

CONJONCTURE

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"*Tout l'art de la politique est de se servir des conjonctures.*" Louis XIV

Crise alimentaire : quel développement durable ?

Par Jean Cyril Monty

Depuis plus d'un an maintenant, la crise alimentaire mondiale, qui s'est accentuée durant le premier semestre de cette année, a des répercussions extrêmement sérieuses sur le pouvoir d'achat. Les raisons de cette crise ont été largement médiatisées : changements climatiques, augmentation constante du prix du pétrole, les stocks de céréales au plus bas, la demande grandissante en produits alimentaires des pays émergents, production accrue de biocarburants, taxe à l'exportation.

A Maurice, le poids de la nourriture pèse très lourd dans le panier de la ménagère avec en moyenne près de 35% des revenus nets consacrés à l'alimentation alors qu'aux Etats Unis, il ne représente que 10% seulement. Tout porte à croire que cette année le consommateur paiera encore plus cher sa nourriture car il est estimé que les produits de base augmenteraient en moyenne de 36%.

Les raisons de notre dépendance des importations

Une analyse approfondie de l'évolution de la situation alimentaire à Maurice indique que depuis les années 1970, le pays a progressivement augmenté sa dépendance vis-à-vis des importations de telle sorte qu'aujourd'hui, des 650,000 tonnes que nous consommons, pour une population de 1,2 millions d'habitants, 77% sont importés contre 55% en 1975. Par ailleurs, le secteur agro-industriel dépend davantage des importations pour son approvisionnement en matières premières. Plusieurs facteurs ont contribué à cette situation de quasi-dépendance de telle sorte que Maurice est aujourd'hui catégorisée comme étant un pays importateur net de produits alimentaires.

Maurice est un petit pays insulaire, avec des ressources limitées en terres agricoles – occupées essentiellement par la canne à sucre – et des conditions agro-climatiques défavorables pour de nombreuses cultures comme le riz et le blé. Malgré le fait que l'industrie locale ait été, jusqu'à tout récemment, protégée par les taxes douanières élevées, l'industrie agro-alimentaire subissait malgré tout les effets pervers du dumping pratiqué par certains pays sur toute une gamme de produits, dont le lait. Ces produits étaient importés à un faible coût en raison des subventions conséquentes dont bénéficiaient les producteurs concernés, et cela causait par conséquent un tort immense à notre industrie locale, qui n'arrivait pas à assurer sa compétitivité.

D'autre part, la situation économique florissante du pays dans les années 90 encourageait l'importation par rapport à la production locale qui coûtait plus cher. Ainsi la politique de substitution à l'importation pratiquée à l'époque était basée sur le concept que nos exportations agricoles, notamment le sucre, nous permettaient de couvrir nos importations de denrées alimentaires et que de ce fait, on n'avait pas trop de souci à se faire. Aujourd'hui, ce concept est largement dépassé, car les recettes des exportations sucrières ne couvrent que 75% de nos importations des produits alimentaires.

La diversification agricole, un cheminement différent du secteur sucrier

Contrairement à l'industrie de la canne à sucre qui a su, au fil des ans, se remettre en cause et s'adapter aux différentes menaces auxquelles elle a eu à faire face, tel n'a pas été le cas pour la production primaire agricole qui n'a pas eu l'encadrement et le soutien nécessaire pour être plus performant.

Ainsi, au fil des ans, on a pu constater que la productivité au niveau des cultures a stagné ou même baissé, alors que les modes d'opération sont demeurés pratiquement les mêmes. Quant à la recherche agricole, elle n'a pu s'adapter aux exigences et aux tendances du marché. Nous avons, malgré nous, adopté une attitude de complaisance et pis encore, il n'y a pas eu de réelle volonté politique pour faire bouger les choses.

La crise alimentaire que nous subissons actuellement nous interpelle en ce qu'il s'agit de notre stratégie alimentaire et fait voir à quel point nous sommes un petit pays vulnérable, malgré notre réussite économique, avec des ressources limitées pour faire face à une telle situation. Ainsi, comme le disait récemment le Ministre de l'Agro-Industrie, le Dr Arvin Boolell: « *The days for cheap food are over* ». Nous irons plus loin en avançant que « *having the financial means does no more guarantee our food security* ».

Notre note d'importation est en hausse constante, passant de Rs 7 milliards en 2001 à Rs 13 milliards en 2007. Très probablement, nous atteindrons la barre des Rs 16 milliards cette année, sans compter les effets dramatiques qu'une augmentation soutenue du prix du pétrole pourrait avoir sur notre note d'importation. D'ici 2015, nous estimons que nos besoins alimentaires passeraient à 750 000 tonnes,

et si rien n'est fait pour mettre un frein à notre dépendance des importations, celles-ci pourront atteindre la barre faramineuse de Rs 35 milliards au minimum.

Nous devons aussi faire face à la crise énergétique avec en ligne de mire le baril de pétrole à \$ 200. Ainsi, pour contrecarrer la crise pétrolière, nous devons capitaliser sur les énergies renouvelables, notamment à travers l'usage de la bagasse à partir de la canne à sucre. Ainsi, on parle aujourd'hui du développement de l'industrie cannière, qui comprend le *cluster* énergie. Pour réduire notre dépendance du pétrole, nous avons besoin de davantage de bagasse et de ce fait nous devons maximiser la production de la canne à sucre.

Un nouveau départ pour la production agricole

Nous sommes donc confrontés à un dilemme. D'une part, trouver des solutions à la crise alimentaire et, d'autre part, maximiser la production énergétique à partir de la bagasse. Tout cela requiert une optimisation de cette ressource rare qu'est la terre. Nous nous devons d'être réalistes et pragmatistes. Que nous le voulons ou pas, nous ne pourrions augmenter de façon substantielle notre production agricole primaire à Maurice. Ainsi, notre stratégie devra être axée sur deux piliers, qui sont la production locale et régionale, pour fournir aussi bien notre marché domestique que celui de la région.

Nous nous réjouissons que dans le cadre de la présentation du budget national 2008/2009, le Ministre des Finances, Rama Sithanen, a fait la part belle à la relance de la production agricole en mettant l'accent sur une augmentation de la production locale et sur la nécessité de tirer avantage du potentiel de Madagascar pour produire une partie de nos denrées de base. Ainsi, un fonds de Rs 1 milliard sera consacré au secteur agricole afin d'atteindre les objectifs fixés. Augmentation de la productivité, formation, encadrement et regroupement des producteurs, et aide à la recherche sont autant de mesures qui seront mises en place afin de donner un nouveau souffle à un secteur qui a été pendant trop longtemps l'enfant pauvre de notre agriculture. Le pari est audacieux mais nous ne pouvons nous permettre de rater le coche.

Jean Cyril Monty est le responsable de la diversification à la Chambre d'Agriculture de Maurice.

Nous avons changé d'ère !

Par Jean Pierre Hardy

Le budget de l'Etat 2008/2009 n'a pas fini de faire parler de lui. Comme chaque année en juin, l'île Maurice économique retient son souffle afin de déceler les propositions attribuées aux différents secteurs d'activités afin de 'coller à la pente' fiscale et mieux surfer sur la vague des opportunités budgétaires.

