

Budget 2011

Address by Honourable Ashit Kumar Gungah, Minister of Civil Service and Administrative Reforms on the debate on the Budget 2011 on the 27th November 2010 in the National Assembly.

Mr Speaker Sir,

1. Let me from the very outset thank the VPM, Minister of Finance and Economic Development, the Hon Pravind Kumar Jugnauth for having unveiled a **“Feel Good Budget”** in this August Assembly on Friday 19 November. And I should also thank the leader of the Alliance de l’Avenir and Prime Minister of this country, Dr the Honourable Navinchandra Ramgoolam for his support to our Vice Prime Minister and Minister of Finance.

2. Mr Speaker Sir, before the presentation of the Budget many **“oiseaux de mauvais augure”** were flying all over the country praying for failure. Sans la peur au ventre, les tripes bien solides, le Grand Argentier a démontré qu’il peut les affronter. He had consultations with all stakeholders before putting himself to task. Et le résultat de son travail on l’a vu le vendredi 19 novembre. He unveiled a **“Feel Good Budget”**.

We all recognize that he has done an admirable job. Even the Prime Minister **a salué les mesures énoncées**, an hour after the budget was presented to the population.

3. L’opposition MMM a été abattue par les multiples tirs foudroyants qu’a effectués le Grand Argentier et ces tirs l’ont atteint en plein Coeur. But they are still opposing a pro-people budget. This reminds me of a very nice story with great moral in **Panchatantra**. It’s about a scorpion and a tortoise. They were both on one side of a river. And they had to go on the other side. The river was very deep. At the time the tortoise was going to jump, the scorpion told him **“E bhai, bring me along with you”**. The tortoise replied: **“Are you mad. You have got poisonous stings and you will bite me”** Then the scorpion said: **“My brother how can I do that? Both of us will then die and as I don’t know swimming I will get drowned.”** Then the tortoise

believing in the words of the scorpion asked him to climb on his back near the head. When the tortoise reached the middle of the river, the scorpion bit him. And the tortoise said: “**I told you that you are going to bite me. And do you know what the scorpion answered: This is my character and I can’t change.**” This is how this Opposition behaves in this country.

4. Mr Speaker Sir, our aim is to raise Mauritius, grow together with our people. **N’en déplaise à l’opposition!** This Government took office in the midst of an unprecedented economic crisis in the euro zone. All statistics show that our main markets are in great trouble. The massive mandate that our Alliance has received from the people of Mauritius is clearly a mandate to pursue with vigour various programmes and to work tirelessly for rapid economic development, for removal of poverty and social inequalities. This is what the Budget aims at. Believe me, Mr Speaker Sir, Mauritius will rise. As from now, in the wake of the euro crisis the opposition is the main enemy. Nous connaissons par **Coeur** la manière dont opère le MMM. Being in a lethargy state **avec son Coeur brisé**, the opposition will try to instigate the people on other issues. Let me tell them that we want stability and preserve the social harmony. We are at a time when the world is still struggling with an unprecedented financial crisis and an economic slowdown that has also affected our Country.

Mr. Speaker Sir,

5. We are right now on the eve of the second decade of the 21st Century. This Government has had a clear mandate to construct a strong country and a prosperous nation.

This budget aims at putting Mauritius on the path of rebalancing growth and consolidation of social justice.

6. The budget for 2011 sets out the plan to rebuild the economy and the society on no less than such cherished values as unity, equity, modernity, economic efficiency, social justice, transparency and accountability keeping in line with what has been enunciated in the Government Programme.

7. In view of the difficult economic situation worldwide, it would have been easier for this Government to move for expenditure reduction and raising of taxes. Any reasonable people would agree that a Government can give only what it can afford. But in this tight and difficult economic situation, we have not only maintained free education, free health services, free transport to students and elderly, but we have also kept the promise made to the population during the electoral campaign.

8. This Government has an undisputed mandate from the electorate for the next five years. We are just at the beginning of this mandate and we have already started implementing what we pledged to the population. In this respect Government has removed the National Residential Property Tax and tax on interest and the moreso with retrospective effect as from January 2010. The removal of these two taxes is already an important milestone.

9. I must also hasten to point out that this Government has shown itself a responsible and caring Government because we have not increased the Value Added Tax as some countries are doing to increase revenue.

10. No responsible government can afford to take this country to the brink of bankruptcy. Any honest, rational mind would acknowledge that this first budget of **l'Alliance de l'Avenir Government** is a far-sighted budget that will act as a brake towards the precipice. The once acknowledged European Union model, Ireland, is now in dire economic crisis and would only be able to survive thanks to a massive 90 billion Euro bail-out loan from the IMF and Europe. Greece, once a prosperous economy, has just recently undergone the worst economic crisis of its history. Spain, and to a lesser extent, other European countries have had to take drastic measures to put their ailing economies back on track. All this happened due to lack of political will and far-sightedness. The price to be paid by the people of these countries will be very high indeed. The Euro zone crisis has hit us hard and we must be well armed to face the worst that is yet to come.

