

BTI 2014 | Mauritius Country Report

Status Index	1-10	8.11	# 15 of 129	
Political Transformation	1-10	8.55	# 13 of 129	➔
Economic Transformation	1-10	7.68	# 21 of 129	➔
Management Index	1-10	6.65	# 15 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2014 – Mauritius Country Report. Gütersloh: Bertelsmann Stiftung, 2014.

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Key Indicators

Population	M	1.3	HDI	0.737	GDP p.c.	\$ 15648.8
Pop. growth ¹	% p.a.	0.4	HDI rank of 187	80	Gini Index	-
Life expectancy	years	73.3	UN Education Index	0.659	Poverty ³	% -
Urban population	%	41.8	Gender inequality ²	0.377	Aid per capita	\$ 143.0

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Mauritius, a democratic and prosperous island state that typically enjoys stability in the rough waters of the Indian Ocean, was shaken by several upheavals in the last three years. Six ministers of the co-ruling Militant Socialist Movement (MSM) party resigned in protest following a corruption scandal in which the health minister – an MSM party member – was implicated. Among those who resigned was Pravind Jugnauth, the finance minister, who was arrested weeks later for his alleged involvement in the scandal. Jugnauth’s father, Anerood Jugnauth, resigned from his position as president, saying he was “not in agreement with the philosophy of the government and the way the country is run.” He is now leader of “Remake 2000,” a revival of the alliance between the MSM and the Mauritian Militant Movement (MMM), an important opposition party that had governed previously. President Jugnauth was succeeded by interim president Monique Ohsan Bellepeau. In July 2012, President Rajkeswur Purryag was inaugurated. He had previously served as speaker of the National Assembly. Prime Minister Navin Ramgoolam enticed three MSM MPs to cross the floor and join his ranks by offering them government positions and thus secured his parliamentary majority. The country continues to be caught in the throes of political turbulence. Mauritius’s political face has changed.

In addition to this political quarrel, the murder of Michaela McAreavey, an Irish tourist who had been visiting Mauritius with her husband on their honeymoon, caused an outcry in the country and in Ireland. McAreavey was the first tourist murdered in Mauritius. Both the criminal investigation and trial were heavily criticized, particularly in Ireland, and Mauritius’s judiciary and police came under severe internal and external pressure.

Amid these crises, the country’s Truth and Justice Commission published its report. The Truth and Justice Commission Act, which took effect 1 February 2009, provided for the creation of this commission, which was set up to conduct inquiries regarding slavery and indentured labor. According to the commission’s chairperson, Alex Boraine, their report marked a new chapter for Mauritius: “The commission has tried to hold up a mirror to the Mauritian society where many

people have benefited from initiatives of the government and the private sector but where many have also been left behind.” On 13 December 2011, a high-level committee was set up to look into the implementation of the report’s recommendations. So far, there is no evidence of any concrete action taken.

Despite the challenges Mauritius faced in 2011 and 2012, the country’s democratic system remains strong. As a matter of fact, Mauritius’s transformation must not be seen as transformation in the classical sense of the word, but rather an ongoing strengthening and consolidation of its achievements in terms of democratic, economic and social success. The government’s primary task is to secure prosperity and to ensure that it extends to all Mauritians. Indeed, equal opportunity regardless of gender, ethnicity, social class, age or religion must become a given. Despite the recent setting up of an Equal Opportunities Commission, Mauritius still has some distance to go in this regard.

History and Characteristics of Transformation

Mauritius’s history, particularly its postcolonial emergence as a fully developed democratic country, is in many ways unique for former colonies. The islands forming Mauritius – mainland Mauritius, the Agalega Islands, Cargados Carajos Shoals (Saint Brandon), and Rodrigues – were uninhabited until the Arabs and the Portuguese arrived a few centuries ago. The Portuguese did not permanently settle Mauritius after they discovered it in the early 16th century. The Dutch discovered the main island in 1598, but began a settlement there for the first time only in 1638. The Dutch abandoned Mauritius in 1710 in favor of their Cape Colony, today’s Cape Town in South Africa, as a more suitable place for stocking their ships en route to Asia.

It was only when the French took over the main island in 1715 that it became permanently populated. Notwithstanding France’s defeat by the British, who took control of the island in 1810, French prevailed as a lingua franca, alongside Creole. The British practiced laissez-faire rule over the island. As one consequence, French heritage is still visible today. The same is true for British heritage: Mauritians inherited, inter alia, the political, administrative and educational systems of Britain. Postcolonial Mauritius kept it alive and developed it further.