Le ministre des Finances, Rama Sithanen, a surpris un grand nombre d'analystes par une nouvelle approche, très novatrice à plus d'un titre. En effet, plutôt que de se cantonner à faire fluctuer les taux d'imposition, il est venu inviter les Mauriciens à une réflexion en profondeur sur les grands défis de société qui nous guettent.

Ce budget, qui ressemble davantage à un discours de politique générale, s'inscrit dans une logique bien au-delà des prochaines échéances électorales et bien au-dessus des clivages politiques habituels : le ministre a mis l'Homme et son environnement au centre de ses préoccupations, à travers notamment la lutte contre la pauvreté et la mise en place du projet Maurice île durable (MID).

Ces deux grands axes du budget relèvent d'une volonté de 'sortir la tête du guidon' pour mieux anticiper les menaces des crises alimentaires et énergétiques qui se dessinent à l'horizon, crises qui ne sont nullement conjoncturelles mais bien structurelles, annonçant les débuts d'une nouvelle ère.

En effet, la demande de matières premières devenant supérieure à l'offre de par l'augmentation croissante de la consommation des pays émergents, la préférence affichée des pays riches à préférer transformer les aliments en biocarburant plutôt qu'à les vendre aux pays pauvres, et les dérèglements climatiques, l'on assiste impuissant à une flambée des cours qui touchent violemment le budget des ménages mauriciens.

Cette baisse du pouvoir d'achat accentue notre fracture sociale où les riches deviennent plus riches et les pauvres encore plus pauvres et conduit inexorablement vers une augmentation du taux de criminalité, menace réelle pour la qualité de vie journalière de tous les Mauriciens et du secteur touristique.

Il fallait donc réagir en proposant des programmes (et non pas des mesures) destinés à guérir le mal à la racine. Et c'est cette approche globale qui donne à certains le sentiment que ce budget est creux alors qu'il contient tous les ingrédients d'une vision à long terme qui va permettre de prendre à bras le corps les dysfonctionnements de notre société afin d'éviter d'être demain les victimes d'un système capitaliste qui nous laisse entrevoir les limites de son fonctionnement...

Pour réussir ce pari, il faut changer les hommes et leurs mentalités. Et la revalorisation des salaires des fonctionnaires est le premier signal fort qu'il faut déceler au sein de ce budget comme une volonté réelle du gouvernement de 'prendre le taureau par les cornes'. Les fonctionnaires auront désormais le sentiment de ne plus être les mal-aimés d'un secteur où ils se sont réfugiés par résignation depuis l'indépendance parce que l'entrepreneuriat semblait être la chasse gardée d'autres communautés.

La valorisation du travail du fonctionnaire à travers une meilleure rémunération va donner lieu à davantage de performance de la part de l'administration qui devra désormais rendre des comptes à l'ensemble des citoyens mauriciens, véritables employeurs des fonctionnaires qui contribuent à leurs salaires à travers les différentes taxes directes et indirectes payées à l'Etat. Il existe désormais des ponts entre le public et le privé à travers la portabilité des pensions, et la diminution de la disparité des salaires entre les deux secteurs va favoriser le passage de compétences privées vers la fonction publique, et vice versa. Et les enseignants auront moins tendance à éduquer hors des salles de classe, démarches légitimées, semble-t-il, par les bas salaires.

Par ailleurs, les décideurs du secteur privé devront repenser les rapports de l'entreprise à son entourage. Celle-ci ne peut plus perdurer sans intégrer les liens qui l'unissent aux communautés humaines qui l'entourent, et elle devra développer ces liens à travers des programmes de responsabilité sociale et environnementale, regroupés sous le concept de développement durable.

Ce concept fait désormais partie de notre réflexion économique, mais n'a pas encore pris toute la dimension qu'elle mérite au sein de nos institutions, à en juger par l'attribution du milliard de roupies au « Maurice île Durable Fund ». Ce fonds prend le relais de l'Energy Fund, sous la tutelle du ministère des infrastructures publiques, afin de traiter essentiellement la maîtrise de la demande en énergie.

Le pétrole n'est pas la seule ressource qui s'épuise. Les stocks de poissons s'effondrent. La pollution de l'eau et de l'air est à l'origine de la disparition d'un grand nombre d'espèces, et de nombreuses ressources naturelles diminuent. La consommation de déchets a augmenté de 11% en 2007 (alors que les prévisions de 2004 prévoyaient 1% par an). L'empreinte écologique de l'île Maurice (surface nécessaire à la production de nos besoins de consommation) est passée de 1,5 hectare par personne en 1995 à 1,9 hectare en 2002, soit 11 fois la superficie de notre pays...

Il nous faut désormais repenser notre façon de produire et de consommer, prévoir le recyclage des déchets, mettre en place de nouvelles règles sociales, développer du

micro crédit et des fonds éthiques, instituer des règles de commerce équitable, créer des entreprises citoyennes qui vont accepter de mettre en place des indices de rendement social et environnemental, et inviter les organisations non gouvernementales à pleinement jouer leur rôle en menant des actions concrètes de développement dans les villages.

Pour un programme transversal de développement durable

Tout cela sera possible grâce à un vrai programme transversal de développement durable qui aura été défini avec les différents ministères : Agro-Industrie pour la mise en place de la réforme agraire, Tourisme pour le suivi des normes environnementales dans les hôtels, Utilités publiques pour la gestion de l'énergie et de l'eau, Education pour la participation active des professeurs aux programmes de sensibilisation des élèves, Art et Culture pour la promotion des échanges inter-culturels, Environnement pour la surveillance de nos lagons, Finance pour le monitoring financier...

Les municipalités et les conseils de districts et de villages devront apporter leur pierre à l'édifice en mettant en place un 'Agenda 21', document détaillant les actions à mener en matière de développement durable par les communautés locales...

Un comité sous la présidence du Premier ministre, à qui Joël de Rosnay a offert personnellement ses services, viendrait orchestrer les différentes actions et être le point focal des opérations menées par chaque organisme afin de créer une réelle synergie entre chacun des acteurs, lancer des campagnes de sensibilisation auprès du grand public, et assurer une fonction de conseil auprès des particuliers et des entreprises désireuses de mettre en place des dispositifs d'énergies renouvelables.

La crise qui se profile à l'horizon va nous offrir le triste privilège de vivre les grandes pénuries qu'ont connues nos grands parents. Nous aurons alors la chance de recréer les liens d'amitiés et de fraternité qui renaissent en chacun d'entre nous au lendemain des cyclones. Un réel partenariat public/privé va se mettre en place, les politiques ne seront plus de droite ou de gauche mais seront de devant, tous les biens-pensants de notre petit pays s'uniront pour bâtir, plutôt que diviser pour régner, les bailleurs de fonds vont nous aider à accentuer la recherche et financer la formation, les ONG vont contribuer à l'effort national de sensibilisation auprès du grand public.

Nous sommes amenés à construire l'île Maurice du XXI^e siècle sur un modèle différent de celui d'hier, où l'écologie sera notre principal vecteur de croissance pour faire de l'île Maurice une vraie île durable !

