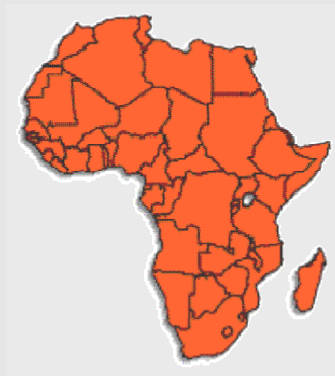




## SEVENTH AFRICA GOVERNANCE FORUM (AGF VII)

Theme  
“Building the Capable State in Africa”

Ouagadougou, Burkina Faso  
24-26 October 2007



“Mauritius Response Paper”



## REPUBLIC OF MAURITIUS

### **FOREWORD**

Ideally put the role of a capable state is to make choices and policies in response to public needs and set up appropriate institutional mechanism within its society, its bureaucracy and its polity, to identify and correct dysfunctionalities that may arise over the manner national aspirations are fulfilled and disputes over its choices.

2. The missing link is often found in the process phase between diagnosis and cure and the prescriptive role effectively played by institutions in identifying and rectifying dysfunctionalities. This cognitive and curative function in which the state is both the “physician and the patient” constitutes a fundamental paradox inherent to the process. On the other hand, the state is called upon to initiate corrective measures by setting up and facilitating the task of institutions in rectifying problematic situations. On the other hand, - in particular when the enabling environment is weak and institutions not well established - a denial of the same process is triggered to impede the very functioning of institutions or bureaucratic organizations normally responsible for such means of redress.

Challenging the paradox therefore requires intimate familiarity with the prevailing environment and context, often shrouded in proverbial confidentiality and lack of transparency. Dysfunctionality may be caused by lack of coordination and communication, incapacity of enforcing regulations; though lack of financial and human resources; lack of accountability and access to information. All these shortcomings can be pinned down to defects in process which require an inside intelligence of the organization or the situation that needs to be corrected.

3. Very often also such knowledge will threaten vested interests, challenge hierarchies and established procedures. It will give rise to resistance, delaying tactics, encourage inertia. Any hope of moving forward therefore, implies a change in mindset; political will and leadership; transparent and enforceable procedures. However, the capable state will emerge above all when these factors combine to

construct an enabling environment. The difficulty is that the enabling environment has an element of uniqueness. Diagnosis and solutions proposed may be generalized but the process to get things right must deal with specifics.

4. The AGF VII has identified six very important themes to facilitate our understanding of the complex phenomena and factors that influence the enabling of a state. It is a laudable initiative inspired by debates of last years AGF VI Forum in Kigali on the APRM process and governance particularly relevant to situations on the African continent. The Preparation of the event however contains a number of flaws.

5. It would require in my view, several AGF sessions in succession to cover and analyse an issue of such complexity, which strikes at the core of African polity. A lot of scholarship material already exist about the dysfunctionalities of institutions but a comprehensive, cross cutting and pragmatic exercise on the capable state relating to Africa is a new approach which could result in pioneering work.

6. The thematic papers could have been enriched through broader consultations with other African institutions such as the ECA, the ADB and a number of regional and sub-regional organizations likely to have acquired relevant and more localized expertise on capacity challenges and institution building as part of their usual interactions with states. In preparing for AGF VII, the UNDP should have made use of some of these contacts, to produce a more user friendly document for participating governments and administrations. To enable a more productive exercise, each theme could have been reduced, synthesized to a series of check lists and capacity parameters against which participants could have measured the level of success and failure of their experience.

7. Participating states besides were requested to carry out a wide ranging process of consultation, emulating the APRM process in examining the proposed topics. The time allocated (mid July-mid September) for those consultations at grass root level with NGO, civil societies on issues of such complexity was unrealistic. The concept papers prepared and the analysis of each theme were to a large extent theoretical and academic. They did not facilitate debate within government departments, to say nothing further down at the level of civil society. The solutions proposed did not address the practical issues of process and how to ensure the enforcement and accountability required at all levels (financial, institutional, political, administrative, judicial) to achieve a capable state environment.

8. It is hoped therefore, as indicated, that the Forum could extend the examination of the themes chosen in view of elaborating specific protocols that would demonstrate how a capable state should operate in an enabling environment. Such task cannot be achieved in one single session.

9. For these reasons and to come back to the idea that capability is a very intimate and localized process, it was felt that a useful position paper in the case of Mauritius, should focus on issues of relevance to Mauritius within the context of institutional capacity building challenges for small island economies and middle income countries in transition.

10. In view of the complexity of the papers and time constraints, it was decided that some papers be combined to avoid overlapping, for example :

- The second technical paper on **State Legitimacy and Leadership Development in Africa** could be combined with technical paper seven on **Enhancing Institutional and Human Capacity for improved Public Sector performance** as they both deal with capacity challenges in the public sector and the dysfunctionalities of institutions.
- Technical paper 6 on **The role of the State & Africa's Development Challenges** would include a segment on gender issues and the role of women in building a capable through entrepreneurship in the development of the country.
- Technical paper four on **Globilisation and State Capacity in Africa** would focus on the problem of market access and trade, the development challenges faced by Mauritius as a small island economy and the need for better access to international financial instruments.

11. Finally, the Mauritius Report is by no means a fully comprehensive report on the governance situation in Mauritius. As mentioned before, it has not been possible within the timeframe set by the UNDP to engage in wide ranging consultations with NGOs and civil society. Whilst the focus of our work has remained on governance in the public sector in Mauritius, it is our hope that issues covered in this report provide a helpful insight into the best practices as well as capacity challenges in Mauritius.

**Ambassador Patrice Curé**  
**Coordinator of AGF VII Project**  
**Special Representative for NEPAD/APRM**  
**Head of Multilateral Political Directorate**  
**Ministry of Foreign Affairs, International Trade and Cooperation**

## Table of Contents

<b>1. EXECUTIVE SUMMARY.....</b>	<b>1</b>
1.1 DEFINITION OF A CAPABLE STATE.....	1
1.2 MAURITIAN CONTEXT - THE COUNTRY.....	1
1.2.1 CHALLENGES FACING THE MAURITIAN ECONOMY .....	1
1.3 INTERNAL CHALLENGES .....	2
1.3.1 GOVERNANCE.....	2
1.3.2 POLITICAL AND ECONOMIC LEADERSHIP.....	2
1.3.3 SUSTAINABLE DEVELOPMENT .....	3
1.3.4 HUMAN RIGHTS.....	3
1.4 TRANSPARENT PROCESSES AND CORRUPTION .....	3
1.5 CAPACITY PROBLEMS FACING THE PUBLIC SECTOR .....	4
1.5.1 GOVERNMENT RESPONSE : PUBLIC SECTOR REFORMS .....	4
1.5.2 ONGOING INITIATIVES.....	4
1.5.3 NEW INITIATIVES .....	5
1.5.4 KEY FEATURES OF THE PERFORMANCE MANAGEMENT SYSTEM.....	5
1.6 LAW AND ORDER – BUILDING SECURITY.....	5
1.6.1 GOVERNMENT RESPONSE .....	5
1.6.2 INTERPOL .....	6
1.6.3 REGIONAL COOPERATION .....	6
1.6.4 THE FIGHT AGAINST CRIME .....	6
1.6.5 MEETING CHALLENGES FACED BY THE POLICE .....	6
1.7 CAPACITY BUILDING - EDUCATION AND TRAINING .....	7
1.8 THE DRUG SITUATION IN MAURITIUS .....	7
1.8.1 DRUG CONTROL SITUATION ANALYSIS .....	8
1.9 GOVERNMENT RESPONSE.....	8
1.10 GENDER .....	8
1.11 EXTERNAL CHALLENGES .....	9
1.12 GOVERNMENT RESPONSE TO THE EXTERNAL CHALLENGES .....	9
1.12.1 EPA NEGOTIATIONS .....	9
1.12.2 NEGOTIATIONS AT THE LEVEL OF WTO .....	9
1.12.3 AID FOR TRADE.....	9

---

1.12.4	BUDGET SUPPORT PROGRAMMES .....	10
1.13	THE WAY FORWARD.....	10
<b>2.</b>	<b>CONCEPT, CHARACTERISTICS AND DEFINITIONS .....</b>	<b>12</b>
2.1	DEFINITION OF A CAPABLE STATE.....	12
2.2	CHARACTERISTICS OF A CAPABLE STATE.....	12
2.3	DEFINITION OF CAPACITY BUILDING .....	14
<b>3.</b>	<b>MAURITIAN CONTEXT .....</b>	<b>15</b>
3.1	THE COUNTRY.....	15
3.2	CHANGES AND CHALLENGES FACING THE MAURITIAN ECONOMY.....	15
<b>4.</b>	<b>INTERNAL CHALLENGES .....</b>	<b>17</b>
4.1	GOVERNANCE .....	17
4.1.1	POLITICAL AND ECONOMIC LEADERSHIP.....	18
4.1.2	SUSTAINABLE DEVELOPMENT .....	20
4.1.3	HUMAN RIGHTS.....	21
4.1.4	TRANSPARENT PROCESSES AND CORRUPTION .....	22
4.1.5	GOOD GOVERNANCE – MRA CUSTOMS AS AN EXAMPLE .....	24
4.2	CAPACITY PROBLEMS FACING THE PUBLIC SECTOR .....	29
4.2.1	GOVERNMENT RESPONSE : PUBLIC SECTOR REFORMS .....	30
4.2.1.1	ONGOING INITIATIVES .....	30
4.2.1.2	NEW INITIATIVES .....	30
4.2.1.3	INSTITUTIONAL FRAMEWORK.....	31
4.3	LAW AND ORDER – BUILDING SECURITY.....	32
4.3.1	BUILDING SECURITY.....	32
4.3.2	GOVERNMENT RESPONSE .....	33
4.3.2.1	LEGAL FRAMEWORK .....	33
4.3.2.2	INTERPOL .....	34
4.3.2.3	REGIONAL COOPERATION.....	34
4.3.2.4	THE FIGHT AGAINST CRIME.....	35
<b>5.</b>	<b>THE DRUG SITUATION IN MAURITIUS .....</b>	<b>39</b>
5.1.1	DRUG CONTROL SITUATION ANALYSIS .....	39
5.2	GOVERNMENT RESPONSE.....	40
<b>6.</b>	<b>CAPACITY BUILDING - EDUCATION AND TRAINING .....</b>	<b>42</b>
6.1	CHALLENGES.....	42
6.2	RECOMMENDATIONS OF THE NHRDP ARE AS FOLLOWS: .....	43

---

6.2.1	THE AGRICULTURAL SECTOR .....	43
6.2.2	THE FINANCIAL SECTOR.....	43
6.2.3	THE ICT AND TELECOMMUNICATIONS SECTOR .....	44
6.2.4	THE MANUFACTURING SECTOR .....	44
6.2.5	THE TOURISM SECTOR.....	45
6.2.6	THE EDUCATION SECTOR.....	45
6.2.7	THE SEAFOOD HUB SECTOR .....	46
<b>7.</b>	<b>GENDER.....</b>	<b>47</b>
7.1	INTRODUCTION .....	47
7.2	CURRENT SITUATION .....	48
7.3	GOVERNMENT RESPONSE.....	48
<b>8.</b>	<b>EXTERNAL CHALLENGES.....</b>	<b>49</b>
8.1.1	GLOBALISATION AND THE EXPIRY OF PREFERENTIAL TRADE AGREEMENTS...49	
<b>8.2</b>	<b>GOVERNMENT RESPONSE TO THE EXTERNAL CHALLENGES .....</b>	<b>50</b>
8.2.1	INVOLVEMENT ON THE REGIONAL AND INTERNATIONAL SCENES.....	50
8.2.2	EPA NEGOTIATIONS .....	50
8.2.3	NEGOTIATIONS AT THE LEVEL OF WTO .....	50
8.2.4	AID FOR TRADE.....	50
8.2.5	BUDGET SUPPORT PROGRAMMES .....	51
<b>9.</b>	<b>THE WAY FORWARD .....</b>	<b>52</b>
<b>10.</b>	<b>CONCLUSION.....</b>	<b>53</b>

---

## **1. EXECUTIVE SUMMARY**

### **1.1 DEFINITION OF A CAPABLE STATE**

A Capable State is one that possesses the appropriate capabilities to respond effectively, efficiently and timely to domestic needs and demands as well as to meet the global challenges in the 21st century so as to operate successfully.

In its generic definition, 'Capable State' encapsulates three critical dimensions: society and people, governance, and economic orientation.

The ability of a nation to pursue and manage its development rests on the capacity of its people and institutions within a prevailing enabling environment. Sustainable development and growth require national capacity with the ability to diagnose problems followed by formulating and implementing relevant solutions.

We shall examine the challenges facing Mauritius and its response towards building a capable state.

### **1.2 MAURITIAN CONTEXT - THE COUNTRY**

The Republic of Mauritius is a small island developing state in the Indian Ocean comprising mainland Mauritius and several outer islands with a total land area of 2000 sq km within an Exclusive Economic Zone of 1.9 million km<sup>2</sup>, a population estimated at 1.24 million and an income per capita of about USD 5400 in 2006

Mauritius is an outward looking economy depending on international trade for its livelihood. Mauritius observes a strict adherence to the principles of democracy, human rights, the rule of law and separation of powers

Due to its social and economic policies effective in the nineteen eighties and nineties and its industrial base, Mauritius experienced a steady growth rate averaging 5.6% over the last two decades. We are however facing a declining growth rate which is further compounded by the triple shock of increase in oil prices, reduction of preferential access, especially in the textile sector, and the reduction of sugar price by the EU. The government has embarked in a major program to take the country in a path of robust and sustainable growth rate of 7%.

#### **1.2.1 CHALLENGES FACING THE MAURITIAN ECONOMY**

Mauritius as a small island economy suffers several handicaps arising from the interplay of several factors relating to its size. As all small islands, its vulnerability is enhanced by its physical isolation, distance from its main markets, minimal share of world trade, small



domestic markets, dependence on few export markets, inadequate infrastructure, high transport and transit costs.

Mauritius is in a transitory stage from dependence on a regime of trade preferences to open competition in the global economy. It is facing a loss of preferential market access for its major exports such as sugar and textiles. As a middle income country, Mauritius is not favoured among donor countries and agencies.

Mauritius needs to build effective and credible institutions capable of articulating high-quality collective action and providing government with resources sufficient to implement public policies in relevant problem areas. MICs commonly face three basic vulnerabilities, namely

- (i) Social and institutional vulnerability
- (ii) Financial vulnerability
- (iii) Productivity vulnerability

Mauritius pursues an active policy of integration through sub-regional organisations such as the Southern Africa Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Commission (IOC) and the Indian Ocean Rim – Association for Regional Cooperation (IOR-ARC). Mauritius is also looking into possibilities of developing strategic partnerships with Member-States of SAARC, ASEAN as well as the Latin American countries.

