



Republic of Mauritius

**NATIONAL WAGE
CONSULTATIVE COUNCIL (NWCC)**

**INTRODUCTION OF A
NATIONAL MINIMUM WAGE
FOR THE
REPUBLIC OF MAURITIUS**

NOVEMBER 2017

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Executive Summary

1. Preamble

- 1.1 This first Report of the National Wage Consultative Council (NWCC) has been prepared in accordance and in conformity with Section 6 sub-sections (1) (f) and (2) of the NWCC Act No. 6 of 2016, which requires, amongst others, the Council to recommend, within 12 months of the date of its constitution, a National Minimum Wage to be introduced for the lowest paid workers, in relation to the median wage and having regard to:
- (a) the need to improve the living conditions of the lowest paid workers and promote decent work and living conditions;
 - (b) the overall economic situation of the country;
 - (c) the need to increase the rate of growth and to protect employment; and
 - (d) national competitiveness.

2. Structure of the Report

- 2.1 The Report covers seven chapters as follows:
- **Chapter 1** covers the background, approach, methodology and the objectives and philosophy of the report.
 - **Chapter 2** sets out the evidence on the economic and social context and concludes with the pertinent statutory considerations and their implications for the determination of the National Minimum Wage.
 - **Chapter 3** deals with the methodology used to arrive at Hypothetical Minimum Wage values.
 - **Chapter 4** analyses and develops options.
 - **Chapter 5** culminates with the recommendations on, among others, the National Minimum Wage for (a) full time workers; (b) young persons; (c) workers on accredited training, apprenticeship or probation; and (d) part-time workers. It also examines in detail and addresses the issue of pay components and provides transitional measures having regard to the need to (i) protect investment and growth and safeguard employment, and (ii) promote and improve exports and the balance of trade in the wake of the economic challenges on both the external and internal fronts.
 - **Chapter 6** recommends the harmonisation of the National Minimum Wage with the Negative Income Tax Scheme.
 - **Chapter 7** highlights the expected and desirable impact of the recommended National Minimum Wage on certain key indicators.

3. Approach and Process

- 3.1 In the discharge of its functions, the Council has collected and analysed data and information on wages and related matters; conducted research on wages and socio-economic indicators; carried out studies on the international experience and disseminated information, whenever required, at different stages of the exercise. It has utilized a range of the latest and most useful research and data sources to underpin the analysis and guide its deliberations.
- 3.2 During the last nine months, in addition to extensive consultations and discussions at the level of the Board, consultations have been held with a maximum number of relevant persons and institutions to obtain information and explanations and to thoroughly examine and consider views and comments. Due care has been taken to gauge the merits and demerits of views and proposals from all quarters.

4. Economic and Social Considerations

- 4.1 The Council has set out, among others, the evidence on the economic and social context to its recommendations. It has overviewed the economic situation globally and locally, analysed the competitiveness of the country both at the national and sectoral levels, reviewed the overall social situation locally and the labour situation in relation to employment, unemployment and wage levels. It has also examined the pertinent statutory considerations and analysed their implications for the determination of the National Minimum Wage.

Summary and implications of the evidence

- 4.2 In summary, the evidence on the Economic and Social front and the characteristics of the labour market dictate conflicting inferences for minimum wage policy formulations. While the pattern of income distribution and the depth of relative poverty appear to entail a wage leap, the economic and labour market evidence such as the recurring balance of trade deficit, the falling export value, the erosion of competitiveness, the recent closures and delocalisation of firms require prudence and cautiousness on the wage front. Furthermore, the increasing reliance on foreign workers for work at the lower range of the wage spectrum and the higher employment costs associated with their employment call for specific measures.
- 4.3 These conflicting inferences and needs raise an issue of choice – between either a relatively low National Minimum Wage affordable by all sectors or a relatively higher National Minimum Wage with appropriate safeguards. The Council has opted for setting the National Minimum Wage at an optimum level for applicability in all sectors but with specific recommendations for problem areas, actual and foreseeable and transitional provisions for implementation, having regard to the Statutory requirements under the National Wage Consultative Council Act.

5. Methodology

- 5.1 The Council has used, in addition to the Statistical Indicator Methodology, two Household Based Methodologies, namely the Poverty Line Methodology and the Household Expenditure Methodology.
- 5.2 The Statistical Based Methodology approach uses the median wage as a reference, considering that this is a wage level which is associated to a middle-income standard of living.
- 5.3 The Poverty Line Methodology has been used to establish the hypothetical minimum wage values that a wage earner would require to allow a household having the average number of wage earners to move out of poverty.
- 5.4 The Household Expenditure Methodology has used the typical household expenditure and the number of wage/income earners in the household to determine the hypothetical minimum wage values. Based on different studies and given that Statistics Mauritius sets the relative poverty line at half of the median income per adult equivalent, the Council considered that the household expenditure in respect of the households in the second quartile could be used as a reference.
- 5.5 The results of the foregoing methodologies have provided the Council with hypothetical minimum wage values and alternative scenarios for focused discussions and consultations.

6. Objectives and Philosophy

- 6.1 The recommendations contained in the Report aim at improving the standard of living of low wage earners and their families having regard to the need to:
 - (i) promote equity in the society by reducing inequality;
 - (ii) bridge the gap between male and female wage earners; and
 - (iii) bridge wage differentials and improve income distribution in favour of the poor,while ensuring, to the extent possible, that necessary measures are taken to safeguard employment, investment and economic growth and that Mauritius remains competitive on the international front.
- 6.2 Although poverty alleviation is not explicitly embedded in the mandate of the Council, yet it was considered that it would be laudable if the minimum wage could ensure that households which have the minimum number of Wage/Income earners are not in poverty.

7. Methodology & Hypothetical Minimum Wage Values

- 7.1 A summary of the hypothetical National Minimum Wage results arrived at using the different methodologies is reproduced hereunder.

Methodology	Range of Values (Rs)
Statistical Indicator: % of Median Wage – 40% to 60%	Rs 5,360 to Rs 8,040
% of Mean Wage (40%)	Rs 8,040
2012 Poverty Line adjusted for inflation	Rs 7,260 to Rs 7,980
Household Expenditure of a family of four in the second quartile with 2 income earners and 1.82 wage earners	Rs 7,730 to Rs 8,500

8. Analysis and Development of Options

8.1 The Council has analysed and developed the different options which emerged from the results of the different methodologies.

8.2 Considering:

- (a) the range of hypothetical minimum wage values obtained from the different methodologies;
- (b) the lowest minimum basic wage in each remuneration order;
- (c) the views of Board members representing different interests; and
- (d) that the NWCC Act provides for different National Minimum Wage for persons aged 18 and above, young persons, and apprentices and trainees,

the Council retained the upper range of Rs 8,000 to Rs 8,500 for further analysis and comparison and for more focused consultations with stakeholders.

8.3 A series of consultations were held with groups/institutions representing different interests to assess, among others, the capacity of the different sectors to adopt and sustain a National Minimum Wage in the range of Rs 8,000 to Rs 8,500, with effect from 1st January 2018.

8.4 Considering:

- (a) the views of relevant parties at consultation meetings;
- (b) the need to improve the living conditions of low wage workers while ensuring, as far as possible, that they continue to stay in employment;
- (c) the need to take into account the prevailing economic situation of the country; and
- (d) the need to sustain job creation, investment, and economic growth and to maintain national competitiveness,

the Council is of the view that the monthly National Minimum Wage under Section 5 sub-sections (b) (i) and (ii) of the NWCC Act should be set at Rs 8,500 for an adult full-time worker subject to the provisions regarding staged implementations below.

9. Statutory Provisions and Recommendations

Monthly National Minimum Wage

- 9.1 **The Council has recommended that the National Minimum Wage; in consonance with the provisions of Section 5 sub-sections (b) (i) and (b) (ii) of the NWCC Act, be set at Rs 8,500 a month, that is 63.4% of the median for calendar year ending 31st December 2017 (as estimated by Statistics Mauritius), for full time adult workers, subject to the provisions concerning staged implementation below.**

Staged Implementation

- 9.2 Considering the need to:
- (a) protect employment, sustain job creation and induce further investment for growth;
 - (b) protect low paying firms irrespective of sectors through a reasonable transition period; and
 - (c) encourage firms to move away from the informal sector to the formal sector and reduce the extent of non-conformity to statutory provisions,

the Council recommends that the implementation of the National Minimum Wage be staged as follows:

Effective Date	Recommended National Minimum Wage
With effect from 1 st January 2018	Rs 8,000 a month
With effect from 1 st January 2019	Rs 8,500 + additional remuneration, if any, that would be effective from 1st January 2019 for rise in cost of living for period January 2018 to December 2018

Topping up of National Minimum Wage

- (d) **to ensure that a worker on the adjusted NMW obtains the same income that he would have obtained if the implementation of the NMW was not staged, the Council has further recommended that Government tops up the NMW under the Negative Income Tax Scheme so that workers drawing Rs 8,000 – Rs 8,500 can obtain Rs 9,000 a month.**
- 9.3 The minimum costs to the employer and the guaranteed benefits to the employee during the transitional period and on full implementation of the National Minimum Wage are indicated in the table below.

Introduction of a National Minimum Wage

Particulars	Effective as from 1 st January 2018 (Rs)	Effective as from 1 st January 2019 (Rs)
National Minimum Wage	8,000	8,500
End of Year Bonus (spread over 12 months)	667	708
Contributions to NPF and NSF	680	722
Contribution of Training Levy*	120	127
Minimum Costs to Employer	9,467	10,057
Negative Income Tax	1,000	500
Benefits to Employee	10,347	10, 430

**Excluded from benefits to employee*

- 9.4 Considering that the adjusted National Minimum Wage figure of Rs 8,000 effective as from 1st January 2018 includes compensation for the rise in cost of living for the period January 2017 to December 2017, no further additional remuneration should be payable with effect from 1st January 2018 for rise in cost of living for the specified period.

National Minimum Wage for Young Persons (16 to less than 18 years old)

- 9.5 Considering the need to facilitate enlistment of young persons in the labour market, the Council has recommended that young persons be eligible to a National Minimum Wage of Rs 8,000 a month with effect from 1st January 2018.
- 9.6 As the figure of Rs 8,000 a month has taken into consideration the rise in cost of living for the period January 2017 to December 2017, no further additional remuneration should be payable with effect from 1st January 2018 over and above the National Minimum Wage for rise in cost of living for the specified period.

National Minimum Wage for Workers on training, apprenticeship and probation

- 9.7 The Council has recommended that workers on accredited training, apprenticeship or probation having no corresponding job experience, skills and competencies, relevant accredited vocational or technical qualification, relevant and recognised proficiency certificate, diploma, degree or other professional qualifications in the field in which he is employed or where the job requires no qualification, skill or experience be eligible to 92% of the National Minimum Wage under Section 5 sub-sections (b) (i) and (b) (ii) of the Act i.e. Rs 7,820 a month with effect from 1st January 2018.

9.8 For the purpose of the above recommendation, the duration of training, apprenticeship and probation should be limited to one year.

National Minimum Wage for Part Time Workers

9.9 In consonance with the provisions of Section 5 sub-section (b) (ii) of the NWCC Act and considering the relevant provisions of the Employment Rights Act (ERA) in relation to enhanced remuneration for part-time work and having regard to the fact that a part-time worker, particularly one holding two or more part-time jobs, has to move among different working sites as compared to a full-time worker, the Council has recommended an enhanced rate of remuneration for part-time workers as shown in the table below:

No of hours of part-time work per month	Rate as a percentage of notional hourly rate
Up to 100 hours	110%
Above 100 hours	107%

Pay Components

9.10 The Council is required to make recommendations on those pay components that have to be included and those that have to be excluded in the computation of the National Minimum Wage, in line with the provisions of Section 5 (b) (vii) of the Act.

9.11 Considering (a) international best practice, (b) views of members, and (c) the need to ensure the competitiveness of the country, the Council has recommended that the National Minimum Wage should comprise the basic wage and the following pay components:

- (a) The housing and/or food allowances or housing and/or food, where applicable; and
- (b) Guaranteed remunerations in cash for normal hours of work, i.e. fixed remunerations paid every month of the year, which are guaranteed for work on normal scheduled working hours and which are not reduced for authorised absences as per the Conditions of Employment.

9.12 Guaranteed remuneration in cash as a pay component shall be applicable exclusively to:

- (a) Export Oriented Enterprises in the manufacturing sector; and
- (b) such other economic sectors or grades not governed by remuneration regulations, as at December 2017, as may be prescribed.

Piece Rate or Task Work

9.13 In relation to piece rate or task work, the Council has recommended that:

- (a) those workers who do not have a prescribed or agreed basic wage should be paid at least the National Minimum Wage plus 10% or the piece rate earning for normal or agreed hours of work, whichever is the higher; and

- (b) where the basic wage is lower than the National Minimum Wage, the piece rate earnings used for the purpose of compliance with the National Minimum Wage shall be limited to the basic wage plus 10% of the basic wage.

Note: Firms falling under the provisions at (b) may opt to be governed by the provisions at (a) should they so wish.

Other Specific Recommendations

Contribution for Social Security Benefits

9.14 The Council recommends:

- (a) that subject to the provisions of subparagraph (b) below, contributions for social security benefits under the National Pension Fund (NPF) and National Saving Fund (NSF) should be effected on the National Minimum Wage or the prescribed/agreed basic wage, whichever is the higher, with effect from 1st January 2018; and
- (b) the payment of an amount based on the shortfall of the employer's contributions in the EOE sector to the NPF and NSF due to the difference between the basic wage of the worker and the National Minimum Wage in lieu of the above, to be determined by the Ministry of Labour, Industrial Relations, Employment and Training.

10. Harmonising the National Minimum Wage with the Negative Income Tax Scheme

10.1 To improve the effectiveness of both measures for the benefit of all parties – the country, the employer, the employee, and the tax payers – there is need to harmonise the National Minimum Wage with the Negative Income Tax Scheme and to keep both under regular review.

10.2 Considering that:

- (a) the national minimum wage has been set at Rs 8,500 a month for full-time workers who are 18 and above and its implementation is being staged; and
- (b) with the application of the Negative Income Tax, as is, eligible employees whose basic wages are equal to the minimum wages of Rs 8,000 and Rs 8,500 would obtain an income of Rs 8,500 and Rs 9,000 respectively;

the Council recommends that:

- (a) workers with adjusted National Minimum Wage of Rs 8,000 be placed at par, income wise, with workers having a basic wage of Rs 8,500; and
- (b) young workers be also placed at par, income wise, with adults on the National Minimum Wage so as to encourage them to join the labour market.

To achieve this, the council recommends that Government supplements the National Minimum Wage of workers drawing Rs 8,000 – Rs 8,500 so that they obtain Rs 9,000 monthly as from 1st January 2018.

- 10.3 For the purpose of implementing this recommendation under the Negative Income Tax Scheme, the National Minimum Wage shall be deemed to be the basic wage.
- 10.4 The implementation costs of the above recommendations are estimated at around Rs 172 million annually.

11. Impact of the National Minimum Wage

- 11.1 The Council is required by virtue of the NWCC Act to report on the impact of the National Minimum Wage within 12 months of its introduction. Here under are the impacts that can be assessed at this stage based on certain assumptions wherever relevant.

Proportion of Working Population Impacted Upon

- 11.2 The number of workers that would be impacted upon by the introduction of the National Minimum Wage is estimated at 120,600 i.e. 111,300 full-time workers and 9,300 part-time workers representing 28.7% of the total number of workers. This proportion is in line with that of other countries where a National Minimum Wage has been introduced.

Wage Distribution as measured by the Gini Coefficient

- 11.3 The introduction of the National Minimum Wage shall raise the earnings of low-paid workers and hence has the potential to reduce income inequality. The wage Gini Coefficient is expected, *ceteris paribus*, to improve to 0.419 in 2018 as shown in the table below. This is based on the assumptions (a) that employment losses would be negligible, (b) the extent of non-conformity would not be very significant and (c) pay increases for other grades, if any, is maintained within an acceptable limit. The Coefficient would further improve to 0.409 with the Negative Income Tax.

Gini Coefficient Based on Employment Wages in 2012, 2016 and 2018/2019

Particulars	2012	2016	2018/2019
Wage Gini coefficient	0.409	0.456	
Gini coefficient after introduction of minimum wage of Rs 8,500			0.419
Gini coefficient after Negative Income Tax			0.409

Computed by Statistics Mauritius, 2017

Wage Differential

- 11.4 With the introduction of the National Minimum Wage, the wage differential, as measured by the ratio of the 90th percentile to the 10th percentile which stands at 8.7%, would be drastically narrowed.

Impact on Wage Differential

	10th percentile	90th percentile	Wage Differential (%)
Prior to introduction of minimum Wage	3536	30781	8.7
After introduction of minimum Wage	8500	30781	3.62*

**With the assumption that wages are frozen at around the 90th percentile and the extent of non-conformity is not very significant, the wage differential may fall down to as low as 3.62%. However, the actual fall would depend upon market reactions to the introduction of the National Minimum Wage, particularly as regards pay policy, effects on employment and the extent of conformity to the statutory National Minimum Wage.*

Employment

11.5 The introduction of the minimum wage may potentially render the manufacturing industry more attractive to local workers, thereby decreasing to a certain extent its reliance on foreign workers.

Gender Pay Gap

11.6 The introduction of the National Minimum Wage shall, generally, benefit female workers relatively more than their male counterparts where there existed a pay differential in favour of men. Consequently, it should result in reducing the gender pay gap which today stands in the ratio of 0.6 to 1 (World Bank Report July 2017).

Comparison with “Upper Middle Income” Countries in the Region

11.7 Comparison with upper middle income countries in Sub-Saharan Africa indicates that, in terms of PPP, Mauritius would be around the median leading Botswana and Gabon and behind South Africa and Algeria. Mauritius would, however, lead South Africa as regards the minimum wage for household worker and agricultural worker. Mauritius would equally lead China, Malaysia and Thailand as shown in the table below.

Comparison with “Upper Middle Income” Countries

Country	Minimum Wage (USD, PPP)
<u>Africa</u>	
Algeria	531
South Africa	517
Gabon	418
Mauritius	432
Mauritius (with End of Year Bonus)	468

Country	Minimum Wage (USD, PPP)
Mauritius (with End of Year Bonus & Negative Income Tax)	493
Botswana	148
Asia	
China	349
Malaysia	288
Thailand	184

National Minimum Wage as a Share of Value Added Per Worker and Per Capita GDP

11.8 The share of National Minimum Wage as a proportion of Value Added per worker and GDP per capita shall be 12.6% and 28% respectively. The corresponding shares shall be 13.6% and 30.4% respectively if end of year bonus is included in the computation.

Implementation Costs

11.9 The estimated cost implications for the implementation of the National Minimum Wage for calendar year 2018 are as follows:

Minimum wage (Rs)	Annual Impact (Rs Mn)	
	Public Sector	Private Sector
8,000 monthly	24	3,603
8,500 monthly	25	3,830

11.10 The cost for the private sector shall be as follows:

Type of establishments	Annual cost (Rs Mn)			
	RS 8,000	%	Rs 8,500	%
Small	2,512	70	2,670	70
Large	1,091	30	1,160	30
Total	3,603	100	3,830	100

CHAPTER 1

Introduction

"A man must always live by his work, and his wages must at least be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family, and the race of such workmen could not last beyond the first generation."