To develop the colony, the French shipped slaves from mainland Africa, Madagascar, India and South East Asia. In the wake of the abolition of slavery, thousands of Indian indentured laborers were brought to the island to work on its sugar plantations. Some Chinese also came to the island and helped develop the retail trade. Through these migration streams, a multicultural and ethnically diversified society has emerged. The Hindu community is today the largest ethnic group on the island. All prime ministers since independence have belonged to this group, with the exception of Paul Bérenger, who belongs to the Franco-Mauritian minority, which is small but influential as it dominates business.

Part of Mauritius's postcolonial uniqueness is that it developed into a prosperous state with a functioning and acknowledged democracy, a strong economy, and a developed welfare system. Nobel laureate James Meade, who predicted in 1961 that Mauritius's economic future would be bleak due to its overpopulation and its heavy dependence on sugar, was proven wrong as Mauritius became an economic and political success story.

Perhaps due to the fact that they are not all natives of the islands, Mauritians live in peaceful coexistence irrespective of their ethnic, social, and religious differences. After independence in 1968, ethnic riots only erupted once, in 1999, when the Creole community demanded better opportunities in the political, social and economic realms and a recognition of Creole cultural identity. Since then, much has been achieved: Creole became a formal language taught in certain schools on demand (previously, there had been no spelling rules), and a Creole elite is slowly forming, climbing the society's hierarchy. Since 2001, the 1st of February has been celebrated as a public holiday to commemorate the abolition of slavery. The 2nd of November has likewise been decreed a public holiday to commemorate the arrival of the first indentured laborers. The Truth and Justice Commission, which was set up in 2009 to investigate the country's past and the consequences of slavery, published its report in 2011, shedding light on the challenges that lie ahead and providing some recommendations on how to deal with them.

The successful implementation of democratic norms and standards, and the economic success of Mauritius, help explain the absence of major social and political upheavals. While Mauritius had been dependent on sugar cane production until the 1960s and early 1970s, the country's first post-independence government started to diversify the economy. As a consequence, the textiles industry flourished and the tourism industry began to expand. In the 1980s, financial services were privileged as an additional source of income, and, in the 1990s, the fourth pillar of Mauritius's economy, the IT sector, was developed.

Mauritians have been successful in preserving their achievements, and the island has become an African example of democracy and prosperity. While other model states, like South Africa, have natural resources as the backbone of their economies, Mauritius does not and hence its development and success are even more remarkable.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

The state's monopoly on the use of force throughout the entire country is unchallenged. Mauritius does not have a standing army. Security is provided by an 11,000-member police force, which is responsible for domestic law enforcement; the coast guard; and the so-called Special Mobile Forces, a paramilitary unit composed of members of the police.

Monopoly on the
use of force
10

Mauritius is a consolidated state and strives to move closer to becoming a consolidated nation-state. Mauritians accept the state's legitimacy and all individuals and groups within the state enjoy the right to acquire citizenship. There are four ethnic groups: the largest group, the Indo-Mauritians; the Creoles; the Franco-Mauritians; and the Sino-Mauritians. These groups live in peaceful coexistence, and a Mauritian identity is emerging, albeit slowly, across ethnic lines.

State identity
9

The Creoles, mostly descendants of slaves brought to Mauritius, comprise roughly 27% of Mauritius's population. They complain of exclusion, and are in fact less represented in the administrative and economic realms. Nevertheless, there is no attempt to challenge the state's legitimacy. Since the recent recognition of Creole as a teachable language, and their increasing importance in politics and business, they feel more and more integrated into Mauritian society. The work of the Truth and Justice Commission, which explored, inter alia, Creole issues, further helped them to become an integral part of the society.

If, as some scholars claim, the degree to which citizens voluntarily pay their taxes is a good indicator of the state's internal legitimacy and the population's trust in the state, the island state is built on a solid foundation. As such, Afrobarometer data shows that the vast majority of Mauritians agree that paying taxes helps the country to develop, and they agree that the tax authorities have the right to collect taxes. Afrobarometer covered Mauritius for the first time in 2012, providing long-awaited sound data on approval of democracy and several related questions. The data is based

on interviews, conducted in January and February 2012, using a nationally representative, random, stratified sample of 1,200 Mauritians.