11. Mr Speaker Sir, no reasonable person would wish to see this happen to our country. This budget reflects the strong determination of government to show to our people and to the world that even if we are a small nation we are wise enough to draw lessons from the experience of other big countries. Not later than this week the Director General of the World Bank acknowledged that Mauritius has a competent government ready to take up challenges and we can serve as a model to the rest of Africa.

12. We must be proud, Mr Speaker Sir, that thanks to our vision and hard work we have been quite resilient and have been able to contain the effects of the global economic and financial crisis.

Besides, the Euro zone crisis has compelled us to rethink our strategy and diversify our market. A budget “**juste pour faire la bouche doux**” would have aggravated our problems linked to external factors.

13. Yet it is comforting to note that, in spite of all these difficulties, the budget presented last week does not ignore the human side of our society. The social measures announced in this budget would alleviate the sufferings of the poorest sections of our population.

14. Mr Speaker Sir, a country cannot progress and its economy cannot grow if it does not have an effective and efficient public sector, adequately manned by the right employees in the right job at the right time. This budget has announced a series of measures geared towards the modernisation of our public sector. Among them, I can mention the E-service initiatives to improve service quality, transformation of our bureaucracy into a more result and output oriented system that would encourage entrepreneurial and innovative practices as laudable measures. Success cannot be achieved on this front if we do not invest in our people.

15. This budget formulates clear, credible, ambitious and growth friendly fiscal consolidation plans. It does not raise hopes artificially but tackles the root causes of economic and social problems. This has been clearly demonstrated in the host of measures taken to

boost the hopes and aspirations of small planters in the sugar sector which was at one time the main pillar of our economy. This budget has given new lifeline to the sugar sector through the ten new measures introduced to assist the beneficiaries.

16. The vast array of measures contained in this budget will no doubt facilitate economic growth and sustainable development. The existing measures have been enhanced further and a number of new measures have been introduced to keep pace with the development trends and to enlarge the economic base of the country. This budget strives to promote Mauritius as a Knowledge Centre of Excellence and Health Centre of Excellence with a view to making the country an important hub in the region in the health and education sectors. Hence, measures have been taken to allow a larger number of students to benefit from the subsidy on their SC-HSC fees. The number of state scholarships has been increased from 12 to 50 laureates and students from families with modest income will be targeted.

17. We have gone a long way in addressing the social needs of our people by providing water, electricity, health care facilities, schools, social security, houses, roads infrastructure, the list is long. Furthermore, this government is supporting families with lower income to purchase a water tank, with a cash grant of 3000 rupees and the **Solar Water Heater Scheme** has been reinstated. Addressing health issues, necessary measures have been taken to tackle the problem of proliferation of gambling outlets and the consumption of alcohol and tobacco in the country. In addition to that, our elders will benefit from Recreational Centers which will be constructed in the north at Pointe aux Piments and in the South at Riambel.

Smarter Civil Service

Mr Speaker Sir,

18. We acknowledge the critical and sterling role public officers have played and continue to play in the transformation, reconstruction and development of this country and the public service. We are conscious of the significant role of an effective and efficient public service in

building our society and the economy. We must remember that democracy and successful governance are built on the foundation of a competent Civil Service.

19. Mr. Speaker, Sir, we should recognize that all the achievements and development we have witnessed since independence would not have been possible without the active contributions of both the public and private sectors. Here I must point out that most public officers, from the lowest to the highest rungs of the ladder, work from behind the scene quietly, diligently and unnoticed. Thousands of them serve the country everyday. Here I want to take this opportunity to congratulate all those dedicated and committed officers for their contributions.

20. In my intervention during the debate on the Presidential Address, I did mention the vision of this Government to transform the Civil Service into a **Smarter Civil Service**. In order to achieve this vision, I highlighted the urgent need for three main thrusts that will have profound effects for the development and progress of the civil service in coming years.

21. I am more than happy that this budget has made provisions for those three key issues for modernizing the Civil Service through enhanced reforms programmes. These three key issues relate to the following:

First- establishment of a national policy and strategy to guide Human Resource Planning;

Second- programme for enhancement of work environment in the civil service,

And third- project for setting up of a Public Service Training College.

Human Resource Planning

22. For the Government to achieve the national development goals, it is vital for the public service to identify and implement viable strategies to ensure that the public sector has the right mix of people, knowledge, skills and behaviours for now and the future. However, there is need to have a framework to assist the public service to determine the human resource development plans. Successful organizations continuously identify and adopt innovative

human resource management policies and practices to sustain the competitive advantage. This budget will pave the way for the Public Sector Organisations in this direction.

23. ***Streamlining of Processes***

My Ministry is conscious that the procedure for prescribing Scheme of Service are considered to be time consuming and it acts as an impediment in some cases for filling of posts in the Civil Service. My Ministry has already started working on a series of measures to streamline the processes and procedures. In this context, discussions have been initiated with the stakeholders with a view to revisiting the procedures so as to curtail the processing time. I must inform the House that I am giving a personal attention to this matter and my Ministry is expediting actions to finalise the outstanding Schemes.