Jean Pierre Hardy est un entrepreneur.

Le développement durable ne peut se cantonner à l'énergie renouvelable

Une crise de la gestion de l'énergie

Par Khalil Elahee

Thomas Jefferson affirmait qu'il est sain pour chaque génération de questionner les dogmes et les acquis de la génération précédente. Il en est de même pour notre notion du développement. Y compris celle dite « durable », vulgarisée par Brundtland à la fin du siècle dernier.

Il ne peut y avoir de développement sans énergie. Ni peut-on y parvenir en appliquant le modèle du siècle dernier. Le réchauffement climatique a complètement changé la donne. Il faudra réinventer notre paysage énergétique.

Toutefois, l'économie tarde à prendre conscience de cette réalité écologique. Si le prix du pétrole monte, ce n'est pas à cause de l'intégration du coût environnemental. C'est l'effet combiné d'une croissance de la demande, d'une réticence à augmenter l'offre, de multiples facteurs géopolitiques et d'une spéculation outrancière. Tant mieux pour les énergies durables...

Il n'y a pas de crise énergétique

Il n'y a donc pas de crise énergétique. Rien de comparable avec la situation suivant la guerre du Yom Kippour, la révolution iranienne ou encore les conflits du Golfe! Par contre, nous souffrons d'une crise de la gestion de l'énergie liée à des incohérences au niveau de la politique énergétique.

Stern nous rappelle qu'il faut agir maintenant au risque, sinon, de voir le produit intérieur brut mondial descendre de 5% annuellement. Ce sont les pauvres, où qu'ils soient, qui seront les plus affligés par les effets du changement climatique. C'est là que le concept d'*Energy Management*, ou la gestion de l'énergie, trouve sa pertinence.

La gestion de l'énergie est une tentative systématique, et systémique également, d'optimiser l'utilisation de l'énergie à travers le management et la technologie, afin d'atteindre des objectifs économique, social et environnemental. Elle est fondée sur la prise en compte de manière intégrée des « 5 E » : Energie, Engineering, Economie, Environnement et Ethique.

L'énergie est d'abord une ressource naturelle. Le potentiel énergétique est transformé grâce à l'ingénierie. A la valeur économique de l'énergie s'ajoute désormais une empreinte écologique. Cette approche globale de la gestion de l'énergie inclue aussi une dimension socio-éthique. Les renouvelables et l'efficacité énergétique – qu'on appelle aussi, prétentieusement, la « maîtrise » de l'énergie – sont invariablement les deux piliers sur lesquels reposent toutes les stratégies de la gestion de l'énergie.

Maurice, Ile Durable

Dans le contexte mauricien actuel, la gestion de l'énergie est l'outil *par excellence* dont nous avons besoin pour faire de Maurice une île durable (MID). Du transport au tourisme en passant par le textile, la gestion de l'énergie est une méthodologie capable de concilier les intérêts économique, social et

environnemental. Qu'il s'agit de la réinvention de notre industrie de la canne, de l'aménagement du territoire, de la coopération régionale ou de la question des déchets, nous ne pouvons faire l'impasse sur les « 5 E » de la gestion de l'énergie.

Le budget 2008/2009 est prometteur. Même si le concept de MID semble y être réduit à des mesures liées aux renouvelables, le fait est qu'il n'y a pas de MID sans gestion de l'énergie. Et celle-ci peut être le véhicule d'une transformation dans tous les secteurs favorisant l'application du concept MID !

Avec les structures, les logiques et les habitudes d'une autre ère, il sera difficile de mettre en œuvre efficacement la gestion de l'énergie. Le projet MID doit s'offrir non seulement les moyens financiers de ses ambitions, mais aussi les supports institutionnels et administratifs appropriés. Relevons ici cinq difficultés, souvent des incohérences, qui illustrent que nous avons aussi à penser, et à agir, autrement si nous devons faire de la gestion de l'énergie une réalité.

Cinq difficultés

1) Il faut impérativement accélérer le re-engineering du secteur de la canne. Augmenter la production d'électricité et d'éthanol à partir de la canne est une priorité absolue. Or sans une coordination transversale et un consensus national, impliquant tous les partenaires, cet aspect crucial du projet MID ne serait qu'une illusion. A défaut d'une action urgente, nous risquons nous retrouver avec une centrale à charbon de 110 MW et deux moteurs à diesel de 40 MW comme les premières étranges concrétisations de l'ère MID. Sinon, c'est un black-out qui nous guette...

2) Le transport, qui est responsable de la moitié de nos importations de pétrole, est un domaine que nous ne pouvons moderniser sans évoquer la gestion de l'énergie. Non seulement l'éthanol cannier doit y trouver bon usage, mais il faut développer les moyens de lier la volonté du gouvernement de promouvoir des véhicules hybrides au programme de remplacement des bus du transport public. Dans le long terme, un mode alternatif de transport de masse fonctionnant à l'électricité générée à partir de renouvelables ne fera que mieux traduire dans la réalité la vision du projet MID.

3) Peut-il y avoir de MID sans investissement dans la recherche ? Allant de la combustion des résidus de la canne à la gazéification de la bagasse en passant par l'impact de l'introduction de l'heure d'été ou la climatisation à partir de l'eau froide de l'océan, il y a l'urgence d'une synergie des compétences locales impliquant l'UoM, l'UTC, la MRC, la MSIRI et d'autres partenaires privés et publics. Sans oublier les possibilités de coopération tant régionale qu'internationale.

4) Il n'y a point de MID également si nous n'arrivons pas à forger une vision commune en favorisant la participation de tous les

partenaires dans la prise de décision. Penser pour les autres au lieu de penser avec eux ne peut que rendre impossible l'acceptation des mesures de MID. Celles-ci ont la caractéristique de demander des efforts individuels immédiats dans le but d'un bénéfice commun pérenne, souvent lointain. Les principes de responsabilité, de solidarité et de globalité doivent faire partie de notre culture. Outre l'avenir de l'industrie de la canne et l'introduction de l'heure d'été, l'incinération des déchets est un autre exemple où la concertation doit primer. Un Grenelle local sur MID en 2008 ne fera que rendre plus crédible l'idée d'un *World Ecological Forum* en 2010.

5) *Last but not least*, il faut appeler les politiques de tous bords à placer le projet MID au-delà de tout enjeu basement partisan. Quel que soit le gouvernement du jour, MID ne doit pas faire les frais des règlements de compte entre démagogues de bas étage. Et encore moins être une occasion de caser des petits copains avec des mérites douteux. Ce projet qui nous mènera à l'autre bout de ce siècle ne nous appartient pas. C'est une dette que nous avons envers nos enfants. Et c'est un laboratoire pour le monde car, comme l'affirme Joël de Rosnay, si l'île Maurice peut, le monde pourra.

Pour un Energy Management Office

La gestion de l'énergie en analysant les « 5 E » est proposée comme un cheval de Troie afin d'introduire le concept de MID dans tous les secteurs.