Adam Smith, Wealth of Nations, 1776

Preamble

- 1.1 This Chapter sets the scene of the first Report of the National Wage Consultative Council (NWCC) on the introduction of a National Minimum Wage in Mauritius. It overviews the institutional mechanism; elaborates on the approach and process; overviews the methodology used; and outlines the objectives and philosophy underlying the recommendations.
- 1.2 This first Report of the NWCC has been prepared in accordance and in conformity with Section 6 sub-sections (1) (f) and (2) of the National Wage Consultative Council Act No. 6 of 2016, which requires, amongst others, the Council to recommend, within 12 months of the date of its constitution, a National Minimum Wage to be introduced for the lowest paid workers, in relation to the median wage and having regard to:
 - (a) the need to improve the living conditions of the lowest paid workers and promote decent work and living conditions;
 - (b) the overall economic situation of the country;
 - (c) the need to increase the rate of growth and to protect employment; and
 - (d) national competitiveness.

Institutional Mechanism

- 1.3 Following Government's decision to come up with a National Minimum Wage, Cabinet approved the establishment of a National Wage Consultative Council under the aegis of the Ministry of Labour, Industrial Relations, Employment and Training to make recommendations to Government on the implementation of a National Minimum Wage in Mauritius.
- 1.4 The National Wage Consultative Council Act No. 6 of 2016, which was passed in the National Assembly on 26 May 2016 and came into force by way of proclamation on 01 September 2016, provides for the establishment of the National Wage Consultative Council as a body corporate. The main objects of the Council are, amongst others, (a) to evaluate the effect of the introduction of a National Minimum Wage, particularly on pay structures and pay differentials, wealth and income distribution, wage ratio, employment, inflation, competitiveness, the cost of doing business, low paying sectors, small firms, employment of foreign workers and groups of workers, including women, gender

discrimination, young persons and persons with disabilities; and (b) to make recommendations to the Minister for the introduction of a National Minimum Wage calculated on an hourly rate for part-time workers and a monthly rate for full-time workers equivalent to a proportion of the domestic median wage of the preceding year for the lowest paid workers.

- 1.5 On 23 December 2016, Cabinet approved the appointment of Mr Beejaye Coomar Appanna as Chairperson of the Board of the NWCC. On 20 January 2017, Cabinet approved the final composition of the Board, which overall comprises 29 members, including equal numbers of employers, employees, and representatives of Ministries/Departments with voting rights. The composition of the Board is given at **Annex I**.
- 1.6 While the Council is administered and managed by the Board, the Executive Director is the chief executive officer of the Council and is responsible for the implementation of all the decisions of the Board and for administering and managing the affairs of the Council.
- 1.7 The Executive Director also acts as Secretary to the Board; attends every meeting of the Board; and, in the performance of his duties, acts under the general direction of the Board.

Background

- 1.8 Mauritius has had a very long experience of minimum wage fixing over the decades. Today, the country has 30 Remuneration Orders in force cutting across almost all the sectors of the economy. A table at **Annex II** gives the lowest minimum wages other than for young persons, trainees and apprentices by each Remuneration Order. It is noted that the lowest legislated monthly basic wage by Remuneration Order ranges from Rs 4,936 for an unskilled worker and Rs 5,315 for a factory worker in the Export Enterprises to Rs 11,527 in the public transport sector.
- 1.9 Moreover, the wage distribution of full-time workers in 2016 as per table at **Annex III** indicates that, out of 407,800 full-time workers, 98,200 earn less than Rs 8,000 a month. This figure of 98,200 includes 39,700 who earn less than Rs 5,000 a month and 19,100 who earn less than Rs 3,500 a month. The foregoing indicates that around 40,000 full-time workers are drawing less than the lowest legislated minimum wage.
- 1.10 A key consequence of the labour demand and output trajectory in the economy has been the rising wage inequality in the Mauritian labour market. This rising inequality is manifest in a variety of standard inequality measures, but perhaps most cogently captured in the differential wage increase observed for skilled, relative to unskilled workers in the 2004 to 2014 decade. The ratio of earnings between skilled and unskilled workers has consistently grown over this period, further widening the gap across the occupational levels. The analysis of wage inequality indicates relatively high levels of wage inequality as measured by the Gini Coefficient. In effect the wage Gini Coefficient has increased from 0.41 in 2001/02 to 0.46 in 2014.
- 1.11 Rising income inequality and lagging shared prosperity, following the shift in the structure of the economy and labour demand path, have had negative effects on relative poverty.

The World Bank (2015) notes that between 2007 and 2012, relative poverty increased from 8.5% to 9.8% and identifies rising poverty and inequality as key barriers to the attainment of shared prosperity. In particular, the World Bank (2015) notes that waged employment income has been the main source of inequality, with employment's relative contribution to inequality increasing from 69.4 per cent in 2007 to 73.2 per cent in 2012.

- 1.12 Another feature of the Mauritian minimum wage system is gender based minimum wages. In a few industries such as sugar and tea there are lower legislated wages for women than for men in elementary occupations. In other industries, there has been a shift from gender-based ROs to grade-based ROs. However, in practice some ROs still differentiate between male and female workers. These gender-based wages arise within the context of a labour market where women earn Rs 0.60 for every Rs 1 that men earn on average. It is, however, noted that in certain instances the differentials may be explained by variations in the amount of task work.
- 1.13 It is against this backdrop that the introduction of the National Minimum Wage is being envisaged.

Approach and Process

- 1.14 To address, to the extent possible, the foregoing issues in a comprehensive and conclusive manner, the NWCC has adopted the appropriate approach, process and methodology as described in the ensuing paragraphs and elaborated upon in the relevant Chapters.
- 1.15 In the discharge of its functions, the Council has collected and analysed data and information on wages and related matters; conducted research on wages and socio-economic indicators; carried out studies on the international experience and disseminated information, whenever required, at different stages of the exercise. It has utilized a range of the latest and most useful research and data sources to underpin the analysis and guide its deliberations.
- 1.16 Section 6 (2)(a) of the Act requires the Council, before making a recommendation on the National Minimum Wage to the Minister, to consult such representatives of employers and workers and such other persons as it may determine. Pursuant thereto, the Council has, in the process, adopted a transparent and consultative approach in dealing with the relevant stakeholders concerned by the exercise. During the last nine months, in addition to extensive consultations and discussions at the level of the Board, consultations have been held with a maximum number of relevant persons and institutions (as per **Annex IV**) to obtain information and explanations and to thoroughly examine and consider views and comments. Due care has been taken to gauge the merits and demerits of views and proposals from all quarters.
- 1.17 The Council invited specific organisations, namely the Mauritius Exports Association (MEXA) and the Small and Medium Enterprises Development Authority (SMEDA) to submit their views and comments regarding their respective interests on the subject matter as they possess key information on particular sectors of the economy that would be

impacted upon by the implementation of a minimum wage. The MEXA is the sole private association in Mauritius regrouping the export enterprises, while the SMEDA is a public sector organisation which is committed to support and facilitate the development of entrepreneurship and small and medium enterprises (SMEs) in Mauritius.

- 1.18 The Council also held consultations, among others, with (a) International Organisations including an interactive session via Skype with officers of the World Bank for an overview of the issues associated with the introduction of a minimum wage; (b) the National Wages Council, Malaysia; (c) local public institutions dealing with pay matters, namely the Pay Research Bureau (PRB) and the National Remuneration Board (NRB); (d) Desk Officers of the Ministry of Finance and Economic Development and the Prime Minister's Office on the subjects of Pay and Negative Income Tax; and (e) the Solicitor-General to discuss the legal aspects of specific issues relating to the introduction of the National Minimum Wage in the country.
- 1.19 In order to ensure the smooth running of the exercise, the Board approved the setting up of seven Technical Committees as follows, under the Chairmanship of representatives of Ministries and Departments to deal with one or more specific issues: (a) Technical Committee on finance and economic issues; (b) Technical Committee on pay components; (c) Technical Committee on wage relativity; (d) Technical Committee to compute hourly rate for part-time workers and lower rate(s) for young persons, trainees, and apprentices; (e) Technical Committee to study problem areas relating to Agro-Industry; (f) Technical Committee to study problem areas relating to Business Enterprise; and (g) Technical Committee to study problem areas relating to Industry and Manufacturing.
- 1.20 Thereafter, in accordance with a decision of the Board, the seven Technical Committees were brought under the umbrella of two Sub-Committees – the first Sub-Committee to study the problem areas and the second Sub-Committee to consider the technical issues relating to the introduction of the National Minimum Wage. In a spirit of broader consultations, members of the Sub-Committees were allowed to co-opt knowledgeable persons with relevant expertise on the topics and issues on the agenda of their respective Sub-Committees.
- 1.21 Overall, the Technical Committees and the Sub-Committees held some 30 meetings. On 02 July 2017 the Sub-Committee on pay components submitted its Report to the Board (The Report is annexed at **Appendix**) and in August 2017 the Sub-Committee on Finance and Economic Issues made a presentation of its Report to the Board. The salient features of the latter Report have been incorporated in this main Report.

Methodology

Determining Hypothetical National Minimum Wage Values

- 1.22 As part of a comprehensive analytical approach and with a view to deciding on the proportion of median to be adopted for the determination of the National Minimum Wage in accordance with Section 5 subsection (b) (i) and (b) (ii) of the National Wage

Consultative Council (NWCC) Act (which provides, inter alia, for the introduction of a National Minimum Wage equivalent to a proportion of the domestic median wage of the preceding year for the lowest paid workers), the Council has adopted, in addition to the Statistical Indicator Methodology, two Household Based Methodologies, namely the Poverty Line Methodology and the Household Expenditure Methodology.

- 1.23 The results of this exercise have provided the Council with hypothetical minimum wage values and alternative scenarios for focused discussions and consultations.
- 1.24 The Statistical Based Methodology approach uses the median wage as a reference, considering that this is a wage level which is associated to a middle-income (not average income) standard of living.
- 1.25 The Poverty Line Methodology has been used to establish the hypothetical minimum wage values that a wage earner would require to allow a household having the average number of wage earners to move out of poverty.
- 1.26 The Household Expenditure Methodology has used the typical household expenditure and the number of wage/income earners in the household to determine the hypothetical minimum wage values.
- 1.27 Based on the results of research on the subject and the fact that Statistics Mauritius sets the relative poverty line at half of the median income per adult equivalent, the Council considered that the household expenditure in respect of the second quartile could be used as a reference and has proceeded accordingly.
- 1.28 The Council then analysed and developed the different options which have emerged. The results obtained using each of the above methodologies were submitted to the Board for discussions and the members expressed different views on account of the different interests they represent respectively. While the members representing the private sector workers opted for a minimum wage of Rs 8,500 plus additional remuneration, representatives of public sector workers expressed the view that a minimum wage of Rs 10,000 should also be considered having regard to the earning ceiling under the negative income tax scheme. On its part, Business Mauritius argued that the minimum wage should in no case exceed 60% of the median wage. Representatives of MEXA expressed the views that the minimum wage should, as per international practice, include other pay components such as food and accommodation and should be staged over time so as not to hamper the competitiveness of the country at the international level and to protect employment.

Narrowing the Options

- 1.29 Considering:
 - (a) the range of hypothetical minimum wage values obtained from the different methodologies;
 - (b) the lowest minimum basic wage in each remuneration order;
 - (c) the views of Board members representing different interests; and

- (d) that the NWCC Act provides for different National Minimum Wages for persons aged 18 and above, young persons, and apprentices and trainees, the upper range of Rs 8,000 to Rs 8,500 was retained for further analysis and comparison and for more focused consultations at the level of the Board and with other stakeholders.

Sustainability of the Hypothetical Minimum Wage

- 1.30 Concurrent to focused discussions held at the Board level, a series of consultations were held with groups/institutions representing different interests to assess, among others, the capacity of the different sectors to adopt and sustain a National Minimum Wage in the range of Rs 8,000 to Rs 8,500, under the provisions of Section 5 sub-sections (b)(i) and (b)(ii) of the NWCC Act, with effect from 1st January 2018.
- 1.31 In this context, several meetings were held with, among others, the Mauritius Exports Association (MEXA), the Small and Medium Enterprises Development Authority (SMEDA), the Mauritius Cane Industry Authority (MCIA), the Sugar Insurance Fund Board (SIFB), and Associations representing Small and Medium Enterprises (SMEs) across several sectors such as printing, bakery, furniture, handicraft, jewelry, etc. The Chairpersons of the relevant Sub-Committees and Technical Committees as well as professionals in the appropriate fields attended these meetings, which were invariably presided over by the Chairperson of the Board. The financial accounts of a few firms in different sectors were examined with the assistance of domain professionals, where the need was felt, particularly in sectors that were liable to face difficulties e.g. the Export Enterprises.

Implications of Options

- 1.32 Concurrent with the consultation exercise, the Council conducted a series of analysis, either through its Sub-Committees or its Executive Office or appropriate Board members and with the assistance of other institutions:
- (a) to gauge the implications of the scenarios; and
 - (b) to compare the level of the National Minimum Wage with (i) chosen relevant indicators and (ii) selected countries.

Structure of the Report

- 1.33 The Report is broken into seven Chapters as follows:
- **Chapter 1** covers the background, approach, methodology and the objectives and philosophy underlying the report.
 - **Chapter 2** addresses the economic and social issues related to the introduction of the National Minimum Wage.
 - **Chapter 3** deals with the methodology used to arrive at Hypothetical Minimum Wage values.

- **Chapter 4** analyses and develops the options.
- **Chapter 5** culminates with the recommendations on, among others, the National Minimum Wage for (a) full time workers; (b) young persons; (c) workers accredited training, apprenticeship or probation; and (d) part-time workers. It also examines in detail and addresses the issue of pay components and provides transitional measures having regard to the need to (i) protect investment and growth and safeguard employment, and (ii) promote and improve exports and the balance of trade in the wake of the economic challenges on both the external and internal fronts.
- **Chapter 6** recommends the harmonisation of the National Minimum Wage with the Negative Income Tax Scheme.
- **Chapter 7** highlights the expected and desirable impact of the recommended National Minimum Wage on certain key indicators.

Objectives and Philosophy

- 1.34 The recommendations contained in this Report aim at improving the standard of living of low wage earners and their families having regard to the need to:
- (i) promote equity in the society by reducing inequality;
 - (ii) bridge the gap between male and female wage earners; and
 - (iii) bridge wage differentials and improve income distribution in favour of the poor,
- while ensuring, to the extent possible, that necessary measures are taken to safeguard employment, investment and economic growth and that Mauritius remains competitive on the international front.
- 1.35 Although poverty alleviation is not explicitly embedded in the mandate of the Council, yet it was considered that it would be laudable if the minimum wage could ensure that households which have the minimum number of Wage/Income earners are not in poverty.

Acknowledgement

- 1.36 This Report has consumed huge amounts of work, research, and dedication. Working on this Report has been a source of immense knowledge for all Board members and staff of the National Wage Consultative Council (**Annex I**). The Council would like to express its sincere gratitude to the senior officials of the Ministry of Labour, Industrial Relations, Employment and Training for their valuable support throughout the course of this Report. We acknowledge with a deep sense of gratitude the encouragement and inspiration received from all stakeholders and institutions which have been associated, directly or indirectly with this exercise. The contributions of the Bank of Mauritius and the State Bank of Mauritius are also acknowledged. Furthermore, we would also like to acknowledge with much appreciation the crucial role of the staff of the Council, particularly its Executive Director. Timely advice, meticulous scrutiny, and scientific approach of Statistics Mauritius (SM) and other specialised agencies have helped the Council to a great extent to accomplish this challenging task within the set time frame. Last but not least, this Report

Introduction of a National Minimum Wage

would not have been possible without the endeavor and sense of understanding of the Board members. In short, the Council is indebted to so many persons/institutions that a complete acknowledgement would be encyclopedic. Therefore, it is a genuine pleasure to express the Council's deep sense of thanks and gratitude to one and all.

Chapter 2

Economic and Social Considerations

- 2.1 As mentioned in the introductory Chapter, in accordance with Section 6 sub-section (2) of the National Wage Consultative Council Act 2016, the Council is required, *inter alia*, before making a recommendation on the National Minimum Wage to the Minister, to have regard to:
- (a) the need to improve the living conditions of the lowest paid workers and promote decent work and living conditions;
 - (b) the overall economic situation of the country;
 - (c) the need to increase the rate of growth and to protect employment; and
 - (d) national competitiveness.
- 2.2 This Chapter sets out, among others, the evidence on the economic and social context to the Council's recommendations. It overviews the economic situation globally and locally, analyses the competitiveness of the country both at the national and sectoral levels, reviews the overall social situation locally, and examines the labour situation in relation to employment, unemployment and wage levels. The Chapter then concludes with the pertinent statutory considerations and their implications for the determination of the National Minimum Wage.
- 2.3 ***Global Economic Situation***
- 2.3.1 Global economic growth remains on track, with the recovery in global industrial activity coinciding with a pickup in global trade, after two years of weakness. In July 2017, the IMF kept its global growth forecasts unchanged for 2017 and 2018. World output is forecast to increase from 3.2 per cent in 2016 to 3.5 per cent in 2017 and further to 3.6 per cent in 2018. Advanced economies are projected to expand from 1.7 per cent to 2.0 per cent in 2017 and by 1.9 per cent in 2018. Growth in emerging market and developing economies is projected to accelerate from 4.3 per cent in 2016 to 4.6 per cent in 2017 and further to 4.8 per cent in 2018.
- 2.3.2 Global inflationary pressures have receded somewhat lately on the back of subsiding energy prices and contained demand pressures. Oil prices have generally been on a downtrend as the rising crude oil output from US shale fields disrupted OPEC's efforts to rebalance supply and demand. The monthly average oil price of NYMEX WTI gradually fell from US\$51.2 per barrel in April 2017 to US\$48.6 per barrel in May 2017 and further to US\$45.2 per barrel in June 2017. It picked up to US\$46.7 per barrel in July 2017. However, the Food and Agriculture Organisation of the United Nations (FAO) Food Price Index has maintained its upward trend, mostly on a combination of supply constraints and currency movements. The index increased from 168.9 in April 2017 to 179.1 in July 2017, representing a rise of 6.0 per cent.

Overview of Economic and Social Situation of Mauritius

Overall Economic Performance

- 2.3.3 Over the past decades, Mauritius has achieved remarkable economic and social progress. The economy has been successfully diversified from a monocrop economy to one based on a number of important pillars such as textiles, manufacturing, tourism, financial services, information and communication technology, and seafood processing. This diversification process was combined with political and macroeconomic stability, structural reforms and sound institutions.
- 2.3.4 Table 1 below gives the trend of certain macro-economic indicators for the period 2010 to 2016. It is noted that Real Gross Domestic Product (GDP) growth averaged 3.5% over the past years. On the other hand, GDP at market prices grew by 3.8% in 2016, compared to 3.6% in 2015. This rate is forecasted to be 3.9% for 2017 based on updated information on key sectors of the economy and policy measures announced in the 2016/2017 Budget.

