

MAURITIUS

UNITARY COUNTRY

AFRICA

BASIC SOCIO-ECONOMIC INDICATORS

Income group - UPPER MIDDLE INCOME Local currency - Mauritian rupee (MUR)

POPULATION AND GEOGRAPHY

AREA: **1 865** km²

POPULATION: **1.261** million inhabitants (2014),
an increase of 0.2% per year (2010-14)

DENSITY: **676.1** inhabitants/km²

URBAN POPULATION: **39.7%** of national population

CAPITAL CITY: **Port Louis** (10.7% of national population)

Sources: World Bank Development Indicators, UNDP-HDI, ILO

ECONOMIC DATA

GDP: **23.4** billion (current PPP international dollars)
i.e. 18 584.4 dollars per inhabitant (2014)

REAL GDP GROWTH: **3.6%** (2014 vs 2013)

UNEMPLOYMENT RATE: **7.7%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **418** (BoP, current USD
millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **23%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.777** (high), rank **63**

TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
130 RURAL AUTHORITIES (VILLAGES COUNCILS) AVERAGE MUNICIPAL SIZE: 10 000 INHABITANTS	12 5 URBAN COUNCILS (MUNICIPALITIES), 7 DISTRICT COUNCILS	1 THE ISLAND OF RODRIGUES	143

MAIN FEATURES OF TERRITORIAL ORGANISATION. Mauritius is a unitary country with two levels of local governments. Decentralization is not enshrined in the Constitution, with the exception of the guaranteed special status of the Island of Rodrigues, which has its own Regional Assembly. On the Island of Mauritius, local governments are divided into urban and rural authorities. The second tier of decentralization comprises five urban councils, and seven districts councils, whose mayors are elected every two years by each city and municipal council. The latter are overseeing 130 villages councils, which represent the first level of government. They have a part-time chair as leader, elected every two years in a secret ballot by the village councillors. Decentralization framework has been set by the Local Government Act of 2011, and by the Rodrigues Regional Assembly Act of 2001. The Ministry of Local Government and Outer Islands (MLGOI) is responsible for overseeing local authorities.

MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES. Municipalities and Districts councils have been devolved the same responsibilities and powers. The Local Government Act clearly provides for local governments competences in: education (pre-school and technical education), social welfare (nursery, etc.), health protection, housing, roads, environment and public sanitation, culture, leisure, sports, and economic promotion. Village councils functions overlap with those of municipalities and districts in many categories, and only differ as villages are not responsible for roads. The Local Government Act of 2011 requires for financial estimates of local authorities to be approved by the Minister of Local Government, as well as subjected to the Ministry of Finance and Economic Development.

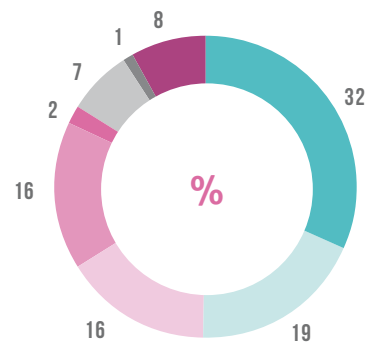
SUBNATIONAL GOVERNMENT FINANCE

EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2013)	1.7%	6.3%	100%
CURRENT EXPENDITURE	1.3%	-	78.9%
STAFF EXPENDITURE	0.8%	8.6%	46.9%
INVESTMENT	0.4%	8.4%	21.0%

Local governments expenditures represent a low share of GDP, and 6.3% of general government expenditures. This reflects the weakness of local governments budget, which are still depending on central government support to fund their investment programmes. A large part of LGs spendings is dedicated to current expenditures, as local government councillors and are paid by their respective local authorities from council funds. On the other hand, 21% of public investments are done by local governments. Data on capital expenditures concern local governments units only, without the Rodrigues Regional Assembly.

EXPENDITURE BY FUNCTION

% SUBNATIONAL GOVERNMENT EXPENDITURE



Data on expenditure by economic functions concern local governments units only, without the data of the Rodrigues Regional Assembly. The main sector of expenditure of local governments is by far general public services (32%), followed by economic affairs, environmental protection, and housing and community amenities.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2013)	1.4%	6.1%	100%
TAX REVENUE	0.1%	0.4%	5.0%
GRANTS AND SUBSIDIES	1.2%		83.3%
OTHER REVENUES	0.2%		11.7%

Municipal and district councils are empowered to raise revenues via various fees, yet they have a limited financial autonomy, as they are mostly relying on intergovernmental transfers. Total subnational revenues represented 6.1% of overall public revenues in 2013, corresponding to 1.4% of GDP. The Rodrigues Regional Assembly, with its specific regional status, is responsible on his own for a large share of these revenues.

TAX REVENUE. In 2013, most of the local governments tax revenues were coming from taxes on property. However tax revenue is constrained by narrow tax bases, and represents a low share of both general government revenue and GDP.

GRANTS AND SUBSIDIES. Grants and subsidies are the bulk of municipal and district councils revenues, through the annual „grant in aid“ system, which allocates a monthly amount to each of the local authority for current expenditures. The large majority of these grants are current grants. The annual grant is voted as part of the budget of the Ministry of Local Governments. With almost two-third of their resources for coming from subsidies, local governments are highly dependent on central government support.

OTHER REVENUES. The second sources of revenue of councils comprises fees and charges, such as property income, building and land use permits, trade, markets, cemeteries, scavenging, traffic fees, advertisements, sales of goods and services, and fines.

OUTSTANDING DEBT

% GDP

% GENERAL GOVERNMENT

OUTSTANDING DEBT (2013)

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Local governments and the Island of Rodrigues may borrow, with the approval and the guarantee of the central government, based on their financial capability.

A joint- study of:



Sources: IMF-GFS • Local Government Service Commission – LGSC • Commonwealth Local Government Forum - CLGF country profile • Public Debt Management Act of 2008 • Ministry of Finance and Economic Development (2013), Digest of public finance statistics 2013.