L'énergie est une ressource indispensable. Sans elle, rien n'est possible. Avec elle, nous créons des matières premières, gagnons du temps et produisons de la connaissance. L'île Maurice a un potentiel en énergies naturelles, y compris humaines, qui est formidable. Importer des énergies fossiles à un prix phénoménal pour polluer notre île et notre planète est tout simplement inacceptable comme politique. La solution se trouve dans la gestion de l'énergie.

Afin d'arriver à cette fin, il faut revoir le mécanisme décisionnel et la capacité de mise en œuvre des institutions existantes. Une meilleure coordination est essentielle. Un changement de paradigme s'impose.

Plus qu'un Observatoire de l'Énergie dont les attributs seront limités – ne couvrant pas le transport, par exemple – il nous faut une instance facilitatrice qui dynamisera la pratique de la gestion de l'énergie dans l'objectif de faire de Maurice une île durable. La création d'un *Energy Management Office (EMO)* sous l'égide d'un nouveau Ministère de l'Énergie doté de pleins pouvoirs est ici proposée.

Avec la tenue du Grenelle local dans les plus brefs délais, nous ne tarderons pas ainsi à voir le projet MID se concrétiser... si nous nous donnons les moyens de nos ambitions.

Khalil Elahee est chargé de cours à l'Université de Maurice.

Let us adopt Biogas!

By George Chan

Food should be our priority!

In terms of concrete measures to increase food and energy production, not much has been done so far. On the contrary, we have been doing the wrong things by investing our limited resources, including grants from European Union, in sugarcane to produce sugar for export, wasteful biofuels like ethanol, and to import our foods and fossil fuels at higher and higher costs, while making some weak attempts at wind energy.

What we need is to change our wasteful system of farming and to adopt a viable integrated farming/food and waste management system. We should make maximum use of our water to produce hydro-electricity and then store this water in ponds in the sugarcane fields as much as possible. Parts of our sugarcane fields should have cows to produce as much milk as we can.

The cow manure should be recycled in digesters to produce biogas fuel, to generate most of our electricity (China and Japan are already doing same on a large scale; the USA and some countries in Europe have started to do so too); to treat and recycle the water in the ponds to produce free planktonic feeds for polyculture of fishes and foods before utilising the nutrient-rich water to irrigate and fertilize other food crops on the dykes between the ponds. Good fodder and crop residues are also utilised as feeds for our livestock.

Biogas from Livestock Wastes is my favourite renewable energy because there is no competition with food and there is no consumption of energy, besides the prevention of any pollution. I use some right Water, Solar and Wind energy devices fully,

and where there is no conflict. I am also pre-occupied with 2 billion people not having access to energy at all, as this should not be a problem.

We can be self-sufficient in energy, water, fertilizer and feed with our own efforts by recycling livestock wastes naturally, economically and ecologically. I cannot see the Chinese substituting bread for rice, especially with tasty Chinese dishes with little meat and plenty of well-cooked vegetables. I agree that some people must change their life styles. The Americans, and even Europeans, must reduce their greedy consumptions and pollutions.

Professor George Chan introduced the Biogas Concept at UN University in Tokyo in 1993 in the Zero Emissions Research Initiative (ZERI) Programme of Gunter Pauli.

The tree and the forest

By Toolsyraj Benyadin

Compared with the two previous budgetary measures presented to the nation by the Deputy Prime Minister and Minister of Finance, Rama Sithanen, the Budget Speech 2008-2009 contain several improvements aimed at building a better society with emphasis on accessibility to education at all levels, eradication of absolute poverty, environment protection, food security, traffic decongestion, bridging the digital divide, and removal of Customs duty on a number of goods.

Civil Servants and employees of parastatal bodies and other sectors falling under the ambit of the Pay Research Bureau (PRB) have benefited from a 100% of the PRB Report with effect from 1 July 2008 instead of 75% as proposed by the PRB itself. While the purchasing power of all employees benefiting from PRB Report will increase, it is regrettable that the salary compensation paid to workers in the Private Sector ranges only from Rs 283 to Rs 400, the more so as there is not a "Minimum Social Wage Policy in the Country". In this context the monthly average household survey conducted by the Central Statistics Office could have been an essential guide to come forward with a minimum wage in conformity with the Decent Work programme launched by the International Labour Organisation.

In addition the creation of decent jobs that provides security to workers should by all means be promoted. The best course of action to eradicate poverty and eliminate extreme poverty is the provision of decent jobs and a living wage to enable workers and their families to meet their basic needs and

move out of this vicious circle of poverty.

It is quite alarming to note that while education is compulsory to 16 years, yet around 15% of children do not attend schools because of absolute poverty. The action undertaken to ensure that no child is left out of school should be implemented immediately. With regards to facilities provided to students whose parents do not have the means to secure a loan, the decision to launch a student's loan of up to Rs 150,000 is a positive step to ensure accessibility and opportunities to everybody to pursue higher education and is in conjunction with the principle of equality of opportunities.

Awaiting the modernisation of the public service

The Budget Speech is quite silent with regards to the modernisation of the public service and upgrading of skills at all levels to meet the challenges and exigencies of globalisation and internationalisation of the economy. It is indeed regrettable that there is no provision made for the setting up of a Civil Service College although a committee worked out on this project two years ago.

The repeated calls from various organisations, namely the Trade Unions, to abolish the National Residential Property Tax has unfortunately not been heard and the relatively low increase of the exemption threshold by Rs 25,000 in the four categories of tax bands will not relieve tax payers adequately to compensate loss of purchasing power and as such more employees will fall in the tax net.

Other sectors like social housing, traffic decongestion, renewal of energy, and improvement of health care can be best assessed during implementation stage. Otherwise, these proposed measures would be considered merely as "declaration of good intentions." Let us therefore look forward for the effective execution of these measures to allow a better assessment of the Budget proposals for 2008/2009.

Toolsyraj Benyadin is the President of the Federation of Civil Service Unions.

Is there a trade-off between growth and inflation?

By Sameer Sharma - (cont.,Pg 6-7)

In its latest report, the International Energy Agency (IEA) confirmed to the oil market that the Organisation of Petroleum Exporting Countries (OPEC) spare capacity would rise from 2.5 million barrels a day in 2008 to around 4.5 million barrels a day by 2010 before falling to negligible levels by 2013 as oil production continues to flatten. On the demand front, continued gasoline demand destruction in the United States appear to have been countered by astounding oil import growth figures from emerging markets on a year on year basis (34% increase in Chinese import of oil in dollar terms as at May). No matter where oil prices may head to over the next few months (not excluding a potential Israel Iran war or a major hurricane in the Atlantic), high oil prices are here to stay in the long term even if there are corrections along the way.

Just recently, the president of OPEC predicted that crude oil could reach USD 170 a barrel by the end of this summer but really nobody knows. We thought that a cut in gasoline subsidies in China would lower demand but so far refineries there have only increased their output (and demand spurred by higher prices). Politicians have of course blamed pension funds, small companies, hedge funds and speculators for the mess and considering the fact that commodities have become an asset class, there is certainly some scope for further regulation such as a moderate increase in the margin requirements in the oil futures market and an end to the ENRON loophole. The danger is that politicians who have no clue about what a futures market even is may go too far.