Table 1: Main Economic Indicators

Particulars	Unit	2010	2011	2012	2013	2014	2015	2016
GDP at market prices	%	4.4	4.1	3.5	3.4	3.7	3.6	3.8
Real GDP Growth Rate (basic prices)	%	4.5	3.9	3.6	3.4	3.6	3.1	3.6
Saving Rate (GDS/GDP)	%	13.0	13.2	12.4	11.1	10.6	10.4	11
Investment Rate	%	24.2	23.5	22.6	20.8	18.9	17.4	17.3
Consumption Expenditure nominal growth rate	%	5.4	7.2	7.0	7.7	5.9	4.8	5.2
Headline Inflation rate	%	2.9	6.5	3.9	3.5	3.2	1.3	1.0

- 2.3.5 After a strong performance in 2016Q4, the Mauritian economy weakened somewhat in 2017Q1, dragged down by the decline in exports and moderation in final consumption expenditure. However, investment spending increased noticeably, bolstered by a surge in 'Building and construction work'. At the sectoral levels, the 'Manufacturing' sector stagnated on the back of contractions in textile and food sub-sectors while growth in the 'Construction' sector was buoyant. The services sector remained the major driver of growth.
- 2.3.6 Consumption expenditure held up fairly well, as the moderation in household consumption expenditure was partly offset by a strong acceleration in Government expenditure. Final consumption expenditure of households and general Government grew by 2.8% in 2016 compared to 2.7% in 2015 and is expected to grow by 3% in 2017.
- 2.3.7 Statistics Mauritius foresees real GDP growth at market prices at 3.9 per cent for 2017. The 'Construction' sector is expected to support economic activity throughout 2017, with a growth of 7.5 per cent with the implementation of major infrastructural projects. The 'Manufacturing', 'Professional, scientific and technical activities', 'Administrative and

support service activities' and 'Information and communication' sectors are anticipated to grow at a higher rate in 2017 compared to 2016. The 'Accommodation and food service activities' sector is posited to expand by 5.2 per cent, conditional on tourist arrivals of 1,360,000. The Bank of Mauritius currently forecasts that gross tourism receipts to be about Rs 58.8 billion in 2017, from Rs 55.9 billion in 2016.

- 2.3.8 Moreover, investment spending increased noticeably, bolstered by a surge in 'Building and construction work'. Investment rate would increase to 17.6% in 2017 compared to 17.3% in 2016. On the other hand, the private investment rate would decrease to 12.8% in 2017 from 13.0% in 2016 while public investment rate would increase to 4.8% in 2017 compared to 4.4% in 2016.
- 2.3.9 Gross Domestic Savings (GDS) as a percentage of GDP at market prices is expected to pick up in 2017 to reach 11.0% compared to 10.4% in 2015 and 11 % in 2016.
- 2.3.10 Inflation rate declined to 0.9 per cent in June 2016 compared to more than 3% in previous years. This is the lowest rate during the last 25 years. However, in 2017, the headline inflation rate is expected to reach around 4%. The increase in domestic inflation rate has been due to the impact of higher prices of alcoholic beverages, tobacco and mogas and diesel oil.
- 2.3.11 Public sector debt remained at about 65 per cent of GDP at the end of June 2017, indicating amongst others a constrained fiscal space. As a proportion to GDP, external debt fell by 2.4 percentage points to 13.2 per cent by end of June 2017 reflecting an earlier repayment of an external loan obligation in January 2017.
- 2.3.12 Preliminary estimates of the balance of payments indicate that the country's external current account deficit would deteriorate further in 2017. The current account deficit is expected to increase from about 4.4 per cent of GDP in 2016 to about 5.4 per cent of GDP in 2017. The deficit on the goods account is projected to widen from Rs 72.8 billion in 2016 to Rs 82.1 billion in 2017, mainly as a result of higher imports of goods and lower exports. However, financial flows resulting from surplus on the income account and surplus on the services account would be more than adequate to finance the current account deficit (BOM).

Sectoral Performance

Agro-industry sector

- 2.3.13 Agriculture's share to GDP which stood at 30 % in the 1970s has declined to an average of 3.5% (including 1.2% for the sugar sector) since 2011. Although the sector is no more a major contributor to GDP, yet it remains a vital sector providing livelihood to a number of families and is contributing 18% of export earnings and giving employment to some 40,000 workers.
- 2.3.14 The agricultural sector is expected to contract by 0.3% in 2017 compared to a growth of 3.7% in 2016. On the other hand, the non-sugar agriculture production will only grow by 2.5% in 2017 compared to 3.2% in 2016.

Manufacturing, including Export-Oriented Enterprises

2.3.15 The Manufacturing sector, comprising Exports Oriented Enterprises (EOE) and Domestic-Oriented Enterprises (DOE) accounting for 36% and 64% respectively, remains an important pillar of the economy. As per the classification under the National Accounts manufacturing encompasses four components namely sugar Milling (1%), food excluding sugar (37%), textile (31%) and other manufacturing (31%). As shown in the Table 2 below, the manufacturing sector contributed to 13.9 % of GDP in 2016 including a share of 5.2% for the EOE.

Table 2: Manufacturing Sector and EOE contribution to GDP (2010-2016)

Particulars	2011	2012	2013	2014	2015	2015	2016
Manufacturing Sector (excluding sugar milling)	16.9	16.7	15.8	15.3	14.7	14.7	13.9
<i>out of which EOE Sector</i>	<i>6.2</i>	<i>6.2</i>	<i>6.2</i>	<i>5.9</i>	<i>5.7</i>	<i>5.7</i>	<i>5.2</i>

2.3.16 Employment in the manufacturing sector stood at 97,300 in 2016 out of which EOE employed around 52,311 workers. In 2016, the EOE employed around 22,800 expatriates representing a share of 43.6 %.

2.3.17 The domestic manufacturing sector comprising around 400 large establishments produces a diversified range of products within 11 main product groups. The sector employed around 24,800 persons at the end of December 2016. It mainly caters for the local market with exports destined exclusively for the regional markets.

2.3.18 On the other hand, the EOE sector comprising 280 enterprises employed around 52,300 workers at the end of December 2016. This sector produces a relatively narrow range of products, with textile and clothing, fish and fish preparations and jewellery/processed diamonds accounting for about 54.8 %, 22.9% and 8.4% of total exports respectively. The light engineering, medical devices and high precision plastics are other important sub-sectors. Employment in this sector decreased by 1,290 in 2016 compared to 2015 while exports and imports decreased by 8 % and 6 % respectively as shown in the Table 3 below:

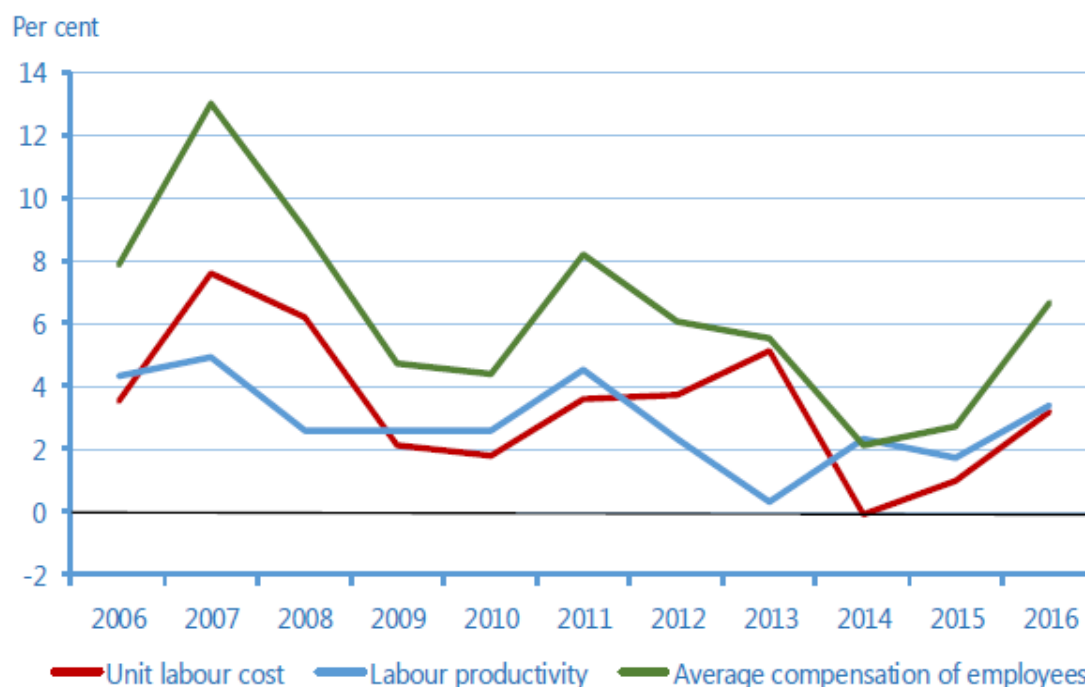
Table 3: Main statistics on the EOE

	2015	2016	Change 2015/2016
Employment (Total)	53,601	52,311	-1,290
<i>Mauritians</i>	<i>31,025</i>	<i>29,493</i>	<i>-1,532</i>
<i>Foreigners</i>	<i>22,576</i>	<i>22,818</i>	<i>242</i>
Exports (R million)	48,487	44,597	-3,890
Imports (R million)	27,312	25,681	-1,631

National Competitiveness

2.3.19 Unit labour cost, which determines competitiveness by measuring the labour cost of one unit of output, has risen systematically in Mauritius from 2006 to 2016, reflecting growth of average compensation of employees in excess of gains in labour productivity. Over that period, compensation grew at an annual average rate of 6.2 per cent compared to an annual average rate of 2.7 per cent for productivity. Accordingly, unit labour costs grew at an annual average rate of 3.4 per cent. Figure 1 provides the annual percentage change in unit labour costs, labour productivity and compensation of employees for the economy.

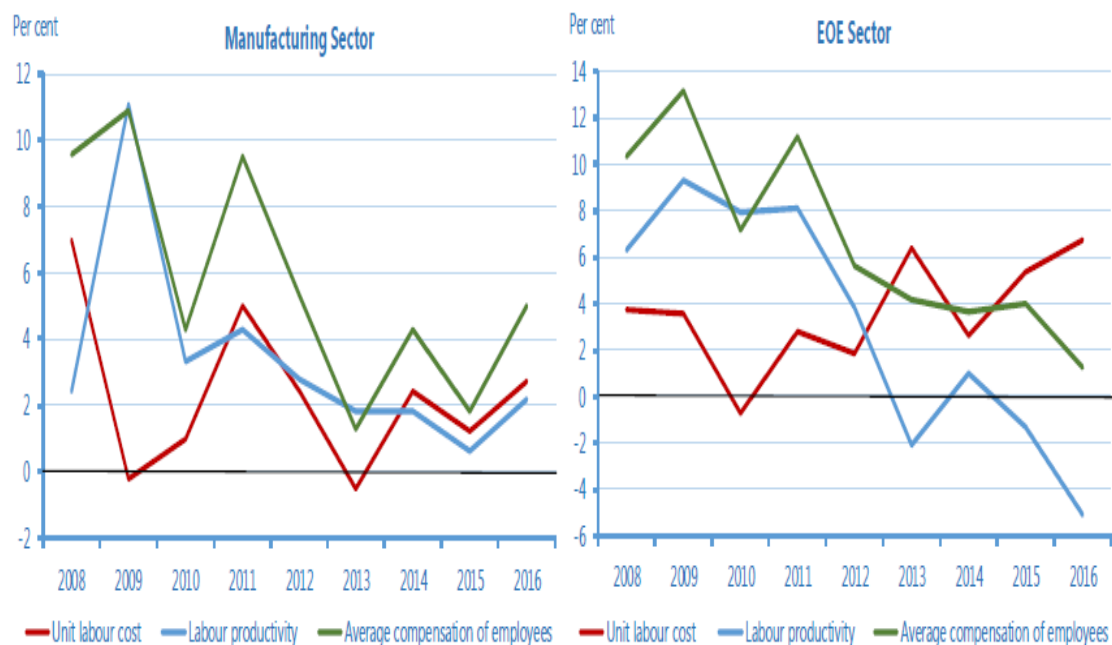
Figure 1: Annual change in unit labour costs, productivity and compensation for the economy



Source: Bank of Mauritius

2.3.20 The trend noted at economy-wide level is also reflected at key sectors of the economy, such as manufacturing and Export Oriented Enterprises (EOE) (Figure 2). In the manufacturing sector, labour compensation rose by an annual average rate of 5.7 per cent from 2007 to 2016, and outpaced the annual average growth of 3.3 per cent in labour productivity. Thus, unit labour costs went up at an annual average rate of 2.3 per cent. For the EOE sector, average compensation of employees increased at an annual average rate of 6.6 per cent between 2007 and 2016, albeit a slowdown as from 2013. Labour productivity rose at an annual average rate of 3.0 per cent. Consequently, competitiveness for the EOE sector was hit, with an annual average increase of 3.5 per cent in unit labour costs. It is noteworthy that labour productivity growth in the sector was negative in 2013, 2015 and 2016, largely attributed to the decline in real output in recent years.

Figure 2: Annual change in unit labour costs, labour productivity and compensation for the manufacturing and EOE sectors



Source: Bank of Mauritius

2.3.21 Both the manufacturing and EOE sectors are posited to remain vulnerable in 2017. Growth in the manufacturing sector is projected by Statistics Mauritius to remain below 1 per cent while the EOE sector is expected to contract for the third consecutive year, facing increased headwinds with the abolition of sugar quotas and deteriorating economic conditions in key export markets. Hence, gains in labour productivity are expected to be low, further pressurising unit labour costs in rupee terms.

Overall Social Situation

2.3.22 Overall living conditions in Mauritius have generally improved significantly since independence in 1968 due to a series of bold reforms in several spheres of activities while maintaining the core principle of the welfare state. Today, the Country provides universal free health care, free education up to tertiary level, free transport for school children and the elderly, social housing and other social benefits for the elderly, widows, persons with disabilities, single mothers, abandoned women and orphans.

Poverty

2.3.23 Mauritius has a relatively low level of poverty mainly due to the implementation of favourable socio-economic policies, consistent economic growth and a strengthened welfare state. Extreme poverty in 2012 was negligible with less than 1% of the population living below the World Bank absolute poverty line in PPP terms. However, relative poverty had increased from 8.5 % in 1996/97 to 9.8 % in 2012.

2.3.24 The average income of households in relative poverty was Rs 9,800 per month while the average monthly consumption expenditure was Rs 8,300. Further, one out of every five households (20%) in relative poverty was in debt. Among indebted households, poor ones disbursed around one-third of their income (Rs 3,200) on debt repayment per month.

2.3.25 However, during the period 1996/97 to 2012, people in relative poverty became better off in terms of housing conditions and possession of durable goods. Several factors, such as favourable socio-economic policies, high economic growth and social benefits have contributed to reduce absolute poverty in Mauritius.

Income Inequality

2.3.26 Rising income inequality and lagging shared prosperity had adverse impacts on relative poverty and inequality in Mauritius. As shown in Table 4 below, the share of national consumption going to the poorest 20% of population fluctuated from 7.6% to 7.4% during the period of 2001/02 to 2012.

2.3.27 Income inequality, as measured by the Gini Coefficient, had risen from 0.371 in 2001/02 to 0.414 in 2012. The lack of progress towards income equality is also evident from the share of income going to the lowest 20% of households which decreased from 6.4% in 2001/02 to 5.3% in 2012. On the other hand, the share of income of the highest 20% of households had increased from 44.0% in 2001/02 to 47.5% in 2012.

Table 4: Indicators on Income Inequality

Particulars	2001/02	2006/07	2012
Share of poorest quintile in national consumption (%)	7.6	7.6	7.4
Gini Coefficient Index	0.371	0.388	0.414
Income Share to the lowest 20% of Households (%)	6.4	6.1	5.3
Income Share to the highest 20% of Households (%)	44.0	45.6	47.5

Source: Statistics Mauritius

2.4 Overview of the Labour Market

2.4.1 Highly heterogeneous, the labour market in Mauritius comprises thousands of establishments ranging from very large with several thousands of employees and turnover running in billions to small establishments with up to five employees and turnover of less than Rs 2 million annually. It also comprises thousands of households employing around 25,000 domestic workers.

2.4.2 The market is characterised by predominantly centrally determined wage levels which do not always necessarily reflect market realities. To date, only around 6% of employment is governed by collective agreement.

Employment and Labour Force in Mauritius

2.4.3 The labour force in Mauritius has constantly increased from year 2010 to year 2015 as shown in the Table 5 below. The Table also indicates a decline in year 2016 for both the domestic and the foreign labour market.

Table 5: Labour Force

	Unit	2010	2011	2012	2013	2014	2015	2016
Total Labour Force	000	573.9	571.6	580.3	597.5	604.0	612.9	609.6
Total Labour Force (exl foreign workers)	000	551.9	548.6	556.3	571.2	575.7	584.6	581.0
Total Employment (incl. Foreign workers)	000	531.7	528.9	535.7	552.0	559.2	566.6	567.2
% of Foreign workers of the total workforce	%	3.83	4.02	4.14	4.40	4.69	4.61	4.69

Source: *Statistics Mauritius, 2016*

2.4.4 It is noted that while the share of foreign labour has been increasing over the years, unemployment situation in the country particularly for youth, women and the unskilled remains paradoxically a major problem. The share of foreign workers as a percentage of the total workforce has been rising from 3.83% in 2010 to 4.69% in 2016. In absolute terms, employment of foreign workers has fluctuated during the past three years increasing from 28,866 in 2014 to 29,627 in 2015 and then dropping slightly to 29,084 in 2016. The manufacturing sector (especially the textile and clothing sectors) employs the highest number of foreign workers. Table at **Annex V** gives the number of foreign workers employed in large establishments by industrial group and sex from March 2014 to March 2016

2.4.5 The pattern of employment in the past years indicates that Mauritius is increasingly shifting away from primary and secondary activities to become a more services and knowledge-oriented economy. In that respect, the tertiary sector has become the largest employer with a share of total employment that has increased from 199,700 in 2014 to 218,500 in 2016 while employment in the secondary segment has been constantly declining since 2014 as shown in Table 6 below.

Table 6: Number of full-time private sector employees by industrial sector, 2014 – 2016

Industrial sector	2014	2015	2016
Primary	18,300	19,000	21,300
Secondary	72,100	69,600	68,600
<i>of which Manufacturing</i>	<i>59,400</i>	<i>55,900</i>	<i>57,100</i>
<i>Construction</i>	<i>11,500</i>	<i>12,400</i>	<i>9,800</i>
Tertiary	199,700	206,300	218,500
<i>of which Wholesale and retail trade</i>	<i>58,200</i>	<i>59,300</i>	<i>64,300</i>
<i>Accommodation and food service activities</i>	<i>29,600</i>	<i>31,100</i>	<i>32,700</i>
<i>Transportation and storage</i>	<i>16,200</i>	<i>17,700</i>	<i>18,300</i>
<i>Education, health and social work & other services</i>	<i>36,300</i>	<i>37,200</i>	<i>38,700</i>
Total	290,100	294,900	308,400

Source: CMPHS & SEE

- 2.4.6 It is also noted that the SMEs have contributed to almost 55% of total employment in 2016 representing 296,300 persons. The share of micro enterprises operating with one to five persons and generating a turnover of not more than Rs 2 million accounted for 60% of SME employment.
- 2.4.7 According to Statistics Mauritius, the Mauritian labour force would rise slightly from 581,000 in 2016 to 589,200 in 2017, while employment would increase from 538,600 to 547,000 during the same period.