### 1.3 INTERNAL CHALLENGES

#### 1.3.1 GOVERNANCE

The greatest challenge of governance lies perhaps in the very fact that there is no single or prescribed approach to achieving good governance, although there are 'best practices' on the path leading to good governance towards development goals. Governance is a multi-dimensional nature and is not limited simply to tackling corruption and providing support to democratization process. Mauritius believes that to do so would imply a selective and restrictive approach to Governance and would make abstraction of the fact that political, social, economic and environmental factors are interwoven in shaping the course of development of a State on the principles of good governance.

#### 1.3.2 POLITICAL AND ECONOMIC LEADERSHIP

Mauritius' consensual approach to public administration and policymaking is deeply rooted in its history and ethnicity, with traditions that go back to the early 1800s. the social and economic governance model hinges on a strong social partnership between government, the private sector and civil society, with a sustained private sector involvement in the productive and distributive system.

The private sector has representatives on the boards of many public sector companies and in various high level committees where public policy issues are discussed.

Thanks in part to a vibrant democracy, a capable and professional civil service and a fundamental commitment to partnership with the private sector, Mauritius avoided the extremes of state control of many other countries in the region. As a facilitator, government has used economic diplomacy to help the private sector enter new markets, invest in the region and build joint venture partnerships with global players.

Mauritius, like so many small island economies, more particularly within Africa, with meagre resource bases, has had to adjust to the realities and challenges of increasing liberalization and global economic competition, especially the erosion of trade preferences that have so far helped in addressing its inherent disadvantages. The Government has embarked on a programme of bold and wide-ranging economic reforms to adapt to the new realities of the international economy

### 1.3.3 SUSTAINABLE DEVELOPMENT

Development in the absence of social justice and participation is ineffectual. Mauritius is guided by the notion of 'Citizenships with Dignity' and has taken the option to eradicate poverty through a democratization of the economy, provisioning equal opportunities, capacity building and a participatory approach.

### 1.3.4 HUMAN RIGHTS

The enforcement of human rights is one of the most important components of the protection of human rights. Over the years, Mauritius has not shied away from providing mechanisms for protecting the rights of its citizens, through the enactment of human rights-related laws and the setting up of extra-judicial institutions to complement its Court system

## 1.4 TRANSPARENT PROCESSES AND CORRUPTION

The fight against corruption remains an un-ending battle for all our countries. Conscious of the fact that corruption is a major ill undercutting good governance and rule of law and equally conscious of the negative stigma attached to the African continent, African states have taken several initiatives to wipe out corruption.

Mauritius has not remained aloof from this fight against the scourge of corruption. In the year 2000, the government took the bold step of enacting the Economic Crime and Money Laundering Act and other related legislations subsequently followed.

At international level, Mauritius has subscribed to the United Nations Convention against Corruption, the United Nations Convention against Transnational Organized Crime; the

African Union Convention on Preventing and Combating Corruption and the SADC Protocol against Corruption.

### 1.5 CAPACITY PROBLEMS FACING THE PUBLIC SECTOR

Mauritius has a non-partisan Public Service based on the Whitehall model. Central Government comprises 20 Ministries and some 50 associated Departments. The Public Sector employs, around 18% of the total workforce of the country.

To meet the challenges emerging from globalisation, the public sector needs to modernize for improved delivery of services, strategic thinking and planning, assessment of training needs and implementation of continuous training programmes. In this respect, the government has taken several measures.

#### 1.5.1 GOVERNMENT RESPONSE : PUBLIC SECTOR REFORMS

There is a dire need to raise and streamline the capability of public sector to meet the needs of Mauritius in adjusting to the requirements of an economy opened to globally competitive environment.

Specific measures taken so far include :

- An e-Government Programme
- An “Improvement of Counter Services Scheme” to provide for better physical facilities – reception counters, waiting areas, directional signs
- Support to Ministries/Departments for obtaining ISO 9000 certification and the implementation of Muda Free Public Service programmes
- Publication of a Code of Ethics for the Public Service and the development of Citizens’ Charters by all Ministries/Departments
- Complaints Bureaux have been set up in a number of Ministries/Departments, including the Police
- Greater focus on training and building capacity at all levels

#### 1.5.2 ONGOING INITIATIVES

Some sectors like education, health and agriculture have undertaken important structural reforms over the years in response to changing needs.

Focus has been and is still on: -

- Modernisation of services
- Quality Management Initiatives
- Raising productivity
- Improving Customer Care, and
- Capacity Building

### **1.5.3 NEW INITIATIVES**

The two major reforms being undertaken are:

- (a) Programme-Based Budgeting System (PBB)
- (b) Performance Management System

### **1.5.4 KEY FEATURES OF THE PERFORMANCE MANAGEMENT SYSTEM**

The primary aim of the PMS is to improve performance by focusing on key areas of activity of the Ministry/ Department. It purports to ensure good governance and getting the best results from the Ministry/ Department, teams and individuals through an agreed framework of planned goals, objectives and standards.

## **1.6 LAW AND ORDER – BUILDING SECURITY**

### **National experiences / strategies in capacity development and challenges faced**

Peace, security, safety adherence to rule of law and democratic principles and respect for human rights are sine qua non conditions for ensuring and maintaining stability, progress and sustained economic development

With the advent of globalisation, new emerging crimes such as terrorism, money laundering, human trafficking, drug trafficking and so forth are penetrating our borders and therefore such a state of affairs calls for international cooperation and strengthening legal framework.

The institutions responsible for law and order are the Mauritius Police Force for xxx and enforcement and the courts of law.

**The main problem areas that have been identified for the Mauritius Police Force are:**

- Inadequacy of Training at the middle and higher echelon;
- Perception about Police brutality (complaints, abusive language, physical violence)
- Ageing police force- high need for rejuvenating
- Supervisory cadre- role and responsibilities
- Shortage of proper and hi tech equipment in the fight against crime

### **1.6.1 GOVERNMENT RESPONSE**

#### **Legal Framework**

The primary legislation governing the Police Force is the Police Act. However, there are several legislations to which the Police can resort to such as the Constitution, Criminal Code Act, Criminal Code Supplementary Act, Protection of Human Rights Act, Child Protection Act and others.

Some of the new legislations hereunder proclaimed recently has an international dimension: -

- Prevention of Corruption Act,
- Prevention of Terrorism Act
- Financial Services Development Act
- Financial Intelligence and Anti-money laundering Act
- Convention for the Suppression of the Financial of Terrorism Act
- Anti-Money Laundering (miscellaneous provisions) Act
- Firearm Act
- Protection of Elderly Persons Act
- HIV and AIDS Act

➤ *International cooperation*

The Mauritius Police Force reckons the international threat of transnational crime and the vital importance for international cooperation. In this endeavour, with a view to facilitate the exchange of information, the MPF is a member of the Interpol and SARPCCO.

### 1.6.2 INTERPOL

Interpol is the world's largest international police organization, with 186 member countries. There is strong collaboration by the Police department with Interpol.

### 1.6.3 REGIONAL COOPERATION

➤ *SARPCCO*

Southern African Regional Police Chiefs Cooperation Organisation' (SARPCCO) is a regional police cooperation arrangements between a group of bordering or proximate states in the same region. It was established in 1995 at Elephant hotel, Victoria Falls, Zimbabwe. Mauritius first participated as observer- 3rd AGM in 1998 and became member in 1999.

### 1.6.4 THE FIGHT AGAINST CRIME

Offences in Mauritius are classified as crime, misdemeanour and contravention. As such the MPF believes in capacity building and in particular, upgrading all available human resources by providing knowledge, skills, training and education to them. At the same time, ensuring a conducive working environment with the state of art equipment in the fight against crime.

### 1.6.5 MEETING CHALLENGES FACED BY THE POLICE

Policing the Mauritian society is always a challenge. The multi-ethnic, religious and cultural diversity of the population of Mauritius call upon the Police to adapt themselves

and provide a kind of policing that will obtain a certain consensus amongst the different ethnic groups.

Rapid technological advances in many spheres of the Mauritian society, is another key element which is proving to be an important concern to the Police. In consequence, there is an urgent need for training up to higher level so that the Police Force adapts to the constantly changing technological advances and its inherent challenges.

### **1.7 CAPACITY BUILDING - EDUCATION AND TRAINING**

#### **Challenges**

Human resources have always remained at the centre of every development, be it economic or social. Given that Mauritius does not have many natural resources, we have no choice but to rely on our human capital. In order to be productive and competitive on the national and especially on the international front, we need a pool of human resources with the right skills and competencies.

The government also provides training support in both the formal and informal sector to create an adaptable / multiskilled workforce.

The irony of the Mauritian scenario is that despite the fact that we have a reservoir of skilled unemployed people, their profiles do not match the requirements of the labour market. There is a mismatch between our education system and the world of work.

Our education system needs to be reviewed in relation to the changing social and economic configurations of the economy. The government needs to ensure that the education provided to the students harmonises with the requirements of the labour market.

The Government has come up with the National Human Resource Development Plan (NHRDP), a policy framework for education, training programmes and career progression to meet the country's skills and competence needs;

Another dimension of the problem is the need for the government to ensure the setting up the appropriate structure and institutions to facilitate the redeployment and training of workers from the traditional to emerging sectors.

### **1.8 THE DRUG SITUATION IN MAURITIUS**

The problem of drug use in Mauritius is characterized by the use of multiple drugs, often by injection, and is strongly associated with socio-economic deprivation and other factors that may affect a person's capacity. The problem of drug use lays a heavy toll on the socio-economic development of a country.

Furthermore, the excellent airline network with the Indian Sub-continent, South East Asia, Southern and Eastern Africa strategically increases the risks of Mauritius being used as an important air traffic hub.

### 1.8.1 DRUG CONTROL SITUATION ANALYSIS

Cannabis is the only known illegal substance cultivated in the country. Data released by the Anti-Drug and Smuggling Unit, Police Department, for the year 2006 indicated that out of 2038 arrests for possession/cultivation/importation/dealing and other drug offences, 672 cases were related to offences of cannabis/hashish, while 480 concerned offences of Heroin and 817 were related to the possession of Buprenorphine (Subutex).

### 1.9 GOVERNMENT RESPONSE

In an effort to combat the drug problem and its manifold nefarious consequences, a balance of strategies have been developed by the Government to attend to this scourge both on the demand and supply side.

### 1.10 GENDER

#### Introduction

It is now widely acknowledged that gender analysis and planning should be included in all policies and programmes, whether at the macro or micro levels. In Mauritius in the 1970s, the economic role of women was virtually ignored, with a failure on the part of planners to integrate women's economic role into development policies.

A major shift in policy-making was adopted to enable women to enjoy the benefits of the development process as well as allow them to make a contribution to that process.

Policy-makers realized that women ranked among the "developed" human resources of the country due to the opportunities given to them to be on an equal footing with men in all walks of life, from equal access to educational facilities to equality of opportunity in employment. The granting of free secondary education to girls and boys in 1976 considerably broadened the access to formal education.

In 1999, government approved a National Gender Action Plan (NGAP) with the following objectives:

- a) The integration of gender issues into the mainstream of government and private sector activities;
- b) The development of a holistic approach to the health and welfare of women, with special attention to the girl-child, women at work (both at home and outside the home) and elderly women;
- c) The pursuit of a policy to encourage girls to take up technical and non-traditional subjects so that they may engage in occupations hitherto considered as male domains exclusively.

### 1.11 EXTERNAL CHALLENGES

#### **Globalisation and the Expiry of Preferential Trade Agreements**

Mauritius has encountered severe headwinds emanating from the global economy. Trade liberalization along with the erosion of trade preferences has had serious consequences on vulnerable economies like Mauritius. Existing preferential agreements are being dismantled under agreed WTO rules, affecting commodities like sugar, bananas, coffee and coconut which small and vulnerable economies rely on for their exports.

In the case of Mauritius, the island has been put under increasing pressure following the recent EU sugar reform. Furthermore, as a result of the ending of the Multi Fibre Agreement (MFA) quotas in January 2005, the textiles and clothing sector has downsized by a third.

### 1.12 GOVERNMENT RESPONSE TO THE EXTERNAL CHALLENGES

#### **Involvement on the Regional and International Scenes**

Mauritius is very active on the regional and international diplomatic front manifested through its membership in a number of economic and political organisations. It is a member of the United Nations and is at the forefront of the African, Caribbean and Pacific (ACP) Group. It is a member of the African Union, the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Rim (IOR) Association for Regional Cooperation, and the Indian Ocean Commission (IOC).

#### 1.12.1 EPA NEGOTIATIONS

Mauritius is negotiating the Economic Partnership Agreement (EPA) within the grouping of the Eastern and Southern Africa (ESA) countries.

#### 1.12.2 NEGOTIATIONS AT THE LEVEL OF WTO

Mauritius has always played an active role in the WTO negotiations and remains committed to advance the work thereon in view of completing the Round successfully. Mauritius considers the Doha Round as a development Round that will deliver on market access for developing countries, provide the necessary transitional measures for preference dependent countries in such a way as to create new opportunities, alleviate poverty and help African countries in integrating the multilateral trading system. With respect to alliance building at WTO level, Mauritius is party to the G10, G33, G90, ACP Group and the Africa Group.

#### 1.12.3 AID FOR TRADE

The concept of Aid for Trade was formalised in December 2005 during the 6<sup>th</sup> WTO Ministerial Conference in Hong Kong. Aid for Trade (AFT) is increasingly viewed as an important complement to trade reform and global market opening.



Towards operationalizing Aid for Trade, Mauritius played a proactive role in the task Force in the capacity of spokesperson for the ACP group. Mauritius also took the initiative of convening a High Level Consultative Meeting on Aid for Trade in July 2006 with the aim of building advocacy for Aid for Trade.

Mauritius has consistently advocated that:

- (i) Small and vulnerable countries like Mauritius must be included among the beneficiaries of AFT
- (ii) AFT cannot be a substitute for the development benefits. It must complement Multilateral trade reforms
- (iii) Aid for Trade should help in meeting the adjustment costs of countries affected by erosion of preferences
- (iv) The operationalisation of Aid for Trade must be expedited and must not wait for the conclusion of the Doha Round
- (v) The need for budget support, and the need for donors and agencies to make targeted funds available for building infrastructure and removing supply-side constraints, over and above capacity-building and technical assistance

### 1.12.4 BUDGET SUPPORT PROGRAMMES

The government of Mauritius is currently working with the African Development Bank, the Agence Française de Développement, the European Union and the World Bank through budget support operations.

