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The Welfare State of Mauritius: A Critical Appraisal

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Introduction

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The subject of the welfare state remains a thorny subject. There is no unanimous agreement on the extent to which the state should go in alleviating the negative effects of the market on segments of the population. The models of welfarism also differ from those of Anglo-Saxon countries, where the market is a key provider of services, to the familial and statist-inclined welfare state of continental Europe and the social democratic welfare state models prevalent in Scandinavian countries. The applicability of any of these forms of welfare systems in developing countries including African countries is a subject of contention.¹

Part of this debate is whether African governments have shown enough commitment to the pursuit of redistribution and whether the scant existence of social security mechanisms in many African countries is an outcome of resources alone or also of political will.² There is general agreement that this rudimentary social welfare system revolves around rare social grants for the elderly and on occupational welfare for those in the formal labour market. However, this excludes informally employed as well as the unemployed. Thus the bulk of the population is left either at the mercy of kinship structures or non-governmental organisations since contributory pension schemes remain the luxury of those in the formal labour sector.

Against this backdrop Mauritius stands out amongst many African states in that it has a comprehensive social welfare system to which Mauritians have universal access. While this has its origins from British colonial rule in the mid-1930s, it was expanded, improved and applied consistently after colonial rule. What is puzzling is that as a colony Mauritius was dependent on just one economically significant commodity, sugar, and this did not provide a sound economic basis for a welfare system, yet the colonial administrators embarked on welfare programmes as early as the 1930s. This warrants a brief account of the evolution of the welfare state in Mauritius before and after independence, which we do below.

The class struggle and the arousal of sustained political commitment

The Mauritian social security sector did not begin in the 1930s, but it was the internal political developments of that period that served as the impetus for social change on a grand scale and thus a comprehensive social security system was needed. Essentially, these developments related to class struggles around which political consciousness among Mauritians was also heightened. The struggles between unorganised workers and the economic elite had a particularly significant effect on the development of a social welfare system. This is consistent with Jeremy Seekings' finding that what lay at the centre of welfare building paths for most countries in the global South is the active coexistence of the working class and the authoritarian elite.³ As in other British colonies the British Poor Laws that reserved relief for those who were too ill to work or fend themselves were also applied in Mauritius, limiting assistance to the most indigent and to rare circumstances. This produced a static and family-based approach of addressing 'illfare' and unwillingness to intervene except in unavoidable cases.

However, such an approach proved to be unhelpful for the most socially marginalised Creole section of the population who were brought to Mauritius as slaves by the French settlers to develop a sugar colony, as well as the Indo-Mauritians who arrived in Mauritius as indentured labourers from the Indian sub-continent to work in the sugar sector of the economy. With the plantocracy largely comprising the Franco-Mauritians and colonial administrators comprising British settlers, the residual nature of social policy in that country was primarily instituted to serve colonial interests and to avert responsibility from the State. The course for social welfare in Mauritius during the colonial era can be understood in two phases:

Phase I: Resistance to the reactionary welfare state to (1810 – 1936)

Formal colonisation of Mauritius by Britain began in 1810 and it would not be until another the mid-1930s that the colonial government took steps towards broad-based social welfare system. Two factors explain this: the first is the economic conditions of the 1930s inspired unorganised labour from the sugar plantations to rebel against the colonial government's neglect of terrible poverty as a result of the 1929 Great Depression. The militancy of labour forces would not have taken full course had it not been for the severe decline in the standards of living for the Indo-Mauritian majority and the lack of comprehensive assistance programmes to mitigate the effects of the sluggish economy on the livelihoods of the poor. The second factor was that unorganised labour activity yielding only limited outcomes, the formation of the Indo-Mauritian dominated Mauritian Labour Party (MLP) in 1936 represented the emergence of nationalist platform to pressure the colonial government to provide services to Mauritians.

The party was instrumental in compelling colonial officials to concede to labour's demands to increase wages amid consistent rationalisation by the government that the susceptibility of the sugar commodity to external price determinations would have fiscal implications to the economy already bruised by the exogenous economic developments of the period.

Phase II: The path to the creation of the comprehensive welfare state (1936 -1968)

It is apparent that the introduction of the MLP to the Mauritian political scene opened the floodgates of dissent, thus allowing dissidents an organised space to propagate the agenda for sustained social welfare that they argued should be part-and-parcel of labour relations. However, it was the industrial strikes of 1943 that led forced the colonial government to introduce further welfare reforms, which were in fact nothing more than a sprinkle of welfare straits in healthcare and education especially, although social assistance remained quite lacking.

It was only in 1950 that non-contributory pensions were paired with the social welfare sector of the country following MLP's strong propositions that the time had come for the Mauritian social policy to lose dependence on familial structures and goodwill, and that welfare measures then ignored the unemployed.⁴ In 1961, the colonial government established the Meade Commission to investigate the social situation in Mauritius and the commission warned in its report that failure to take significant steps to address the problems plaguing the economy would transform Mauritius into a ticking time-bomb.⁵ The articulation of social justice and social policy by the Mauritians in the first half of the 20th century helped pressure the colonial government to make concessions, and this laid a foundation for the sustenance of political commitment to the redistribution agenda by the MLP as a governing party after independence in 1968.

