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## National Networking Policy and Strategy



Launching ceremony with from left to right, Mr. A. Ramtohol, NPCC Chairman, Mr. S. Seegolam, Director, Human Resource Development Council, representing the Minister of Education and Human Resources, Mr. J. Vella Bonnici, Chief Executive of the Institute for the Promotion of Small Enterprise Ltd, Mr. R. Makoond, Director, Joint Economic Council

NPCC, with the assistance of the Commonwealth Secretariat, has initiated since September 2005 a project on the elaboration of a National Networking Policy and Strategy for Mauritius. A first sensitisation seminar for local stakeholders was held in October 2005 and was facilitated by John Edgar, consultant and trainer in network facilitation.

On 8<sup>th</sup> and 9<sup>th</sup> March 2006 a two-day consultation meeting with public and private sector stakeholders was organised to gather inputs for a working document on the Networking Policy and Strategy, prepared by Mr. Joseph Vella Bonnici, facilitator and Chief Executive of the Institute for the Promotion of Small Enterprise Ltd (IPSE), the agency responsible for SMEs and the restructuring of industry in Malta.



Mr. J. Vella Bonnici brainstorming with the participants to elaborate the networking policy and strategy document

Enterprise networking and clustering has proved to be a highly effective means to enhance enterprise productivity and competitiveness in a number of countries. Since 2001, the NPCC has initiated pilot projects in the garment and footwear sector. Some successful enterprise networks have also emerged out of private sector initiatives.

The experience gathered from these pilots and the feedback from operators indicated that the promotion of networking and clustering is facilitated when the business environment is conducive to enterprise collaboration. A policy stand on networking is hence essential. Furthermore, all institutions, associations and NGOs providing support to industry need to network and coordinate the provision of such support facilities. Finally, additional measures need to be identified to provide specific financial support and to incubate networks in the initial stages of their development.

In order to facilitate discussions on the National Networking Policy and Strategy Document, the critical issues were categorised into four themes. Four stakeholder groups were set up to discuss on these different themes as follows:

### Theme 1: Creating the right policy environment

**Objective:** To encourage a holistic policy approach to enhance competitive capabilities of SMEs

**Key considerations:**

- Why are we encouraging networks?
- How can public policy encourage networking?
- How to move towards greater policy coordination and convergence?

### Theme 2: Organising to work better together

**Objective:** Identify a coherent support structure.

**Key considerations:**

- What institutional structure should be in place to implement better SME and cluster/networking policy coordination and ensure convergence?
- How to build institutional synergy?
- What should be the role of a lead organisation and support organisations?

### Theme 3: Promoting Centres of Excellence

**Objective:** Reaching out and supporting potential network initiatives that would help in the emergence of Centres of Excellence

**Key considerations:**

- Which types of networks to promote (horizontal, vertical, or both, export)?
- Do we need to be reactive or proactive?
- How do we promote specialisation and best practices? ■ ■ ■



Hon. Rama Sithanen, Deputy Prime Minister of Mauritius receiving the National Networking Strategy and Policy Document from Mr. George Saibel, Director, Special Advisory Services Division, Commonwealth Secretariat

#### Theme 4: Financing networking

**Objective:** Making networking happen

**Key considerations:**

- Budgeting for the network facilitators
- Budgeting for supporting measures for the network facilitation such as communications etc.
- Possible programmes of assistance to encourage networking
- Extension of existing schemes
- Development of new schemes

A total of 25 participants took part in the four stakeholders group discussions. Their inputs have been used to finalise the National Networking Policy and Strategy Document.

As a prelude to the presentation of the document, NPCC has organised from 27<sup>th</sup> March to 4<sup>th</sup> April 2006, the training of Network Facilitators. This training is another component of the project sponsored by the Commonwealth Secretariat. A total of 40 participants comprising practitioners from various sectors as well as sector support institutions - Enterprise Mauritius, SEHDA, University of Mauritius and NPCC - attended the training.