### 1.13 THE WAY FORWARD

However, in international forums, small countries like Mauritius find it more difficult than larger ones to defend their interests, and they often have problems in using multilateral dispute settlement mechanisms established by the WTO due to lack of technical capacity human and financial resources. Their capacity to comply with international commitments on environmental and property issues, as required by global integration, is also limited.

Therefore, the importance for small economies to form public and private alliances on trade matters and pursue general development programmes should be enhanced in order to enable them to protect their common interests and use their scarce financial and human resources more wisely.

The government has embarked on a reform programme that will help build strong macroeconomic, institutional and social infrastructure. Their programme is designed to attract more FDI, liberalise the market and facilitate the movement of resources to their most productive use, and provide better education and training to enhance the available of needed labour skills.

The main thrust of the reform within the trade and economic restructuring programme will be on the following:

- i) Restructuring the sugar sector, while exploiting value-adding co-products of sugar, moving up the export value chain and reducing production costs within the Multi-annual Adaptation Strategy
- ii) Adopting a multi-pronged strategy for the restructuring and modernisation of the textiles and clothing sector
- iii) Implementing more liberal air access policy, diversifying tourism markets and enlarging the range of tourism products
- iv) Enhancing the resilience of the financial services through greater competition, skills development, product diversification and wider integration of the offshore and onshore sectors
- v) Promoting emerging sectors such as ICT, the medical hub, light engineering, Integrated Resort Schemes, the seafood hub, aquaculture and oceanic land-based activities.
- vi) Create the necessary conditions to attract FDI
- vii) Promote the development of the services sector.

With the assistance of the World Bank and the International Monetary Funds (IMF), the reform programme, to be implemented, over a ten-year period 2006-2015 will cost about 4 billion Euros. Around half of the amount will be financed through private sector investment, including FDI, and public sector investment. The rest is expected to come from external sources, expected from Aid For Trade (AFT), as concessionary finance.

## 2. CONCEPT, CHARACTERISTICS AND DEFINITIONS

### 2.1 DEFINITION OF A CAPABLE STATE

A Capable State is one that possesses the appropriate capabilities to respond effectively, efficiently and timely to domestic needs and demands as well as to meet the global challenges in the 21st century so as to operate successfully.

### 2.2 CHARACTERISTICS OF A CAPABLE STATE

In its generic definition, ‘Capable State’ encapsulates three critical dimensions: **society and people, governance, and economic orientation**. Society and people are the ultimate welfare targets for directing any government’s action; governance provides political leadership, administrative processes and legal rules towards those targets with a philosophy of equality and fairness; and economic orientation creates the productive and trade framework to acquire and distribute resources, goods and services price-efficiently, and employment and opportunities equitably. Capability of a State is dependent on its maturity to open to the world, the stage of its socio-economic development, its ability to make use of modern technology, national production and trade capacity. A country would define its own vision of its capability as a state and determine the policies, processes and resources towards its vision. The table that follows indicates the characteristics of a Capable State with respect to the three dimensions mentioned above:

	<b>Characteristics of Good Governance</b>	<b>Examples</b>
<b>1. Governance</b>	a) Promote democracy and sustain constitutionalism	Rule of law, accountability and transparency, ensuring better understanding of citizenship entitlements and obligations
	b) Consolidate trust and general social capital	Promote cooperation and partnerships amongst various groups in society (national consensus among political parties, CBOs and CSOs, government, press, media and private sector)
	c) To promote an environment of peace, security and stability	Rule of law, establishing proper enforcement mechanisms
	d) Create an environment that will facilitate and promote cooperation between different generations of leaders/facilitate recruitment and succession of leadership	Uphold democratic ideals through free and fair elections

## Seventh Africa Governance Forum (AGF VII) –Report

	<b>Characteristics of Good Governance</b>	<b>Examples</b>
<b>1. Governance</b>	e) Encourage competent and committed leadership	Leaders are conversant with the needs/aspirations of the people, ability to mobilize and inspire people
	f) Continuous reassessment and ability to adapt and respond to emerging challenges	Encourage people and organizations to identify and discuss diminishing institutional capabilities or deficiencies/promote unhindered circulation of ideas and opinions, exchange of experience, insights, best practices.
<b>2. Economic Orientation</b>	a) Promote effective management of government's finances	Setting up appropriate auditing systems, transparency and accountability
	b) Create enabling environment with appropriate policies, regulatory mechanism and processes	Good cooperate governance; means to tackle and prevent corruption; balance between efficiency of market forces and availability and delivery of public goods/services; balance between the needs of entrepreneurs and those of people/citizens for public goods/services
	c) Promote a vibrant private sector	Enforcing public and private partnerships
<b>3. Society and People</b>	a) Promote and sustain an open society	Internet, access to information, facilitating acquisition of knowledge, improving delivery of public goods and services through e-governance
	b) Manage diversities	Better integration to harness economic wealth and development
	c) promote and consolidate gender validation	Better integration of women in democratic and development processes
	d) Strengthen, expand and promote the Public Policy Community	
	e) Empower people	Active participation in economic and civil life through information and knowledge
	f) Mobilize human and material resources	Create opportunities to educate the mass, teach new skills/promote efforts to continuously upgrade skills, techniques and best practices

The ability of a nation to pursue and manage its development rests on the capacity of its people and institutions within a prevailing enabling environment. Sustainable development and growth require national capacity with the ability to diagnose problems followed by formulating and implementing relevant solutions.

Inefficient government institutions hamper entrepreneurship and economic growth, while undermining the development of civil society. Weak capacity compromises the ability of any government to deliver services and undertake public sector management and regulatory functions. Clearly, without capable institutions, governments cannot develop and implement programmes to manage and deliver services.

### 2.3 DEFINITION OF CAPACITY BUILDING

Capacity building is a perpetual and complex process, entailing policies, strategies and their implementation; human, financial and material resources (including supply of the appropriate legal, institutional framework) as well as good leadership. It is a question of empowerment, providing people with the capabilities and expanding their range of choices and opportunities for consultations and partnerships, as well as that of the availability and utilization of resources. The objective of capacity building is to ensure that institutions are efficient and effective in the performance of their respective functions. Capacity building thus requires an environment that would, in general:

- Ensure the continuous **supply** of the appropriate capacity ingredients: **human**, material and financial resources
- Create an **environment** of peace, security and stability so that people could engage in various creative and productive activities, creating wealth and employment, and thus the conditions for continuous supply of the ingredients for capacity building
- Facilitate the efficient utilization of the human and material resources, and promote efforts to continuously up-grade information and knowledge, skills, techniques and best practices
- Consolidate trust and generate social capital to promote co-operation and partnerships amongst the various groups of people in society, amongst and between the CSOs and CBOs, and with the government, the press, media and the private sector
- Facilitate the observance of accountability and transparency in the public decision making processes, and enable people to call to account those in governance positions
- Encourage people and their organizations to identify and discuss diminishing institutional capacities or such serious deficiencies in all the structures and levels of governance in their countries, design or suggest the appropriate capacity for the efficient and effective performance of those institutions.
- Promote the unhindered circulation of ideas and opinions, information and knowledge, and the exchange of experience, insight and best practice.

According to the UNDP, capacity is the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. In turn, capacity development is the process through which the abilities to undertake such development of capacity are obtained, strengthened, adapted and maintained over time.

### **3. MAURITIAN CONTEXT**

#### **3.1 THE COUNTRY**

The Republic of Mauritius is a small island developing state in the Indian Ocean comprising mainland Mauritius and several outer islands with a total land area of 2000 sq km within an Exclusive Economic Zone of 1.9 million km<sup>2</sup>, a population estimated at 1.24 million and an income per capita of about USD 5400 in 2006. A former French and, later, British colony, Mauritius became independent on 12 March 1968 and a republic within the Commonwealth exactly 24 years later i.e. in 1992. The official language is English, but French and other ancestral languages are also spoken, reflecting the different Asian, African and European origins and culture of the population.

Mauritius is an outward looking economy depending on international trade for its livelihood. It has, since independence in 1968, turned from mono-product sugarcane producer to a broader base economy with a reasonably developed manufacturing, tourism and financial services sectors.

Mauritius observes a strict adherence to the principles of democracy, human rights, the rule of law and separation of powers including the independence of the judiciary and an effective parliament. Mauritius is a constitutional parliamentary democracy with free and fair elections being mandatory every five years under the monitoring of an independent Electoral Supervisory Commission. Its constitution is based on the principle of separation of powers. The Constitution also guarantees fundamental rights and freedoms

Due to its social and economic policies effective in the nineteen eighties and nineties and its industrial base, Mauritius experienced a steady growth rate averaging 5.6% over the last two decades. The main drivers of economic success were the Export Processing Zone (EPZ) manufacturing sector, tourism, offshore financial services backed with double taxation treaty with a number of partners and sugar. A vibrant commercial and service sector and adequate electricity, water, telecommunications and media infrastructure were up to the mark.

#### **3.2 CHANGES AND CHALLENGES FACING THE MAURITIAN ECONOMY**

Mauritius is now in a transitory stage from dependence on a regime of trade preferences to open competition in the global economy. It is facing a loss of preferential market access for its export textile goods with the dismantling of the Multi-Fibre Agreement (MFA) and other competitive effects of globalisation. MFA was the governing Agreement on Textile and Clothing from 1974 to 2005 that secured the export quotas of Mauritius to industrialised economies. After 2005, the textile trade was brought under the jurisdiction of World Trade Organisation (WTO).

As a small island economy, Mauritius suffers several handicaps arising from the interplay of several factors relating to its size. As all small islands, its vulnerability is enhanced by its physical isolation, distance from its main markets, minimal share of world trade, small domestic markets, dependence on few export markets, inadequate infrastructure, high transport and transit costs.

As a middle income country, Mauritius is not favoured among donor countries and agencies. In fact, the presence of donor agencies in Mauritius is restricted to the United Nations Agency and the European Union. The country is further penalized since it is not qualified to access financial resources at concessionary terms with international multilateral donors such as the World Bank, IMF, African Development bank etc.

Mauritius as a Middle Income Country (MIC) needs to build effective and credible institutions capable of articulating high-quality collective action and providing government with resources sufficient to implement public policies in relevant problem areas. MICs commonly face three basic vulnerabilities, namely

- (i) Social and institutional vulnerability
  - *Need to reduce inequality and improve living standards at all levels;*
  - *Develop systems targeting the most disadvantaged sector;*
  - *Implement and establish a more active distributive policy;*
- (ii) Financial vulnerability
  - *through efficient and equitable tax system and greater accountability by public institutions to the citizenry*
- (iii) Productivity vulnerability
  - *through empowerment to achieve sustainable growth over the long term and consolidate productive specialization in dynamic sectors with greater value-added and higher technological content.*

Owing to particular vulnerabilities of MICs, international cooperation is needed not only to retain the economic social progress already achieved but also to increase the degree of autonomy (policy space) of such countries in the design and execution of their own development strategies. Support for regional cooperation processes in the fields of macroeconomic dialogue, financial cooperation or technical assistance are vital to the progress of MICs.

Mauritius pursues an active policy of integration through sub-regional organisations such as the Southern Africa Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Commission (IOC) and the Indian Ocean Rim – Association for Regional Cooperation (IOR-ARC). Mauritius is also

looking into possibilities of developing strategic partnerships with Member-States of SAARC, ASEAN as well as the Latin American countries.

Moreover, Mauritius has engaged in bilateral trade negotiations with its major trading partners such as India and Pakistan. For instance, a Preferential Trade Agreement (PTA) between Mauritius and Pakistan has been signed in July 2007. Negotiations on the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between Mauritius and India are still ongoing.

Although the international community has managed to put together an agenda to accelerate progress in the poorest countries, it has not made similar advances with respect of cooperation with MICs. It would be necessary therefore to address that lacuna in a concerted fashion and explore more deeply the rationale for a coherent and effective system of implementing international cooperation with MICs which will support such countries in their development efforts and consolidate their achievements. The donor community should be sensitive to the vulnerabilities of MICs and establish clear criteria for providing aid and international support that take into account the progress made by MICs in the various areas of their own agendas. In the same vein multilateral development banks should consider reviewing the criteria of their soft loan windows in order to facilitate the transition of counties in the lower-middle-income category to the upper middle income category among MICs. They should

- (i) facilitate access by MICs to capital markets;
- (ii) support the development of local financial markets;
- (iii) implement measures to strengthen the private sector;
- (iv) support efforts to improve infrastructure through such mechanisms as Aid for Trade, transfer of technology and direct investment;
- (v) democratize credit; and
- (vi) be better represented in the governing bodies of multilateral institutions.

Owing to the open nature of our economy, Mauritius not only has to cope with external challenges but also to address internal challenges.

## **4. INTERNAL CHALLENGES**

### **4.1 GOVERNANCE**

The greatest challenge of governance lies perhaps in the very fact that there is no single or prescribed approach to achieving good governance, although there are 'best practices' on the path leading to good governance towards development goals. Governance is a multi-dimensional nature and is not limited simply to tackling corruption and providing support to democratization process. Mauritius believes that to do so would imply a selective and restrictive approach to Governance and would make abstraction of the fact that political, social, economic and environmental factors are interwoven in



shaping the course of development of a State on the principles of good governance. Governance, poverty reduction, international trade and development cooperation are inextricably linked. Mauritius has chosen the multi-dimensional approach, advocated by the European Union and explicit in the link between governance, poverty reduction and the Millennium Development Goals, as a basis for domestic policy orientation and international development cooperation agreements.

### 4.1.1 POLITICAL AND ECONOMIC LEADERSHIP

Mauritius' consensual approach to public administration and policymaking is deeply rooted in its history and ethnicity, with traditions that go back to the early 1800s. The social and economic governance model hinges on a strong social partnership between government, the private sector and civil society, with a sustained private sector involvement in the productive and distributive system. And because Mauritius has a well-structured, well-organized and dynamic private sector, the partnership is an effective one. The private sector is involved in major decision-making and policy matters through well-established mechanisms, implemented through joint meetings for continuous dialogue and cooperation.

The private sector has representatives on the boards of many public sector companies and in various high level committees where public policy issues are discussed. In fact, policy decisions that would take private operators by surprise are avoided. The government has adopted productive and creative dialogue as approach in its policy formulation and implementation. Involvement of all stakeholders, mainly industrial leaders, local entrepreneurs, technical experts, educational, educational and training institutions and experts and local and international investors so as to develop the knowledge hub and new poles of growth, including IT, as a major development engine.