Traders and pension funds add liquidity to the market without which volatility would be even higher. Furthermore the oil futures market is collateralized. If margin requirements are too high, large investors and banks will see their margins squeezed and may no longer participate. If you go long, someone else must be willing to go short. If you over regulate, you end up making things worse. Furthermore there is a real risk that other markets such as Dubai will simply take away the oil futures

but it will only encourage companies who need to hedge to use other derivatives (options) and swap instruments where there is almost no regulation.

Things are not that bad but are not that good

We seem to be stuck in neutral and that's also a problem. There is no evidence of meaningful economic recovery in the United States as of yet and hence at best the latest monetary policy statement of the Federal Reserve should only be viewed as a second derivative statement. They are leaning towards tackling growing inflationary expectations which essentially means that they are buying time, waiting for evidence of an economic recovery in order to raise rates. Former Federal Reserve Governors have predicted that once it is confirmed that the US economy is recovering, the Fed's Fund rate could be increased to 3% over a six month period.

If the US is able to recover faster than expected, a rate hike could have a positive impact on the US dollar and temporarily bring down commodity prices as it would help relieve inflationary expectations which in turn could spur hedge funds and pension funds to rebalance their portfolios. Even if the European Central Bank (ECB) follows suit, the market would price fed fund rate increases over Refinance rate increases at this point considering the USD/EUR exchange rate. The problem is that as the global economy continues to delever (reducing leverage and as US smaller regional banks come under increasing pressure to find new sources of capital due to more write downs in the near future while the worst is over; but credit card debt is worrying and default rate are rising fast) downside risks to growth should not be ignored.

The logic behind this is simple: if higher oil prices combined with lingering economic weakness from the sub prime crisis make sure the US economy grows at around the dismal 1% range for a long period or worse brings it towards a recession, such a slowdown in aggregate demand would in effect

enough, second round effects are likely to be minimized and that is why the Federal Reserve is waiting. Latest economic surveys indicate that while inflationary expectations of US consumers have increased well above 5%, their expectations of wage increases hover at around the 2% mark because they do not believe that their bosses can afford to give them more than that.

The US economy is also growing well below its trend and potential rate of growth which hovers at around the mid 2% range. Hence in this case (not to be confused with the Mauritian case) waiting for more data is not a bad idea. On the other hand, if the US economy were to continue to slow, the global economy would eventually follow suit, which would create global oil demand destruction and this would bring prices down. The problem is that things are not that bad but are not that good and we remain stuck in a nasty mess and the potential for stagflation continues to increase.

In the Euro area, we are beginning to witness some evidence of further slowdown especially in the manufacturing sector. Countries such as Portugal and Spain are in fact contracting and the downside risk to growth relative to the trend and potential rate of growth of the euro area economies (average at 1.5-2%) is increasing while upside risks to inflation (relative to the stated inflation target) continue to override growth concerns. This is why the ECB, while not as united as before, remains hawkish on inflation but is likely to keep rates at 4.25% for a while.

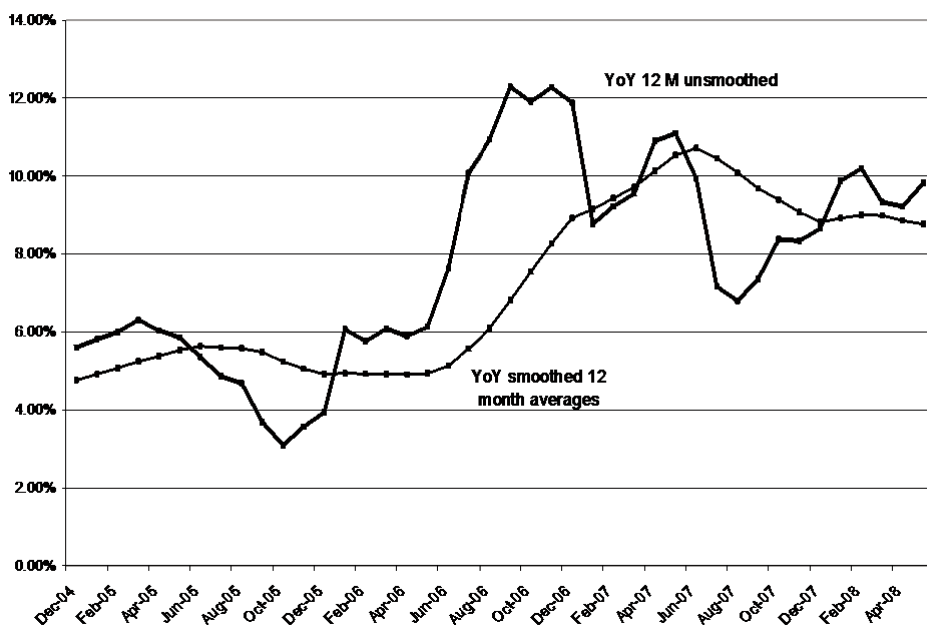
The Euro area is not weak enough yet to guarantee that second round effects would be minimized by lackluster economic growth (note again the term below potential/trend growth). Producer prices in Europe jumped by a whopping 7.1% in May and labour unions are getting increasingly vocal. Central banks cannot control oil prices (although you could argue that the Fed's could with a stronger dollar) but they can and must contain inflationary expectations in order to minimize second round effects such as wage increases. In sum what I am trying to say is that unless aggregate demand (economic growth) slows to such an extent wherein labor unions are unable to negotiate for wage growth (above productivity growth) and also wherein producers and shop keepers are unable to fully pass down higher input costs (from higher commodity prices), central banks need to take inflation seriously.

There is no long-run trade-off between growth and inflation

In the 1970s, as oil prices skyrocketed, politicians and export lobbies in the developed world convinced central banks that growth should be the priority and not inflation. They argued that since the shock was exogenous, monetary policy would not work (sounds familiar does it not?). This later caused nasty second round effects that eventually necessitated even stronger interest rate increases in the late 70s and early 80s. In sum because central banks acted too late to control inflationary expectations that were at first fuelled by an exogenous shock, they had to take the western economies towards a long recession in order to contain inflation. Had they acted sooner, we would have perhaps not even remembered who Mr Volcker even was.

There was a sea change in the profession in the mid 1970s. We now know that there is no long-run trade-off between growth and inflation. All mature market economies are now hawkish on inflation, for we now know that planning of house-

Official inflation vs Actual Rate of Growth of CPI (YoY)



trading business from the US and so the west will simply loose its grip and nothing else. Finally overregulation may be pleasing to the politicians

have the same impact on inflation as a rate increase (which aims to lower aggregate demand growth). Hence if the economy remains weak

Is there a trade-off between growth and inflation?

By Sameer Sharma - (cont., from Pg 5)

holds, business confidence, high investment and high GDP growth are all supported by low and stable inflation. Reflecting this fact, one by one, the central banks of the world have shifted away from messy monetary policy frameworks to a focus on inflation.

Those in Mauritius who talk about a tradeoff between growth and inflation are drawing upon the academic scribblers of more than 30 years ago. Considering the fact that many of those critics have not picked up the book since then, I am not even surprised. Unless growth is expected to be so bad that the future impact of second round effects is minimal, we should focus on inflation!