Unemployment

- 2.4.8 Unemployment rate, which has remained a concern since the financial crisis, reached a peak of 8% in 2012 and 2013. The rate which started to decline since 2014, as shown in Table 7 below, reached 7.3% in 2016 (4.8% for male and 11.2% for female). It is estimated to fall further to 7.2% in 2017. It is worth mentioning that the male unemployment rate of 4.8% is only 1.8% away from full employment (which by definition includes a rate of unemployment of 3% as tolerable for cyclical reasons).

Table 7: Unemployment Rate

Particulars	Unit	2010	2011	2012	2013	2014	2015	2016
Unemployment Rate	%	7.6	7.8	8.0	8.0	7.8	7.9	7.3
Male	%	4.5	5.0	5.2	5.3	5.5	5.5	4.8
Female	%	12.9	12.4	12.7	12.2	11.4	11.6	11.2

- 2.4.9 It is noted that unemployment in Mauritius is mainly structural affecting mostly the low-skilled youth and women. The youth unemployment rate for 2016 stood at 23.9%. The unemployment rate for young women has been consistently higher than that of men. In 2016, out of 18,900 young unemployed, 8,200 were men and 10,700 women.
- 2.4.10 Moreover, the Mauritian labour market is characterised by a mismatch of demand and supply of workers. While there is a strong demand for skilled workers in the financial services, ICT, health care and tourism sectors, there is a decline in demand for lower-skilled labour in the textile and sugar sectors.
- 2.4.11 ***However, in spite of the reduced demand for lower skilled workers, employing firms are either unable to hire locals or prefer to hire expatriate workers who today account for around 4.7% of the total labour force. In this respect, it is to be noted that numerous persons who are registered as unemployed have turned down employment offers this year.***
- 2.4.12 ***In this context, it is obvious that the country will have to continue to depend on foreign workers for several jobs at the lower end of the spectrum and this for many years to come.***
- 2.4.13 ***To sum up, the evidence concerning the employment situation indicates the following pertinent issues:***
- (a) a change in the pattern of employment characterised by the changes in the worker profile, required in recent years;***
 - (b) the difficulty of firms to recruit on account of the mismatch in the demand and supply of workers;***
 - (c) the Country would have to depend on foreign workers for several jobs at the lower end of the spectrum for many years to come; and***
 - (d) the characteristics of unemployment are predominantly youth, female and unskilled.***

Wages and Conditions of Employment

- 2.4.14 Low wage workers can very broadly be classified into three categories as regards level of wages and conditions of employment as given in Table 8 below:

Table 8: Categorisation of Low Wage Earners

Category	Employer	Wages and Conditions of Employment
Civil Servants, Workers of Parastatal Bodies and Local Authorities and Rodrigues Regional Assembly	The Government and the relevant Boards	Centrally determined as per PRB Report

Category	Employer	Wages and Conditions of Employment
Workers of State Owned Enterprises and other Specialised Parastatal Bodies	The Boards	Centrally determined by the Board or based on Collective Agreement
Private Sector Workers	The Individual Company or firms or Heads of Households	Centrally determined as per Remuneration Orders or based on negotiations with or without Collective Agreements

- 2.4.15 In general, Public Enterprises not covered by the PRB lead the Civil Service which in turn leads the private sector in terms of the wage levels for lower paid workers.
- 2.4.16 In the private sector, the minimum wage levels based on negotiations are higher than those in Remuneration Orders. The Table at **Annex VI** gives the number of full time employees in the private sector by basic wage distribution and by types of establishment.
- 2.4.17 The Table at **Annex II** gives the lowest minimum wages by each Remuneration Order excluding young persons, trainees and apprentices. As mentioned earlier, the lowest legislated minimum wages in the different Remuneration Orders, except for EPZ, range from Rs 6,555 to Rs 11,527. However, the minimum basic wage in the EPZ sector stands at Rs 4,936 for an unskilled worker and Rs 5,315 for a factory worker.
- 2.4.18 Moreover, the wage distribution of full-time workers in 2016 as per Table at **Annex III** indicates that, out of 407,800 full-time workers, 98,200 earn less than Rs 8,000 a month. This figure of 98,200 includes 39,700 who earn less than Rs 5,000 a month and 19,100 who earn less Rs 3,500 a month. The foregoing indicates that around 40,000 full-time workers are drawing less than the lowest legislated minimum wage.
- 2.4.19 ***In view of the foregoing, the Council considers that the introduction of the National Minimum Wage should have regard to the situation in the labour market considering the levels of legislated wages, the remuneration system in the Export Oriented Enterprises (EOE) sector and the extent of non-conformity to statutory provisions.***

2.5 ***Statutory Considerations and Implications for Minimum Wage***

The Need to Increase the Rate of Growth

- 2.5.1 Economic growth refers to the increase in the size of the national cake that the factors of production of the country produce annually. The need for economic growth cannot be over exaggerated considering that growth implies higher standard of living for the country and, if equitably shared, for all the population. Though the economy has been growing at an average rate of 3.7% during the last decade and is expected to grow by 3.9% this year,

significantly higher rates of growth would be required for the country to graduate to a higher income status i.e. improving the per capita income from currently USD 9,740 to about USD 13,600 – the threshold for higher income countries. The average rate of growth needed would depend upon the timeframe the country sets to realise this ambitious goal.

- 2.5.2 Drastic measures need be taken to increase the rate of economic growth by creating necessary and relevant conditions for the country to become more competitive, more entrepreneurial and more productive. These measures include improving public infrastructure, addressing the skills mismatch to reduce unemployment, boosting investment in productive sectors, and ensuring sustainable and equitable growth.
- 2.5.3 It is noted that Government has already initiated several concrete actions in the right directions particularly as regards public investment in major infrastructural projects, business facilitation, and social measures in favour of the poor e.g. direct income support and negative income tax schemes. It is noteworthy that the Mauritius Chamber of Commerce and Industry (MCCI) business index published recently indicated that business confidence levels for the last four consecutive quarters have shown improvement.
- 2.5.4 ***While the Council considers that the minimum wage should not be set at a level that discourages new investment for growth, it recognises that the minimum wage should be set at a level that acknowledges workers' contributions to the stage of economic development the country has reached. In the same spirit, it equally holds the view that future increases in growths should continue to be accompanied by shared prosperity and be inclusive, having regard to the needs of the lowest wage earner to improve his lot and that of his family.***

The Need to Protect Employment

- 2.5.5 Protecting employment is a key objective of Government, given both the social and economic costs associated with a high level of unemployment. Greater employment contributes to economic performance. Employment and households' income help to sustain household consumption expenditure, thus bolstering future economic growth which in turn has the effect of increasing investment, creating employment and improving the standard of living of the nation.
- 2.5.6 While Government is committed to introducing a National Minimum Wage, it has, among others, to create an environment to induce investment and to protect and increase employment to enable workers and their families to improve their standard of living while contributing to economic performance through the production process.
- 2.5.7 An analysis of present wage levels in force as well as the types of employment whether contractual, seasonal, casual, full-time or part time in the different sectors of the economy reveals no major problem for the introduction of a minimum wage in the country. However, the situation is different in the EOE sector which has been facing serious problems lately leading to the closure of a few firms.

- 2.5.8 The single most important challenge of the Council has therefore been the formulation of relevant recommendations in relation to the National Minimum Wage to accommodate the EOE sector with minimum disturbances.
- 2.5.9 ***The Council recognizes that it should, through its recommendations, protect employment, considering that:***
- (a) the need to preserve employment rests mostly on the premise that when people are employed, they will earn an income and be more inclined to spend and make other financial commitments which help to sustain household consumption and improve living conditions while bolstering economic growth;***
 - (b) higher employment contributes to higher fiscal revenue through direct and indirect taxes which help Government to better meet its expenditure;***
 - (c) rising unemployment often represents economic slack which limits gains in domestic output;***
 - (d) if people remain unemployed, Government needs to step in to provide income support, which adds to its expenditure bill; and***
 - (e) keeping people in employment keeps at bay social evils and unrest and consolidates social harmony and peace.***
- 2.5.10 ***The Council has therefore been cautious in the formulation of its recommendations and has taken the necessary measures by way of transitional provisions for sectors that may be adversely affected by the introduction of the National Minimum Wage.***

The need to improve the living conditions of low paid workers and promote decent work and living conditions

- 2.5.11 Decent work is concerned with the availability of employment in conditions of freedom, equity, security, and human dignity. It is a multidimensional concept introduced by the International Labour Office (ILO) in 1999. It has four key components: employment conditions, social security, rights at the workplace, and social dialog. Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity, and treatment for all women and men. (ILO – Springer).
- 2.5.12 Decent Work Country Programme (DWCP) aims to provide a framework for cooperation between the International Labour Organisation (ILO) and its member States in areas of employment and labour. The DWCP framework is the main delivery vehicle for ILO Programmes and Budgets and a mandatory requirement for ILO assistance to its member States. It guides Government, social partners and other stakeholders in regard to priority actions towards the realisation of the ILO's Global Decent Work.

- 2.5.13 Mauritius being a strong proponent of ILO principles signed its first generation of Decent Work Country Programme in November 2012 and same was completed in December 2015. The formulation of the second generation DWCP is already under way.
- 2.5.14 As regards improvement of living conditions, it is pertinent to quote Adam Smith, in the Wealth of Nations 1776, as follows:
- "No society can surely be flourishing and happy, of which the far greater part of the members is poor and miserable. It is but equity, besides, that they, who feed, clothe and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well-fed, clothed and lodged."*
- 2.5.15 Improvement of living conditions of low paid workers in general requires, among others, an increase in their disposable income to enable higher consumption.
- 2.5.16 Moreover, there is need to address, to the extent possible, the challenges of growing income inequality and poverty.
- 2.5.17 ***In formulating the minimum wage, the Council has, therefore, been guided, by the need to address, to the extent possible, the issue of income inequality and poverty and the need to improve the living conditions of low paid workers.***

The need to ensure national competitiveness

- 2.5.18 The analysis of national competitiveness reveals that the gap between productivity growth and compensation growth has been increasing for several years thus increasing the unit labour cost both at the aggregate level and at the sectoral level, particularly for the EOE.
- 2.5.19 It has been submitted that (a) several competitor countries e.g. Madagascar, Bangladesh, India, Vietnam, etc. are relatively cheaper than Mauritius; and (b) the competitiveness of our products in the export market is being eroded with negative impact on exports, investments and the balance of trade.
- 2.5.20 On the other hand, it is noted that gross operating surplus at the aggregate level i.e. gross revenue minus intermediaries and indirect taxes which recently started to decrease, stands at around 51.5% of GDP in 2017.
- 2.5.21 While the erosion of national competitiveness dictates the need to improve productivity and for cautiousness on the wage front, the level of operating surplus indicates, in principle, a measure of affordability for wage increases particularly at the low levels. It may, however, be argued that, as the minimum wage involves additional costs at the firm level, and analysis at the aggregate level and/or at the sector level may not always lead to the right of conclusion on the issue of affordability.
- 2.5.22 ***Consequently, it is necessary to strike the right balance between the need to improve productivity and national competitiveness and the need to ensure adequate income to low wage earners for low income households to maintain a reasonable standard of living. In setting the National Minimum Wage, the Council has proceeded accordingly.***

Summary and implications of the evidence

2.5.23 In summary, the evidence on the Economic and Social front and the characteristics of the labour market dictate conflicting inferences for minimum wage policy formulations. While the pattern of income distribution and the depth of relative poverty appear to entail a wage leap, the economic and labour market evidence such as the recurring balance of trade deficit, the falling export value, the erosion of competitiveness, the recent closures and delocalisation of firms require prudence and cautiousness on the wage front. Furthermore, the increasing reliance on foreign workers for work at the lower range of the wage spectrum and the higher employment costs associated with their employment call for specific measures.

2.5.24 These conflicting inferences and needs raise an issue of choice – between either a relatively low National Minimum Wage affordable by all sectors or a relatively higher National Minimum Wage with appropriate safeguards. The Council has opted for setting the National Minimum Wage at an optimum level for applicability in all sectors but with specific recommendations for problem areas, actual and foreseeable and transitional provisions for implementation, having regard to the Statutory requirements under the National Wage Consultative Council Act.

CHAPTER 3

Methodology & Hypothetical Minimum Wage Values

“No society can surely be flourishing and happy, of which the far greater part of the members is poor and miserable.”

Adam Smith

3.1 This Chapter elaborates on the methodologies adopted for the determination of hypothetical National Minimum Wage values. This is considered an important step to narrow down options for consultations, facilitate focused discussions, examine the impact of different scenarios, and subsequently facilitate decision taking.

Methodology

Statistical Indicator Methodology

- 3.2 Section 5 subsection (b) (i) of the National Wage Consultative Council (NWCC) Act provides, *inter alia*, for the introduction of a National Minimum Wage equivalent to a proportion of the domestic median wage of the preceding year for the lowest paid workers. The median wage is the boundary between the highest 50% and the lowest 50% of wage earners in the wage distribution. The median wage for full-time employees in the public and private sectors for period 2011 to 2016 is given at **Annex VII**. The median wage for the year ending December 2017 stands at Rs 13,400 a month, as determined by Statistics Mauritius (SM).
- 3.3 The approach, using the median wage as a reference, considers that this is a wage level, which is associated to a middle-income (not average income) standard of living. The question then is to decide on what should be the proportion to apply, which itself is based on an appreciation of what is a minimum standard of living (International Labour Organisation (ILO) Report - September 2014).
- 3.4 Learning from International experience shows that developed economies commonly set their minimum wage between 40% and 60% of the median wage. Most countries, however, use the mean wage as a reference and set their minimum wage at around 40% of the mean. The hypothetical National Minimum Wage values, worked out on the basis of the foregoing international benchmark ratios, are shown in the Table 9 below:

Table 9: Hypothetical National Minimum Wage Values

Median	40% to 60%	Rs 5,360 to Rs 8,040
Mean	40%	Rs 8,040

Household Based Methodologies

3.5 Section 6 sub-section (2) (b) of the NWCC Act (2016) provides, *inter-alia*, that the National Minimum Wage to be introduced must mandatorily have regard to the need to improve the

living conditions of the lowest paid workers and promote decent work and living conditions. The improvement of living conditions requires that families obtain sufficient income to provide for their needs either to move out of poverty or to have a standard of living in comparison to persons higher up the echelon. The Council has used two other methodologies related to household consumption, namely 'the poverty line methodology' and 'the household expenditure methodology' in order to arrive at the hypothetical minimum wage values, to be used indicatively for the determination of the National Minimum Wage.

- 3.6 One of the problems associated with using these methodologies for the fixing of a minimum wage is that they are household based and not wage based. Consequently, there is need (a) to define/select a size of household to be used and (b) to decide on the number of wage/income earners in the selected family size. In this respect, the Council has used an average household size of two adults and two children which is the actual average size of low and middle-income households in Mauritius and the average number of wage/income earners for the selected family size based upon (i) the average number of wage/income earners as revealed by the 2012 Household Budget Survey; (ii) the decrease in unemployment rate from 8% in 2012 to 7.2% in 2017; and (iii) the enhanced rate of remuneration for part-time workers.

Poverty Line Methodology

'Poverty anywhere is a danger to prosperity everywhere'

- 3.7 The Council holds the view that, although poverty alleviation is not explicitly embedded in its mandate, yet it would be laudable if the Council could ensure, through the Minimum Wage, that families who have the minimum number of Wage/Income earners are not in poverty.
- 3.8 A person or household is considered poor if his or its resources fall below a threshold or cut off line known as 'the poverty line'.
- 3.9 The Poverty Line Methodology aims at arriving at a minimum wage which enables a household to earn an income to be above an established national poverty line.
- 3.10 As Mauritius has not adopted a national poverty line, the absolute poverty line worked out by the World Bank for developing countries like Mauritius i.e. 3.10 US dollars purchasing power parity (US \$ PPP) for one person or the relative poverty line (RPL) established by SM, after appropriate adjustment for inflation, may be used for the purpose of the poverty line methodology.
- 3.11 The analysis based on the relative poverty line is used to determine the profile of the poor and how they compare with the non-poor. However, given that the relative poverty line is not appropriate for monitoring changes in poverty levels over time (since it varies according to the income distribution of the population), an absolute poverty line may be used by keeping the relative poverty line fixed in real terms. (Statistic Mauritius – Poverty Report 2015)

- 3.12 SM uses the relative poverty line, set at half of the median monthly household income per adult equivalent. In 2012, the relative poverty line was Rs 5,652 for a one-adult member household and Rs 13,310 for a four-member household, comprising two adults and two children.
- 3.13 SM has, at the request of the Council, updated the RPL for inflation up to December 2017 for selected types of households as shown in Table 10 below.

Table 10: RPL for Selected Types of Households

RPL for Selected Types of Households	2012 (Rs)	2017 (Rs)
Households with 1 adult member	5,652	6,420
Households with 2 adult members	9,180	10,430
Households with 2 adults and 2 children	13,310	15,130

- 3.14 It is noted that the relative poverty line, adjusted for estimated inflation up to December 2017, for a household with one adult member stands at Rs 6,420 a month, while for a family of two adults and two children works out to Rs 15,130. The latter figure includes an amount of Rs 2,016 for imputed household rent, which the Council has not discounted in recognition of the fact that a significant proportion of the 88% house-owners, particularly the poor, have high levels of debt servicing.

Hypothetical National Minimum Wage Values Based on Poverty Line

- 3.15 The figure of Rs 15,130 has been adjusted for the End of Year Bonus and to include 3% contribution for pension and 1% for the Back to Work Programme in order to arrive at the minimum monthly disposable income that a family of four would require to be above the poverty line. The monthly disposable income works out to Rs 14,522 a month.
- 3.16 The Council has worked out the hypothetical National Minimum Wage values using the following formula:

$$[(\text{Monthly Disposable Income}) \div (\text{Number of wage/income earners per household})]$$

- 3.17 The results are given in the following table:

Number of Wage/Income Earners per household	Hypothetical National Minimum Wage Values
2 Income Earners	Rs 7,260
1.82 Wage Earners	Rs 7,980

Household Expenditure Methodology

- 3.18 The Household Expenditure methodology determines the hypothetical minimum wage values using the household expenditure and the number of wage/income earners in the household.
- 3.19 According to the 2017 World Bank Report – ‘Remuneration Orders in Mauritius: An Overview’, poor families with low wage earners were concentrated in the lower income deciles of the population. Moreover, research suggests quite understandably and logically that the expenditure of households in the quintile or quartile immediately above a focus group could be considered for improving the lot of that particular group. It is also noted that Statistics Mauritius sets the relative poverty line at half of the median monthly household income. Consequently, the Council considers that the household expenditure in respect of the second quartile could be appropriately used as a reference for the purpose of the household expenditure methodology.
- 3.20 The table below gives the household expenditure for a family of four in the second quartile and the second quintile, as adjusted for estimated inflation up to December 2017 and for end-of-year bonus.