Thanks in part to a vibrant democracy, a capable and professional civil service and a fundamental commitment to partnership with the private sector, Mauritius avoided the extremes of state control of many other countries in the region. As a facilitator, government has used economic diplomacy to help the private sector enter new markets, invest in the region and build joint venture partnerships with global players. Government keeps lobbying for preferential trade arrangements such as the ACP-EU agreement and the Africa Growth and Opportunity Act. Nevertheless, the risks of a hands-on, interventionist style extended over time into practically every aspect of economic life still exist, towards building up an intricate web of regulations which are expensive and burdensome, yet ineffective because of widespread exemptions and non-compliance. This is where over-regulation starts upsetting the philosophy of good governance, which is sustaining an efficient market for the welfare of people.

Correspondingly, there may be a need for greater corporate social responsibility on the part of the private sector in order to create a more level playing field for opportunities in entrepreneurship.

Mauritius, like so many small island economies, with meagre resource bases, has had to adjust to the realities and challenges of increasing liberalization and global economic competition, especially the erosion of trade preferences that have so far helped in addressing its inherent disadvantages. The Government has embarked on a programme of bold and wide-ranging economic reforms to adapt to the new realities of the international economy. Besides the various actions being taken to uphold fundamental rights and fight corrupt practices, the Government has also taken measures to give a new impetus to the economy through the implementation of a bold economic reform programme aimed at achieving global competitiveness. This programme inter alia entails the creation of an environment conducive to attracting investments, based on transparency, efficiency, and accountability. In the end, it is expected to deliver an improvement of the 'Doing Business Environment', lead to an increase in Foreign Direct Investment (FDI) and ensure an optimal management of natural resources of Mauritius. This is besides instilling discipline in public finance.

Reforms, unfortunately, almost always bring in its wake some painful decisions and consequences. In undertaking its bold economic reform, Mauritius simultaneously adopted an Empowerment Programme, involving State and Non-State actors, which aims at improving and consolidating the economic situation of the vulnerable component of society through the provision of concrete opportunities for the economically disenfranchised. However, governance measures cannot be sustained in a vacuum and the determination of Mauritius to lay a strong foundation for achieving good governance does not underscore that this is an exercise that would necessitate support in resources and commitments beyond the national level. Effective support by the international community is crucial for fully achieving targets of good governance. It is indeed a shared responsibility to reinforce cooperation in a number of areas related to governance. Enhanced political dialogue and mutual responsibility and accountability should promote ownership of the process on the basis of shared elements of governance at national and international levels. Whilst much emphasis is being laid on national governance measures, international governance measures should not be discounted. A number of issues and decisions are discussed and taken by international institutions and organizations without the voices of the developing countries being heard.

The Doha Development Round is an opportunity for development to remain the main focus and centre stage at the global level. It is a challenge to the international community and partners on development to foster economic growth and sustainable development that would more effectively entrench governance in its broadest sense. Mauritius, just like other developing countries that are pursuing the bold agenda of economic reforms, is looking forward to source from such sources as the Aid for Trade Fund to finance partly their economic restructuring programmes. The complexities and resistance of reforms, as its impacts seep through societies, cannot be disregarded, particularly countries like Mauritius that are vulnerable to energy prices and changes in

trade rules and processes. Aid for Trade remains a vital instrument to secure the support of the civil society in escalating to open competitive economy from a preference-dependent one. Mauritius has hopes that the Aid for Trade will be activated and customized to meet the individual needs and specificities of countries.

Whilst, like its developing country partners, Mauritius endeavours for enhanced political dialogue with the EU, it is equally important that its concerns as well as those of developing and less developed countries are heeded within a participatory framework in other international fora. In this regard, the challenge is to ensure that these shared commitments trickle down to the citizens in order to ensure sustainability. The Cotonou Agreement, often referred to as the model North-South Agreement, which underpins ACP-EU cooperation, already recognizes good governance as a fundamental principle. In fact, the political dialogue enshrined in Cotonou has contributed to the furthering of Governance.

As Mauritius participates in the negotiation of the Economic Partnership Agreements (EPAs) within this framework, EU partner is being encouraged to maintain development at the heart of the negotiations. Tangible and adequate accompanying measures would be needed for a successful implementation of the proposed EPAs and enable the latter to live up to their objectives. It is through this participatory framework that the global community would be in a better position to achieve the Millennium Development Goals within a spirit of dialogue.

### 4.1.2 SUSTAINABLE DEVELOPMENT

Development in the absence of social justice and participation is ineffectual. Mauritius is guided by the notion of 'Citizenships with Dignity' and has taken the option to eradicate poverty through a democratization of the economy. This approach reduces exclusion, discourages marginalization, and internalizes civil society within the bound of production and distribution processes. During the intervention of Mauritius in the course of the 62<sup>nd</sup> Session of the United Nations General Assembly this year, the fact was emphasized that the route towards building better societies and a better world for future generations will be a significant dent on global poverty. This will be through dedicating substantial resources and energy towards achieving the Millennium Development Goals, while also addressing the pressing issue of climate change, which is so important for sustainable development.

Ageing Population - Mauritius like many other countries is poised to experience the multiple consequences of an ageing population. The number of persons aged 60 and above has nearly doubled over the past thirty years and is estimated to increase by 250% over the next three decades. The great challenge facing the nation is how to meet the ever-increasing needs and demands of the elderly while at the same time find ways and means to effectively involve them in the development process. Indeed, an ageing population in our country is likely to have serious repercussions on many sectors,

namely employment and training, health and other social services and particularly the financing of pensions. With an increasing number of people growing old and a decreasing pensioner support ratio, the challenges facing us will be manifold.

Specific capacity issues in many areas will definitely arise to meet required changes in orientation in the health sector, in social welfare programmes, social aid and especially in pension schemes. There is an increasing need to empower those above 50 years to upgrade their skills and make provision for appropriate amenities and leisure activities to enhance their quality of life. The youth of today should also be prepared to provide adequate moral and financial support to the elderly. A capable state should reckon with demographic and its consequential changes that are likely to shape the societal landscape in the coming years.

The attainment of good governance will hinge of many factors. They include upholding the rule of law, creating an efficient judicial system, affirming and reinforcing human rights, instilling transparency and accountability in the work of institutions, strengthening social cohesion and addressing issue of environmental degradation and climate change. All of these are integral to sustainable development and good governance. Many of these are beyond the country's control. Actions towards good governance, aimed at ensuring a strong foundation for good governance, will need to overcome these obstacles on the path of progress.

### 4.1.3 HUMAN RIGHTS

The enforcement of human rights is one of the most important components of the protection of human rights. Over the years, Mauritius has not shied away from providing mechanisms for protecting the rights of its citizens, through the enactment of human rights-related laws and the setting up of extra-judicial institutions to complement its Court system. Forthcoming legislation includes the Equal Opportunities Bill, the HIV/AIDS Bill, the Disability (Removal of Discrimination) Bill and the Freedom of Information Bill. Measures are planned to strengthen the powers of the National Human Rights Commission that, inter alia, will pursue enquiry into written complaints alleging human rights violations on the part of police officers.

The founding fathers of the Constitution of Mauritius equipped it with an entrenched Bill of Rights on the general pattern of the European convention and other recognized benchmarks. The constitutional rights and freedoms exist without discrimination by reason of race, place or origin, political opinions, colour, creed or sex. There is a reasonably good record of compliance and enforcement of these rights over the last four decades through our system of laws and justice. Chapter 2 of the Constitution of Mauritius that provides for the protection of the fundamental rights and freedoms of the individual also provides that these rights are “subject to the rights and freedoms of others and for the public interest”. There is a need in any democratic society to strike a

balance between the rights and freedoms of the individual and those of others and the public interest at large.

It is important that when an individual seeks to enforce for instance, his right to freedom of expression the rights of other individuals to their privacy or respect for their integrity are also enforced. A new Human Rights Centre, recently set up, is intended to be accessible and available to one and all. This centre is expected to become one of the most practical and effective vehicles for the promotion and protection of human rights in Mauritius. It will, through education and assistance in enforcing rights, become part of the overall strategy that aims at empowering people. In fact, the centre, is likely to be a focal point for all activities relating to information, education and training relating to human rights. It is vital that, as part of empowerment, the people in Mauritius should be made aware of their rights and the importance and relevance of these rights in their daily lives.

#### 4.1.4 TRANSPARENT PROCESSES AND CORRUPTION

The fight against corruption remains an un-ending battle for all our countries. Conscious of the fact that corruption is a major ill undercutting good governance and rule of law and equally conscious of the negative stigma attached to the African continent, African states have taken several initiatives to wipe out corruption. The African Union Convention on Preventing and Combating Corruption and the SADC Protocol against Corruption are cases in point. African countries have strengthened their collaboration with development partners to combat corruption.

Mauritius has not remained aloof from this fight against the scourge of corruption. In the year 2000, the government took the bold step of enacting the Economic Crime and Money Laundering Act. Other related legislations subsequently followed, namely, the Prevention of Corruption Act and the Financial Intelligence and Anti Money Laundering Act, the Mutual Assistance in Criminal and Related Matters Act, all of which incorporate and give effect to the broad principles enunciated in international conventions regarding corruption and transnational crime.

At international level, Mauritius has subscribed to the United Nations Convention against Corruption, the United Nations Convention against Transnational Organized Crime; the African Union Convention on Preventing and Combating Corruption and the SADC Protocol against Corruption. Mauritius has gained nine places on the 2006 Index of Transparency International with a score of 5.1 as opposed to 4.2 in 2005. Mauritius in 2006 ranks 42nd out of 163 countries on this index. This is a recognition of its determined efforts to fight corruption in all its forms.

The Independent Commission against Corruption, an institution set up in Mauritius to track corruption has just elaborated a three year Action Plan, which aims at enhancing

the integrity of systems and people, to further improving the principles of good governance.

The entry into force of the SADC Protocol against Corruption in July 2005, should have allowed for the implementation of the SADC Regional Anti-Corruption Programme (SRACP) scheduled to run from 2005 to 2010. To date not much has happened with regards the implement of the Protocol due to the delay in establishing the SADC Anti-Corruption Committee (SACC) whose responsibility is mainly to oversee the implementation of the SRACP, as provided for under Article 11 of the SADC Protocol against Corruption.

The government has taken the commitment vis-à-vis the European Union under the 2008-2013 Country Strategy Paper for Mauritius to amend the Prevention of Corruption Act to bring it in line with the relevant international instruments. However, technical advice and assistance can be of much benefit for the prompt compliance.

Another issue, which is core to corruption throughout the world, is political funding. However, a widely acceptable, corruption risk-free political financing system is yet to be elaborated. Upon ratification of the African Union Convention on Preventing and Combating Corruption, Mauritius will have to comply with Article 10 of the convention which stipulates that each State Party shall adopt legislative and other measures to proscribe the use of funds acquired through illegal and corrupt practices and incorporate the principle of transparency into funding of political funding.

Our governance structure has been further consolidated by the setting up of new institutions like the National Committee on Corporate Governance, the Mauritius Institute of Directors, the Financial reporting Council and the Mauritius Institute for Professional Accountants.

The National Committee on Corporate Governance has come up with a 'Report on Corporate Governance for Mauritius' (Code), which aims at improving ethical conduct of directors and senior level staff members in the management of both the public and private sector companies. A Code of Corporate Governance for State-Owned Companies has also been prepared by the same National Committee and will be launched soon.

With a view to enhance public procurement systems and align the latter with international trends, a new procurement law has been enacted and will soon be proclaimed. The Public procurement Act 2006 establishes modern principles and procedures for competitive bidding, transparency and accountability. It also creates new institutions within the public administration to ensure the principles can be properly applied and implemented.

#### 4.1.5 GOOD GOVERNANCE – MRA CUSTOMS AS AN EXAMPLE

In late 2001, the Customs and Excise department topped the list on the perception of corruption survey carried out by the ICAC. Absence of a proper framework for governance, inadequate codes of conduct and ineffective control systems hugely contributed towards the poor rating. Starting 2002, Mauritius Customs (now MRA Customs Department) embarked on an ambitious reform and modernization programme, under the leadership of Mr. Bert Cunningham. Five years down the road, the result of the reforms came in the form of a trophy of Best Anti-corruption Framework awarded to Customs by ICAC.

The purpose of this paper is to highlight the challenges/problems faced by Customs, the programmes implemented to address the issues, the constraints dealt with and the support needed to create an enabling trading environment that balances the control and facilitation objectives of Customs.

It is worth pointing out that without the unflinching political support of the two successive Governments over the period 2002 - 2007, the reforms would not have been possible given a very powerful Customs union. Major overhaul was brought to the regulatory framework, the institutional set up, capacity building and professionalisation across the trade value chain. Some of the major points of the reform programme included significant infrastructural changes (renovated offices with better security, ergonomic furniture and better working conditions, the upcoming new Customs House at Mer Rouge), institutional development (improved work plans, implementation of new management tools and techniques, etc.), and capacity building through staff and stakeholder training, all of which, along with the requisite legislative backup, have contributed to good governance, improvement in staff motivation, more transparency and minimal discretion in Customs operations, increased public confidence, and an overall better public image. This in turn has resulted in increased revenue collections, enhanced trade facilitation and better trade/taxpayer compliance.

To provide a logical description of the reforms, **“The Revised Arusha Declaration of the Customs Cooperation Council on Good Governance and Integrity for Customs”** was followed as a model. The Arusha Declaration, developed by the World Customs Organization in 2003, gives a 10-points framework to enhance integrity in Customs administrations.

##### 1. Leadership and Commitment

The MRA Customs Department is fortunate to have a dedicated Director of Customs who, along with his new management team, has demonstrated his strong commitment to reform and modernize the Customs Department, ensure a high level of integrity among



the staff, and to fight corruption. The implementation of this reform programme was made possible due to the strong political support of two successive governments. Under his leadership, Customs managers have also adopted strong leadership roles and accepted responsibility to encourage high levels of integrity and accountability in all aspects of Customs operations.

## **2. Regulatory Framework**

A new organigramme for the Customs organization has been implemented since 1<sup>st</sup> July 2006, with specified lines of reporting for all grades of staff under MRA. The Customs Department had a powerful customs staff union who was strongly against the amendment of the law to convert Mauritius Customs from a public body to a body corporate. The transitional was possible due to a strong political will.

At present the MRA customs Department is governed by the MRA Act where decisions to hire and fire the staff is taken by the Board of MRA.

The Chairman of the Board is appointed by the President after consultation with the Prime Minister and the Leader of the Opposition. The Board acts independently and comprises of Non executive members appointed by the Minister of Finance. The Director General of the MRA reports to the Chairman of the Board.