The Bank of Mauritius (BoM) talked about reform in 2006 but its confusing monetary policy is a relic of the 1970s. Only in Mauritius will we entertain the debates of the past because the lobbies and the vested interests are just too powerful and the media is taken for a ride. This means that at the end of the day, most people remain ill-informed about modern day economics but that is what the special interests want.

A business tycoon recently talked about a cyclone warning class three in the export sector which was later upgraded to a class four status by Mauritius Export Association. By the time the Monetary Policy Committee (MPC) meets on 21 July, readers are likely to be bombarded by media articles about export sector difficulties as the lobbies and the economic think tanks jump into overdrive. We could be talking about volcanic eruptions and tsunamis by July 21st.

The business tycoon even talked about the Indian currency. He must not be aware about the capital outflows and the stronger monetary policy response that the Reserve Bank of India (RBI) has had to take because it listened to exporters too much (he was doing a good job until the fourth quarter of 2007). Dr Reddy's days as the head of the RBI are numbered now and everyone, including the exporters and especially the politicians, have turned against him. It amazes me how we twist things to suit our needs in Mauritius.

Mumbo-jumbo economics

In terms of objectives, the BoM likes to engage in mumbo-jumbo, talking about many objectives in obscure language and being accountable for none. In a democracy, every government agency should be clear and transparent on what it does and why. There is a need to switch from mumbo-jumbo to clarity. Examples of mumbo-jumbo economics can be quickly highlighted based on the last two BoM press conferences alone.

Firstly the Governor of the BoM talked about how Core2, headline and year on year inflation were all pointing towards an eventual easing of the inflation rate. Here is something that most people in Mauritius do not know. The inflation rate that the Central Statistics Office (CSO) publishes every month is calculated as follows: Take the twelve month average Consumer Price Index (CPI) number and divide it by the 12 month average CPI number of the previous year. This is what statisticians call smoothing the data!

Now I am not against the smoothing (although a mathematician could argue that taking an average of an average consumption basket is wrong) but I am against the fact that the MPC and the BoM top brass cannot distinguish between a genuine slowdown in inflationary pressures and simple mathematics. As you can clearly see in the graph, the 12 month moving average inflation rate (the

official rate in Mauritius) was falling because of a favorable base wherein the smoothed figure was still incorporating (due to the 12 month averaging) data from the time when the actual rate of change of the CPI began to fall earlier in 2007.

What amazed me earlier this year was how the BoM boasted about how inflation was easing when the annual rate of change of the CPI had crossed its 12 month moving average! Core2 inflation was also stable at around the 5.7% mark since December but the MPC and BoM top brass should have looked at the year on year figure of CORE2 as well. Since the rate was rather constant, it can be extrapolated that the year on year rate of change of the CPI excluding food and energy had stopped falling but was flattening! At least they should have waited for more than three months before boasting.

We should not have been boasting about a high 5.6% Core figure either but I guess that if we set the standard low enough, we are bound to achieve it and look good. Inflation was not falling because pressures were receding but largely because of simple math. By the way the favourable base effect is expected to fade from now on as you can clearly imagine from looking at the year on year inflation rate. When I said that monetary policy has largely been impotent so far, I was being serious.

In volatile times, the three month annualized rate of inflation is a better proxy to measure inflationary expectations. The logic is that in volatile times, the best short term inflation forecast for the next quarter is the inflation rate of the current quarter. When you look at the trend of the unsmoothed or smoothed 3 month annualized inflation rate since December 2007, the trend was certainly not easing!

But here is the worse part though: monetary policy must focus on forecasts of inflation and not present or past inflation. In countries where monetary policy works well, it impacts on inflation over a horizon from 6 to 18 months, hence decisions about monetary policy must be made based on forecasts of inflation over the coming 6-18 months. It is important for central banks to be hawkish to anticipated changes in inflation.

The second element is Gross Domestic Product (GDP) growth: monetary policy must respond (in a softer way) to future GDP growth. It appears that the entire country bar the BoM top brass and MPC knew about how the 2008 budget would be one where the current Government would give a hefty Pay Research Bureau (PRB) wage hike and spend billions in infrastructure. Of course when you discount things that are likely to happen, you are likely to be making wrong forecasts.

I also believed that inflation would ease earlier, but as a hefty PRB increase became increasingly likely and as commodity prices kept on rising, I was smart enough to adjust my views based on the facts. This is why I have been talking about excess liquidity and negative real interest rates for the past four months. Even in my wildest dreams, I never expected the MPC to cut rates so drastically however and exacerbate the negative real interest rate situation.

The second example of mumbo jumbo economics revolves around the myth that the BoM has been concerned about inflation. Unless economic text books have changed recently, when central banks lower their key policy rates well below inflation to create negative real interest rates, it means that they are biasing the policy towards growth at 100%. Negative real interest rates are highly expansionary in the medium term especially when the Mauritian economy has already more liquidity than it can

handle.

This economic mumbo jumbo of creating negative real interest rates was based on the assumption that a global slowdown would ease commodity prices and would eventually make these rates positive. Of course when you believe that International Monetary Fund (IMF) forecasts are synonymous to the word of God, you are more likely than not to fall in a nasty trap. A subscription to Bloomberg television and the Bloomberg terminal (while costly) would do the BoM top brass a world of good in really understanding what is going on out here in the wild west.

This brings me to the next mumbo-jumbo which revolves around how the BoM top brass and MPC was waiting for the budget before it could reorient its monetary policy. It is a bit curious why barely three weeks after they had so naively cut the Repo rate by 50 basis points, as oil prices began to skyrocket, the BoM was busy putting forex back into the market in order to re-strengthen the Rupee which was enjoying yet another roller coaster ride. Now around 20 million dollars was put back in the market in May and around 30 million dollars in total before the budget was ever announced. The BoM had already realised its mistake of cutting too early by mid May and was probably wondering why the IMF economic outlook report was not panning out. They should have read the disclaimer.

Mauritius is not the United States

The next set of mumbo jumbo revolves around how the Governor of the BoM and lobbies have accused critics of being obsessed by inflation alone without any regard to economic growth. Central banks that do inflation targeting take into account the expected growth rate. No one is proposing that growth should not be a variable in the picture, which is why I started this article by talking about oil and growth. Here is where the mumbo jumbo becomes ridiculous however. Readers must remember how the BoM (back in March and May) believed that downside risks to the growth outlook were above the upside risks to inflation.

Have you ever wondered what all this upside this and downside that mumbo jumbo is all about? It actually means nothing because they have never bothered to define any benchmark, but it looks and sounds good to put it in a monetary policy statement because it is obscure enough to allow them to get away with it later on. Notice how I started this article by talking about the risks that growth would fall and remain well below long term trend (or better potential growth) of the economy. Notice how I talked about how we need to see if the potential slowdown in growth would be so bad that second round effects would be minimized. In such cases it makes sense to tilt towards growth or adopt a wait and see approach.