The presentation of the National Networking Policy and Strategy Document to the Government of Mauritius was made by Mr. Georges Saibel, Director of the Special Advisory Services Division, Commonwealth Secretariat on 7<sup>th</sup> April 2006. ■

## Innovate for Quality Education

*“Education is not the amount of information that is put into your brain and runs riot there, undigested, all your life. We must have life building, man-making, character-making, assimilation of ideas. The end of all education, all training should be man-making. The end and aim of all training is to make the man grow.” Aristotle*

The theme of the fifth CATs' (Civic Action Teams) Convention for the education sector is "Innovation for quality education" whereby participating schools will be asked to challenge the existing situation and look for innovative ideas which when implemented will increase the overall quality of the school. Teams can work on the reduction or elimination of a muda (problem) or on the improvement of a process and will have to come up with innovative and realistic solutions. Areas covered can be the classroom, student learning, the teaching process, infrastructure and environment of the school etc.

The innovative potential of the citizen has to be developed at an early age if Mauritius wants to meet the challenges linked to globalization.

Active learning by individuals and organizations is required to enable them to take part in different kinds of innovation processes. Knowledge which is at the base of innovation is acquired not only through formal education and research but also through experience and through interaction which is what students learn through CATs.

The key concept on which the NPCC has built up its strategy is civic responsibility. Civic responsibility that is when each individual whatever his / her age, and occupation acts responsibly as a citizen is considered as the driving force behind productivity. The Civic Action Team (CAT) is one productivity tool proposed by the NPCC to empower the citizen to act responsibly. Through CAT, the citizen learns to reduce and / or eliminate muda, that is any non-value adding activities or any obstacles to the smooth flow of any activity. This tool for empowerment is an innovative adaptation of the technique of Quality Circles and may be used at the level of the family, the school, the workplace and extendable at community level.

Since its inception in 2000, NPCC has been working with schools and the CATs Convention is an effective platform for teams from different schools to display their skills and projects and their potential for innovation and value creation. Through case studies, sketches, posters, they highlight the benefits of CATs in the field of education.

#### Training in the setting up of CATs

NPCC, too, has been innovating. This year, an e-learning platform where all information on the setting up of a CAT is available at <http://www.npccmauritius.com/moodle/>.

#### Audit of projects

Following the CATs' Convention held on 25<sup>th</sup> and 26<sup>th</sup> April 2006, the forty participating schools will be encouraged to carry out the implementation of their action plan. Audits will then be conducted by the judging panel in September 2006 in the registered schools.

#### International Convention in Sri Lanka in December 2006

For the fourth consecutive year the NPCC is planning to send the CAT (maximum of five members), that will have won the jury's award, to attend the 9<sup>th</sup> International Convention on Student's Quality Control Circles (ICSQCC) that will be held in Sri Lanka in December 2006. It is also being envisaged to send four teachers acting as facilitators to the international convention. The teachers will benefit from an international exposure by meeting the schools worldwide which have adopted the CATs' techniques and will be encouraged to help NPCC propagate CATs in the education sector. ■

## Mauritian CAT to 8<sup>th</sup> ICSQCC



The Unnati CAT receiving a shield as recognition of participation for their case study on proper waste management

NPCC sponsored the participation of the Unnati CAT which won the jury's award last year and that of four teachers, namely Mr. Vishnu Tanakadu of Eden College Boys, Mr. Ravimun Gohee of Thanacody College, Mr. Pradeep Ragoonath, facilitator of Unnati CAT and Mrs. Urvashi Beeharri of Queen Elizabeth College, to participate in the 8<sup>th</sup> International Convention on Student's Quality Control Circles (ICSQCC) in Lucknow, India between 2<sup>nd</sup> and 5<sup>th</sup> December 2005.