Customs laws, regulations, administrative guidelines and procedures have been harmonized and simplified to the maximum extent possible in order to enable Customs formalities to proceed smoothly as well as to reduce the 'dwell time'. MRA Customs has implemented internationally agreed conventions, other instruments and accepted standards namely those of SADC, COMESA, IOC, SIDS, COTONOU, Mauritius/Pakistan Trade agreement. Other agreements yet to be signed include EPA, SACU, CECPA. MRA Customs is also a member of the WCO and WTO.

Customs practices have been reviewed and streamlined to avoid excessive bureaucracy and unnecessary duplication of work. 80% of Customs tariff lines have already been reduced to zero. Systems and procedures adopted are in line with the Revised Kyoto Convention, even though the Government of Mauritius is expected to sign the RKC by December 2007.

An Anti-Corruption Framework has been prepared and implemented.

## **3. Transparency**

Standard Operating Procedure (SOP) manuals for all sections of the Customs Department have already been completed. Similar SOP manuals for stakeholders are due to be completed by December 2007, which along with the Customer Service



Charter, will ensure that Customs clients are fully aware of the level of service that they can expect from Customs. Administrative guidelines, communiqués, updates of procedures are made available to Customs clients via Customs websites, and notices.

Discretionary powers of Customs officers have been minimized and well defined Appeals and administrative review mechanisms have been established to allow Customs clients to seek review of customs decisions. Examples include COR (Customs Offence Report) Review Committee, Tariff Board for Tariff Disputes, Assessment Review Committee, etc. Complicated issues on tariff classification and valuation are sent to the World Customs Organisation.

The Customs Act and Regulations, and related enactments, provide sufficient basis for a transparent decision making process. Additional in house regulations are disseminated in the form of Departmental Instructions and Departmental Orders. In case of doubt, advice from the MRA Legal Services Division and the State Law Office is sought

The MRA is the only body corporate where all Officers had to disclose their assets and liabilities by way of an affidavit while filling their application forms to join the MRA

#### **4. Computerization of Customs and Development of Information Technology**

The Customs Department has introduced the Electronic Data Interchange (EDI) system since a few years now to improve efficiency and effectiveness, and to remove opportunities for corruption. Utilization of Information Technology has helped to increase the level of accountability and provide an audit trail for later monitoring by the Post Customs Control Audit Unit.

Furthermore a large number of Customs operations have been moved to an electronic platform, e.g.

CMS I enhancements already completed include:

- E-payments of Excise declarations,
- E-filing of Excise declarations,
- Blue Channel Clearance process,
- White Channel Clearance process,
- Value reference Database,
- Integrated Tariff Database,
- Electronic Certificate of Origin,
- An intranet for matters internal to Customs.

CMS II enhancements, which are expected to be fully operational by mid 2008 include :

- Second hand vehicle valuation dbase,
- Second hand exemption valuation dbase,

- Vehicle bonded Showroom dbase,
- Integration of X-ray scanner images,
- Menu access to valuation reference,
- Dbase including pictures of goods,
- Menu access to tariff ruling dbase,
- Bar-coding of electronic Customs Declarations

### **5. Trade Facilitation and Modernization**

Reforms in Customs are ongoing and the Department is on its way to being fully modernized. Systems and procedures have been put in place that will eliminate possible advantages that might be obtained through circumventing official requirements. The reform and modernization initiatives are comprehensive in nature and focus on all aspects of Customs operations and performance.

As part of its reform program, a new Customs House at Mer Rouge is being constructed. This building is a 'smart building' with enhanced security features (e.g. electronic card access, CCTV cameras), well planned offices with all facilities, amenities for staff welfare and well being, better working conditions, etc.

High-tech equipment has been introduced to expedite clearance procedures by using profiling techniques and targeting high risk passengers and cargo, and allow free flow of low risk cargo and passengers. These include scanners at the airport, seaport and air cargo terminal, CCTV cameras for surveillance at examination counters at the airport.

Reforms to ensure Trade Facilitation include :

- Single window inspection,
- Fast Track for rapid clearance of goods and passengers,
- Cargo Community systems,
- Supply chain security cycle,
- Authorized Economic Operator (AEO) system,
- WCO Framework of Standards,
- Advance Passenger Information System (APIS),
- Advance Cargo Information System (ACIS).

### **6. Audit, Investigation and Enforcement**

A number of relevant monitoring and control mechanisms/units have been put in place to enforce compliance with high ethical and professional standards, e.g.

- Internal Control section,
- Fast Team,
- Customs Intelligence & Investigation Unit,

- Post Control Audit,
- Internal Audit,
- External Audit,
- Risk Management Unit.

The Internal Audit Division is headed by one of the former Assistant Directors of ICAC and reports directly to the Board of MRA.

A 24-hour hotline has been set up to allow the public to register complaints or report fraudulent practices by Customs staff. A signage to that effect has been put on all Customs vehicles and on the Customs website. The follow up mechanism includes the setting up of a Departmental enquiry. Complicated cases of alleged bribery and economic crimes are referred to ICAC for an indepth enquiry.

### **7. Code of Conduct**

A comprehensive Code of Conduct and Ethics for Customs staff has been prepared and is applied, as is a similar Code of Ethics and Customer Service Charter for stakeholders. These Codes of Conduct set out very practical and unambiguous rules for the appropriate behaviour expected of all Customs staff and stakeholders.

### **8. Human Resource Management**

A modern approach to HR has been adopted, e.g.

- Increased salaries and enhanced scheme of duties to enable Customs personnel to maintain a decent standard of living,
- Recruitment of personnel who have high standards of integrity,
- Establishment of Key Performance Indicators (KPIs) and Objectively Verifiable Indicators (OVIs) for management staff,
- Implementation of a staff appraisal system based on past performance for awarding salary increments,
- The staff rotation exercise is held by the HR Division every 6 months, with individual staff being rotated every two years to prevent staff from holding vulnerable positions for long periods of time,
- Provision of induction training to new recruits and short-term training courses on specialized topics (e.g. new techniques, updated procedures, etc.) either locally or overseas.

### **9. Staff Morale**

With the improved public image of Customs, and regained public confidence in the Department, Customs personnel have a better morale and increased pride in their work. The better opportunities for career development and progression, coupled with a sense

of belonging to their institution, is expected to engender a feeling of responsibility among the personnel for the good image of their respective office.

#### **10. Relationship with Stakeholders**

The Customs Department is in the process of preparing Memorandum of Understanding (MoU) with several stakeholders, and which are expected to be due for signing by June 2008. These MoUs will ensure an open, transparent and productive relationship with public, parastatal and private sector entities/clients. They lay down clear guidelines for behaviour, responsibilities and accountabilities of both parties (Customs and the stakeholder concerned).

Results obtained so far from the above-mentioned reforms

- a. Increase in national security and community protection;
- b. Minimization of revenue leakage and fraud;
- c. Increase in Foreign Direct Investment;
- d. Removal of barriers to international trade and economic growth;
- e. Increase in public trust and confidence in the MRA Customs Department;
- f. Increase in the level of trust and cooperation between Customs administration and other Government agencies;
- g. Increase in level of voluntary compliance with Customs laws and regulations;
- h. High staff morale and 'esprit du corps';
- i. Increase in number of COR/seizures;
- j. Reasonable increase in revenue;
- k. Achievement of proper balance between optimum Customs control and trade facilitation.

#### **4.2 CAPACITY PROBLEMS FACING THE PUBLIC SECTOR**

Mauritius has a non-partisan Public Service based on the Whitehall model. Central Government comprises 20 Ministries and some 50 associated Departments. The wider Public Sector includes 9 Local Authorities and over 100 parastatal organisations. The Public Service employs around 56,000 persons and the Public Sector as a whole, including Parastatal Bodies and Local Authority, has some 93,000 employees representing over 18% of the total workforce of the country. Recruitment in the Public Service is centralized at the level of independent Service Commissions established under the Constitution.

**The public sector faces the problems as identified below: -**

- Lack of sectoral and organizational training policies and guidelines
- Inadequate linkages between labour market requirements and training output
- Inadequate support for training by end users
- Lack of monitoring mechanisms to determine capacity and productivity of trained personnel to contribute meaningfully to national development

- Challenges in the formulation of strategic thinking

The civil society, including the private sector, faces a shortage of effective skills and knowledge in scale and scope as the economy.

### 4.2.1 GOVERNMENT RESPONSE : PUBLIC SECTOR REFORMS

There is a dire need to raise and streamline the capability of public sector to meet the needs of Mauritius in adjusting to the requirements of an economy opened to globally competitive environment. This is the ongoing reforms in the public sector.

Specific measures taken so far include :

- An e-Government Programme
- An “Improvement of Counter Services Scheme” to provide for better physical facilities – reception counters, waiting areas, directional signs
- Support to Ministries/Departments for obtaining ISO 9000 certification
- Publication of a Code of Ethics for the Public Service and the development of Citizens’ Charters by all Ministries/Departments
- Complaints Bureaux have been set up in a number of Ministries/Departments, including the Police
- Greater focus on training and building capacity at all levels

#### 4.2.1.1 ONGOING INITIATIVES

Some sectors like education, health and agriculture have undertaken important structural reforms over the years in response to changing needs. The past decade has also seen the implementation of a host of cross-sectoral measures to provide a higher quality and more client responsive service. Focus has been and is still on: -

- Modernisation of services
- Quality Management Initiatives
- Raising productivity
- Improving Customer Care, and
- Capacity Building

A Public Sector Reform Steering Committee has been set up under the Chairmanship of the Secretary to Cabinet, who is also Head of the Civil Service, to spearhead and oversee the implementation of reform strategies for the modernisation of the Public Sector. The Ministry of Civil Service and Administrative Reforms is responsible for ensuring that administrative reforms are duly implemented within the public sector as a whole, leaving the other reforms by the ministries concerned.

#### 4.2.1.2 NEW INITIATIVES

The two major reforms being undertaken are:

### (a) Programme-Based Budgeting System (PBB)

The PBB is undertaken within the Ministry of Finance and Economic Development (MOFED). The adoption of PBB within the Medium Term Expenditure Framework (MTEF) as from financial year 2007-2008 replaces the current line item budget system that employs budgetary resources without linking them to results. This requires the casting of the budget on a 3-year rolling basis within a sustainable macro-economic framework. Budgetary allocations will be tied to measurable objectives. Ministries will have to prioritise their activities and shift scarce resources from low to higher priority programmes. By moving to a PBB system embedded in an MTEF, consistent with government's fiscal framework, the government is stepping up the budget reform process

### (b) Performance Management System

The Performance Management System has been introduced in the public service since 2006 for a better management of government organisations and its human resources. A holistic approach to performance management is being adopted incorporating performance improvement throughout the organisation, development of individuals and teams and managing behaviour to foster better working relationships. The system will bring together many of the elements which go to make up the successful practice of people management, including, in particular, learning and development.

#### 4.2.1.3 INSTITUTIONAL FRAMEWORK

The Institutional Framework set up to facilitate and ensure the smooth implementation of the new initiative is as follows:

- (i) at Ministry of Civil Service & A.R. level
  - a Central Performance Management Monitoring Committee to monitor progress on the project in Ministries/ Departments and
  - a PMS Coordinator to guide Facilitators in Ministries/ Departments; and
- (ii) at Ministry/Department level:
  - a Steering Committee to drive the project and give necessary support in terms of resources needed for successful implementation of the project.
  - a Facilitator to implement the system in the organisation and
  - an Implementation Team to assist the Facilitator during implementation phase.

#### Key Features of the Performance Management System

The primary aim of the PMS is to improve performance by focusing on key areas of activity of the Ministry/ Department. It purports to ensure good governance and getting the best results from the Ministry/ Department, teams and individuals through an agreed framework of planned goals, objectives and standards. It thus aims to create a common bond of ownership among all employees as well as an environment where all officers are empowered, motivated and inspired to deliver quality services.

The PMS integrates all levels within the organisation starting from the top management which is responsible for strategic planning down to line managers and employees who are involved in the day to day transactions in line with set objectives.

### 4.3 LAW AND ORDER – BUILDING SECURITY

#### 4.3.1 BUILDING SECURITY

##### **National experiences / strategies in capacity development and challenges faced**

➤ *Introduction*

Peace, security, safety adherence to rule of law and democratic principles and respect for human rights are sine qua non conditions for ensuring and maintaining stability, progress and sustained economic development. Governments all over the world are investing massively in the police and defence with the prime objective of securing peace and stability that undoubtedly encourages foreign investment. With the advent of globalisation, new emerging crimes such as terrorism, money laundering, human trafficking, drug trafficking and so forth are penetrating our borders and therefore such a state of affairs calls for international cooperation and strengthening legal framework.

➤ *Command & Control*

The independence of the police vis à vis the executive is guaranteed under the Constitution of Mauritius. In fact, according to Sect. 71 of the Constitution of Mauritius, the Commissioner of Police holds an office which is a public office and the Police Force shall be under the command of the Commissioner of Police.

Under the current structure, the Police Force is directly responsible to the Prime Minister through the Senior Chief Executive of the Prime Minister's Office. In principle, the Head of the Police reports to the Prime Minister through the Senior Chief Executive. All Government policy directives are issued to the Police through the Senior Chief Executive. The Police are solely responsible for the management and administration of the Force.

As brought out in the above Section, the Head of the Police is not subject to direct control by any person or organisation. By extension, the whole service is an independent organisation responsible to nobody other than the Head of the Police.

➤ *Control through Budgetary Expenditure*

The Police have a budget allocated on a yearly basis and this allocation is made after pre-budgetary consultation where each and every proposal for expenditure needs to be justified. Subsequently, the budget is voted in Parliament. There is some degree of control over the Police concerning budgetary expenditure. The prior approval of the Prime Minister's Office and the Ministry of Finance is sought to incur laid down

expenditure. For control purposes there is a Government Audit Department which scrutinises Police expenditure and any discrepancy/mismanagement of fund or malpractice is reported to the Ministry of Finance. The Police are also accountable to the Public Accounts Committee which is a parliamentary body scrutinising public expenditure.

**The main problem areas that have been identified for the Mauritius Police Force are:**

- Inadequacy of Training at the middle and higher echelon;
- Perception about Police brutality (complaints, abusive language, physical violence)
- Ageing police force- high need for rejuvenating
- Supervisory cadre- role and responsibilities
- Shortage of proper and hi tech equipment in the fight against crime

### 4.3.2 GOVERNMENT RESPONSE

#### 4.3.2.1 LEGAL FRAMEWORK

The primary legislation governing the Police Force is the Police Act. However, there are several legislations to which the Police have resort to. These include the Constitution, the Criminal Code Act, the Criminal Code Supplementary Act, the Protection of Human Rights Act, the Child Protection Act and others.