Household	Monthly Expenditure
Based on the second quintile	Rs 14,255
Based on the second quartile	Rs 15,463

- 3.21 The Council has worked out the hypothetical National Minimum Wage values using the following formula:

$$\mathbf{[(Monthly\ Household\ Expenditure\ of\ Second\ Quartile\ 2017)] / (Average\ Number\ of\ Wage/Income\ earners\ per\ household)}$$

- 3.22 The hypothetical National Minimum Wage values, based on the monthly expenditure of households in the second quartile of the distribution and number of wage/income earners per household, worked out as follows:

Number of Wage/Income Earners	Hypothetical National Minimum Wage Values
2 Income Earners	Rs 7,730
1.82 Wage Earners	Rs 8,500

Summary of Hypothetical Results

3.23 The following is a summary of the Hypothetical Minimum Wage values based on the different methodologies as described above:

Methodology	Range of Values (Rs)
Statistical Indicator:	
% of Median Wage	Rs 5,360 to Rs 8,040
% of Mean Wage	Rs 8,040
Poverty Line	Rs 7,260 to Rs 7,980
Household Expenditure	Rs 7,730 to Rs 8,500

3.24 In the next chapter, the Council proceeds with the analysis and development of options, which it considers essential pre-requisites for the determination of the National Minimum Wage.

Chapter 4

Analysis and Development of Options

- 4.1 The Council has elaborated on the methodologies adopted for the determination of hypothetical National Minimum Wage values in Chapter 3. In this Chapter, the Council therefore analyses and develops the different options which have emerged.
- 4.2 A summary of the hypothetical National Minimum Wage results arrived at using different methodologies, as given in Chapter 3, is reproduced hereunder in Table 11.

Table 11: Methodology and Range of Values

Methodology	Range of Values (Rs)
Statistical Indicator: % of Median Wage – 40% to 60%	Rs 5,360 to Rs 8,040
% of Mean Wage (40%)	Rs 8,040
2012 Poverty Line adjusted for inflation	Rs 7,260 to Rs 7,980
Household Expenditure of a family of four in the second quartile with 2 income earners and 1.82 wage earners	Rs 7,730 to Rs 8,500

Views of Members

- 4.3 The views of Board members were sought after they took cognizance of the results obtained from the different methodologies at different monthly Board meetings.
- 4.4 The members of the Board, representing private sector workers' interests, collectively requested for the adoption of the Rs 8,500 option plus additional remuneration, if any, payable from 1st January 2018 particularly on the ground of "Securité Alimentaire" for workers and their families. Members representing consumer associations supported the claim of representatives of workers.
- 4.5 Members representing Public Sector workers submitted that a National Minimum Wage of Rs 10,000 should also be considered, given that Government had come up with a scheme whereby employees earning up to Rs 9,900 would be eligible for a Negative Income Tax. It was, however, noted that:
- (a) the Negative Income Tax Scheme provides for a maximum payment of Rs 1,000 for employees earning less than Rs 5,000; and
 - (b) unlike the National Minimum Wage, the Negative Income Tax is payable based on earnings which include among others overtime earned.
- 4.6 Business Mauritius, on the other hand, submitted that the National Minimum Wage should at most be limited to 60% of the median wage of the preceding year, with effect from 1st January 2018, and that no additional remuneration should be payable over and above that

figure for rise in cost of living for period January to December 2017. Representatives of MEXA expressed the views that the minimum wage should, as per international practice, include other pay components such as food and accommodation where appropriate and should be staged over time so as not to hamper the competitiveness of the country at the international level and to protect employment.

- 4.7 On the other hand, representatives of Ministries and Departments held the view that any figure to be adopted for minimum wage should be inclusive of compensation for erosion of purchasing power for calendar year 2017 and should be accompanied with transitional measures to prevent loss of jobs and to ensure the competitiveness of the country.

Narrowing the Options

- 4.8 Considering:

- (a) the range of hypothetical minimum wage values obtained from the different methodologies;
- (b) the lowest minimum basic wage in each remuneration order given at **Annex II**;
- (c) the views of Board members representing different interests, as mentioned above; and
- (d) that the NWCC Act provides for different National Minimum Wages for persons aged 18 and above, young persons, and apprentices and trainees,

the upper range of Rs 8,000 to Rs 8,500 was retained for further analysis and comparison and for more focused consultations at the level of the Board and with other stakeholders.

- 4.9 More precisely and for practical purposes, the scenarios of Rs 8,000 and Rs 8,500, (i.e. the two extreme values in the retained range), with effect from 1st January 2018, were explored for consideration as the higher of the National Minimum Wages under the provisions of Section 5 sub-sections (b) (i) and (b) (ii) of the National Wage Consultative Council (NWCC) Act.

Focused Meetings and Consultations

- 4.10 As mentioned in chapter one, concurrent to focused discussions at the Board level, a series of consultations were held with groups/institutions representing different interests to assess, among others, the capacity of the different sectors to adopt and sustain a National Minimum Wage in the range of Rs 8,000 to Rs 8,500, with effect from 1st January 2018.

- 4.11 In this context, several meetings were held with, among others, Mauritius Export Association (MEXA), Small and Medium Enterprises Development Authority (SMEDA), Mauritius Cane Industry Authority (MCIA), Sugar Insurance Fund Board (SIFB), and Associations representing Small and Medium Enterprises (SMEs) across several sectors namely printing, bakery, furniture, handicraft, jewelry, etc. The Chairpersons of the relevant Sub-Committees and Technical Committees as well as professionals in the appropriate fields attended these meetings, which were invariably presided over by the Chairperson of the Board. The accounts of firms and productivity of a few sectors were

examined with the assistance of domain professionals, where the need was felt, particularly in sectors that were liable to face difficulties e.g. the Export Enterprises.

Implications of Options

- 4.12 As explained earlier, concurrent with the consultation exercise, the Council either through its Sub Committees or its Executive Office or appropriate Board members and with the assistance of other institutions conducted a series of analysis to:
- (a) gauge the implications of the scenarios; and
 - (b) compare the level of the National Minimum Wage in relation to (i) chosen relevant indicators and (ii) selected countries.

Options as a Share of Median and Mean – Kaitz Ratio

- 4.13 The Kaitz ratio refers to the proportion of minimum wages to the mean or median wage. This measure provides an indication of how high wages are set relative to the average wage level for a given country.
- 4.14 It is noted that the combined median wage for both the public and private sectors stands at Rs 13,400 a month while the corresponding mean wage stands at Rs 20,100, for calendar year 2017.
- 4.15 The table below gives the ratio of the hypothetical minimum wage (HMW) values to the national median basic wage and the national mean wage. Table 12 below also provides the ratios with the HMW values adjusted for the statutory end of year bonus.

Table 12: Hypothetical Minimum Wage as a proportion of Median and Mean

HMW Values (Rs)	% of Median	% of Mean	HMW Adjusted for end of year bonus (Rs)	% of Median	% of Mean
Rs 8,000	59.7	39.8	Rs 8,667	64.7	43.1
Rs 8,500	63.4	42.3	Rs 9,208	68.7	45.8

- 4.16 Though the proportions of the median, obtained from the scenarios, which ranges from 59.7% to 68.7%, appear to be on the high side in relation to international benchmark, (save for exceptions) the arguments in favour of these proportions had much weight particularly considering the extent of the skewness (i.e. the extent to which the distribution differs from normal) of the income distribution in the country and the extent to which the wage distribution has been in favour of higher wage earners as measured by the wage Gini Coefficient.

Share of Working Population Impacted upon by the National Minimum Wage

- 4.17 An important criterion that is generally considered by policy makers in determining at what level a National Minimum Wage should be set has been the estimate of the share of working population that would be impacted upon by the introduction of the National Minimum Wage.
- 4.18 It is noted from the distribution of working population by wage groups (as per **Annex III**) that the number of full-time workers that would be impacted upon would be 98,234 i.e. 24% under scenario Rs 8,000 and 111,318 i.e. 27.9% under scenario Rs 8,500 as shown in Table 13 below. The corresponding percentage for part-time workers that shall be impacted upon by the minimum wage could be 74.3% and 76.1% respectively. The list of part-time workers with salaries and population is given at **Annex VIII**.

Table 13: Share of Working Population Impacted upon by the National Minimum Wage

HMW Value (Rs)	Number of full-time workers	Percentage of total full-time workers	Number of part-time worker	Percentage of total part-time workers
Rs 8,000	98,234	24.0	8,861	74.3
Rs 8,500	111,318	27.9	9,303	78.0

- 4.19 ***The number of workers that would be impacted upon by the introduction of the National Minimum Wage is estimated at 120,600 i.e. 111,300 full-time workers and 9,300 part-time workers representing 28.7% of the total number of workers. The share of 28.7% of the total number of workers that would be directly impacted upon on the introduction of a National Minimum Wage is in line those of other countries where a National Minimum Wage has been introduced.***

Comparison with “Higher Middle Income” Countries in the Region

- 4.20 Comparison among countries requires the conversion of the different countries’ minimum wages in US dollars (\$) at purchasing power parity (PPP). One US dollar (\$) PPP is the amount of money in a country's currency needed to buy goods and services equivalent to what can be bought with \$1 in the United States (US).
- 4.21 Table 14 below gives the hypothetical minimum wage values converted to PPP dollars. These dollar values indicate that with the adoption of scenarios Rs 8,000 to Rs 8,500, Mauritius would lead the majority of countries in Sub-Saharan Africa (See **Annex IX**).

Table 14: Hypothetical Minimum Wage in PPP Dollars (\$)

HMW Value (Rs)	Minimum wage (PPP)	Mauritius (Adjusted for End of Year Bonus) (Rs)	Minimum wage (PPP)
Rs 8,000	406	Rs 8,667	440
Rs 8,500	432	Rs 9,208	468

4.22 However, Mauritius is classified as a higher middle-income country given its per capita income. Comparison with higher middle income countries in Sub-Saharan Africa indicates that, in terms of PPP, Mauritius would be around the median leading Botswana and Gabon and behind South Africa and Algeria. Mauritius would, however, lead South Africa as regards the minimum wage for household worker and agricultural worker as indicated in Table 15 below:

Table 15: Mean and Minimum Wage Levels (US\$ PPP): Sub Saharan Africa

Upper middle-income economies		Minimum wage	Mean wage
Algeria		531	1003
Botswana		148	1287
Gabon		418	2356
South Africa		517	1251
South Africa - Household		388	1251
South Africa - Agriculture		465	1251
Mauritius	Rs 8,000	406	1021
	Rs 8,500	432	
Mauritius (Adjusted for End of Year Bonus)	Rs 8,667	440	
	Rs 9,208	468	

Source: except for Mauritius, World Bank. For Mauritius: the NWCC

National Minimum Wage as a Share of Per Capita Income/Value Added Per Worker

4.23 Two very pertinent and important indicators, which can be used to monitor the National Minimum Wage locally and for comparison internationally, relate to the ratio of the National Minimum Wage to per capita income and to value added per worker. Table 16 below gives the hypothetical minimum wage values as a share of per capita income and value added per worker before and after adjustment for end of year bonus.

Table 16: National Minimum Wage as a Share of Per Capita Income /Value Added Per Worker

HMW	Minimum Wage as a share of GDP per worker i.e. Rs 809,579 annually	Minimum Wage as a share of per capita GDP at current market prices i.e. Rs 363,654 annually
Rs 8,000	11.8%	26.3%
Rs 8,000 plus end of year bonus	12.8%	28.6%
Rs 8,500	12.6 %	28.0 %
Rs 8,500 plus end of year bonus	13.6 %	30.4 %

4.24 The foregoing results when compared to the corresponding ratios in other countries indicate that the higher of the two scenarios that is Rs 8,500 may be adopted.

Conclusions

4.25 In the light of the foregoing and particularly considering:

- (a) the results from the application of the different methodologies;
- (b) the views of members representing different interests;
- (c) the need to improve the living conditions of low wage workers while ensuring, as far as possible, that they continue to stay in employment;
- (d) the need to take into account the prevailing economic situation of the country; and
- (e) the need to sustain job creation, investment, and economic growth and to maintain national competitiveness,

the council holds the view that the monthly National Minimum Wage under Section 5 sub-sections (b) (i) and (ii) of the NWCC Act should be set at Rs 8,500 for a full-time adult worker with effect from 1st January 2018.

4.26 The detailed recommendations of the Council are given at Chapter 5 of this Report.

Chapter 5

National Minimum Wage

5.1 Statutory Provisions and Recommendations

- 5.1.1 The Council has overviewed the economic and social situation and examined the statutory considerations in Chapter 2; has elaborated on the methodologies adopted for the determination of hypothetical National Minimum Wage values in Chapter 3; and has analyzed and developed options in Chapter 4.
- 5.1.2 This Chapter therefore culminates with the recommendations on, among others, the National Minimum Wage for (a) full time workers, (b) young persons, (c) workers accredited training, apprenticeship or probation, and (d) part-time workers. It also examines in detail and addresses the issue of pay components and provides transitional measures having regard to the need to (i) protect investment and growth and safeguard employment, and (ii) promote and improve exports and the balance of trade in the wake of the economic challenges on both the external and internal fronts.

Monthly National Minimum Wage

- 5.1.3 Section 5 sub-section (b) (i) of the Act requires the Council to make recommendations to the Minister for the introduction of a National Minimum Wage calculated on an hourly rate for part-time workers and a monthly rate for full-time workers equivalent to a proportion of the domestic median wage of the preceding year for the lowest paid workers.
- 5.1.4 Section 5 sub-section (b) (ii) of the Act requires, inter alia, the Council to make recommendations to the Minister for the computation of a National Minimum Wage calculated on a monthly rate for full-time workers without altering the actual working hours regime and the mode of calculation of wages or salary of any worker.
- 5.1.5 **The Council recommends that the National Minimum Wage; in consonance with the provisions of Section 5 sub-sections (b) (i) and (b) (ii) of the NWCC Act, be set at Rs 8,500 a month, that is 63.4% of the median for calendar year ending 31st December 2017 (as estimated by Statistics Mauritius), for full time adult workers, subject to the provisions concerning staged implementation below.**
- 5.1.6 **Considering the need to:**
- (a) protect employment, sustain job creation and induce further investment for growth;**
 - (b) protect low paying firms irrespective of sectors through a reasonable transition period;**
 - (c) encourage firms to move away from the informal sector to the formal sector and reduce the extent of non-conformity to statutory provisions,**

the Council recommends that the implementation of the National Minimum Wage be staged as follows:

Effective Date	Recommended National Minimum Wage
With effect from 1 st January 2018	Rs 8,000 a month
With effect from 1 st January 2019	Rs 8,500 + additional remuneration, if any, that would be effective from 1 st January 2019 for rise in cost of living for period January 2018 to December 2018

(d) Considering that the adjusted National Minimum Wage figure of Rs 8,000 effective as from 1st January 2018 includes compensation for the rise in cost of living for the period January 2017 to December 2017, no further additional remuneration should be payable with effect from 1st January 2018 for rise in cost of living for the specified period.

(e) the Council has further recommended that Government adjusts the Negative Income Tax Scheme so that workers drawing Rs 8,000 – Rs 8,500 can obtain Rs 9,000 a month. The implementation cost of this measure is estimated at Rs 172 million annually.

5.1.7 *As the National Minimum Wage figures have taken into consideration the rise in cost of living for the period January 2017 to December 2017, no further additional remuneration should be payable with effect from 1st January 2018 over and above the National Minimum Wage for rise in cost of living for the specified period.*

5.1.8 *With the implementation of the foregoing recommendations, a four-member family with two adult minimum wage earners would receive minimum wages of Rs 17,000 a month. This figure would increase to Rs 18,000 for the corresponding month for eligible adult workers under the Negative Income Tax Scheme.*

National Minimum Wage for Young Persons

5.1.9 Section 5 sub-section (b) (iii) of the Act requires the Council to make recommendations to the Minister on a lower rate of National Minimum Wage for young persons. A young person means a person who is over the age of 16 but under the age of 18.

5.1.10 It has been argued that a lower rate of National Minimum Wage for young persons, in accordance with the provisions of the Act, purports at encouraging and easing their enlistment for employment.

5.1.11 **In consonance with the provisions of Section 5 sub-section (b) (iii) of the Act, the Council recommends that young persons be eligible to a National Minimum Wage of Rs 8,000 a month with effect from 1st January 2018.**

5.1.12 As the figure of Rs 8,000 a month has taken into consideration the rise in cost of living for the period January 2017 to December 2017, no further additional remuneration should be payable with effect from 1st January 2018 over and above the National Minimum Wage for rise in cost of living for the specified period.

National Minimum Wage for workers on accredited training, apprenticeship or probation

5.1.13 Section 5 sub-section (b) (iv) of the Act requires the Council to make recommendations to the Minister on a lower rate of National Minimum Wage for workers on accredited training, apprenticeship or probation having no corresponding job experience, skills and competencies, relevant accredited vocational or technical qualification, relevant and recognised proficiency certificate, diploma, degree or other professional qualifications in the field in which he is employed or where the job requires no qualification, skill or experience.

5.1.14 For the purpose of the above recommendation, the duration of training, apprenticeship and probation should be limited to one year.

5.1.15 In consonance with the provisions of Section 5 sub-section (b) (iv) of the Act, the Council recommends that workers on accredited training, apprenticeship or probation having no corresponding job experience, skills and competencies, relevant accredited vocational or technical qualification, relevant and recognised proficiency certificate, diploma, degree or other professional qualifications in the field in which he is employed or where the job requires no qualification, skill or experience be eligible for 92% of the National Minimum Wage under Section 5 sub-sections (b) (i) and (b) (ii) of the Act i.e. Rs 7,820 a month with effect from 1st January 2018.

5.1.16 The Conversion Table for full time employees with effect from 1 January 2018 is given overleaf.

**CONVERSION TABLE FOR FULL TIME EMPLOYEES
WITH EFFECT FROM 1st JANUARY 2018**

Grade Particulars	Minimum Wage / Basic Wage Per Month (Whichever is the higher) With Effect From 1st January 2018
Employees drawing up to Rs 8,000 other than workers on accredited training, apprenticeship or probation	Adjusted Minimum wage of Rs 8,000* or basic wage at 31 December 2017 plus Additional Remuneration wherever relevant
Young persons (16 to less than 18 years old)	Minimum wage of Rs 8,000* or basic wage at 31 December 2017 plus Additional Remuneration wherever relevant
Workers on accredited training, apprenticeship or probation, with no job experience, skills, qualification and competencies (as per section 5(iv) of the Act)	Minimum wage of Rs 7,820* or basic wage at 31 December 2017 plus Additional Remuneration wherever relevant

***Note 1:** *These figures already include Additional Remuneration for compensation for erosion of purchasing power for period 1st January to 31st December, 2017.*

Note 2: *Employees in the EOE in the manufacturing sector shall be eligible to additional remuneration on their basic wage along with the implementation of the adjusted minimum wage effective from 1st January 2018.*

**CONVERSION TABLE FOR FULL TIME EMPLOYEES
WITH EFFECT FROM 1st JANUARY 2019**

Grade Particulars	Minimum Wage / Basic Wage Per Month (Whichever is the higher) With Effect From 1st January 2018
Employees drawing up to Rs 8,500 other than workers on accredited training, apprenticeship or probation	Minimum wage of Rs 8,500 plus Additional Remuneration (if any)*
Young persons (16 to less than 18 years old)	Basic wage at 31 December 2017 plus Additional Remuneration wherever relevant
Workers on accredited training, apprenticeship or probation, with no job experience, skills, qualification and competencies (as per section 5(iv) of the Act)	Minimum wage of Rs 7,820 plus Additional Remuneration (if any) or basic wage at 31 December 2018 plus Additional Remuneration wherever relevant

***Note 1:** *Additional Remuneration (if any) refers to compensation for rise in cost of living for period 1st January 2018 to 31st December 2018.*

Note 2: *Employees in the EOE in the manufacturing sector shall be eligible to additional remuneration on their basic wage along with the minimum wage payable as from 1st January 2019.*

5.2 National Minimum Wage for Part Time Workers

5.2.1 Section 5 sub-section (b)(ii) of the Act requires, *inter alia*, the Council to make recommendations to the Minister for the computation of a National Minimum Wage calculated on an hourly rate for part time workers without altering the actual working hours regime and the mode of calculation of wages or salary of any worker.

