

ADDRESS BY HON. JEAN FRANÇOIS CHAUMIERE
MINISTER OF LABOUR, INDUSTRIAL RELATIONS &
EMPLOYMENT

WORKSHOP ON
“OPTIMISING YOUR HUMAN CAPITAL”

Organised by
MAURITIUS EXPORT ASSOCIATION
(MEXA)

Date: 03 November 2008

Time: 0930 hrs

Venue: Gold Crest Hotel
Quatre Bornes

Mr Georges Chung Tick Kan, Chairman, Mauritius Export Association (MEXA)

Mrs Danielle Wong, Director, MEXA

Dr Azad Jeetun, Director, Mauritius Employers' Federation

Distinguished Guests,

Ladies and Gentlemen,

A very good morning to every one of you. I am, indeed, very pleased to be among you today on the occasion of the opening of this workshop organised by MEXA.

I would like at the very outset to express my appreciation to MEXA for taking the initiative of organising frequent workshops with a view to promoting the interests of the export sector in Mauritius and sensitising stakeholders on the evolution of industry in general, as well as on crucial events likely to affect business. I also welcome this laudable initiative on the part of your organisation to mount this workshop on such an important subject, namely "*Optimising the Human Capital*" – which comes at a very opportune time.

Ladies and gentlemen,

Competition and competitiveness of countries and enterprises have emerged as key issues as a result of globalisation. And improving productivity and maximising the use of human resources, in most countries without exception, have become the reference point for the competitiveness of enterprises and long-term strategy for governments as well as managements of enterprises.

We are, today at a crossroad of our development. While, we are still struggling to mitigate the full impact of globalisation, another problem has just made its appearance round the corner. I am referring, as you may have guessed, to the financial crisis which started in the US and which poses a real threat to the constructive work we have done so far to put our economy back on the right tract.

On this score, I am confident that together, through our complementary efforts, we can manage to withstand any future shocks – as we have always done before during similar crisis and difficulties.

However, our major challenge is not only to successfully address the objective of job creation, but also to enable protection and preservations of employment in the face of the crisis looming ahead.

In this context, therefore, it is only appropriate that MEXA is holding this workshop on Human Capital Development, precisely on how to optimise human capital. There is a growing consensus that competitive advantage in today's economies lies principally in fostering the skills and competencies of people.

Ladies and gentlemen,

Employees are the driving force behind the success of every enterprise. In order to survive in today's challenging business environment, it is important and crucial to reflect on how best to prepare human resource responses to these challenges.

We must recognise that economic and social reforms and reforms in the labour laws alone will not be sufficient to address the challenges facing the country, and in particular, the business and export sector. There is a need to stand back and reassess our strengths and weaknesses. Our future depends on technologies, changes, innovation, training and productivity improvement so that we may sharpen our competitive edge.

Our future depends on skills, competence, and knowledge management since there is a need to upgrade our products and services to further increase our market share. And above all, we need to develop a productivity culture and also the need to change our work attitude and mindset.

Ladies and gentlemen,

We are conscious that increase in productivity and competitiveness can only be brought about and sustained through major reforms to the labour market policy. In the past, inflexible labour market regulations have affected risk-taking and innovations in the productive sector.

In line with government commitment to labour market reforms and market flexibility, we have come up with new labour legislation, namely the **Employment Relations Act** and the **Employment Rights Act** with a view to removing the existing rigidities as well as to better addressing the interests of both the workers and the investors as well.

Ladies and gentlemen,

Since 1970's successive Governments have not deemed it appropriate to revise the employment and labour provisions because of –

- (a) their sensitiveness both as regards their share of the employment market and export earnings specially in the context of fierce competition of international trade;
- (b) our remoteness from our main market and sources of input to enable enterprises to fulfill their export orders smoothly and timely.

The trade unions have constantly been pressing that the Industrial Expansion Act be revised so as to allow the workers of the EPZ Sector the same privilege as the other workers specifically with regard to –

- (a) the payment of severance allowance on retirement at the age of 60 afterwards; and
- (b) a compulsory rest day in every period of 7 days in line with the Weekly Rest Convention No. 14 which Mauritius has ratified.

This Government has decided to have an integrated manufacturing sector encompassing both EPZ and non-EPZ enterprises and wants to create a single labour market. A first step in that direction was taken in 2006 when the Finance Act repealed the whole of the Industrial Expansion Act except for Section 20 which deals with the employment and labour provisions. With the revision of the present labour legislation, Government is now finalizing the integration of the manufacturing sectors into a single labour market and is repealing the remaining Section 20 of the Industrial Expansion Act 1993.

With the repeal of the said Section 20 of the Industrial Expansion Act 1993, all EPZ workers will be covered by the provisions of the new Employment Rights Act, including the right to a rest period of 1 day in every period of 7 days and gratuity on retirement at retirement age which they were not enjoying before. They will also be entitled to the Workfare Programme.

Ladies and gentlemen,

We are also very much aware of the 9.00a.m to 4.00p.m syndrome which is posing a serious threat for the labour market since our economy is increasingly becoming dependant on emerging 24 by 7

sectors like the ICT enabled services, Tourism, Sea Food Hub and Financial Services – in addition to the traditional Textile Sector.

In this connection, we need a flexible and adaptable workforce that is willing to participate in the round-the clock economic activities. A workforce that will play an important and crucial role in ensuring the transformation of Mauritius in a modern and competitive economy.

Towards this end, I believe that MEXA could certainly contribute in creating the necessary supporting and working environment – with a view to respond to the requirements of a changing economy. We also need to further strengthen the sensitisation campaign with the view to making the workforce fully aware of the positive implication of a 24 by 7 Mauritian Economy.

Ladies and gentlemen,

Government is promoting employment, industrial and economic development at all levels and is providing the means for job creation. We aim not only at development, but more precisely at **sustainable development**. Just as we inherited an environment that enables us to survive, we have the duty to pass on to future generations an environment that will enable them, too, to survive. This is why we talk of **“Maurice, ile durable”**.

My Ministry is working in close collaboration with all stakeholders particularly the Employers’ and Workers’ Organisations in making Mauritius a better place for all our citizens. MEXA and my Ministry share a longstanding and cordial relationship. I wish to assure that this relationship will be further strengthened.

On this note, I have the pleasure to declare the workshop open and wish all participants fruitful interactions.

I thank you for your attention.