Some of the new legislations hereunder proclaimed recently has an international dimension: -

- Prevention of Corruption Act,
- Prevention of Terrorism Act
- Financial Services Development Act
- Financial Intelligence and Anti-money laundering Act
- Convention for the Suppression of the Financial of Terrorism Act
- Anti-Money Laundering (miscellaneous provisions) Act
- Firearm Act
- Protection of Elderly Persons Act
- HIV and AIDS Act

#### ➤ *International cooperation*

The Mauritius Police Force reckons the international threat of transnational crime and the vital importance for international cooperation. In this endeavour, with a view to facilitate the exchange of information, the MPF is a member of the Interpol and SARPCCO.



### 4.3.2.2 INTERPOL

Interpol is the world's largest international police organization, with 186 member countries. Created in 1923, it facilitates cross-border police co-operation, and supports and assists all organizations, authorities and services whose mission is to prevent or combat international crime.

Interpol aims to facilitate international police co-operation even where diplomatic relations do not exist between particular countries. Action is taken within the limits of existing laws in different countries and in the spirit of the Universal Declaration of Human Rights. Interpol's constitution prohibits 'any intervention or activities of a political, military, religious or racial character.

Interpol's activities are all based on the following three core functions:-

- *Secure global police communication services*  
Interpol runs a global police communications system called I-24/7, which provides police around the world with a common platform through which they can share crucial information about criminals and criminality.
- *Operational data services and databases for police*  
Interpol's databases and services ensure that police worldwide have access to the information and services they need to prevent and investigate crimes. Databases include data on criminals such as names, fingerprints and DNA profiles, and stolen property such as passports, vehicles and works of art.
- *Operational police support services*  
Interpol supports law enforcement officials in the field with emergency support and operational activities, especially in its priority crime areas of fugitives, public safety and terrorism, drugs and organized crime, trafficking in human beings and financial and high-tech crime. A Command and Co-ordination Centre operates 24 hours a day, seven days a week.

The MPF fully uses the support of the Interpol through the NCB based in Port Louis.

### 4.3.2.3 REGIONAL COOPERATION

- *SARPCCO*  
Southern African Regional Police Chiefs Cooperation Organisation' (SARPCCO) is a regional police cooperation arrangements between a group of bordering or proximate states in the same region. It was established in 1995 at Elephant hotel, Victoria Falls, Zimbabwe. Mauritius first participated as observer- 3rd AGM in 1998 and became member in 1999.

## Seventh Africa Governance Forum (AGF VII) –Report

---

The following are member countries:-

- Republic of Angola
- Republic of Botswana
- Kingdom of Lesotho
- Republic of Malawi
- Republic of Mauritius
- Republic of Mozambique
- Republic of Namibia
- Republic of South Africa
- Kingdom of Swaziland
- United Republic of Tanzania
- Republic of Zambia
- Republic of Zimbabwe

The main objective of SARPCCO is to increase policing capacity of neighbouring states by focusing on:

- Training;
- Best investigative practice; and developing common strategic approach to regional problems (smuggling, drug etc.)
- Cooperation, faster joint strategies for management of crimes (cross-border regional implication);
- Sharing information on criminal activities (crime in the region)
- Recommendation– to GM of members' countries on matters affecting
- Appropriate acts and strategies for the purposes of promoting regional cooperative

Every year an Annual General meeting is held in one among the member country of SARPCCO, with a view to discussing priority matters and voting resolutions on many issues.

➤ *Cooperation with friendly countries*

The Government of Mauritius has had various exchanges and visits in friendly countries with a view to seeking the expertise so as to reform and professionalize our police department.

### 4.3.2.4 THE FIGHT AGAINST CRIME

Offences in Mauritius are classified as crime, misdemeanor and contravention. The table below shows the crime trend for Mauritius over the last five years.

As such the MPF believes in capacity building and in particular, upgrading all available human resources by providing knowledge, skills, training and education to them. At the same time, ensuring a conducive working environment with the state of art equipment in the fight against crime.

## Seventh Africa Governance Forum (AGF VII) –Report

---

Offences	2002	2003	2004	2005	2006
Crime	4289	4274	5167	5837	5721
Misdemeanor	30570	32785	36720	37907	37699
Contravention	134220	150831	131753	108140	139319
Detected drug cases	3022	3361	3115	3537	3835

As the table shows, crime gradually took the increasing trend as from 2004 with a slight decrease in the year 2006. The major contributory factor to the rate of crime is primarily crime against property especially larceny of cell phones, etc.. that inflates the figure by about 60-65%. Crime against person such as murder has been occurring at an average rate of 65 cases per annum during the past years.

The primary duty of the Police is to fight crime efficiently and to reduce the fear of crime with a view to ensuring peace and harmony within the society. The Police have intensified foot and mobile patrols especially in residential and commercial areas. Mauritius being a tourist destination and there is a growing reflex of tourists which is expected to reach two millions by 2015, a Tourist Protection Unit has been set up in order to provide better protection to visitors to our shore.

Recently, following an increase in attacks, sometimes with violence, upon bus conductors, drivers and passengers and the upsurge of illegal competition by private vans and taxi 'marron', a new unit called '**Police du Transport**' was set up in year **2006** to provide protection to people in the Transport Industry.

Crime is the problem of the whole society and solving it needs reliable information and intelligence gathering. In that endeavour, Crime Intelligence Cell has been set up on 10<sup>th</sup> January 2006 with a view to reinforcing the mechanism for combating crime and maintaining law and order. This unit has been tasked to collect, collate and disseminate information in solving crime.

In addition, in order to protect both the suspect and the police against possible allegations of statement distortion, coercion, misconduct or misrepresentation, last year, an interview room equipped with video recording system has been set in Line Barracks for use during interrogation / interview of suspects in serious cases. Video recording (sound and visual) poses as the highest quality proof of a suspect's statement, thereby assisting police in collecting the best-quality evidence thus building strong cases for prosecution. It also leaves no room for subsequent dispute as to what officers and suspects said and did during interview or interrogation.

Moreover, in the fight against crime, a host of measures including the implementation of a new Police Radio communication system and the installation of CCTV camera will be implemented. One of the current shortcomings faced by the Police Force is the modernization of its communication equipment. The MPF was equipped with its actual

communication system in year 1990/1991. Unfortunately, various units of the Police were equipped with different systems. These varied systems were not compatible and therefore inter-operability which is in fact a very important feature for coordination and sustaining support among multi agency operations was affected. This situation is compounded by the fact that the equipment is out-of-date and spare parts are often not available. A new communication system needs to be implemented to avoid disruption of the Police communication network.

In keeping with the trend in the use of CCTV in major cities and towns abroad as a powerful tool in the hands of the Police in combating crime, the Mauritius Police Force (MPF) likewise intends to implement, with the assistance of the Chinese Government a Closed Circuit Television Street Surveillance System for the City of Port Louis and the tourist resort of Grand Baie. The system will cover the important arteries and business, entertainment and commercial areas as well as crime prone areas. It aims at combating crime through the monitoring of criminal activities in crime prone areas thus reassuring the public and reducing the fear of crime. To a lesser extent, it will also help in monitoring traffic flow and congestion.

The system is required to provide a 24-hour surveillance over these areas by way of an integrated network of digital colour cameras both static and PTZ (Pan Tilt and Zoom). The cameras will transmit the images through a communication network of fibre optic cables and / or microwave links to a main command and control centre at Line Barracks, Port Louis. The system would be so designed as to provide for live monitoring and good quality retrospective evidence. This will make it possible for the Police to respond to incidents when alerted, and to have information about what to look for when they arrive at the scene. The storing of images would also allow for post-incident analysis, which would facilitate investigation.

### **Meeting Challenges faced by the Police**

By the year 2015, Mauritius will be expecting 2 million tourists every year. In an open and democratic society with a high population density, of different ethnic and religious backgrounds, the social fabric has to be managed properly.

Mauritius remains a relatively peaceful country but nevertheless, the social fabric needs to be protected. By virtue the composition and nature of our open society, we are prone to foreign influences, especially in terms of culture, religion, terrorism, drugs, etc. Besides, Mauritius is an island-state with no natural resources of its own and is highly dependent on trade and commerce from abroad and the risks of terrorism, drugs and money laundering are a growing concern. Faced with the diverse influences from abroad and pressure at home, policing in such an environment is indeed a challenge. Whilst the Police are preparing the individual Police officer through appropriate training, the Government of Mauritius is proposing to introduce the National Crime Intelligence

Service (NCIS) which will be the supreme organisation at national level to deal with all matters pertaining to intelligence and national security.

Policing the Mauritian society will always be a challenge. The multi-ethnic, religious and cultural diversity of the population of Mauritius call upon the Police to adapt themselves and provide a kind of policing that will obtain a certain consensus amongst the different ethnic groups. Past experience has shown that even an ordinary case but having racial bearings, carries a highly emotional surcharge or a simple misconduct by a Police officer or a misconstrued Police action against a member of a certain community can spark off a communal problem. In other words, the Police needs to remain alert at all times. Over the years, the MPF has put in considerable efforts to police a society evolving in an environment which is quite volatile. The emphasis is on training Police officers and providing them with skills to de-escalate such tense situations, mediate disputes and solve problems at community level.

Ensuring the respect for the fundamental rights and liberties of the individual under the Constitution of Mauritius is indeed another challenge for the ordinary Police officer who is required to exercise judgment in striking the right balance between the need for the observance of the human rights of the individual and the need to protect the society against criminals.

Very often, Human Rights Organisations and other Non-Governmental Organisations (NGOs) have invoked the lack of training and knowledge of Police officers about human rights as the cause of alleged violations of human rights. In this respect, in order to offer the Police force better opportunities for higher studies, a tailored university education programme leading to the award of a BSc (Hons.) Degree in Police Studies has been designed and is being implemented. As at now, 200 Police officers have already graduated under this scheme and by 2009, the target figure of 360 graduates will be achieved. Some of these graduate officers will be deployed at Stations and Branches of the Force to improve front-line policing services. Moreover, the Police Training School runs a module on human rights for recruits and young officers and all efforts are being made for every serving Police officer to complete this module.

Though we have made considerable efforts to improve human rights, the perception of Police brutality still exists. The Mauritian Government therefore proposes to introduce an Independent Police Complaints Commission shortly by way of an appropriate legislation for proper investigation of complaints against members of the Police Force.

Rapid technological advances in many spheres of the Mauritian society, is another key element which is proving to be an important challenge to the Police. In fact, free education in the country has allowed a quite important percentage of the population to have access to high and advanced studies in IT, electronics, sciences, etc. This positive development nonetheless, has also been accompanied by new forms of crime. In fact, cyber crimes, fraudulent electronic transactions and other technology-related offences

are new forms of crime which are emerging and which require changing security needs. In consequence, there is an urgent need to improve the technical training of a number of dedicated Police officers in this domain for them to effectively Police such domains. Part of the learning process at all hierarchical levels should take into consideration the technological evolution. Basically, the principle of lifelong learning should be borne in mind and the MPF will have to design new advanced training courses in order to prepare the Police officers to adapt to the new changing environment.

## 5. THE DRUG SITUATION IN MAURITIUS

The problem of drug use in Mauritius and Rodrigues is characterized by the use of multiple drugs, often by injection, and is strongly associated with socio-economic deprivation and other factors that may affect a person's capacity. The problem of drug use lays a heavy toll on the socio-economic development of a country.

### 5.1.1 DRUG CONTROL SITUATION ANALYSIS

Cannabis is the only known illegal substance cultivated in the country. According to police, cannabis is illegally cultivated in sugar cane fields, in remote and inaccessible areas of mountains, river banks, and in forests especially in the south west region of the island as well as in private yards in flower pots and plastic bags. Cannabis is also reported to be cultivate on the island of Rodrigues. The extent of cultivation is not known and there is no report of the production of any other drugs in the country. From Police Department records, in 2005 and 2006 about 67 kg and 34 kg of cannabis were secured respectively. In the year 2005, 545 persons were arrested due to dealing with cannabis, and in the year 2006, the number of people arrested was 675.

An excellent airline network with the Indian Sub-continent, South East Asia, Southern and Eastern Africa strategically places Mauritius at an important air traffic hub.

Data released by the Anti-Drug and Smuggling Unit, Police Department, for the year 2006 indicated that out of 2038 arrests for possession/cultivation/importation/dealing and other drug offences, 672 cases were related to offences of cannabis/hashish, while 480 concerned offences of Heroin and 817 were related to the possession of Buprenorphine (Subutex).

In the year 2000, on the initiative of UNODC (United Nations Office of Drug and Crime) Global Assessment Programme (GAP), an Information, Needs and Resource Analysis (INRA) was carried out. In 2001, this, along with the support of the SADC, gave rise to the establishment of the Mauritius Epidemiology Network on Drug Use (MENDU) as part of the Southern Africa Network regrouping 14 SADC countries known as SENDU (SADC Epidemiology Network on Drug Use). Data gathered have started to provide information on patterns and trends on Alcohol and other Drug use.

## **5.2 GOVERNMENT RESPONSE**

In an effort to combat the drug problem and its manifold nefarious consequences, a balance of strategies have been developed by the Government to attend to this scourge both on the demand and supply side.

### **Legal Framework**

The current legislations regulating drug control supply and demand reduction are:

- (A) The Dangerous Drug Act 2000 (amended in August 2003)
- (B) The Pharmacy Act 1983
- (C) The Prevention of Corruption Act 2002
- (D) The Financial Intelligence and Anti Monet laundering Act 2002
- (E) The Road Traffic Act

The main piece of Legislation relating to drug control supply and demand reduction still remains the Dangerous Drugs Act 2000, an Act to which necessary amendments are brought when the interests of justice are so required.

The 2003 amendments to the Dangerous Drugs Act 2000 effected the following crucial changes:

- a) New definition of “family” – a wider definition adopted so as to include brothers, sisters, lineal ascendants or descendents.
- b) The duty now imposed upon the Court, where it considers it appropriate, to order to a convicted person to undergo treatment, education, aftercare, rehabilitation or social reintegration (where the convicted person undertakes to co-operate in order to be cured of his addiction).
- c) The possibility of an order to search certain premises by the Drugs Commissioner during investigations.

With respect to sentencing, the Criminal Procedure (Amendment) Act 2007 (Act No 6 of 2007, in force since 18 June 2007) substituted the mandatory term of 45 years for drug trafficking to a term not exceeding 60 years.