Legal Provisions Governing Part Time Employment

Definition

5.2.2 According to the Employment Rights Act (ERA), a “Part-time worker” means a worker whose normal hours of work are less than those of a comparable full-time worker.

Remuneration

5.2.3 Section 23 of the ERA provides that every employer shall pay to a part-time worker not less than the basic wage or salary prescribed in any enactment or specified in a collective agreement except where the enactment overrides the agreement, for his category or grade whichever is the higher, calculated proportionately on the notional hourly rate and increased by not less than 5 per cent.

Other Terms of Employment

5.2.4 In addition to the foregoing provisions governing the remuneration of part-time workers, Part VI of the Employment Rights Act provides, among others, for the other terms of employment to which eligible part-time workers are entitled to. These relate, *inter alia*, to annual leave, sick leave, maternity benefits, paternity leave, and end of year bonus. Moreover, employers are bound to make contributions corresponding to the wages in respect of part time workers based on their wages as per **Annex X**.

Characteristics of Part-time Arrangement

5.2.5 Research suggests that, under part-time arrangement, employees work part-time based on different schedules and/or with flexibility in scheduling depending upon the contracts of employment. First, the work schedule can be fixed with specified hours of work on specific days of the week. Second, the work schedule can be flexible with specified number of hours daily or weekly or fortnightly or monthly but the hours can be irregular, say, from day to day or from week to week. Under part-time arrangement, there are also workers who may hold two or more part-time jobs instead of working full-time with one employer.

Premium for Part-time Work

5.2.6 A part-time employee is paid the notional hourly rate increased by not less than 5 per cent as per the provisions of the Employment Rights Act (ERA). The Council considers that: (a) the premium should be higher for part-time arrangement up to a certain number of hours; and

(b) the premium should be lesser for the part-time arrangement beyond the number of hours at (a) having regard to the fact that a part-time worker particularly one holding two or more part-time jobs has to move among different working sites as compared to a full-time worker.

5.2.7 **In consonance with the provisions of Section 5 sub-section (b) (ii) of the NWCC Act and in conformity with the relevant provisions of the Employment Rights Act, the Council recommends that the rate of remuneration for part time workers should be as shown in Table 17 below:**

Table 17: Rate of Remuneration for Part-Time Workers

No of hours of part time work per month	Rate as a percentage of notional hourly rate
Up to 100 hours	110%
Above 100 hours	107%

5.3 Pay Components

- 5.3.1 The Council is required to make recommendations on those pay components that have to be included and those that have to be excluded in the computation of the National Minimum Wage, in line with the provisions of Section 5 subsection (b) (vii) of the Act.
- 5.3.2 In that regard, the Council appointed a Technical Committee under the Chairmanship of Mr P. Nowbuth, Council Member and Permanent Secretary, Ministry of Labour, Industrial Relations, Employment and Training, to look into the issue of pay components and to make recommendations thereon to the Board. Subsequently, the Sub Committee on Technical matters under the Chairmanship of Mr S. Nundoo, Acting Director of the Ministry, who replaced Mr P. Nowbuth on the Board, was entrusted the responsibility to report on the issue. The Sub Committee submitted its Report (a copy of which is at **Appendix**) in July 2017.
- 5.3.3 In the absence of a consensus on the issue of pay components at the level of the Sub Committee, the recommendations of the Chairperson of the Sub Committee were discussed at the Board.

Views of Parties

- 5.3.4 Members representing employees had different views on the issue of pay components. While a few considered that the National Minimum Wage should be equivalent to the basic wage plus extra remuneration, others held the view that the provision on accommodation and food particularly to foreign workers needs be considered for conformity to National Minimum Wage.
- 5.3.5 Business Mauritius and MEXA (Mauritius Export Association), however, represented that End of Year Bonus; Attendance Bonus; Performance Bonus; Productivity Bonus; Responsibility Allowance; Food Allowance; and Housing Allowance should be considered as pay components for computation of the National Minimum Wage.
- 5.3.6 Further in a document addressed to the NWCC, MEXA has emphasized the difficulties the export sector is currently facing, namely erosion of competitive advantage through extreme competition from low-cost countries, fall in demand of goods, particularly, in the wake of Brexit, and losses/fall in profits accentuated by the exchange rate policy. As a result, there is now a high risk of closure of firms or of delocalization with large enterprises shifting their labour intensive processes abroad. It has, therefore, made a plea for some sort of due diligence for the EOE (Export Oriented Enterprise) sector.
- 5.3.7 In a correspondence addressed to the Council in September 2017, a major player in the textile industry drew attention, among others, to the un-competitiveness of the textile sector and the expatriate workers dilemma (whereby any pay increase for a Mauritian worker would cost the company a multiple number of times for foreign counterparts) and submitted that (a) the textile industry is experiencing challenging times; (b) whilst, on one hand, there is the promise of reduced household poverty and inequality levels, on the other hand, there is the omnipresent threat of job losses; (c) the textile sector depends

largely on expatriate workers; who are hired at hefty costs as the employer has additional expenses to bear (e.g. air ticket, free accommodation, free boarding, and other welfare expenses); and (d) in the United Kingdom (UK), where rent is a substantial component of an individual's expenses, the UK legislators have been able to in-build such fringe benefit in the definition of what makes up a person's benefit when compared with the minimum wage. The correspondent therefore made a plea that, for the successful implementation of the National Minimum Wage, the Council has to embrace a modern approach, especially with regards to the components of benefits to be accounted for in the calculation of the National Minimum Wage; and this in keeping with international trend.

Support to the Export Sector

5.3.8 Findings reveal that Government has taken several measures to support the export sector as follows:

- (i) As from 1st July 2017, profits of Export Oriented Enterprises are being taxed at the preferential rate of 3% in lieu of the 15% applicable to other sectors.
- (ii) The Speed-to-Market Scheme *formerly known as the Air Freight Rebate Scheme* has been made applicable to exports effected as from 01 April 2017. The Scheme aims at giving a boost to textile and apparel export to European countries and enhancing product delivery.
- (iii) The Government has introduced an exchange rate support scheme for the export-oriented enterprises to cushion them against the impact of a strong rupee. The support would be provided based on a difference between the rate at which exporters exchange their dollars and a reference rate of 34.50 rupees per dollar.

International Practice

5.3.9 It is noted that different pay components are considered for National Minimum Wage in several countries e.g. United Kingdom, South Africa, Malaysia, etc. Table 18 below gives the pay components that are considered for conformity to National Minimum Wage, based on materials drawn from the Report of the Sub-Committee on Pay Components.

Table 18: Pay Components in Overseas Jurisdictions

Country	Basic + Cola	Piece Rate	Special Bonus/ Commissions	PRP	End of Year Bonus	Long Term Salary Increase	Food	Accommodation
UK	✓	✓	✓	✓	✓	✓	✓	✓
Germany	✓		✓	✓	✓			
Cambodia	✓	✓		✓				
Malaysia	✓	✓	✓	✓	✓	✓		✓
Poland	✓		✓	✓	✓	✓		

Introduction of a National Minimum Wage

Country	Basic + Cola	Piece Rate	Special Bonus/ Commissions	PRP	End of Year Bonus	Long Term Salary Increase	Food	Accommodation
Netherlands	✓		✓	✓	✓	✓		
India	✓	✓			✓			✓
South Africa	✓	✓	✓	✓	✓		✓	✓

5.3.10 It is noted that the following components are common in several countries: basic wage, piece rate, special bonus, performance related pay, commission, and accommodation.

Other Pertinent Considerations for Pay Components

5.3.11 It is noted that (a) it is Government's policy to grant foreign workers the permission to work in certain fields/sectors, where firms experience considerable difficulties to recruit Mauritian workers, particularly at the lower end of the wage spectrum; (b) foreign workers in particular are provided with accommodation together with food or without food; and (c) accommodation is among the pay components that certain countries e.g. South Africa, Malaysia, India and United Kingdom consider for the purpose of minimum wage conformity.

5.3.12 It is also noted that:

- (a) minimum wage is defined by the International Labour Organisation (ILO) as “**the minimum amount of remuneration** that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract” and that Remuneration as per the Employment Rights Act 2008 means all emoluments in cash or in kind earned by a worker under an agreement; and
- (b) it is a statutory requirement for the Council, in making its recommendations to the Minister, to have regard to the need not to compromise investment, economic growth and national competitiveness and to protect employment.

Guiding Principles

5.3.13 In the process of determining the pay components to be included in the National Minimum Wage, the Council has been guided by the following principles:

- (c) a worker on minimum wage should earn, in a pay period, the quantum of the prescribed minimum wage for his category, for work performed during the normal working hours only; and
- (d) pay components are irrelevant in sectors or for grades where the basic wage is close, equal to or higher than the National Minimum Wage.

5.3.14 **In consonance with Section 5 (b) (vii) of the Act, the Council recommends, subject to the provisions on applicability below, that the National Minimum Wage should comprise the basic wage and the following pay components:**

- (a) **The housing and/or food allowances or housing and/or food, wherever relevant and applicable; and**
- (b) **Guaranteed remunerations in cash* for normal hours of work, i.e. the fixed remunerations paid every month of the year, which are guaranteed for work on normal scheduled working hours and which are not reduced for authorised absences as per the Conditions of Employment.**

****Applicability of Guaranteed Remuneration in Cash***

5.3.15 Findings reveal the following:

- (a) Some 40,000 full time employees draw monthly wage of less than Rs 5,000 a month; including around 20,000 who draw up to Rs 3,500 a month lower than the lowest legislated minimum basic wages in Remuneration orders.
- (b) The lowest legislated basic wage in several Remuneration Orders are already higher than the prescribed National Minimum Wage. The lowest legislated minimum basic wages in the other Remuneration Orders are generally within a range of around Rs 1,000 from the recommended National Minimum Wage.

5.3.16 Findings, however, additionally reveal that the wage levels in the EOE Sector are different from those in the other sectors of the economy. Several firms adopt a low basic wage of Rs 5,315 in line with the EPZ Remuneration Order (which has not been reviewed since several years) and implement a series of pay components, which may either be fixed or variable in nature.

5.3.17 Though basic wages, which are lesser than the National Minimum Wage and for which no other pay component is applicable, would, obviously, be aligned on the National Minimum Wage as from 1st January 2018, the Council holds the view that such alignment should not, at this stage, be considered for Export Oriented Enterprises in the manufacturing sector having regard to the need to consider national competitiveness and to safeguard employment, investment, and economic growth in line with the requirements of the NWCC Act and in line with the spirit of ILO convention No. 131.

5.3.18 **The Council, therefore, recommends that guaranteed remuneration in cash as a pay component be applicable exclusively to:**

- (a) **Export Oriented Enterprises in the manufacturing sector; and**
- (b) **such other economic sectors not governed by remuneration regulations, as at December 2017, as may be prescribed.**

Piece Rate or Task Work

5.3.19 There are sectors where workers are remunerated on a piece rate or task work basis, such as the Cinema Industry and the Fisheries Industry where there is no prescribed basic wage for a few categories of workers. Moreover, there are sectors such as the EOE, some workers are paid on a piece rate basis.

5.3.20 The Council recommends as follows:

- (a) Those workers who do not have a prescribed basic wage should be paid at least the National Minimum Wage plus 10% or the piece rate earning for normal or agreed hours of work, whichever is the higher.
- (b) Where the basic wage is lower than the National Minimum Wage (e.g. in the EPZ sector), the piece rate earnings used for the purpose of compliance with the National Minimum Wage shall be limited to the basic wage plus 10% of the basic wage.

Note: Firms falling under the provisions at (b) may opt to be governed by the provisions at (a) should they so wish.

Pay Components to be excluded

5.3.21 The Council additionally recommends that the following list of pay components which is not exhaustive be excluded for the purpose of conformity to the National Minimum Wage:

- (a) End of year bonus.
- (b) Overtime pay.
- (c) Refund of expenses such as travelling expenses, uniform allowances.
- (d) Statutory meal or meal allowance.
- (e) Any remuneration which is not guaranteed for normal hours of work.

5.4 Transitional Provisions

- 5.4.1 In accordance with Section 6 sub-section (3) of the Act, the Council may, where appropriate, make recommendations for transitional arrangements for the introduction of the National Minimum Wage for specific sectors of employment.
- 5.4.2 In the process of formulating the transitional arrangements, the Council has considered the following:
- (a) the need of the economy particularly the need to protect investment and growth and safeguard employment in line with the provisions of the NWCC Act and the spirit of ILO convention 131; and
 - (b) the need to promote and improve exports and the balance of trade in the wake of the economic challenges both on the internal and the external front.
- 5.4.3 **In consonance with the provisions of Section 6 sub-section (3) of the Act, the Council recommends as follows:**
- (i) The National Minimum Wage under the provisions of Section 6 subsection (3) of the Act be implemented in a phased manner as follows:**
 - **With effect from 1st January 2018 – Rs 8,000 a month**
 - **With effect from 1st January 2019 – Rs 8,500 a month + additional remuneration if any for rise in cost of living for period January 2018 to December 2018.**
 - (ii) No additional remuneration in respect of the rise in cost of living for period January 2017 to December 2017 shall be payable over and above the adjusted National Minimum Wage under this transitional provision.**
- 5.4.4 **The Council also recommends that Government supplements the National Minimum Wage of employees, governed by the transitional provisions, up to Rs 9,000 a month under the Negative Income Tax provisions, wherever appropriate. The whole issue is dealt with in-depth in Chapter 6 on Harmonising the National Minimum Wage with the Negative Income Tax Scheme.**

5.5 Other Specific Recommendations

Contribution for Social Security Benefits

5.5.1 **The Council recommends that:**

- (a) subject to the provisions of subparagraph (b) below, contributions for social security benefits under the National Pension Fund (NPF) and National Saving Fund (NSF) should be effected on the National Minimum Wage or the prescribed/agreed basic wage, whichever is the higher, with effect from 1st January 2018; and**
- (b) the payment of an amount based on the shortfall of the employer's contributions in the EOE sector to the NPF and NSF due to the difference between the basic wage of the worker and the National Minimum Wage in lieu of the above, to be determined by the Ministry of Labour, Industrial Relations, Employment and Training.**

5.6 Supplementary Findings and Observations

Recruitment and Retention Problems

- 5.6.1 In the consultative process, the Council held several meetings with representatives of the Small and Medium Enterprises (SMEs), namely the Chairpersons of the associations of bakery, printing, jewelry, furniture, handicraft and others. In general, the SME sector is compliant to relevant remuneration regulations. However, the following points were made:
- (a) Certain sectors e.g. furniture were facing difficulty to retain trained and experienced personnel, particularly, Mauritians;
 - (b) Certain sectors were having problem of recruitment of Mauritians e.g. bakery and jewelry; and
 - (c) The sector was increasingly relying on the services of foreign workers.
- 5.6.2 In general, the representatives of the associations made a plea to the Council for valorization of the status of the trades in their sectors to encourage Mauritians to join. They proposed that this be done through the mounting of appropriate courses or the setting up of dedicated training schools for trade such as bakery, printing, etc. In the case of the jewelry sub-sector where training exists, the case was made for enlistment of trainers in line with market realities.
- 5.6.3 ***The Council considers that the foregoing issues relating to recruitment and retention problems as well as to the valorisation of trades and provision of training are pertinent and could best be looked into and addressed by the National Employment Department of the Ministry of Labour, Industrial Relations, Training and Employment. The Council recommends accordingly.***

Implications of National Minimum Wage for the Public Sector

- 5.6.4 Section 9 sub section (1) of the NWCC Act provides that, following recommendations for National Minimum Wage, the Pay Research Bureau shall take such administrative measures as may be necessary to implement the National Minimum Wage and make any salary adjustment, where necessary, to address any problem of relativity distortion that may arise on the introduction of the minimum wage in the public sector.
- 5.6.5 Section 9 sub section (2) of the NWCC Act provides that the Council shall, to enable the Pay Research Bureau to take the National Minimum Wage as the baseline for the next salary review and thereafter, make its recommendations at latest July 2020 and, thereafter, every 5 years.
- 5.6.6 Representatives of public sector employees on the Council have argued that the National Minimum Wage is based on a set of criteria and considerations that are not necessarily relevant for the determination of pay in the public sector e.g. the need to ensure that economic firms continue to stay in business and expand or the need to induce new firms to invest.

- 5.6.7 Consequently, they consider that the National Minimum Wage for the country should not be rigidly applicable to the public sector.
- 5.6.8 ***The Council considers that the National Minimum Wage is a threshold wage and is legally binding so that no sector or firms can pay less than that threshold. Consequently, any firm or establishment in the Public or Private sector could set the initial wage for its lowest paid worker at a level equivalent to or higher than the National Minimum Wage based on specific considerations for the sector.***

Chapter 6

Harmonising the National Minimum Wage with the Negative Income Tax Scheme

- 6.1 The Negative Income Tax which is a social measure aimed at improving the monthly earnings of low wage earners has come into force with effect from 1st July 2017. Government had at Cabinet's meeting of Friday 10th November 2017 decided as follows:
- (a) An employee earning a monthly basic salary of up to Rs 9,900 will be eligible to the payment of the Negative Income Tax, provided his total monthly earnings, excluding travelling and end-of-year bonus, do not exceed Rs 20,000.
 - (b) The net income, excluding dividend and interest, of an employee's spouse should not exceed Rs 390,000 in the current year.
 - (c) An employee should work for a minimum of 24 hours over at least 3 days in a week.
 - (d) An employee will benefit from the Negative Income Tax once he starts contributing to the National Pensions Fund and the National Savings Fund in respect of the month in which the Negative Income Tax is being claimed.

The conditions that an employee should be in full-time employment, and be in continuous employment for the preceding 6 months, have been removed. The new conditions will take effect as from 1st July 2017.

- 6.2 The National Minimum Wage shall be implemented with effect from 1st January 2018. There is need to harmonise both measures to render them more effective for the achievement of enunciated goals.
- 6.3 The following table gives the amount of Negative Income Tax that is payable for the relevant employees' based on their monthly basic wages, subject to the above conditions.