The problem with the potential rate of growth of the economy is that since the Mauritian economy has only recently begun the process of reform, we do not really know what this growth rate really is and nor have there been any econometric papers on the matter. However we can fall back on the second best thing. If you run a simple OLS regression on the logarithm of GDP at constant 1992 prices from 1992 to 2006 on a time trend and a constant, you could quickly realize that over the past decade and a half, out trend rate of growth has hovered at around the high 4% mark. You can add a Dummy variable to better account for the exceptional year that was the year 2000 and a whole bunch of other econometric things (be aware that the CSO does not provide longer term samples online though) to this simple regression, but you will not really

change the trend growth figure by much. What should amaze you is how closely we have followed this trend so far.

Since nobody else has come up with a benchmark figure so that we can put all things relative to something else (as should be done), let us use this figure for now. The most bearish GDP forecast points towards growth slowing towards the 5.3% range with a caution that there may be further revisions to come. Even if we assume this, our current rate of growth remains above its long term trend and at worst could hover at around that level this year (although it may already be too late for the year after that), that should not have qualified as major downside risk (although our late response to the problem is likely to hurt us even more next year), not enough to create negative real interest rates. We were and are not the United States; we are not tittering on the brink of a recession to justify negative real interest rates.

How about the upside risks to inflation then? I could talk about our dismal 6.2% decadal average as a pathetic benchmark to use but I think that everyone now knows that inflation is well above where it should be and is likely to reach the double digit mark by the end of this year due to higher oil prices and negative real interest rates. Critics like to setup a straw man of an "inflation nutter" (people who only talk about inflation and ignore growth) in order to discredit modern monetary policy, but they often fail to realize the obvious because many suffer from acute tunnel vision syndrome and take in an unhealthy dose of mumbo jumbo economics.

As I have said before in previous articles, we should not ignore the manufacturing sector or any sector of the economy for that matter, but in the current environment of excess liquidity, high inflation and loose anchoring of inflationary expectations, it should have been the state that needed to help and not the BoM. Perhaps if elections were not so near, the PRB increase would not have been so high but vote bank politics and patronage of the bloated civil service are long held traditions in Mauritius.

The socialist opposition is an even worse alternative. Their economic theories are beyond the mumbo-jumbo and come from another dimension altogether. A clear cut example of that occurred recently when the leader of the Opposition compared the Mauritian GDP growth rate to that of faster growing India. Perhaps if he had bothered to look at the per capita income level of India compared to that of Mauritius, he would have analyzed things a bit better and would have been more impressed by our performance.

Too late for a soft landing

The longer we wait (it may even be too late), the more drastic the interest rate hike shall need to be (the higher the tax on future growth) as second round effects take hold. From PRB increases (a function of inflation) to shopkeepers increasing prices, second round effects are so evident. Unlike many countries, we are not even talking about the possibility of second round effects, we are already living it.

The reason why I believe that it may be too late is that you can raise the Repo by one million basis points if you want but you also need to increase the supply of Treasury Bills so that yields come close to the Repo. Since the government has a fiscal deficit target of 3.3% and since it has reduced the composition of short term debt in the portfolio, unless it reverses course drastically, we can't even have a large Repo rate increase (unless we constrain the demand) as T-Bill yields would not be able to keep up. Banks would not be giving savers more interest if T-Bill yields are lower as well. Furthermore the government cannot just take on

short term T-Bills galore and must consider risk management constraints.

We already had an excess liquidity problem before the budget was announced and now we are likely to have a big headache over our heads. The average loans to deposit ratio of commercial banks stood at around 66% as at March 2008 compared to around 71% a few years ago. One should not be too surprised why certain economic think tanks are advising the BoM to keep rates on hold. If I was working for a bank, I would have probably said the same thing. There are just too many vested interests in Mauritius. Annual credit growth which stood at an already high 16.3% in April increased to a whopping 21.1% as at May, so do not be surprised about why certain think tanks will not want to see Repo rate increases.

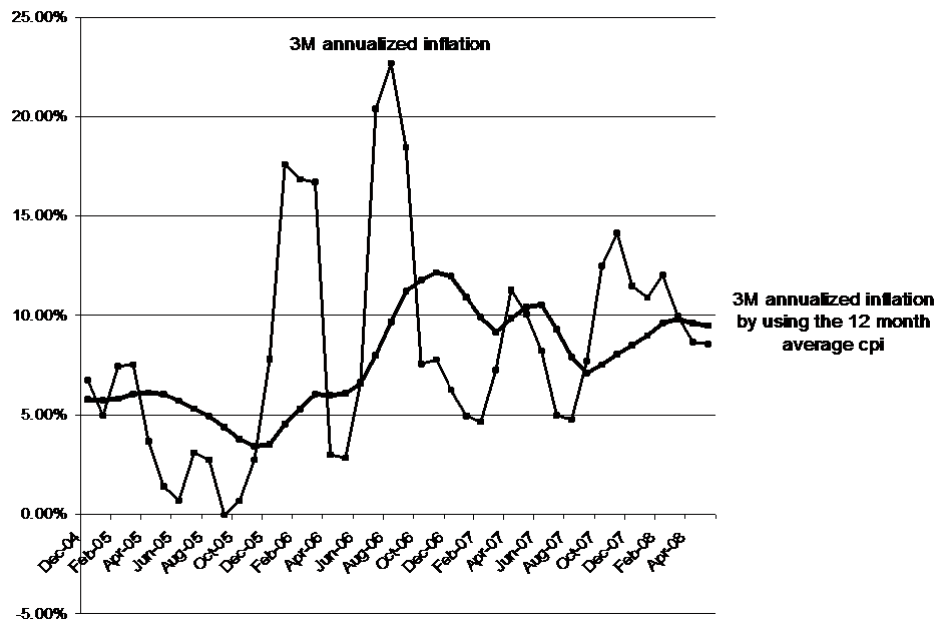
Over the next few months, the monetary base and broad money liabilities (BML) are likely to see accelerated growth (BML grew by more than 16% as at May on an annual basis). Negative real

situation with such growth in narrow money, broad money and credit growth?

We need to constrain demand for bills. We need to impose capital controls on foreigners (do not confuse this with Foreign Direct Investment) who wish to invest in the bond market and we need to increase the Cash Reserve Ratio. We also need to explore all the new options that Basel 2 has put at our disposal. Make no mistake about it however, if we hike the cash ratio by a large margin, we will have a major impact on the best performing sector of the economy. Do you see what happens when central banks do not act early enough? They need to adopt much harsher measures in the long run in order to control inflationary expectations which end up hurting the economy even more, which is why I am not too bullish about 2009!

We will need to slow the economy down in a harder way in order to control inflation (second round effects here) because we were busy debating 1970s style economic theories as the rest of the

Inflationary expectations



interest rates will put increasing pressure on the demand side of the equation and create more inflationary pressures. We also face the real potential of witnessing a real estate bubble if credit growth continues to remain this strong. I have spent many hours looking at commercial real estate valuation methods when I was in Mauritius and I have always been concerned about a potential bubble.