Further, the Dangerous Drugs (Institutions) Regulations 2005 has listed the rehabilitation centers as follows:

- Centre D’Accueil de Terre Rouge
- Centre de Solidarité pour une Nouvelle Vie
- Dr. Idrice Goomany Treatment Centre
- Humanitarian Education and liberation Project (HELP) De-addiction Centre
- Sangram Sewa Sadan

The HIV and AIDS Act 2006 (Act No 31 of 2006), proclaimed on 3<sup>rd</sup> August 2007, has provided for a syringe and needle exchange programme where persons dependent on

drugs require same as part of a therapy. Accordingly, any person in possession of a syringe or needle, in compliance with the HIV and AIDS ACT 2006, will not be considered as having committed an offence under the Dangerous Drugs Act.

Mauritius has ratified all three United Nations Drug Control Conventions (the 1961 Single Convention on Narcotic Drugs, the 1971 Convention on Psychotropic Drugs and the 1988 Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances). It has also ratified the 2000 Convention on Trans-National Organised Crime. The country is also signatory of both the African Union and the SADC Drug Control Protocol.

Moreover, cooperation exists with the Drug Enforcement Agencies, USA (based in South Africa) and the Australian National Crime Agency. Money laundering legislation has also been passed in an effort to combat anti-money laundering practices taking into consideration the prominent role the offshore banking is taking.

### ***Institutional Framework and Capacities for Drug Control***

*Narcotics Bureau* – The Narcotics Bureau was set up in 2001 at the Prime Minister’s Office with the objectives, amongst others, to:

- (1) Ensure that the provisions of the United Nations Conventions of 1961, 1971 and 1988 are effectively fulfilled by the Government, update and adapt drug control laws and regulations;
- (2) Promote regional and international cooperation;
- (3) Facilitate the development of treatment and rehabilitation programmes for any addicts, encourage and support research/studies/surveys on drug-related issues;
- (4) Promote the prevention of drug abuse and public information for youngsters, families and the general public;
- (5) Elaborate strategies for the active surveillance of new drugs including precursors and new patterns of drug use and abuse.

*Drug Assets and the Forfeiture Office* – The law now makes provision for the Commissioner of Drugs and Assets Forfeiture to investigate into the assets of family network of drug traffickers. This will hamper the manoeuvres of drug dealers and traffickers to convert and transfer the proceeds of their crime.

*NATRESA* – The National Agency for the Treatment and Rehabilitation of Substance Abusers (NATRESA) is a para-statal body under the aegis of the Ministry of Social Security and National Solidarity set up in 1996. It is responsible for all demand reduction activities in the country. NATRESA conducts a number of prevention activities in the community, schools among the youth, women and the workplace, and provides funding to a number of NGOs engaged in prevention, treatment and rehabilitation work.



## **6. CAPACITY BUILDING - EDUCATION AND TRAINING**

### **6.1 CHALLENGES**

Human resources have always remained at the centre of every development, be it economic or social. Given that Mauritius does not have many natural resources, we have no choice but to rely on our human capital. In order to be productive and competitive on the national and especially on the international front, we need a pool of human resources with the right skills and competencies.

Up to now, our economic performance has been remarkable in the African Region. However, outside competition and the erosion of preferential trade agreements in the Sugar and Textiles sectors have imposed such an economic urgency on us now that we have to react promptly. The bad state of these two sectors is reflected through the large number of employees that have recently become redundant. Given that the world environment is changing so fast, we need people who are innovative, quality cultured and productivity-minded so as to deliver high value-added goods and services. Having the appropriate technology transfer is also essential in order to upgrade the skills of our employees. Appropriate mechanisms should be devised so as to constantly enhance the potential of our human resources. All these issues imply that a more skilled labour force will be required in the coming years.

The irony of the Mauritian scenario is that despite the fact that we have a reservoir of skilled unemployed people, their profiles do not match the requirements of the labour market. It has to be noted that the rate of unemployment has been soaring over years, reaching up to 9.5 percent in 2005. If we take the example of the Textile sector, employers have too often complained about the fact that they are unable to find the right type of employees. Consequently, they have to recruit expatriates, which is very costly. This shortage of appropriate skilled manpower in Mauritius can act as a hindrance for local organisations and for foreign investors to implant in Mauritius. This shows that there is a mismatch between our education system and the world of work.

Our education system needs to be reviewed in relation to the changing social and economic configurations of the economy. Our present education system has a pyramidal structure which means that as the level of educational attainment gets higher, the rate of attrition increases, thereby allowing only a tiny minority of students to access tertiary education. Various reports and commissions have pointed out the various failings of the education system but attempts at reforming the education sector have not really worked out because of several resisting forces.

The government needs to ensure that the education provided to the students harmonises with the requirements of the labour market. At this juncture, it is evident that we cannot afford to rely entirely on our traditional sectors of agriculture, manufacturing, tourism and financial services if we want to maintain the level of economic growth. We

have embarked on the exploitation of other avenues such as the ICT, Seafood and Knowledge Hubs so as to diversify the economic base of the island.

The Government has come up with the National Human Resource Development Plan (NHRDP), a policy framework for education, training programmes and career progression to meet the country's skills and competence needs; it will promote sustained economic growth by using the available human resource effectively and by drawing on their expertise and ingenuity.

### **6.2 RECOMMENDATIONS OF THE NHRDP ARE AS FOLLOWS:**

#### **6.2.1 THE AGRICULTURAL SECTOR**

With the fall in the price of sugar by 36 percent in 2009-2010, Mauritius will have to diversify and think about alternate ways and means to promote the Agricultural sector. Emphasis is being laid on the non-sugar sector. Given the low educational attainment of employees in the Agricultural sector, it is imperative to upgrade the literacy and numeracy skills of these employees, especially in the sugar sector where the number of employees is expected to decrease. Strategies should be devised to increase the value added of the sugar industry by optimising the use of bagasse, molasses and production of special sugar. Besides, given the increasing use of ethanol in vehicles around the world, possibilities to produce ethanol in Mauritius on a large scale should be seriously envisaged. Since only 6 sugar estates will operate by 2008, compared to 13 currently in operation, the present workers of the sugar factories will need to be reskilled so as to remain employable. As the Seafood Hub will require additional employees with low educational profile, employees who will leave the sugar sector can be redirected towards the Seafood industry.

#### **6.2.2 THE FINANCIAL SECTOR**

Today, the Financial sector is considered as the fourth pillar of the economy which has been enhanced by the development of the offshore sector, a more dynamic stock exchange and the extension of Freeport activities. Furthermore, a greater exposure to global financial markets, through the liberalisation of both the banking and exchange transactions, has certainly provided more dynamism to the Financial sector.

Based on the results from a Manpower Planning Survey 2006-2010, it was found that the contribution of the Financial Services to the economic development of the country would rise. It would also employ more qualified and skilled workers. Furthermore, this sector has future prospects for expansion. In order to help this sector to develop further, changes should be done in the Industrial Law and other auxiliary laws. Training of workers should be a common practice so as to improve their productivity. There should be proper planning of human resources and this will help in bridging the gap between the demand and supply of labour.

### 6.2.3 THE ICT AND TELECOMMUNICATIONS SECTOR

Government is determined to develop the ICT sector into the 5th pillar of the economy. However, for this to happen, there is a need for substantial investments in human capital and commitment from various stakeholders. It is reckoned that one of the main factors that impede the development of ICT as an industry is a mismatch in terms of labour demand and supply. An adequate pool of IT manpower who is at least computer proficient, computer professionals or IT specialists is essential for the take off of this sector.

Universal ICT Education Programme (UIEP) - In this context, Government is implementing the Universal ICT Education Programme (UIEP). This programme aims at imparting computer proficiency skills to students, workers, unemployed and the population at large. Through the UIEP, Government is aiming to train 400,000 Mauritians over a 4- year period. Successful completion of the course leads to the award of the internationally recognized Internet and Computing Core Certification (IC3) certificate.

IT Coach Programme - Launched in November 2000 by the NCB, the IT Coach programme aims at democratising ICT literacy by bringing computer facilities to the doorstep of citizens across the island, especially in remote areas. Presently, the NCB operates two IT coaches which are each equipped with 10 computers and can accommodate up to 18 persons per training session. Some 34 000 people have already been initiated to ICT literacy under this programme.

MQA-Registered Training Centres - As at 13 June 2005, there were 117 private training centres which were registered with the Mauritius Qualification Authority (MQA) as centres eligible to provide ICT and ICT-related courses. There are seven training centres providing training directly related to Call Centres and BPO.

### 6.2.4 THE MANUFACTURING SECTOR

The EPZ sector is facing severe problems with the eradication of trade preferences and competition from countries like India and China. In this context, the objective of the government is to develop a new economic model through the democratisation of the economy and reposition Mauritius on the world map in the field of textile through competitiveness and value added. The government will have to concentrate more on value added products in textile. Most of the employees in this sector have studied up to the secondary level and this tendency will most probably continue in the future. The amount spent on training and the duration of training for all categories of employees would be insignificant as training is provided to only certain top categories of occupational groups. There is a need for more skilled/educated workforce which the present education system does not seem to provide. Such initiatives would ensure further development in this sector including transition to the manufacture of “haut de gamme” textile.

### 6.2.5 THE TOURISM SECTOR

As compared to the EPZ and Sugar sector, the Tourism industry has continued to grow at a steady pace in recent years. The Tourism sector has also developed into an important foreign exchange earner and is presently the third largest employer in Mauritius. There are many forthcoming Tourism projects under the Integrated Resort Scheme (IRS), which will start soon, and this will generate further employment in the sector. Few of the projects include the Shanti Ananda Spa (Joint Venture between St Felix and Ananda Resorts of India), Tamarina Project of Medine Sugar Estate and the Anahita Project of CIEL Group. With the development of Tourism, SMEs (in handicraft sector) should emerge and grow stronger as SMEs would be encouraged to participate both in Tourism and non-tourism avenues. The government will have to strengthen the sector by providing more training for people in handicraft.

In the Budget Speech 2006/07, the Minister of Finance announced that the government will invest in capacity building to meet the demand for labour in the sector while reskilling workers from agriculture, textiles and import substituting manufacturing.

The bulk of the workforce had a secondary educational background (68 percent) with 21 percent holding the School Certificate and almost 6 percent having passed the Higher School Certificate. It is worth noting that in the Tourism sector, according to the 2000 Census, less than 1 percent of the workforce was university graduates.

### 6.2.6 THE EDUCATION SECTOR

In view of repositioning Mauritius to meet the needs of an increasingly competitive, knowledge-based and globalised economy, government envisions to develop a Knowledge Hub and a Centre of Higher Learning as reported in a recent publication of Ministry of Education and Scientific Resources (MoESR, 2005). The aim is to promote the Knowledge Hub agenda in which tertiary education would be given greater prominence especially in the fields of Science & Technology, Information and Communication Technologies, Skills Development and in Research & Development in Applied Sciences. Moreover, the objectives also include setting Mauritius on a higher growth path, the development of a regional hub for high quality education and training in the knowledge industry will act as a catalyst in broadening the Mauritian economy, and in providing necessary support to the existing and upcoming sectors. In the Budget Speech, the Minister announced that it wants to encourage the development of additional pillars including the Seafood and aquaculture Hub, property development, the Land Based Ocean Industry, the Knowledge Hub, the Medical Hub, the pharmaceutical cluster and the expansion of Tourism to hospitality and leisure. In the same perspective, the Government will also support the upgrading and training of personnel, supervisors, teachers and high cadres who participate in programming, policy dialogue and development. The curriculum for the primary and secondary sectors will be reviewed to emphasise languages, ICT critical thinking, creativity, and innovation. Setting up of the

Knowledge Hub would definitely require massive investment towards the tertiary education whereby co-operation of foreign expertise would be highly recommendable. For this task, it is planned to invite only selected brand name institutions to implant in Mauritius.

### 6.2.7 THE SEAFOOD HUB SECTOR

The seafood industry is progressing towards becoming one of the pillars of the Mauritian economy. The Ministry of Fisheries is aiming at increasing *the contribution of the fisheries sector in the National economy and responding effectively to the needs of the Mauritian fishing industry through the provision of the highest standard of expertise and professionalism in all its operations particularly in transforming Mauritius into a Seafood Hub*. To achieve this aim, several strategies have been adopted by the government in order to transform Mauritius into a World Class Seafood Hub. A platform will be devised which will include trading, warehousing, processing distribution and re-export of fresh, chilled and frozen raw or value added seafood products. Most of the employees working in this sector have not even passed CPE. Thus, more time and money are being spent in training these workers. Training is compulsory in this sector so as to familiarise workers with the Food Act, thus abiding by EU conditions. Many of the retrenched workers of the sugar industry can be employed in the Seafood Hub if they are given proper training. They should also be encouraged to adapt to the working culture of the seafood industry. The Government is planning to set up a pharmaceutical village with the expertise of renowned international companies. It is expected that exploitation of marine resources and promotion of cultivation of medicinal algae in our lagoon can generate several thousands of jobs for both low-skilled and highly-skilled people in the coming years.

As Mauritius embarks on a multi-dimensional strategy to broaden its production and revenue-earning base, it has to meet a human capacity challenge in scale, scope and quality. Labour market is progressively increasing its elasticity as entrepreneurs are given the flexibility to source foreign labour to supplement local labour, or in the event of non-availability of local competence. This can only be a short to medium-term measure. In the long term, it is expected that Mauritius will produce adequate human capacity with adequate skills and knowledge to meet the changing needs of the market in a global environment. Although Mauritius prides itself of a high literacy rate of 88 percent, beyond the primary cycle, education lags behind the level of middle income comparators and certainly, behind far behind high income economies like Finland, Korea and the US. As a consequence, the distribution of skills is skewed in routine processes in the traditional economic sectors.

## **7. GENDER**

### **7.1 INTRODUCTION**

It is now widely acknowledged that gender analysis and planning should be included in all policies and programmes, whether at the macro or micro levels. This conclusion was reached because it was observed that the neglect of sex composition and gender characteristics at macro-level planning had led to unanticipated negative effects on the position of women workers.

In Mauritius in the 1970s, the economic role of women was virtually ignored, with a failure on the part of planners to integrate women's economic role into development policies. The dominant view that prevailed was that women's participation in development was outside the economic mainstream, with women's activities being stereotypically seen in the sphere of family and child welfare only and, therefore, not economic. However, from the 1970s onwards, "Women in Development" became a major policy concern as the advantages of development were thought to be by-passing women. A major shift in policy-making was adopted to enable women to enjoy the benefits of the development process as well as allow them to make a contribution to that process.

