

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

47th Annual General Meeting
Mauritius Employers Federation

Date: Wednesday 25 March 2009

Time: 10h00 hrs

Venue: MEF-MCCI Bldg

Ebène Cybercity - Ebène

Dr. the Hon. V. K. Bunwaree, Minister of Education, Culture and Human Resources

Mr Anwar Joonas, Chairman Mauritius Employers Federation

Dr Azad Jeetun, Director Mauritius Employers Federation

Dear Council Members

Distinguished guests

Ladies and Gentlemen,

A very good morning to everyone of you. I am indeed very pleased to be among you today on the occasion of the *47th Annual General Meeting* of the **Mauritius Employers Federation (MEF)**. I thank the Chairman and the Director of MEF for associating me with this important annual event.

An AGM is 'par excellence' the forum for members of an organization to analyse, assess, discuss and reflect on issues that are of direct relevance to them and to the future of the organisation. The context today is a particularly challenging one. While we are still struggling to deal with the full impact of globalisation, we are now being called upon to harness our resources to cope with what is perhaps going to be one of the most difficult period in the history of our young republic. The world is in a situation of crisis. This international economic and financial crisis poses a real threat to the constructive work we have done so far to put our economy on the right track.

Almost everyday, we hear of shocking stories of mass redundancies in countries around the world. Millions of people are losing their jobs. No country is spared from the effects of the economic slowdown. The USA, China, India, European countries, Japan, just to name a few - are all affected by this crisis.

As highlighted by the ILO, what began as a crisis in financial markets has rapidly become a global job crisis. Unemployment is rising. Based on current labour market trends, the ILO believes that the global unemployment rate in 2009, in an optimistic scenario, could rise to 6.1% over 2007 figures. This would mean an additional 18 million people unemployed and a total of 198 million unemployed in all. In a worst case scenario, which may happen if recovery is delayed into 2010, the additional number of unemployed could double and even reach the 50 million figure, of which about 22 million would be women.

Ladies and gentlemen, Mauritius, a small island with an economy heavily dependent on external markets, is not immune to these external factors on which it has absolutely no control.

We now find ourselves in a new era where the protected environment in which we had been evolving so far is no longer there. The country is steering in high and rough seas, in the midst of a new challenging and unusually difficult environment created by the international financial crisis.

The global economic recession is already affecting the Mauritian economy as demand conditions in our main exports markets – namely the USA and EU countries – have started to falter. The spillover effects are already being felt across different sectors of the economy, namely tourism and the manufacturing sectors.

In this context, therefore, our major challenge is not only to successfully achieve our objective of job creation, but also, and more importantly, to protect and preserve of employment in the face of the crisis which has already reached our shores.

Ladies and gentlemen, as you well know, Government has not remained idle in the face of this crisis. It has come up with a **Stimulus Package** in order to bolster economic growth, protect jobs and maintain purchasing power. The primary aim of this stimulus package amounting to some **Rs10.4 billion** is to mitigate the effects of the international financial crisis on our economy.

The extra efforts being made by Government in the form of this Stimulus Package, should not be construed as a give-away to ailing businesses. There must be an equal commitment by the enterprises to restructure, to become more efficient, to maintain employment and to bring down operating costs. This Stimulus Package offers a social contract that is fair as well as balanced and in this regard, the Government expects that some of the efficiency gains arising from the Stimulus Package and policies should be passed on to the population. The burden of this economic crisis should be equally shared by one and all.

Ladies and gentlemen, I would like to seize this opportunity to make an appeal to MEF to ensure that laying-off of workers by enterprises in distress should be a **decision of last resort**; and that necessary efforts should be made to protect employment, the more so in view of a perception that exists that there is an abuse by some enterprises with regard to laying-off of workers.

It should also be noted that the Stimulus Package, along with some of the measures provided in the new labour laws, in particular the **Workfare Programme**, goes in the same direction of what has also been recommended by the ILO in order to confront this crisis.

The policy measures recommended by the ILO include the following: unemployment benefits, re-skilling of redundant workers, public investment in infrastructure and housing, support to SMEs, social dialogue at enterprise, sectoral and national levels.

Ladies and gentlemen, in addition to the various policy measures, I believe that the **Decent Work Agenda** is an appropriate policy framework to confront the crisis, as it is central to eradicating poverty, improving the lives of women and men and thus enabling people to live in peace and dignity.

The Decent Work concept also implies that workers should be paid in time for their labour, as wages are recognized as having “*un caractère alimentaire*”. Various complaints have been aired in the public that a few enterprises are not fulfilling their part of their contract with regard to payment of wages. This is a matter of grave concern. I am sure that all of you present here, as responsible employers, will never condone such an act.

My Ministry has already embarked on an exercise relating to the preparation of **A Decent Work Country Programme** for Mauritius. Consultations have already started with all stakeholders to secure their inputs and their views. The draft Decent Work Country Programme document will be circulated for views, comments and additional inputs. The document, once adopted and validated, will be signed by the tripartite constituents.

Ladies and gentlemen, since my appointment as Minister of Labour, Industrial Relations and Employment, I have ensured that **Social Dialogue** is given top priority as a means not only of strengthening **employer – employee relations**, but also of creating better understanding of the principles underpinning the **Decent Work Agenda**. You will, no doubt, agree with me that Social Dialogue is an eminently suitable tool for promoting better working and living conditions and greater social justice. Social Dialogue becomes all the more important in times of crisis where greater understanding and solidarity and more cooperative arrangements are required to safeguard jobs whilst helping enterprises survive the storm. I would invite the MEF therefore to further promote the benefits of social dialogue and actively encourage its members engage in social dialogue in their dealings with their partners and stakeholders.

Ladies and gentlemen, I have no doubt that by now most employers have a good understanding of the provisions of the two new labour laws, namely the **Employment Relations Act** and the **Employment Rights Act**.

However, I wish to stress that the ultimate aim of these laws is to find solutions to industrial relations problems through speedy conciliation and settlement of disputes and the putting in place of processes for agreements on labour issues to be reached to the satisfaction of all parties concerned.

You will be surprised to learn that last year as many as **16,800 complaints** were registered and dealt with at the level of my Ministry. A total amount of not less than **Rs54.7 million** was recovered on behalf of workers, of which **Rs36.7 million** through mediation and conciliation efforts and a further **Rs18 million** through the Industrial Court.

Many of these complaints relate to **non-compliance with labour legislation**. I wish, therefore, to seize this opportunity to invite all enterprises to make sure that the new labour laws are properly understood by all concerned at their level and that necessary efforts are made for the proper implementation of each and every provision of these laws. I am sure I can rely on the support of the MEF in this regard. We hope to see a reduction in the number of complaints referred to my Ministry; which would be a sure indication of an improvement in industrial relations in enterprises.

Ladies and gentlemen, my Ministry is working in close collaboration with all stakeholders, particularly the employers and workers organizations, in making Mauritius a better place for all our citizens. The MEF and my Ministry share a long standing and cordial relationship. Since its inception in 1962, forty-seven years ago, the MEF has continued to play an important role as a major partner of the Government in shaping and promoting sound industrial relations. I am confident that I can always rely on the full support of the MEF.

Thank you for your kind attention.