The convention which attracted 2500 delegates representing 193 educational institutions from 14 countries was a show case of more than one hundred case studies and presentations where educationalists, school principals and students had the opportunity to develop their analytical skills and propose solutions to problems that affect their school environment. ■

## Export Competitiveness of Mauritius: Assessment of Traditional & Emerging Sectors

This article is an extract from a country paper which was presented by NPCC at a regional Workshop on Export Competitiveness Strategies organised by the Commonwealth Secretariat in Botswana from 7<sup>th</sup> to 9<sup>th</sup> March 2006. Mauritius, as many other developing nations, is facing a triple shock. The preferential trade agreements - the sugar protocol and the Multi-Fibre Agreement - which used to ensure protected markets with guaranteed prices for our sugar and textiles exports are being dismantled. Our sugar export revenues are going to decline by 36% by 2009-2010 whereas the contribution of our textile exports to GDP has already declined by 40% between 2000 and 2005. To complicate this already difficult situation, oil prices have reached exponential heights.

With its limited domestic market, Mauritius, although already an export oriented economy, will have to become a fully open economy where

exports of services will be the main engine of growth in order to become competitive at all levels. The overall objective is to ensure the better living of the population by doubling the GDP per capita from its current level of US\$ 4000 to US\$ 8000 within 10 years by sustaining an annual growth rate of 7-8%.

### Constraints to Competitiveness

#### Sugar

Sugar and textiles, which used to be the engines of growth of the Mauritian economy are now showing signs of running out of steam. Sugar's contribution to the national economy in terms of both job creation and value added has been declining since the 1980s. The main constraints of the sugar sector are:

- small size of the sugar plantations. Even with centralization, the economies of scale cannot match those of Brazil or Australia
- costs of production. Mauritius is a high cost producer and the long trade preferences have not created incentives to cut down costs
- difficulty of mechanization, as not all fields are on flat land and mechanization requires heavy investment in derocking
- over-specialization of agricultural research in sugar only. Diversification of crops in large plantations, both in sugar cane interlines and in full fields has not been successful
- Mauritius is also in a zone which is exposed to cyclones, and therefore the range of alternative crops which are resistant to cyclones, is limited.

#### Textiles

Textile and garment manufacturing have also been going through a downturn as the end of the Multi-Fibre Agreement was approaching and as competition from lower cost producers has been increasing. The main constraints of this sector are:

- limited range of products offered by the sector - 4 product lines only, namely pullovers, t-shirts, shirts and trousers
- high production costs - particularly labour costs
- relatively low technology, especially among SMEs
- lack of internal management capabilities, particularly in strategic management, human resource management, productivity management, product development, international marketing and financial management
- lack of production flexibility to accept short lead times and small orders
- lack of skilled human resources, both at management and operational levels
- non-factory constraints, namely cost and frequency of sea links and air cargo, efficiency of utilities and other government services, and access to finance

#### Tourism

Tourism, another engine of growth, though still growing, does not do so at the same rate as in the past. It is too vulnerable to external factors

beyond local control and there are also limits to physical expansion for tourism. Its main constraints are:

- image of the country as a luxury / high cost destination, when in fact only very few hotels are in the category of 5 stars
- high costs of the hotel rooms
- distance from major markets, which also adds up to the costs of travel
- insufficient air-flights during peak season
- tourist market too dependent on a few countries, namely France, Reunion and UK.
- low value added contribution of tourism
- physical constraints to expansion of hotel resorts on the beach
- potential negative impact of hotel activities on the sea and in terms of waste disposal.

The offshore financial sector, the fourth pillar of the economy, is also over-reliant on factors which do not allow it to take a long-term perspective. OECD rules have placed limits to its development, and the double taxation agreements which have made the sector attractive to investors are not to stay for ever and run the risk of being cancelled at any time.

### Contribution to GDP

Year	2000	2001	2002	2003	2004
Sugar	3.3	3.7	3.1	3.2	3.2
Textiles & Clothing	10.0	9.8	8.5	8.0	7.0
Tourism	5.6	6.4	7.1	6.9	7.5
Offshore Financial Services	6.9	7.7	6.6	6.8	6.8

### Prospects for Major Economic Sectors

#### Sugar

The 2005-2015 action plan for the sugar industry aims at providing the formation of a sugar cluster which inter alia involves a much higher level of electricity production from bagasse, higher production of special sugars, the production of ethanol from molasses and the development of other sugar based products. It also aims at improving the yields of sugar cane fields through derocking, irrigation and regrouping of small planters' plots, and the optimisation of sugar mills through modernisation and centralisation of factories.