Policy-makers realized that women ranked among the "developed" human resources of the country due to the opportunities given to them to be on an equal footing with men in all walks of life, from equal access to educational facilities to equality of opportunity in employment. The granting of free secondary education to girls and boys in 1976 considerably broadened the access to formal education.

In the 1980s and 1990s, the government's policy tended to be more consultative so as to better identify the needs and requirements of women. The preparation of development plans and the ensuing policy measures were, to a large extent, the result of consultations with women's organizations.

The launching of the Export Processing Zone (EPZ) offered new employment opportunities to women in light manufacturing industries. Working mothers with young children usually left an elder (girls in most cases) at home to look after the infants. This practice had a negative impact on the education of girls who often had to interrupt their schooling, joining the ranks of primary school drop-outs. Employers were, therefore, encouraged to provide child-care facilities at the workplace. They were also requested to allow family planning and social workers to educate women in home economics and family life during lunch hours.

During this period, changes with regard to civil rights, namely better provisions relating to domicile and succession rights of married persons, were brought into existing legislation. Amendments were also made to the law governing divorce and judicial separation as

well as that relating to the surname to be borne by married women. A major landmark was the ratification of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1984.

In 1999, government approved a National Gender Action Plan (NGAP) with the following objectives:

- a) The integration of gender issues into the mainstream of government and private sector activities;
- b) The development of a holistic approach to the health and welfare of women, with special attention to the girl-child, women at work (both at home and outside the home) and elderly women;
- c) The pursuit of a policy to encourage girls to take up technical and non-traditional subjects so that they may engage in occupations hitherto considered as male domains exclusively.

### **7.2 CURRENT SITUATION**

Women today constitute 50.5 percent of the population and 33.6 percent of the labour force. Government is conscious of the upward trend in female labour force and many programmes geared towards the alleviation through income generating activities now target women headed-households and women entrepreneurs directly.

### **7.3 GOVERNMENT RESPONSE**

In its 2005-2010 Programme, Government has clearly indicated that it is conscious of the need to mainstream gender in all policies and programmes. Indeed, actions towards the social, economic and political empowerment of women will be sustained, with projects geared towards entrepreneurship development. Emphasis will be put on capacity building with specific schemes for non-working mothers.

Since work and family responsibilities are strongly inter-linked, Government will also adopt a National Policy on the family in view of its commitment to reinforce the institution of the family. A Family Court will be set up where family related disputes will be settled in a more conducive and specialized environment. Concurrently, the enforcement mechanism of the Protection from Domestic Violence Act will be strengthened to provide better services to victims. Government will also consolidate Day Care Centre Facilities in order to promote support services enabling women to better reconcile work and family duties.

Moreover, women entrepreneurs will be encouraged to diversify their activities through the provision of adequate support services. Particular attention will be paid to capacity building, preparation of business plans, market intelligence and access to finance for the



setting up of Small and Medium Enterprises (SMEs) and for the expansion of existing ones.

It is worth mentioning that there is a full fledged Ministry of Women Rights, Child Development, Family Welfare and Consumer Protection which elaborates policies and programmes promoting the advancement of women following direct contacts with the grassroots people i.e. through a bottom-up approach aided by a networking process. Employing this particular methodology is essential since planners do not always have first hand knowledge of the needs and problems faced at the micro level. This approach gives due recognition to the necessity to fully integrate women in all instances of decision making so that national agendas are demand-driven.

To ensure optimum results, a Gender Focal Point (GFP) system is currently being consolidated by the MWRCDFWCP. GFPs are designated in each Ministry to coordinate gender-related activities in their respective Ministries and ensure that management is more gender sensitive in their decisions, policies and projects. Monitoring and evaluation will be carried out by the special unit set up to follow on the implementation of the 2005-2010 Government Programme.

## **8. EXTERNAL CHALLENGES**

### **8.1.1 GLOBALISATION AND THE EXPIRY OF PREFERENTIAL TRADE AGREEMENTS**

Mauritius has encountered severe headwinds emanating from the global economy. Trade liberalization along with the erosion of trade preferences has had serious consequences on vulnerable economies like Mauritius. Existing preferential agreements are being dismantled under agreed WTO rules, affecting commodities like sugar, bananas, coffee and coconut which small and vulnerable economies rely on for their exports.

In the case of Mauritius, the island has been put under increasing pressure following the recent EU sugar reform leading to a fall of 36% in sugar prices. In such instances Mauritius will no longer be able to maintain its preference margin on its export markets under the Sugar Protocol and will thus be compelled to compete with the large low-cost suppliers on the international market such as Argentina, Brazil, India amongst others.

Furthermore, as a result of the ending of the Multi Fibre Agreement (MFA) quotas in January 2005, the textiles and clothing sector has downsize by a third. Meanwhile, the run-up in oil prices from \$24/bbl in 2002 to above \$70/bbl in the first half of 2006 added nearly 4% of GDP to the oil import bill. Mauritius has also been affected by sluggish import demand from Europe which is the destination for 80% of exports.



## **8.2 GOVERNMENT RESPONSE TO THE EXTERNAL CHALLENGES**

### **8.2.1 INVOLVEMENT ON THE REGIONAL AND INTERNATIONAL SCENES**

Despite its size and lack of natural resources, Mauritius is very active on the regional and international diplomatic front manifested through its membership in a number of economic and political organisations. It is a member of the United Nations and is at the forefront of the African, Caribbean and Pacific (ACP) Group. It is a member of the African Union, the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Rim (IOR) Association for Regional Cooperation, and the Indian Ocean Commission (IOC).

Moreover, Mauritius has been actively engaged in bilateral trade negotiations with some of its major trading partners such as India and Pakistan. It has signed a Preferential Trade Agreement with Pakistan in July 2007 and negotiations on the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India are ongoing.

### **8.2.2 EPA NEGOTIATIONS**

Mauritius is negotiating the Economic Partnership Agreement (EPA) within the grouping of the Eastern and Southern Africa (ESA) countries: Burundi, Comoros, DR Congo, Ethiopia, Eritrea, Djibouti, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Zimbabwe, Sudan, Uganda and Zambia.

Both the European Union and the ESA countries have agreed that trade facilitation, competition, investment, Intellectual Property Rights and transparency in public procurement are key issues for development and EU will support ESA countries for capacity building in these areas.

### **8.2.3 NEGOTIATIONS AT THE LEVEL OF WTO**

Mauritius has always played an active role in the WTO negotiations and remains committed to advance the work thereon in view of completing the Round successfully. Mauritius considers the Doha Round as a development Round that will deliver on market access for developing countries, provide the necessary transitional measures for preference – dependent countries in such a way as to create new opportunities, alleviate poverty and help African countries in integrating the multilateral trading system. With respect to alliance building at WTO level, Mauritius is party to the G10, G33, G90, ACP Group and the Africa Group.

### **8.2.4 AID FOR TRADE**

The concept of Aid for Trade was formalised in December 2005 during the 6<sup>th</sup> WTO Ministerial Conference in Hong Kong. Aid for Trade (AFT) is increasingly viewed as an important complement to trade reform and global market opening. The aim of Aid for

Trade is to provide a powerful financing mechanism to developing countries in order to strengthen their ability to trade effectively, namely through infrastructure development, meeting supply-side constraints and financing adjustment costs arising from the loss of Government revenues due to the erosion of preferences. At its meeting of 16 October 2006, the EU General Council has taken a decision to increase the Aid for Trade Fund to 2 billion Euros per year with the European Commission and the Member States contributing 1 million Euros each.

Towards operationalizing Aid for Trade, Mauritius played a proactive role in the task Force in the capacity of spokesperson for the ACP group. Mauritius also took the initiative of convening a High Level Consultative Meeting on Aid for Trade in July 2006 with the aim of building advocacy for Aid for Trade.

Mauritius has consistently advocated that:

- (i) Small and vulnerable countries like Mauritius must be included among the beneficiaries of AFT
- (ii) AFT cannot be a substitute for the development benefits. It must complement Multilateral trade reforms
- (iii) Aid for Trade should help in meeting the adjustment costs of countries affected by erosion of preferences
- (iv) The operationalisation of Aid for Trade must be expedited and must not wait for the conclusion of the Doha Round
- (v) The need for budget support, and the need for donors and agencies to make targeted funds available for building infrastructure and removing supply-side constraints, over and above capacity-building and technical assistance

### 8.2.5 BUDGET SUPPORT PROGRAMMES

The government of Mauritius is currently working with the African Development Bank, the Agence Française de Développement, the European Union and the World Bank through budget support operations.

The expected deliverables of the programme are the following: -

- i) Reducing the budget deficit and debt burden in order to bring them to more sustainable level
- ii) Improving productivity in the traditional sectors of the economy with a view to restoring their competitiveness and facilitating the development of exports
- iii) Improving the institutional framework for business by streamlining procedures for business registration and incentive schemes in order to attract more FDI
- iv) Facilitating employment creation and social equity

The inclusive reforms are the following: reduction of tax expenditures (exemptions and exonerations) by 0.5 percent of GDP; adoption of a legislation to abolish ministerial discretion over tax and duty exemptions; measures to strengthen tax administration; the

revision of corporate tax rate; the unification of investment incentive schemes; the deepening of financial services; measures to reduce time to start business; ease restrictions on work and residence permits; expand support to SMEs; the preparation of a master plan for poverty reduction; and the implementation of training and re-employment programmes.

### **9. THE WAY FORWARD**

However, in international forums, small countries like Mauritius find it more difficult than larger ones to defend their interests, and they often have problems in using multilateral dispute settlement mechanisms established by the WTO due to lack of technical capacity. Their capacity to comply with international commitments on environmental and property issues, as required by global integration, is also limited.

Therefore, the importance for small economies to form public and private alliances on trade matters and pursue general development programmes should be enhanced in order to enable them to protect their common interests and use their scarce financial and human resources more wisely.

At the international level, special treatment should be granted to small economies in multilateral trade agreements, involving longer transition periods to meet new policy demands, more flexibility in setting thresholds or defining legal and institutional obligations, broader safeguards, and the provision of technical assistance during the negotiation process and afterwards.

Economic and social reforms go hand in hand. To be effective, the tendency is for the social policy of government to reach those who really need assistance. The needy needed to be empowered and a new approach developed so that in future, they may stand on their own. This called for fiscal responsibility and reduction of public debt to sustainable level. Public Private Partnership (PPP) schemes and Foreign Direct Investment (FDI) are expected to help the economy enormously through raising the capital stock foundation, but a level playing field to both foreign and local investors is accepted as being critical. To remove administrative hurdle, the public sector institutions needed clear business targets and key performance indicators to measure their delivery within e-government and e-governance framework for 7/24-hour access to services.

The government has embarked on a reform programme that will help build strong macroeconomic, institutional and social infrastructure. Their programme is designed to attract more FDI, liberalise the market and facilitate the movement of resources to their most productive use, and provide better education and training to enhance the available of needed labour skills. The objective is to put the economy on a higher growth trajectory of 6-7% and reduce its vulnerability to external shocks. The programme is articulated around four main pillars:

- i) Consolidate fiscal performance and improving public sector efficiency while at the same time reform the tax system to make Mauritius a duty free island
  - ii) Enhance trade competitiveness
  - iii) Improving the investment climate to take Mauritius to the top 10 nations from its current 32<sup>nd</sup> position
  - iv) Democratising the economy through participation, social inclusion and sustainability
- The main thrust of the industrial reform within trade and economic restructuring programme will be on the following:

- i) Restructuring the sugar sector, while exploiting value-adding co-products of sugar, moving up the export value chain and reducing production costs within the Multi-annual Adaptation Strategy
- ii) Adopting a multi-pronged strategy for the restructuring and modernisation of the textiles and clothing sector
- iii) Implementing more liberal air access policy, diversifying tourism markets and enlarging the range of tourism products
- iv) Enhancing the resilience of the financial services through greater competition, skills development, product diversification and wider integration of the offshore and onshore sectors
- v) Promoting emerging sectors such as ICT, the medical hub, light engineering, Integrated Resort Schemes, the seafood hub, aquaculture and oceanic land-based activities.
- vi) Create the necessary conditions to attract FDI
- vii) Promote the development of the services sector.

With the assistance of the World Bank and the International Monetary Funds (IMF), the reform programme, to be implemented, over a ten-year period 2006-2015 will cost about 4 billion Euros. Around half of the amount will be financed through private sector investment, including FDI, and public sector investment. The rest is expected to come from external sources, expected from Aid ForTrade (AFT), as concessionary finance.

## 10. CONCLUSION

The Mauritius response has attempted to capture the main features towards building a capable state for a Middle Income Island economy in transition.

The response paper of Mauritius highlights the complexity of the problem and the importance of appropriate combination of institutions, processes and manpower to interact for the successful emergence of a capable state. This in itself is an evolutionary process, as the environment keeps changing, thereby creating new challenges for the capability of the state.

## **Seventh Africa Governance Forum (AGF VII) –Report**

---

Even if the exercise has not addressed all the themes in their details, it has revealed the enormous complexity of the phenomenon and the fact that a small island state is by no means spared from the complexity issues that are being raised in a globalised world.

This exercise has demonstrated that small island states are particularly vulnerable to the fragility of Institutions and the dysfunctionality of processes, both internally and externally.

This field of study proposed needs to be further elaborated and addressed in a more operational way.

We hope that the UNDP can devote more resources to this issue of seminal importance to development.

## ***Acknowledgements***

We wish to express our heartfelt thanks to Mrs. Boolell and Mr. Mownah from the Ministry of Finance and Economic Development, whose dedication, ongoing support and help have been instrumental to the completion of this project, and have helped me to drive the process.

Special thanks go to Mr. Calderone and Mr. Alcindor from UNDP, Mr. Fareed Jaunbocus from De Chazal Du Mée, Mr. T. Appadu from the Ministry of Civil Service and Administrative Reforms, Mr. Rampersad from the Police Department, Mr. Cunningham, and Mr. Facknat from the Mauritius Revenue Authority (MRA), Mr. Bussier and Mr. Koonjal from the Independent Commission Against Corruption (ICAC) for their valuable contribution to the consultations.

We also wish to thank the following members of the Committee for their support to the project:

Mr. Namdarkhan, from the State Law Office

Mrs. Pokun, from the Ministry of Foreign Affairs, International Trade & Cooperation

Mr. Seegolam, from the Human Resource Development Council (HRDC)

Mr. Hurree, from the Ministry of Foreign Affairs, International Trade & Cooperation

Mrs. Utim, from the Ministry of Public Infrastructure, Land Transport and Shipping.

A particular mention for Miss Rubina Singelee who was entrusted with the arduous task of Secretary to the Committee.