The MLP would promote a balance between expanding the economy and achieving redistributive justice in power as it argued while it was a resistance party during colonial rule.

Juggling laissez faire macroeconomic policies and social justice after independence

The Mauritian economy at the time of independence was in an appalling state. Exacerbating the problem was the population explosion that threatened to destabilise the country by increasing the numbers of unemployed and discontented in society. The MLP government took ambitious steps to diversify the economy to achieve goals: reducing over-dependence on sugar as a source of the fragility of the economy; boosting employment creation; and to maintain the country's welfare commitments.

What emerged in the Mauritian political scene in the run up to independence was the arousal of racial tensions feeding into mistrust between various social groups. The Creoles were still the most economically marginalised compared to their Indo-Mauritian, Franco-Mauritian and Sino-Mauritian counterparts, and now that the Indo-Mauritian-dominated-MLP was in power, the Creoles passed the blame for their condition from the British colonists to the new dominant political elites, the Indo-Mauritians. This sentiment lingers on in the Mauritian social fabric to this day, threatening the serenity of the political landscape of this country over time.⁶

Aware of this and committed to achieving social justice, the new political leadership used revenues derived from the sugar commodity to venture into garment-manufacturing-dominated Export Processing Zones (EPZs) with an export-led orientation. This is part of the Mauritian post-independence economic take-off modelled upon the dynamics of its Newly Industrialised Country counterparts.⁷

In this regard, the Industrial Relations Act of 1973 helped ensure an unhindered manufacturing take-off by constraining the expression of grassroots political dissent on the shop-floor. Legal strikes were not easily permitted and to make up for this limitation on rights, the government invested in social welfare in a bid to silence critics.

Be this as it may, if any era in the social welfare history in Mauritius depicts well the height of the integration of the notion of social welfare in the fabric of the Mauritian polity was during the economic downturn of the early 1980s when the Structural Adjustment Programmes (SAPs) were imposed on African countries by the Bretton Woods sisters with conditionalities intended to liberalise their economies. Many countries succumbed to the commands to cut public spending, which automatically had a negative impact on the social expenditure and social stability, but Mauritius bucked the trend by refusing to conform to the norm. This is largely because, a) the state was of the conviction that it was charged with the moral responsibility to mitigate the effects of the economic downturn for the severely-affected citizens, b) a strong grassroots movement comprising labour and the poor resisted substantial cuts in social expenditure and, c) access to social assistance programmes was seen as a sacrosanct right of every Mauritian citizen.

The nature of the contemporary welfare state in Mauritius

Since the years of the adjustments, Mauritius has achieved a welfare paradigm that is consistently progressive by any standards. The point of reference here is the 2009 human development index (HDI) of the United Nations Development Programme (UNDP) which places the quality of life and the levels of equity achieved over the years parallel to top-ranked countries from the industrialised world.⁸ All these achievements in the sector of human development would not have been possible had it not been for

the country's social sector which has remained loyal to the notion of universal access to non-contributory pensions for people of qualifying age, as its absence from the Mauritian social security sector would have increased the poverty headcount for households with older people. The government has ensured that these remain true to the country's objectives of achieving equity as over the years the old age pensions have been adjusted in a manner that is proportionate to the fluctuations of the overall economy.⁹

An upward economic growth pattern that spanned from the economic boom of the concluding years of the 1980s to the 2000s gave Mauritius the means to achieve what had become a general expectations of the population: a redistributive social policy. Although, its economic outlook could be characterised as neoliberal, the government's commitment to social welfare was part of a tradition that the political elite had come to identify with over time.

Conclusion

The story of the welfare state of Mauritius underlines the point that social change require political boldness and a formidable economic base that to render socio-economic redistribution sustainable. While the sugar commodity trade it depended on for a long time was not sustainable, preferred access to European markets and British dominions helped give advantage to Mauritian economy at the time when other African countries were declining badly. The Mauritian welfare experience suggests that a comprehensive social security sector including the use of education and health is critical for achieving the balance between capital accumulation and redistributive justice. With the ideal of social justice well secured in Mauritius, but preferential access to major economies having fallen away, its government has the challenge of finding innovative ways to sustain the welfare agenda.

Policy recommendations

Drawing on the Mauritian experience, we suggest that four conditions are critical for building African states that can meet the aspirations of social and redistributive justice. These are:

- Demonstrable political commitment to balance between capital accumulation and social justice through a close relationship between social actors and a political party that espouses similar sentiments is sealed;
- Vibrant civil society platforms to voice the people's concerns within a constitutional framework;
- A sustainable fiscal base to enable reasonable allocation to welfare programmes over a long-term, a matter that often requires bold decision-making about budget allocations and
- A building of strong social partnership that it enables some convergence of interests between those fighting for full redistributive justice such as trade unions and political parties, on the one hand, and those concerned about capital accumulation like organised business, on the other.

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