#### Textiles

To overcome its cost disadvantage, the industry has to reposition itself as a niche supplier of fashion / up-market products, capable of differentiating its products and services from those of lower cost suppliers, and also diversifying its markets to tap both regional and emerging Asian economies. To achieve this, the industry needs to adjust its capabilities and improve its efficiency along the whole value chain from pre-production to post-production to be able to

cope with orders of any size, reinforce its design and product development services, and ensure a flexible and diverse source of material supply, and offer short lead time for production and delivery to market. Networking among SMEs and between SMEs and large enterprises in order to optimise supply chain opportunities, is also an essential part of this up-market strategy, as no firm, however big, can do it alone and provide the 'total service' required by buyers of up-market products.

#### Tourism

The overall objective of this sector as announced at the recent Assises on Tourism is to increase the annual growth from its current level of 5.5 % to more than 10 % annually over the next 10 years, so as to reach a target of 2 million tourists annually by 2015. To achieve this objective the following actions will have to be initiated: modernising the infrastructure, preserve the image of Mauritius as a safe place for visitors, protect the environment, improve the people - friendliness of the airport service, improve the education and training of hotel personnel, reinforce sanitary standards to protect the island from diseases, ensure the effective use of increased funds for the promotion of Mauritius, and finally promote the development of alternative forms of tourism, namely business tourism, shopping tourism, eco-tourism, medical tourism and cultural tourism. The issue of further opening up of the air access is also highly pertinent to the expansion of tourism.

#### ITES / BPO

The medium / long term strategy for the ICT / BPO sector is to make Mauritius 'an African Silicon Valley'. The main areas of action for this transformation are namely:

- creating a socio-economic environment conducive to the development of ICT based activities and especially the promotion of a service culture in the country
- development of ICT culture in households and at the level of SMEs by making PCs more affordable
- development of telecommunications in the region through optimisation of strategic alliances and further reduction of telecommunications costs
- vertical integration of the ICT sector through networking of the enterprises at 3 levels: large ones tapping the international markets, SMEs acting as sub-contractors to the large companies and a strong network of micro enterprises.

#### Sea Food Hub

The strategy is to "position Mauritius as a competitive sea food hub for exports" and the target is to double the contribution of this sector to GDP (currently 1 %) by doubling our exports in 3 years (from Rs 4.8 billion - US\$ 160 M - to Rs 10 billion - US\$ 330 M). The sea food hub which currently employs 5000 persons ■ ■ ■

■ ■ ■ is expected to double its employment force within 3 years. This will be achieved by exploiting the captured fish activities (mainly in our deep sea exclusive maritime zone which extends over 1.9 million km<sup>2</sup>) to its maximum sustainable yield, developing sites identified for fish farming, developing other aquaculture activities, and by increasing our capacity for re-exports. ■

## Literacy in English through Information Technology



Team discussions among participants

NPCC has just initiated a course in English Literacy using Information Technology (ELIT) for women aged 15 to 45 years old in the fourteen women centres in Mauritius. This course, which is partly funded by UNESCO, benefits also from the collaboration of the British Council, which was involved in the training of the trainers programme, and of the Ministry of Women's Right, Child Development, Family Welfare & Consumer Protection.

The aim of the ELIT course is to raise the level of functional English of young girls and women so as to enable them develop their knowledge potential, communication abilities and participate effectively in society. The course evolves around the following themes:

### COMMUNICATION

- Communication within the family
- Communication in teams
- Use of technology for communication

### ENVIRONMENT

- Nutrition
- Health & Hygiene
- Good housekeeping & safety at home
- Pollution, disposing and recycling of waste
- Waste reduction for basic utilities

### FINANCE

- Household budget
- Hire purchase

### DEVELOPING AN ENTREPRENEURSHIP CULTURE

The skills to be developed by the participants are:

