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PROPOSAL OF THE C.T.S.P FOR A SALARY COMPENSATION IN AMALGAMATION WITH THE NATIONAL MINIMUM WAGE

Introduction (1)

Mauritius statistics has announced an inflation rate of 0.5 % for 2019. This has given more punch for Business Mauritius that no salary compensation is due as the inflation rate is low and there has been a decreased in C.P.I (Consumer Price Index) for 2019. THE CTSP DOES NOT AGREE WITH BUSINESS MAURITIUS ON THE FOLLOWING GROUNDS: -

- (i) The calculation of inflation has been traded on a consumption basket value at Rs. 29,891 for a family of 4 individuals with 1.4 bread earner. According to Mauritius Statistics formula one bread earner has a financial input of

$$\text{Rs } \frac{29,891}{1.4} \times 1.0 = \text{Rs } 21,350 \text{ (Table 1)}$$

- (ii) As such only a worker that earns Rs. 21,350 or more will be subjected to a lost purchasing power of 0.5 %. WHAT WILL HAPPEN IF A WORKER HAS EARNED LESS THAN Rs. 21,350?

- (iii) Any worker earning less than Rs. 21,350 is subjected to a loss in purchasing power much more than 0.5 %. The lesser is the remuneration, the more will be the incapacity to consume in accordance to Mauritius Statistics Basket.
- (iv) To conclude, as affiliates of Business Mauritius has a vast majority of workers earning less than Rs. 21,350 monthly, Business Mauritius cannot claim that no salary compensation is due while making abstraction to those majority at the lowest rank of the ladder in the income distribution structure.

Introduction (2)

We cannot skip this crude reality that in October last year, all mainstream political parties have engaged themselves in an increase of B.R.P (Basic Retirement Pension) of not less than 50 % and have agreed to the proposal of C.T.S.P in 2019 – 2020 Budget Proposal that the B.R.P ought to be levelled with the minimum wage as same represents a food security and our seniors and other vulnerable groups must have also right to a FOOD SECURITY.

This Government has engaged itself that the B.R.P will be increased to Rs 9,000 monthly by December 2019 and January 2020 it will be levelled with the Minimum Wage. In 5 years, the B.R.P will reach Rs 13,500 notwithstanding that the Minimum Wage cannot be less.

This will represent an average increase of not less than

| | | | |
|-----|-----------|---|---------------------|
| (a) | Rs 13,500 | | (b) 4,100 = Rs. 820 |
| | Rs 9,400 | — | 5 |
| | Rs 4,100 | | |

(Including the Rs. 500 monthly support from the M.R.A) (Table 2)

Introduction (3)

It is important to vote that each time there is an increase in Minimum Wage, according to the National Minimum Wage Regulation, there ought to be an exercise of co-relativity, between the wage of higher categories in both existing prescribe wage structure of the private and public sectors.

1. THE PROPOSAL OF THE C.T.S.P.

- To ensure that Government achieves its objectives to classify Mauritius as a high-income country, we have no other alternative to progressively increase our minimum wage
- The C.T.S.P. proposes that the National Minimum Wage be increased on average of not less than Rs 820 yearly (as explained in Table 2 above) inclusive of compensation for lost in purchasing power so far as the increase contains the increase in relation to inflation rate.
- In any case the inflation rate is high and a full compensation is higher than the proposed amount of Rs 820, the proposed amount will have to be increased accordingly.

2. Compensation for all employees earning above the Minimum Wage

- As explained in Introduction 3 above, any increase in National Minimum Wage must be accompanied with an increase of reestablishing co-relativity between the existing wages.
- In maintaining co-relativity, each year after an increase of the National Minimum Wage all wages will be subjected to an increase excluding all direct income support from the M.R.A.

To conclude

- The proposal of the C.T.S.P will give more visibility to both the Private Sector and Trade Unions of workers with the wage progression in the next 5 years.
- It will also help to comply with the requirements of the National Minimum Wage Regulation in terms of maintaining co – relativity between the wages.
- The Government will undoubtedly be able to fulfill its engagement in increasing the B.R.P and the Minimum Wage to Rs.13,500 in 2024.

- In giving more financial support to the workers and people at large, it will inevitably stimulate the domestic economy through an increase in consumption. The Small and Medium enterprises and Micro Businesses will definitely be subjected to an economic growth.
- At the end of the day with a better income distribution, Mauritius will achieve an INCLUSIVE GROWTH.

We hope that the proposals of the C.T.S.P will be positively entertained

Yours Truly



Mr. Reeaz Chuttoo
President



Mrs. Jane Ragoo
General Secretary

c.c: -

1. **Mr. Beejaye Coomar Appanah– The Chairperson of National Minimum Wage Council**
2. **All Press**