel of the
judicial process so Article 2224 does not apply. This was reversed on appeal by
the Supreme Court in Pillay v Seychelles Broadcasting Corporation[36]. Govinden J held that a person could raise a plea in limine in the Employment
Tribunal or subsequently in the Supreme Court in relation to the issue of the
time bar in the Employment Act. She stated that there are certain circumstances
that cannot be ignored, otherwise a situation of absurdity emerges and pointed
to the facts before her as one such situation. That is to say, when a grievance is
registered out of time, the person attends mediation unrepresented as advised
by a notice, the Competent Officer does not raise the issue of it being out of
time nor undertakes the procedure that is provided for in Vijay
Construction[37] and the 14 days to appeal to the Minister has lapsed then in
those circumstances bringing a plea in limine that the action is time barred is
justified and in line with Article 2224 of the Civil Code of Seychelles, a provision
which is not overridden by the Employment Act.

Recommendations

From the above discussion it is evident that the Employment Act, in particular
section 61(1A)-(1E), is in need of review. A number of recommendations are
proposed:

1. The two-tier process should become a dispute resolution mechanism rather
than an administrative task by the Ministry of Labour and therefore the Act
should be amended to remove the participation of Competent Officers. The
Ministry has an important role to play in dispute resolution in employment
scenarios such as education relating to rights and alternative dispute
resolution mechanisms such as mediation but the mediation itself should be
left to private sector enterprises.

With an effective alternative dispute resolution process this will assist with the
problem of backlog as well as limited human resources at the Employment
Tribunal level as only cases that cannot be resolved will be brought before the
court.

2. Once the population, employees and employers, is educated on the benefits
of mediation the provision for mandatory mediation can be removed. This
can be even more effective if the Employment Tribunal is granted powers to
award costs against parties who fail to reasonably choose to mediate.
3. In order to remedy the above-discussed mischief, the Act should be amended to reflect consistent time limits for both appealing from a Minister’s decision and bringing an application to the Employment Tribunal.

4. In the event that this function remains within the parameters of the Ministry, regulations to direct the Competent Officers when deciding on whether grievances can be registered out of time or reinstated. Further, regulations should be introduced on how to make an application to breach the confidentiality term of a mediation and to legislate for the exceptions to the rule of confidentiality in mediation.

5. The advisory note should be amended to remove the statement that lawyers are a threat to the success of mediation but rather the Competent Officers should be trained to deal with litigious lawyers in mediation.

6. There should be a clear divide between Competent Officers who are mediators and prosecutors.

7. This is a call for the Ministry of Labour to carry out research on the reasons for the low success rate of mediation.

Conclusion

This essay calls for the review of section 61(1A)-(1E) of the Employment Act. Mediation in the employment context is advisable in all countries so long as the dispute resolution mechanism is efficient and effective in providing parties with an alternative to litigation. This will assist in addressing the backlog in the Employment Tribunal and delivering solutions that are amenable to parties rather than the “win-lose” conclusion in Tribunals and Court. However, as the provisions of section 61(1A)-(1E) stand it is clear that their implementation is in urgent need of review. Unfortunately this matter has not been dealt with in the review of the Employment Bill.


‘Alternative Dispute Resolution and Regional Prosperity – A view from Singapore’, Speech by Judge of Appeal Justice Andrew Phang, Supreme Court of Seychelles.


A competent officer shall complete mediation within 28 days from the date of registration of the grievance – Part II of Schedule I Negotiation Procedure of the Employment Act 1995.


Article 19 of the Constitution of Seychelles CAP42.

Latin phrase to mean an unwelcomed person.


Beryl Pillay v Seychelles Broadcasting Corporation ET 15/2015.

Section 61(1E) of the Employment Act 1995.

Section 61(1E) of the Employment Act 1995.

Article 2224 of the Civil Code of the Seychelles.