Monthly Basic Wage	Negative Income Tax
Rs 5,000	Rs 1,000 (i.e., Rs 12,000 in a year)
Above Rs 5,000 but not exceeding Rs 7,000	Rs 800 (i.e., Rs 9,600 in a year)
Above Rs 7,000 but not exceeding Rs 9,000	Rs 500 (i.e., Rs 6,000 in a year)
Above Rs 9,000 but not exceeding Rs 9,750	Rs 250 (i.e., Rs 3,000 in a year)
Above Rs 9,750 but not exceeding Rs 9,900	Rs 100 (i.e., Rs 1,200 in a year)

Negative Income Tax and National Minimum Wage - Similarities and Differences

- 6.4 Both the 'Negative Income Tax' and the 'National Minimum Wage' complements each other and have the merits of improving the income and thereby the standard of living of low wage earners.

- 6.5 On the other hand,
- (a) while the negative income tax is paid by the Government, the National Minimum Wage is paid by the relevant employers;
 - (b) while the negative income tax is based on basic wage levels, the minimum wage refers to the basic wage or in certain cases, the basic wage plus other pay components guaranteed for normal working hours; and
 - (c) while the negative income tax directly supports the employee and has no adverse effect on employment, it has been argued that the National Minimum Wage may in certain cases impact on employment and investments.

Harmonising the National Minimum Wage with the Negative Income Tax Scheme

- 6.6 To improve the effectiveness of both measures for the benefits of all parties – the country, the employer, the employee, and the tax payers – it would be advisable to harmonise the National Minimum Wage with the Negative Income Tax Scheme and keep both under regular review.
- 6.7 Considering that:
- (a) the minimum wage has been set at Rs 8,500 a month for full-time workers who are 18 and above, subject to transitional measures; and
 - (b) with the application of the Negative Income Tax as is, eligible employees whose basic wages are equal to the minimum wages of Rs 8,000 and Rs 8,500 would obtain an income of Rs 8,500 and Rs 9,000 respectively;
- the Council recommends that:
- (c) Government supplements the National Minimum Wage of workers drawing Rs 8,000 – Rs 8,500 so that they obtain Rs 9,000 monthly as from 1st January 2018. This measure shall ensure that workers with adjusted minimum wage obtain what they would have received if the recommendation was not staged and should also encourage young workers to join the labour market
- 6.8 For the purpose of implementing this recommendation under the Negative Income Tax Scheme, the National Minimum Wage shall be deemed to be the basic wage.
- 6.9 The implementation costs of the above recommendations are estimated at around Rs 172 million annually.

Chapter 7

Impact of the National Minimum Wage

“The pattern of income distribution sets limits to social intercourse and everywhere that pattern is marked with greed and envy. Now is the time to show that in a civilized society, these marks need not be indelible”

Barbara Wooton – Social foundations of pay policy

7.1 The implementation of the recommended National Minimum Wage would impact on different economic and social variables depending on a number of factors, including the level of minimum wage relative to market wages; the wage elasticity of demand for labour (i.e. the responsiveness of employment to wage changes), the poverty line and the type of income sharing that takes place at the household level. The Council is required by virtue of the NWCC Act to report on the impact of the National Minimum Wage within 12 months of its introduction. Hereunder are the impacts that can be assessed at this stage based on certain assumptions wherever relevant.

Proportion of Working Population Impacted Upon

7.2 The number of workers that would be impacted upon by the introduction of the National Minimum Wage is estimated at 120,600 i.e. 111,300 full-time workers and 9,300 part-time workers representing 28.7% of the total number of workers. This proportion is in line with that of other countries where a National Minimum Wage has been introduced.

Wage Distribution as measured by the Gini Coefficient

7.3 According to the World Bank Report of July 2017 (Remuneration Orders in Mauritius: An Overview), wage inequality has been the main contributor of income inequality in recent years. The introduction of the National Minimum Wage shall raise the earnings of low-paid workers and hence has the potential to reduce income inequality. The wage Gini Coefficient is expected, *ceteris paribus*, to improve to 0.419 in 2018 as shown in the Table 19 below. This is based on the assumptions that (a) employment losses would be negligible, (b) the extent of non-conformity would not be very significant and (c) pay increases for other grades, if any, is maintained within an acceptable limit. The Coefficient would further improve to 0.409 with the Negative Income Tax.

Table 19: Gini Coefficient Based on Employment Wages in 2012, 2016 and 2018/2019

Particulars	2012	2016	2018/2019
Wage Gini coefficient	0.409	0.456	
Gini coefficient after introduction of minimum wage of Rs 8,500	–		0.419
Gini Coefficient after Negative Income Tax			0.409

Computed by Statistics Mauritius, 2017

Wage Differential

7.4 With the introduction of the National Minimum Wage, the wage differential, as measured by the ratio of the 90th percentile to the 10th percentile which stands at 8.7%, would be drastically narrowed as shown in Table 20 below.

Table 20: Impact on Wage Differential

	10th percentile	90th percentile	Wage Differential (%)
Prior to introduction of minimum Wage	3536	30781	8.7
After introduction of minimum Wage	8500	30781	3.62*

**With the assumption that wages are frozen at around the 90th percentile and the extent of non-conformity is not very significant, the wage differential may fall down to as low as 3.62%. However, the actual fall would depend upon market reactions to the introduction of the National Minimum Wage, particularly as regards pay policy, effects on employment and the extent of conformity to the statutory National Minimum Wage.*

Employment

7.5 Certain empirical evidence supports the prediction of the standard economic model that minimum wages may create unemployment, particularly, among youths and less skilled workers due to enterprises' incapacity to employ more people as a result of higher employment costs. However, research and studies carried out on the subject differ considerably in their findings. Research also indicates that such effect can be marginal as the increase due to the minimum wage can be offset by enhanced productivity resulting from higher worker morale, decreased labour turnover and lower absenteeism.

7.6 Overall, the evidence from studies undertaken by various researchers and institutions on the impact of these policies around the world shows that introducing a National Minimum Wage at an appropriate level will often have little or no negative effect on employment. However, if it is set too high, it can have negative employment effects. It is therefore important that the implementation of a National Minimum Wage should be undertaken in a cautious, balanced, and evidenced-based manner.

7.7 The Council considers that a minimum wage of Rs 8,500 a month is the best level for minimizing the danger of job losses while at the same time maximizing the potential to improve the living standards of low paid workers and their families. In summary, this level of the National Minimum Wage should maximize benefits to the lowest paid workers and minimize any possible dis-employment effects.

7.8 As regards the EOE's, the following schemes introduced by Government as well as the **transitional measures** enunciated in this Report should, among others, allow enterprises in the sector to increase or at least maintain employment:

- (i) Speed-To-Market Scheme allowing for 40% refund on air freight cost to Europe for products such as textile and apparel, jewelry, medical devices, fruits, flowers, vegetables and chilled fish;
- (ii) Reduction of taxes on profits from exports of goods from 15% to 3% so as to expand the export capacity of manufacturing companies;
- (iii) Freight Rebate Scheme that allows a refund of 25% of the Basic Freight Cost to a maximum of USD 300 per 20-foot container or USD 600 per 40-foot container exported to about 45 eligible ports in Africa, Madagascar and Reunion Island.

7.9 ***Furthermore, the introduction of the National Minimum Wage may potentially make employment in certain sectors more attractive to local workers, thereby decreasing, to a certain extent, the reliance on foreign workers.***

Consumption, Investment and GDP

7.10 Through the introduction of the minimum wage, it is expected that the rise in income of households will have the effect of greater spending which may generate a multiplier effect in the economy leading to investment and GDP increases. Under the correct conditions and at the correct wage level, it is possible for minimum wage policies to contribute to improving economic growth. However, the magnitude of increased spending and its effect cannot be gauged at this stage although reduction of poverty and income inequality is expected.

Effect on Inflation

7.11 There is an unrelenting thinking that minimum wage increases lead to inflation. Existing studies show that firms tend to respond to wage increases not by reducing production or employment but by raising prices. However, overall price increases are generally modest being given that wages are only part of the cost of products or services. For instance, a 10% increase in minimum wages may cause overall prices to rise by between 0.1% to 0.4% according to academics of the University of Mauritius on the Board.

7.12 On the other-hand, there is a possibility that an increase in wage is offset by enhanced productivity by workers leading to lower cost of production and therefore, requiring no rise in prices. As such instead of having a major impact on inflation, a higher wage may help stimulate the economy due to the increased spending power of workers receiving the higher wages.

Gender Pay Gap

7.13 The introduction of the National Minimum Wage shall, generally, benefit female workers relatively more than their male counterparts where there existed a pay differential in favour of men. Consequently, it should result in reducing the gender pay gap which today stands in the ratio of 0.6 to 1 according to the World Bank 2017.

Minimum Costs to the Employer

7.14 The minimum costs to the employer for a lowest paid worker, with the introduction of the minimum wage, shall be as follows:

Particulars	Effective as from 1 st January 2018 (Rs)	Effective as from 1 st January 2019 (Rs)
National Minimum Wage	8,000	8,500
End of Year Bonus (spread over 12 months)	667	708
Contributions to NPF and NSF	680	722
Contribution of Training Levy	120	127
Total Minimum Costs	9,467	10,057

7.15 Obviously, the impact of the National Minimum Wage to the employer shall be the difference between the costs shown above and the costs of the lowest paid worker as at 31st December 2017.

Minimum Benefits to the Employee

7.16 The costs to the employer represent corresponding benefits to low paid workers. These benefits would be further supplemented under the Negative Income Tax Scheme as follows:

Particulars	Effective as from 1 st January 2018 (Rs)	Effective as from 1 st January 2019 (Rs)
National Minimum Wage	8,000	8,500
End of Year Bonus (spread over 12 months)	667	708
Contributions to NPF and NSF	680	722
Total Minimum Benefits	9,347	9,930
Negative Income Tax	1,000	500
Total Benefits	10,347	10,430

Comparison with “Upper Middle Income” Countries in the Region

7.17 Comparison with upper middle income countries in Sub-Saharan Africa indicates that, in terms of PPP, Mauritius would be around the median leading Botswana and Gabon and behind South Africa and Algeria. Mauritius would, however, lead South Africa as regards the minimum wage for household worker and agricultural worker. Mauritius would equally lead China, Malaysia and Thailand as shown in Table 21 below.

Table 21: Comparison with “Upper Middle Income” Countries

Country	Minimum Wage (USD, PPP)
<u>Africa</u>	
Algeria	531
South Africa	517
Gabon	418
Mauritius	432
Mauritius (with End of Year Bonus)	468
Mauritius (with End of Year Bonus & Negative Income Tax)	493
Botswana	148
<u>Asia</u>	
China	349
Malaysia	288
Thailand	184

*Source: except for Mauritius, World Bank
For Mauritius: the NWCC*

National Minimum Wage as a Share of Value Added Per Worker and Per Capita GDP

7.18 The share of National Minimum Wage as a proportion of Value Added per worker and GDP per capita shall be 12.6% and 28% respectively. The corresponding shares shall be 13.6% and 30.4% respectively if end of year bonus is included in the computation.

Implementation Costs

7.19 The estimated cost implications for the implementation of the National Minimum Wage for calendar year 2018 are as follows:

Minimum wage (Rs)	Annual Impact (Rs Mn)	
	Public Sector	Private Sector
8,000 monthly	24	3,605
8,500 monthly	25	3,830

7.20 The impact on types of establishment in the private sector shall be as follows:

Type of establishments	Annual cost (Rs Mn)			
	RS 8,000	%	Rs 8,500	%
Small	2,512	70	2,670	70
Large	1,091	30	1,160	30
Total	3,603	100	3,830	100

Board Members

SN	NAME	DESIGNATION	ORGANISATION
1	Mr APPANNA Beejaye Coomar	Chairperson	
2	Mr BAUMY Beezai Coomar	President	Mauritius Labour Federation (MLF)
3	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
4	Mr BIZLALL Jack	Representative of FPU	Federation of Progressive Unions (FPU)
5	Mr BOODHNA Veersingh	Deputy Permanent Secretary	Ministry of Agro Industry & Food Security
6	Mr BUNDHUN Manish	Chief Human Resource	Rogers & Co Ltd
7	Mr CHELLUM Jayen	Secretary	Association des Consommateurs de L'Ile Maurice (ACIM)
8	Mr CHUTTOO Reeaz	President	Confederation des Travailleurs du Secteur Prive (CTSP)
9	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Business Enterprise & Cooperatives
10	Mr COOCHANAH Raja Retnon	Manager Human Resource	Ministry of Tourism & External Communications
11	Mr DALAIS Guillaume/ Mrs RAJMUN – JOOSERY Lilowtee	Director	Floreal Knitwear/ MEXA
12	Mr De LABAUVE D'ARIFAT Vincent	Managing Director	Precigraph
13	Mr DURSUN Pradeep	Chief Operating Officer	Business Mauritius
14	Mr GHOSE Robindro	Director	Ministry of Industry, Commerce & Consumer Protection
15	Mr GUILDHARY Desire	President	Free Democratic Unions Federation

Introduction of a National Minimum Wage

SN	NAME	DESIGNATION	ORGANISATION
16	Mr IMRITH Rashid	President	Federation of Public Sector & Other Unions (FPSOU)
17	Mr KWOK YIN SIONG Yen Jocelyn	Chief Executive Officer	AHRIM
18	Mr L'ACARIATE Didier	Human Resource Manager	Avipro Co Ltd
19	Mr LI YUEN FONG Jean	Consultant	Business Mauritius
20	Mr MURDAY Linganaden	Officer in Charge	Department of History & Political Science, Faculty of Social Studies & Humanities - UOM
21	Mr NUNDLOLL Santaram	Manager, Human Resource	Prime Minister's Office
22	Mr NUNDOO Satiawan	Ag. Director	Ministry of Labour & Industrial Relations
23	Mr NURSING Sadanand	Deputy Director	Pay Research Bureau
24	Mr PADDIA Christ	Lead Analyst	Ministry of Finance and Economic Development
25	Mr SADIEN Radha krishna	President	State and Other Employees Federation (SEF)
26	Mr TENGUR Suttyhudeo	President	Association for the Protection of the Environment and Consumers (APEC)
27	Mr VALAYDON Rama	President	All Worker Trade Union Federation (AWTUF)
28	Mrs SAWMY H Amrita	Head Remuneration Analyst	National Remuneration Board
29	Mrs TANDRAYEN – RAGOOBUR Verena	Associate Professor	Department of Economics and Statistics, Faculty of Social Studies and Humanities - UOM

**National Wage Consultative Council, Ministry of Labour, Industrial Relations,
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Ministry of Labour, Industrial Relations, Employment and Training

NAME	DESIGNATION
Mr H. JOUAN	Assistant Director

**Support Team, National Wage Consultative Council, Ministry of Labour, Industrial Relations,
Employment and Training**

Mrs K. ROJAH, Ag Office Management Assistant

Mr P. NUNDLOLL, Management Support Officer

Lowest Wages by Remuneration Order excluding Young Persons/Trainees/Apprentices at January 2017

No	Remuneration Order	Category of Workers	Rate of Pay per month (Rs)
1	Export Enterprises	Unskilled Worker	4,936.10
1	Export Enterprises	Factory Worker - 1st Year	5,314.49
2	Factory Employees	Unskilled Worker	6,950
3	Sugar Industry (Agricultural Workers)	Field Worker (Special Category) - Female	6,555.53
4	Private Secondary School Employees	Caretaker, Cleaner, Gardener	6,585.70
5	Cinema Workers	Café Assistant	6,950.00
6	Domestic Workers	Household worker	6,950.00
7	Nursing Homes	Nursing Home Attendant, Launderer - Kitchen Help	6,950.00
8	Pre-Primary School Employees	Gardener/Handyman	6,950.00
9	Baking Industry	Handpacker	7,326.26
10	Tea Industry Workers	Field Labourer (Female) Factory Worker (Female)	7,374.00
11	Field Crop	Field Labourer (Grade II)	7,442.00
12	Livestock Workers	Farm Worker (Grade II)	7,442.00
13	Salt Manufacturing Industry	Male/Female Worker Watchman	7,520.24

Introduction of a National Minimum Wage

No	Remuneration Order	Category of Workers	Rate of Pay per month (Rs)
14	Light Metal & Wooden Furniture Workshops	Attendant	7804.80
15	Tailoring Trade	Tailor (Grade III)	7,908.00
16	Distributive Trades	Attendant -, Lubricator	7,977.00
17	Road Haulage Industry	Tankers Driver's Attendant	8,066.00
18	Cleaning Enterprises	Vehicle Attendant	8,135.00
19	Newspapers and Periodicals Employees	Receptionist/Telephonis	8,220.00
20	Travel Agents and Tour Operators Workers	Vehicle Attendant Cleaner	8243.00
21	Catering and Tourism	Kids Club Hostess	8,250.00
22	Printing Industry	Watchperson	8,755.00
23	Electrical, Engineering and Mechanical Workshops	Watchperson	8,828.00
24	Security Guards	Security Guards	8,875.00
25	Blockmaking, Construction, Stone Crushing	Driver -Grade 2 (Grade 2)-Barbender, Blacksmith, Carpenter, Electrician. Mason and others	9,118.62
26	Sugar Industry (Non-Agricultural Workers)	Office Messenger Store Attendant Clarifier and others Weighbridge Attendant	9207.71

Introduction of a National Minimum Wage

No	Remuneration Order	Category of Workers	Rate of Pay per month (Rs)
27	<i>Attorney's and Notaries Workers</i>	Clerk, Secretaries	9241.00
28	Office Attendants	Office Attendant	9,703.00
29	Public Transport	Watchperson	11,527.00
30	Bank Fishermen and Frigo- workers	Frigo Worker / Bank Fishermen <i>(Note: Frigo workers are paid a fixed sum in addition to a rate per kg. Bank fishermen are paid by catch per dory and on weekdays when no fishing is allowed they are remunerated at piece rate)</i>	On Piece Rate

Distribution of Full-Time Workers by Basic Wage Range – Year 2016

Basic wage range	Both Private & Public Sectors						
	Full time Employees			Basic wage			
	% of Cumulated distribution of wage	No of employees	Cumulated no. of employees	% of Cumulated distribution of employees	Annual* (Rs Million)	Cumulated wage (Rs Million)	Cumulated distribution of wage %
Up to 3,500	1.0	19,114	19,114	4.7	591.5	591.5	0.6
3,501 - 4,000	1.5	6,854	25,968	6.4	351.5	943.0	0.9
4,001 - 4,500	1.9	4,124	30,092	7.4	234.5	1,177.6	1.2
4,501 - 5,000	2.9	9,569	39,661	9.7	614.5	1,792.1	1.8
5,001 - 6,000	4.7	15,354	55,015	13.5	1,135.6	2,927.6	2.9
6,001 - 7,000	7.1	17,240	72,255	17.7	1,482.4	4,410.1	4.4
7,001 - 8,000	11.2	25,979	98,234	24.1	2,595.8	7,005.9	7.0
8,001 - 9,000	15.8	26,168	124,402	30.5	2,911.1	9,916.9	9.9
9,001 - 10,000	21.5	29,454	153,856	37.7	3,687.8	13,604.7	13.6
10,001- 11,000	26.1	21,249	175,105	42.9	2,898.9	16,503.6	16.5
11,001- 12,000	30.5	18,927	194,032	47.6	2,856.1	19,359.7	19.3
12,001-13,000	35.3	20,742	214,774	52.7	3,381.6	22,741.3	22.7