- Reading (includes writing and document use)
- Speaking (oral communication)
- Thinking (includes problem solving, decision

making, critical thinking, job task planning / organising, significant use of memory, finding information)

- Numeracy
- Computer literacy

For this three-month course that started on 13<sup>th</sup> March 2006, NPCC is targeting to train at least 280 women who have at least the Certificate of Primary Education (CPE) level. ■

## Recent Additions to the Knowledge Centre



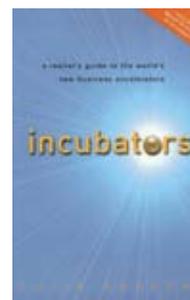
SCHWAB, Klaus; PORTER, Michael E.; LOPEZ-CLAROS, Dr. Augusto: **The global competitiveness report 2005-2006**. Basingstoke: Palgrave Macmillan, 2005. 658p., charts, graphs, ref., tables. ISBN: 1403998442

The report provides the most comprehensive assessment of 117 developed and emerging economies. Produced in collaboration with a distinguished group of international scholars and a global network of over 100 leading national research institutes and business organizations, the report presents individual detailed country profiles highlighting the competitive strengths and weaknesses of each economy as well as an extensive section of data tables containing country rankings for over 160 indicators. The report also showcases the latest thinking and research on issues of immediate relevance for business leaders and policy-makers such as environment, aging population and globalisation.

UZZI, Brian; DUNLAP, Shannon: **How to build your network**. Harvard Business Review v.83(12) Dec 2005. pp.53-60.

Many sensational ideas have faded away into obscurity because they failed to reach the right people. A strong personal network, however, can launch a burgeoning plan into the limelight by delivering private information, access to diverse skill sets, and power. Most executives know that they need to learn about the best ideas and that, in turn, their best ideas must be heard by the rest of the world. But strong personal networks don't just happen around a water cooler or at reunions with old college friends. As Brian Uzzi and Shannon Dunlap explain, networks have to be carefully constructed through relatively high-stakes activities that bring you into contact with a diverse group of people. Most personal networks are highly clustered - that is, your friends are likely to be friends with one another as well. And, if you made those friends by introducing yourself to them, the chances are high that their experiences and perspectives echo your own. Because ideas generated within this type of network circulate among the same people

with shared views, a potential winner can wither away and die if no one in the group has what it takes to bring that idea to fruition. But what if someone within that cluster knows someone else who belongs to a whole different group? That connection, formed by an information broker, can expose your idea to a new world, filled with fresh opportunities for success. Diversity makes the difference. Uzzi and Dunlap show you how to assess what kind of network you currently have, helping you to identify your superconnectors and demonstrating how you act as an information broker for others. They then explain how to diversify your contacts through shared activities and how to manage your new, more potent, network.



BARROW, Colin: **Incubators: a realist's guide to the world's new business accelerators**. New York: John Wiley & Sons, Inc., 2001. 353p., graphs., ill., ref. ISBN: 047084292X

The first global incubators-environments that allow startup businesses to gather momentum and existing businesses to accelerate their growth-have let their fledglings fly solo. This fascinating new area of business is explored in Colin Barrow's *Incubators*, an in-depth analysis of the positive and negative aspects of the incubator phenomenon. Using his own hands-on experience at Cranfield Creates, an e-business incubator affiliated with Cranfield School of Management, the author provides a critical overview of the current global incubator space. Relying on real-life case studies, he provides insights on how entrepreneurs can get the best, and occasionally the worst, out of being in an incubator. He also provides authoritative guidance on what sort of options are available-like which type of incubator you should choose, or whether to incubate at all-along with coverage of less formal business incubators. Includes also a world directory of the key 500 enterprises offering incubation services. ■

*“We cannot get out of problems by using the same methods that got us into them.”*

Albert Einstein



**National Productivity and Competitiveness Council**  
7<sup>th</sup> Floor, St James Court,  
St Denis Street, Port Louis, Republic of Mauritius.  
Tel: (230) 211 8118  
Fax: (230) 211 8056  
Email: natpro@intnet.mu  
Website: www.npccmauritius.com