Message of Hon. S. Moutia at Workshop on Parastatal Reforms organized by Office of Public Sector Reforms – 0930 Hrs on 06 March 2012 at Hennessy Park Hotel, Ebene

Mr. Geeanduth Gopee, Director, Office of Public Sector Governance, Prime Minister’s Office.

Head of Ministries and Departments and Parastatal Bodies

Mr. Raj Makoond, Director, Joint Economic Council

Mr. Sadien, President, Confederations of Free Trade Unions

Mr. Eric Ng Ping Cheung, Director Pluri Conseil Ltd

Officers of the Office of Public Sector Governance

Representatives of Trade Unions

Members of the press,

Distinguished Guests,

Ladies and gentlemen,

Good Morning!
It is not often that we have the opportunity to address a gathering of so many high profile representatives of parastatal bodies at a single venue. It is, therefore, an immense pleasure and honour for me to be with you this morning on the occasion of a workshop on parastatal reforms and the launching of a Parastatal Information Management System (PIMS).

I should, in the very first instance, express my appreciation for the laudable initiative of the Office of Public Sector Governance to organize this workshop. Such activities allow us the opportunity to stop and think aloud on some pertinent issues. The present workshop has the merit of bringing representatives from the public sector, the private sector and the civil society to share views that would ultimately generate ideas for improving delivery standards at the level of
organizations in the best interests of our respective customers.

We may not afford to sit back and relax as we neither have the advantage of natural resources, nor do we have the economic and technological advantage to make optimal use of the 2 million square kilometers of marine space. And, resources are not inexhaustible. Just to take an example, we were used to enjoy the abundance of water supply. You are all aware that we are now running short of this basic commodity in absence of sustainable strategies. And, new technologies for new strategies are very costly.

Ladies and gentlemen, in our system of administration, government has set up dedicated institutions in the form of parastatals to produce public
goods and services in the national interest. Parastatals have a monopoly over many services (such as television broadcasting, electricity and water supply, etc) and provide a range of important goods and services that are necessary for basic welfare of the community and also provides for the socio-economic development of the country. This sector comprises of enterprises created by statute and accounts for more than 10 percent of the Gross Domestic Product. These parastatals transact in billions of rupees every year. They also employ a significant share of public sector human resources.

The primary objective of government is to provide goods and services at an affordable cost as we fund the programmes with the help of our development partners who are very much concerned in the way we use the funds. In case we are not cautious, we may face serious resistance at the level of the international market and
Foreign Direct Investment would flow away from our shores. You know it quite well that more than 80% of the mass of global direct investment goes to 20% of the more advantaged economies wherein China takes the lion’s share. It is, therefore, in the interest of one and all to make judicious use of the funds we succeed in obtaining from the very competitive FDI market to sustain our programmes. FDI does not flow in automatically. It is the outcome of efforts of government, especially the effective economic diplomacy of the Honourable Prime Minister, Dr. Navinchandra Ramgoolam.

At the level of the public sector, we have started a major reforms programme since 2006 and expect increased level of accountability at all levels. The civil service and the parastatals have establishments to ensure that government obtains the best deals in public
procurement of goods and services. Then, the big question is “Why does the cost often remain on the higher side?” With regard to services provided by parastatal agencies, I wonder whether we have serious mechanisms in place to obtain the feedback from customers. Should we not conduct some form of customer satisfaction surveys at specified intervals with a view to improve our services?

Programme Based Budgeting aims at better outcomes for citizens through higher cost efficiency and increased transparence. Our reform initiatives are closely monitored by the World Bank and other development partners. Government is seriously concerned with the level of organizational performance and governance principles across the civil service and parastatal bodies.
Sustained effort towards good governance is necessary. There is constant need for continuous improvement across the sector to ensure that our services are efficient and equitable. Given that parastatals hold monopoly power in the areas of basic necessities and some of which are subsidized by government at very high cost, it is essential that there should be close monitoring. We, therefore, require the emergence of a new mindset both in the public and private sectors. We should be conscious of the expectations of the new generation of customers who are more and more informed of standards, benchmarks and practices with regard to service delivery. We need to place special emphasis on our deliverables, performance management and results.

An important prerequisite for the performance management of parastatals is the availability of
consolidated information and results. Presently, data on performance and results are collected on an *ad hoc* basis at the level of the relevant parent Ministry and the system does not allow for a proper monitoring and evaluation of the performance of the parastatal sector. What is needed is an **information management system** which will allow for a **regular collection, analysis, and evaluation** of the performance of the parastatals. This will allow the **identification of poor performers**, provide for **diagnosis of the causal factors** and determination of the **appropriate remedial actions**.

It is for this reason that the mandate of OPSG has been extended to assist in the reform of public sector organisations as well as to raise awareness of parastatal bodies on the need to adopt best practices. As part of this mandate, the OPSG will monitor the overall performance
of the parastatals via a recently created **Parastatal Information Management System (PIMS)**

**Ladies and Gentlemen**

I understand that parastatals will have to input their **financial** and **non-financial** data on the PIMS in a pre-defined format and this information will be available online to authorized users. The Parastatal Information Management System will be a focal point for collecting and analyzing parastatal performance data. Since, the information available in the system will be regularly updated; the monitoring of the parastatals performance will be more dynamic and will allow the taking of corrective measures on a more timely basis.
Ladies and Gentlemen,

I sincerely wish that the Office of Public Sector Governance meets the objectives of this workshop and that you will benefit from the presentations of the resource persons from the different sectors. I am convinced that the Parastatal Information Management System can be an effective mechanism for the monitoring of performance of parastatals in view of increased cost-effectiveness and transparency for better outcomes for our customers. I now declare the workshop open.

I thank you for your attention.