Introduction of a National Minimum Wage

Basic wage range	Both Private & Public Sectors						
	Full time Employees			Basic wage			
	% of Cumulated distribution of wage	No of employees	Cumulated no. of employees	% of Cumulated distribution of employees	Annual* (Rs Million)	Cumulated wage (Rs Million)	Cumulated distribution of wage %
13,001-14,000	39.0	15,516	230,290	56.5	2,732.7	25,473.9	25.4
14,001-15,000	42.4	15,672	245,962	60.3	2,962.0	28,435.9	28.4
15,001-20,000	52.7	49,462	295,424	72.4	11,132.6	39,568.5	39.5
20,001-25,000	58.7	31,395	326,819	80.1	9,104.3	48,672.7	48.6
25,001-30,000	63.4	18,251	345,070	84.6	6,499.0	55,171.7	55.1
30,001-35000	67.2	15,103	360,173	88.3	6,341.7	61,513.4	61.5
35,001-40,000	70.2	11,861	372,034	91.2	5,734.3	67,247.7	67.2
40,001-50000	75.1	15,070	387,104	94.9	8,704.0	75,951.7	75.9
50,001-60,000	78.4	6,701	393,805	96.6	4,771.8	80,723.5	80.6
60,001-70000	81.1	4,248	398,053	97.6	3,544.6	84,268.1	84.2
70,001-75,000	82.3	1,458	399,511	98.0	1,373.1	85,641.2	85.6
75,001 and Over	100.0	8,287	407,798	100.0	14,458.1	100,099.3	100.0
Total		407,798			100,099.3		

Meetings with Stakeholders

Date	Time	Details
22.03.17	9.45	Meeting with representatives of Ministry of Social Security
10.05.17	-	Meeting at SLO
17.05.17	9.30	Meeting with Representatives of MEXA
	13.00	Meeting with Chairperson & Vice-Chairperson of NRB
	14.00	Meeting with Representatives of SMEDA
28.06.17	10.00	Meeting - Representatives of MEXA, Chairpersons of Technical Committees and SMEDA
19.07.17	9.30	Meeting – Business Mauritius
	10.00	Meeting - Representatives of MEXA, Chairpersons of Technical Committees
26.07.17	10.00	Meeting – Business Mauritius
	11.00	Meeting - MEXA
23.08.17	11.00	Meeting – Business Mauritius
30.08.17	10.00	Meeting - Representatives of MEXA
	11.00	Meeting - Representatives of SME Association
	13.30	Meeting - Representatives of SME Association
	14.00	Meeting – Business Mauritius
13.09.17	-	Meeting - Representatives of SME Association
	13.30	Meeting - Representatives of SME Association
18.09.17	13.30	Meeting - SBM
04.10.17	9.30	Meeting - Princes Tuna & MEXA
	13.00	Meeting - MEXA
09.10.17	12.00	Meeting - MEXA

Total number of Full-Time (FT) employees in private sector by type of establishments, 2016

Basic wage Distribution	Total FT employees					
	Total FT employees			Total monthly basic wage		
	small	large	Total	small	large	Total
up to 5,000	33,549	5,990	39,539	116,345,263	21,192,901	137,538,164
5,001 - 10,000	37,055	74,955	112,010	290,498,527	599,635,218	890,133,745
10,001 - 20,000	15,693	93,931	109,624	220,033,993	1,265,315,295	1,485,349,288
20,001 - 40,000	2,068	28,326	30,394	57,005,756	776,830,560	833,836,317
40,001 and over	664	16,177	16,841	57,369,073	1,364,562,030	1,421,931,103
Total	89,029	219,380	308,409	741,252,612	4,027,536,004	4,768,788,616

Source: CMPHS 2016 & SEE March 2016

Local and Foreign Workers in Mauritius, 2011 – 2016

Year	Mauritian Workers	Foreign Workers	Total	% of Foreign workers of the total workforce
2011	548,600	23,000	571,600	4.02
2012	556,300	24,000	580,300	4.13
2013	571,200	26,300	597,500	4.40
2014	575,700	28,300	604,000	4.67
2015	584,600	28,300	612,900	4.61
2016	581,000	28,600	609,600	4.69

Source: Labour Force, Employment and Unemployment- Fourth Quarter 2016; Statistics Mauritius

Foreign workers employed in large establishments by industrial group and sex, March 2014 - March 2016

Industry	2014			2015			2016		
	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes
Agriculture, forestry and fishing	197	3	200	129	2	131	48	3	51
Mining and quarrying	8	-	8	-	-	-	-	-	-
Manufacturing	14,294	9,198	23,492	14,966	9,306	24,272	15,465	8,560	24,025
<i>of which food</i>	749	1,306	2,055	800	1,357	2,157	774	1,242	2,016
<i>textiles</i>	12,531	7,852	20,383	13,110	7,916	21,026	13,666	7,284	20,950
Electricity, gas, steam	4	-	4	3	-	3	3	-	3
Water Supply, sewerage, waste management ...	7	-	7	16	-	16	21	-	21
Construction	2,943	16	2,959	2,953	9	2,962	2,825	13	2,838
Wholesale and retail trade; repair of motor vehicles and motorcycles	252	27	279	294	41	335	266	34	300
Transportation and storage	111	8	119	130	6	136	121	4	125
Accommodation and food services...	286	159	445	286	137	423	287	117	404
Information and communication	249	81	330	266	76	342	304	83	387

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Industry	2014			2015			2016		
	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes
Financial and insurance activities	132	21	153	126	23	149	131	18	149
Real estate activities	15	6	21	12	5	17	11	3	14
Professional, scientific and technical....	151	44	195	138	44	182	132	37	169
Administrative and support service..	73	31	104	76	33	109	82	31	113
Public administration and defence ..	21	1	22	3	-	3	26	-	26
Education	83	92	175	74	87	161	74	98	172
Human health and social work activities	111	84	195	113	91	204	107	80	187
Arts, entertainment and recreation	11	11	22	13	11	24	13	4	17
Other services	95	6	101	88	6	94	74	9	83
Total	19,043	9,788	28,831	19,686	9,877	29,563	19,990	9,094	29,084
Export Oriented Enterprises	13,237	9,127	22,364	13,786	9,217	23,003	14,340	8,490	22,830

Source: Data from Digest of Labour Statistics, 2016

Median Wage for Full-Time Employees in the Public and Private sectors, 2011 - 2016

Year	Median Wage in The Public sector (Rs)	Median Wage in the Private sector (Rs)	Median Wage in Public and Private sectors (Rs)
2011	16,800	7,700	9,100
2012	17,700	7,900	9,900
2013	19,700	8,200	10,300
2014	21,100	8,400	10,500
2015	22,800	9,000	11,300
2016	24,100	10,100	12,500

Source: Labour Force, Employment and Unemployment- Fourth Quarter 2016; Statistics Mauritius

Distribution of Part-Time Employees by Basic Wage Range – Year 2016

Basic wage range	Part time Employees			Basic wage			
	No of employees	Cumulated no. of employees	Cumulated distribution of employees %	Annual* (Rs Million)	Cumulated wage (Rs Million)	Cumulated distribution of wage %	Yearly Average (Rs million)
Up to 3,500	3,341	3,341	28.0	96.34	96.34	8.99	0.029
3,501-4,000	930	4,271	35.8	47.97	144.31	13.47	0.052
4,001-4,500	181	4,452	37.3	10.41	154.72	14.44	0.057
4,501 - 5,000	1,144	5,595	46.9	74.00	228.72	21.34	0.065
5,001 - 6,000	1,118	6,714	56.3	86.40	315.12	29.40	0.077
6,001 - 7,000	701	7,415	62.2	63.10	378.22	35.29	0.090
7,001 - 8,000	1,446	8,861	74.3	148.72	526.93	49.17	0.103
8,001 - 9,000	442	9,303	78.0	50.82	577.75	53.91	0.115
9,001 - 10,000	721	10,024	84.0	93.14	670.89	62.60	0.129
10,001 - 11,000	139	10,162	85.2	19.38	690.27	64.41	0.140
11,001 - 12,000	625	10,788	90.4	97.10	787.37	73.47	0.155
12,001 - 13,000	207	10,994	92.2	34.35	821.72	76.68	0.166
13,001 - 14,000	159	11,153	93.5	28.93	850.65	79.38	0.182

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Basic wage range	Part time Employees			Basic wage			
	No of employees	Cumulated no. of employees	Cumulated distribution of employees %	Annual* (Rs Million)	Cumulated wage (Rs Million)	Cumulated distribution of wage %	Yearly Average (Rs million)
14,001 - 15,000	405	11,558	96.9	78.91	929.56	86.74	0.195
15,001 - 20,000	260	11,818	99.1	63.40	992.96	92.66	0.244
20,001 - 25,000	66	11,884	99.6	19.76	1,012.71	94.50	0.300
25,001 - 30,000	-	11,884	99.6	-	1,012.71	94.50	-
30,001 - 35,000	-	11,884	99.6	-	1,012.71	94.50	-
35,000 - 40,000	-	11,884	99.6	-	1,012.71	94.50	-
40,001 - 50,000	-	11,884	99.6	-	1,012.71	94.50	-
50,001 - 60,000	-	11,884	99.6	-	1,012.71	94.50	-
60,001 - 70,000	-	11,884	99.6	-	1,012.71	94.50	-
70,001 - 75,000	-	11,884	99.6	-	1,012.71	94.50	-
75,001 - 100,000	45	11,929	100.0	58.94	1,071.66	100.00	1.300
Total	11,929		-	1,071.66		-	0.090

Mean and Minimum Wage Levels (US\$ PPP): Sub Saharan Africa (latest)

Country	Minimum wage (US\$ PPP)	Mean wage (US\$ PPP)
Low-income economies		
Burkina Faso	138	210
Burundi	26	256
Chad	239	371
Congo, Dem. Rep	68	53
Ethiopia	77	175
Madagascar	128	183
Malawi	49	368
Tanzania	149	624
Uganda	65	464
Group mean	104	300
Group median	77	256
Lower-middle-income economies		
Congo, Rep.	145	526
Ghana	128	469
Kenya	331	979
Lesotho	242	377
Senegal	148	983
Swaziland	94	815
Zambia	98	252
Group mean	169	629
Group median	145	526
Upper-middle-income economies		
Algeria	531	1 003
Botswana	148	1 287
Gabon	418	2 356
<i>Mauritius</i>	432	1021
<i>Mauritius (with Bonus)</i>	468	1021
<i>Mauritius (with Bonus & Negative Income Tax)</i>	493	1021
South Africa	517	1 251
Group mean	366	1 464
Group median	418	1 287
Total SSA mean	188	687
Total SSA median	145	469

Source: World Bank save for Mauritius

Seuil et plafond sur lesquels les cotisations du NPF et NSF sont payables

Il est porté à la connaissance de tous les employeurs cotisant au fond national de pension (NPF) et celui de l'épargne nationale (NSF) que le seuil et plafond sur lesquels les cotisations sont payables à partir de Juillet 2017 sont comme suit:

Période de paiement	Seuil		Plafond
	Pour les employés de maison (Rs)	Pour tout autre employé (Rs)	
Ceux qui sont rémunérés par :			Pour tous les employés (Rs)
Jour (Daily)	63	100	654
Semaine (Weekly)	380	601	3922
Quinzaine (Fortnightly)	759	1202	7844
Mi- mois (Half Monthly)	823	1303	8498
Mois (Monthly)	1645	2605	16995

APPENDIX

REPORT OF THE SUB COMMITTEE ON PAY COMPONENTS

1. The terms of reference of the Technical Committee was to make recommendations on the pay component of a worker's remuneration to be included or excluded when computing the National Minimum Wage as required in Section 5 (vii) of the National Wage Consultative Council Act 2016.
2. Presently all workers are guaranteed a basic wage whether they are on time work or output work and are paid an additional remuneration every year which forms part of their basic wage and which varies according to their level of wages. In addition to their basic wage, they are also entitled to the payment of an end of year bonus. In some sectors of employment, they are paid allowances or bonuses such as meal allowance, maternity allowance, attendance bonus, and the refund of travelling expenses as prescribed in a Remuneration Regulations.
3. The workers whose conditions of employment are governed by a collective agreement or an award receive higher basic wages and other benefits such as performance bonus, attendance bonus, seniority payment, night shift allowance, and a percentage of profit sharing or productivity gains.
4. In some sectors, namely in the Export Processing Zone (EPZ) and in the Business Process Outsourcing (BPO), workers are very often paid according to their output in respect of the number of pieces or tasks performed which should not be below the rate prescribed by a Remuneration Regulations as is the case for the EPZ.
5. The migrant workers also enjoy the advantage of lodging accommodation and food free of charge. In the Export Processing Zone (EPZ) which employs some 22,000 migrant workers the value of lodging accommodation and food represent about 25 to 30% of their monthly remuneration for work performed during their normal working hours.
6. It is to be noted that the quantum or rate of bonuses or allowances may be fixed and constant as the statutory meal allowance or the production bonus paid by management; fixed but for a specific period of time as the maternity allowance; or variable as profit sharing and piece rate earnings.
7. In spite of several meetings held with all stakeholders (Business Mauritius, MEXA, Unions) no consensus was reached. It is the contention of the employers, particularly in the Export Processing Zone that the amount paid as housing and food allowance and other bonuses/allowances be included as a pay component when computing the National Minimum Wage. On the other hand, the trade unions are insisting that only the basic wage should be included in the calculation of the National Minimum Wage.
8. The Technical Committee conducted some researches with respect to certain countries which have implemented the National Minimum Wage to get an insight as to which pay components have been taken on board in the exercise of computing the National Minimum Wage (**Annex I**)
9. The Technical Committee also took note of the underlying philosophy of Article 3 of the ILO Convention No. 131, which reads as follows:

“The elements to be taken into consideration in determining the level of minimum wages shall, so far as possible and appropriate to national practice and conditions, include –

(a) the needs of workers and their families taking into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups.

(b) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

10. It is also to be noted that the ILO [Protection of Wages Convention, 1949 \(No. 95\)](#) allows “for the partial payment of wages in the form of allowances in kind in industries or occupations in which payment in the form of such allowances is customary or desirable because of the nature of the industry or occupation concerned” (Article 4.1). However, in such cases, ILO calls for measures to ensure that: (a) “such allowances are appropriate for the personal use and benefit of the worker and his family”; and (b) “the value attributed to such allowances is fair and reasonable”.

11. Taking into consideration all the above elements and the prevailing conditions in the local context, the Technical Committee recommends the following:

Components to be included	Components to be excluded
(i) Basic wages for normal working hours	Remuneration for extra work
(ii) Any bonus or allowance of a fixed amount paid during normal working hours.	End of Year Bonus
(iii) Cost of living allowance (Additional Remuneration)	Attendance Bonus
(iv) Remuneration in kind (housing allowance, food allowance)	Tips Disturbance Allowance Maternity Benefits

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Country	Calculation of national minimum wages	
	Included	Excluded
United Kingdom (U.K)	Basic salary, piece rate payment, incentive payment solely related to performance such as sales commission, merit or any performance-related pay scheme, bonus or long term bonus, service charge, food and accommodation.	Supplements such as: overtime premium, call-out premium, shift premium, service pay, unsocial hours premium, on-call or standby allowances, tips and payments for travel and subsistence, and allowances for tools and clothing., allowances to compensate workers for undertaking duties beyond the standard requirements: payments for working in dangerous conditions or inclement weather, for extra skills or responsibilities, for working in particular locations, reimbursement for expenses incurred in pursuit of duties. Benefits such as paid holidays, occupational sick pay, paid maternity leave, pensions, life assurance, company cars, private health insurance, shares and share option schemes, and subsidised restaurants, free meals and luncheon vouchers, redundancy payments, payment in kind or benefit in kind, other than board and/or lodgings, and compensation for injury or loss of tools.
Germany	Basic wages, performance related pay, special allowance such as a “dirty work” allowance.	Payment for work exceeding normal contractual duties such a incentive awards, overtime premiums, Christmas bonus, Capital-forming benefits which do not fall into the hands of the employee but are paid separately as savings.
Cambodia	Basic wage, piece rate payment and productivity payment.	Attendance bonus, seniority bonus, food allowance when overtime is performed.
Malaysia	Basic wage, piece rate payment including tonnage payment, any payment based on productivity and performance	The value of any house accommodation or the supply of any food, fuel, light or water or medical attendance, or of any approved amenity, or approved service.

Introduction of a National Minimum Wage

Country	Calculation of national minimum wages	
	Included	Excluded
	including commission payment, service charge, housing allowance	<p>Any contribution paid by the employer on his own account to any pension fund, provident fund, superannuation scheme, retrenchment, termination, layoff or retirement scheme, thrift scheme or any other fund or scheme established for the benefit or welfare of the employee.</p> <p>Any travelling allowance.</p> <p>Any sum payable to the employee to defray special expenses entailed on a worker by the nature of his employment.</p> <p>Any gratuity payable on discharge or retirement; or any annual bonus or any part of any annual bonus.</p> <p>Special allowances such as: heat allowance, dust allowance, noise allowance, standing allowance and similar kind of allowances</p>
Poland	Basic wage, seniority premium, wage supplement related to skills and working conditions such as reward, end of year benefits, material benefits, insurance benefits.	Overtime premium, jubilee reward, gratuity or retirement pay.
Netherlands	Basis wage, performance related payment, monthly fixed payment for turnover, shift premium, irregular hours premium, tips.	Overtime premium, leave allowance, profit shares, special payment for reaching sales target, payment in connection with pension or saving schemes contributed by employers, end of year allowances.
India	Basic wages, piece rate payment, cost of living allowance, house rent allowance.	<p>The value of any house-accommodation, supply of light, water, medical attendance.</p> <p>any contribution paid by the employer to any Pension Fund or Provident Fund or under any scheme of social insurance</p>

Introduction of a National Minimum Wage

Country	Calculation of national minimum wages	
	Included	Excluded
		<p>Any travelling allowance or the value of any travelling concession.</p> <p>Any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment.</p> <p>Any gratuity payable on discharge.</p>
South Africa (S.A)	<p>Basic wage, piece rate and productivity and performance pay including commissions and piece rate payment.</p> <p>Employee contributions to the Unemployment Insurance Fund (UIF), benefit funds such as pension, provident, retirement and medical aid funds, and dues to registered trade unions where applicable.</p> <p>In-kind benefits, including accommodation, food and, in some sectors, uniforms.</p> <p>Deductions for loans, goods purchased from the employer, and damaged goods under very specific circumstances.</p>	<p>Allowances for night work, transportation and stand-by work.</p> <p>Overtime beyond the ordinary hours of work.</p> <p>Tips and gratuities (only explicitly mentioned in hospitality).</p> <p>Annual bonuses.</p>

List of members of Technical Committee

1. Mr S Nundoo Chairperson
2. Mr S Nursing Pay Research Bureau
3. Mr S Bhonoo Statistics Mauritius
4. Mr P Dursun Business Mauritius
5. Mr J Li Yuen Fong Business Mauritius
6. Mrs A Sawmy National Remuneration Board
7. Mr R Chuttoo Confédération des Travailleurs du Secteur Privé
8. Mr R Sadien State and Other Employees Federation
9. Mrs L Rajmun MEXA
10. Mr R Imrith Federation of Public Sector and Other Unions
11. Mr S Tengur Association for the Protection of the Environment and Consumers