The Governor of the BoM is likely to be on the defensive yet again during his next press conference and is more likely than not to dismiss the real concerns of the critics yet again. But he is not the only one who has made mistakes, the entire MPC has. BML and credit growth were accelerating well before the budget was ever announced, they should have known better before boasting about an easing inflation outlook. As long as growth in the money supply continues to exceed nominal GDP growth, we will continue to create even more excess liquidity in the system.

The BoM seems to be jumping on the "high money supply growth not good for the economy" band wagon a bit too late! Narrow money which had already registered a monstrous growth rate in 2007 has grown by an annual growth of 14.3% as at May. To cut the Repo and ignore all this data is mumbo-jumbo economics at its best. Who would logically worsen the negative real interest rate

world remained more cautious. This is why we need to end mumbo jumbo 1970s vintage style economics in Mauritius. We now face the choice of being stuck with negative real interest rates and high inflation or go for a drastic Repo hike which would indeed hurt us, but the longer we wait the worse it shall be.

The year 2007 was a key year for the BoM because it did almost nothing to solve our problems. It allowed yields to fall and it took the bank more than one year to tweak monetary policy tools and admit that the MPC framework had not worked. The entire economy is more likely than not to suffer from these mistakes in 2009. If there is one organisation in Mauritius that needs to reform, it is the central bank. If we are to eventually move towards a bond-currency-derivatives nexus in order to improve the monetary policy transmission mechanism, we will need to establish clear cut policy objectives and leave the 1970s behind and join the 21st century. It is about time!

Sameer Sharma is a financial analyst working in Canada.

The Mauritian idioCY

By Kris Seeburn

Sometimes back I started having a back thought about me being a Mauritian. Although it is nice to be a Mauritian and having the experience of a mixed culture is a wonderful one. But these days I am starting to doubt this reality.

I sat down and thought things over and came up with a few interesting observations. Mauritians have a peculiar way of looking at pursuit of knowledge. For most Mauritians, knowledge is directly proportional to one's age or one's qualifications. Therefore, it is a given fact for most Mauritians that a Professor knows more than the student, an older man knows more than the younger man, a boss knows more than the subordinate. There are no arguments or doubts about it. This is a cardinal rule applicable to all domains of knowledge.

A few laws of Mauritian idioCY

“Knowledge depletes with each generation”: One can extrapolate the above observation to say that Mauritians also believe that our older generations knew much more than what we know. For many, knowledge keeps depleting with each generation, not increasing as is conventional wisdom in the West. We believe that our ancestors knew almost everything. They knew how to solve Quantum Physics, knew how to build airplanes, knew how to build an atom bomb. In fact, their knowledge was infinite. As generations went by, our knowledge kept reducing.

In a local sense, a professor will always know more than the student – forever. A parent will know more than the kid – forever. So each subsequent generation knows lesser compared to the older one. Or the other way round perhaps? A question to ask ourselves: have we increased our knowledge?

“Wisdom is Knowledge”: For most of us, Wisdom is nothing but Knowledge itself. And knowledge is directly correlated with one's education. And education is directly correlated with one's degrees. For most elite, there is no difference between knowledge and wisdom. They are synonymous. Hence, a PhD is supposedly wiser than a Masters Degree holder who is wiser than a Bachelor's Degree holder. At the bottom are the rural (and therefore 'illiterate'). Invariably, all those who went to the big universities are all wise for the rest of their lives.

One super educated Mauritian I recently met in the United States was of the opinion that giving voting rights to illiterate people was one of the worst mistakes. According to him, rural people should not be the decision makers. He even proposed a model where only literate should be allowed to contest elections, and a literate voter should get more votes: a bachelor's degree should be given two votes, while a PhD should be given four votes – a pretty bizarre

view anyhow. But he could be right as well because we know that most of us do not even realise what is important to us. I am not saying that people who live in these areas don't know what is important but they are easily manipulated with cultural differences and views.

All those who got selected are urban, well-educated and comprise mostly upper caste, and Hindu – many words and sentences to talk about their qualifications, which college they went to, where they worked and for whom. According to me, most of them have completely vacuous opinions on socialism, on caste issues, on secularism, right to vote, coalition governments. They are inane and downright dumb. However they seem to reflect the sentiments that Wisdom = Knowledge = Education = College Degrees.

“Experience is Age”: The older a person, it is naturally assumed, the more experienced he is. Even if that person has not traveled anywhere outside his own world, has not met people of different cultures, or has not tasted different cuisines of different lands. Just because he is old, he is considered more experienced.

A friend of mine, to counter this notion, said, *‘it is not experience, it is the capacity to experience that should matter’*. Two people going through similar situations can come out quite differently just because one had more ‘capacity to experience’ than the other.

For most of us, a person sitting under a tree all his life meditating is vastly experienced and wiser than a person who has sailed oceans and seas. No wonder, we have codified this law into our religion itself. Mohandas Karamchand Gandhi, before he left for England to study, had to combat this all-pervasive belief that he is going to lose his caste if he sailed the seas. For most part of our history, our opinion on experiences was quite skewed. For Mauritians, Experience = Age.

A person can learn through three different ways: through books and other sources of education; through experiences of others (this includes discourse); and through one's own experiences. Knowledge is a combination of all the above three. We cannot say which one is better than the other. It is usually the sum of all the above three in various proportions.

Small gains and big losses

We look for small gains, momentary gains, and ephemeral pleasures while we lose out on the big stuff. In our eagerness and greediness guided by short-sightedness to gain small things, we tend to lose out on the big picture consistently.

Take Mauritians in traffic. On an intersection,

all the parties keep inching forward gaining extremely small steps of few inches, but in the whole process the whole traffic gets blocked for many minutes – sometimes losing more than thirty minutes. Nobody backs down, nobody wants to think, ‘OK, if I just hold myself back here for a few minutes, this traffic will clear up and then I can proceed’.

The same can be said of the present chaos in all our towns and populated areas. Every homeowner wants to gain a little ground here and there. There is a whole art of encroachment happening in cities and villages. People are coming with innovative ways to maximize their occupation area, sometimes encroaching upon the roads, or the drainage system or the parking area. This is a small gain, making one person happy, but eventually the whole system gets affected when there is a traffic jam everyday, when rain water completely submerges their parking lot, or when the drainage water keeps seeping into every home.

We love to make small gains while losing out on the big pictures. Whether it is a line in a movie theater, traffic, our policy making or governing the country, it's all about small gains and big losses.

Gradual suffocation

We like to die a gradual and slow death by suffocating and choking themselves. Again let us take the example of Mauritians in traffic. When waiting for a bus, the crowd first comes out of the bus stand to wait on the road itself thus narrowing the road width for traffic. The next person comes along and inches himself further onto the road. Eventually a big human shaped wedge is formed on the road as every person is popping his head out and standing on the road waiting for the bus, thus suffocating the traffic. Similarly, people doing new construction dump their construction materials onto the road, choking the traffic.

Inheritance

In Mauritius, all your talents, academic qualifications and successes are passed onto your kid. All Lawyers kids are also lawyers, without exceptions. All politicians' kids are also politicians. A doctor's son is definitely a doctor. We do not even need to question that.

So where do we stand? Aren't we becoming totally irresponsible? We need to work out our own attitude towards our country. We are responsible for all our actions and thoughts.

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