Moreover, as the Vice Prime Minister and Minister of Finance stated in the budget speech, Government will whenever necessary, seek delegation of powers from the Public Service Commission for recruitment under such conditions as may be prescribed by the commission. **There is no need to create a storm in a tea cup.** The provisions for delegation of powers already exist in the Constitution of Mauritius at Section 89.

24. ***Performance Management System (PMS)***

My Ministry is also spearheading the introduction of the Performance Management System (PMS) in the Civil Service. The PMS is a major strategic reform initiative which aims to improve the overall management of public organizations and ensure productivity gains at various levels within the organization.

This project, which was initiated in 2006, is expected to be rolled out by December 2010 across the Civil Service. More than 40,000 public officers have already signed their Performance Agreement Forms. Necessary steps are being taken to evaluate and consolidate the system.

25. ***Enhancement of Work Environment***

My Ministry will also ensure that work environments are safe, secure and healthy. Wide experience from countries has shown that a healthy economy, high quality of products or services and long-term productivity gains are difficult to achieve in poor working conditions with employees who are exposed to health and safety hazards. On other hand, the most successful economies have demonstrated that workplaces designed according to good principles of occupational health, safety and ergonomics are the most sustainable and productive.

We cannot afford not to pay attention to the work environment of public officers at a time when we are striving to create a smarter civil service, a Civil Service for the 21st Century.

26. We are at the time of change, a time when safety and health and environmental issues are being given the attention they deserve. My Ministry has the vision not only to provide a quality and rapid service to the population but it is also duty-bound to ensure that public officers operate in a safe and healthy working environment. We will ensure that a safety culture within the Civil Service is being fostered and upheld.

27. Visits carried out by my Ministry in various Public Sector organizations have revealed major non-conformities with respect to safety and health at work. These can have direct incidence or bearing on the well-being of public officers. However, in some cases, necessary remedial actions could not be taken due to lack of funds.

28. While we have achieved much in recent years, we can do more to support Ministries/Departments to ensure workplaces are safer and healthier particularly given the changing work patterns and our goal to promote the well-being of public officers. Action and achievement are now the watch words. We need nothing less than a step change improvement in safety and health over the years to come.

My Ministry, as a caring employer, is taking a step ahead to not only improve but also to enhance the working environment in which public officers are working. Public officers, our human capital, deserve in some cases better work environment as a necessity mostly when we are working towards to build a modern Civil Service.

Mr. Speaker Sir,

29. I am thankful to the Vice- Prime Minister, Minister of Finance and Economic Development for having provided in this budget a dedicated item for the enhancement of work environment which will pave the way towards a Smarter Civil Service.

30. Mr. Speaker, Sir, my Ministry has been operating a scheme to upgrade and modernize customer and counter services of Ministries/Departments across the service through funding and non-financial assistance. Guidelines on “**Providing Quality Counter/Customer Service**” have been issued to support the implementation of the scheme.

31. **Civil Service College**

Our endeavour to transform the Mauritian public sector into a world class one has already started bearing its fruits. But we are conscious that our people have to continually update their knowledge, aptitude and skills through lifelong learning, training and development. As the business environment keeps on changing, we have to adapt ourselves to these changes. My Ministry strongly believes in training and development and capacity building. We have invested quite a lot to upgrade the competencies of our public officers from all grades from the lowest rung of the ladder to the higher echelon.

32. However, we are aware that we could have done more and we should, if we really want our public sector to keep pace with the developmental trends in a dynamic world. During my mission to Malta last month, I have had consultations with the Commonwealth Secretariat for assistance to set up the Public Service Training Centre. This Centre, Mr Speaker, Sir, will focus

on specific and practical training programmes for public officers as well as induction courses for new recruits. In the longer term, we will develop the appropriate linkages with regional centres with a view to extending our training services to public officers in the region.

This will no doubt provide an opportunity for our public officers to rub shoulders with their counterparts and benefit from an international exposure.

33. I am pleased to inform the House that the Commonwealth Secretariat has responded promptly and positively by arranging for the Director of the Civil Service College of Singapore to visit Mauritius in January 2011 to discuss the modalities for the feasibility study to set up our Training Centre. We sincerely hope that when the project materialises it will be another important milestone in this present government mandate.

34. Conclusion

Mr. Speaker Sir, it is said that a “good budget” is one that is loaded with goodies and a ‘good Government’ is one that presents “good budgets”. The test of a Government is how it looks after those who are most vulnerable, not just in good times but also in difficult times.

I will conclude by the saying:

I quote: “We can’t change the British winter but learning how to cope with stress can put a spring in your step”. Unquote.

In a nutshell, this budget has been crafted by the Vice Prime Minister and Minister of Finance and Economic Development and with the full support and abled guidance of Dr. The Hon. Navinchandra Ramgoolam, Prime Minister and Leader of **L’Alliance de L’Avenir**, to face the challenges of the winter and to bring economic growth and sustainable development to the doorstep of every Mauritian.

Mr. Speaker, Sir,

I thank you.