The state is secular in nature. Approximately 48% of Mauritius's population is Hindu, 23.6% Roman Catholic, and 16.6% Muslim. The Hindu majority partly underpins Mauritian politics, and Hindu politicians play a central role in it. Religious denomination and caste remain important and influence the composition of the country's leadership.

No interference of
religious dogmas
8

The state has developed a differentiated administrative structure, which was developed on the structures left behind by the colonial powers. The administration serves the country and provides all basic public services. There is no center-periphery problem within the state. The people living on Rodrigues, an island lying some 600 kilometers away from the main island, have attained some autonomy, including their own regional assembly, but depend on the central government for funding.

Basic
administration
9

The Local Government Act of December 2011 takes away certain powers of the elected municipal and district councils and bestows them on the Ministry of Local Government and Outer Islands, thus increasing the municipalities' dependence on the national government.

2 | Political Participation

Elections are regularly held in Mauritius. Universal suffrage with secret ballot is ensured and any political party can field candidates. Voters' rights are respected, as are election results. Domestic stakeholders and the international community do not question the outcome of elections, whose integrity and trustworthiness are not challenged. There is, however, no consensus on the elections' fairness, as the ruling alliance is accused of using state radio and television as propaganda machinery.

Free and fair
elections
9

The electoral law provides for three MPs to be elected by each constituency in Mauritius and two for Rodrigues. The elector must therefore vote for three candidates in the Mauritius-based constituency and two for Rodrigues. The complicated "best loser system" assures the representation in parliament of all segments of the population. Political parties are generally nonsectarian. The "best loser system" means that the electoral supervisory commission can nominate up to eight additional members of parliament (out of 70 members) to correct any imbalance in community representation. The system has been under attack for some years, and some critics claim that it does not serve the promulgation of "Mauritianism" it intends. Nevertheless, the system prevails, despite its being an ongoing issue in the debate on electoral reform.

Based on overall respect of election outcomes and the democratic culture that has emerged, the democratically elected government has the effective power to govern, and no individual or group has any form of political veto power. Mauritius's government is usually composed of two or more parties, and hence government policies are mostly based on an inter-party consensus at the ruling alliance level. The opposition is part of the political scene and the post of leader of the opposition is provided for in the constitution. This not only gives him or her a special status, but also confers some consultative powers when it comes to certain institutional appointments, including the nomination of the commissioners for the electoral supervisory commission, the body which bears general responsibility for the electoral process.

Effective power to govern
10

Association and assembly rights are provided for in the constitution and generally respected. There are several political parties, including the Alliance of the Future, the Mauritian Labor Party, the Mauritian Militant Movement, the Militant Socialist Movement (MSM), the Mauritian Social Democratic Party (PMSD), the Rodrigues Movement (MR), and the Rodrigues Peoples Organisation (OPR). These parties and any other group can operate free from unwarranted state intrusion or interference in their affairs.

Association / assembly rights
9

Over the past decades, an open and vibrant civil society has emerged in Mauritius, which now includes all layers and groups of the country's society and contributes to its positive economic and social development as well as to the manifestation of the Mauritian democracy.

However, recent peaceful demonstrations by trade unions have been disrupted by police, who have arrested leaders.

Freedom of expression features in the Mauritian constitution as prominently as the right to life, the freedom of conscience, and freedom of assembly. While freedom of expression is generally respected, the country's prime minister recently fell short of honoring the right entirely. In a personal attack on Raj Meetarbhan, the editor of L'Express, a Mauritian newspaper, the prime minister went as far as describing Meetarbhan as not being worthy to "shine my shoes." Following these and similar events, including the current government's political boycott of La Sentinelle, the media group to which L'Express belongs, Meetarbhan noted that he is very worried and sees "the virus of repression is there, the signs are evident and I fear that the independent media in Mauritius will have a somber future." He likened the current situation of Mauritius to that of Zimbabwe in the early 1980s and is afraid that Mauritius is heading in the same direction. Despite these worrying signs, Mauritius has reversed its downward trend in the Reporters without Border press freedom index, achieving rank 54 (out of 179) in 2011 – 2012, while it was only on rank 65 in 2010.

Freedom of expression
8

In 2005, it was ranked at position 34, but, in the latest report (January 2013), it ranks 62nd, having slid eight places.

3 | Rule of Law

Mauritius's constitution provides for a 70-member National Assembly, a president with little power but representative functions, a prime minister who forms the executive branch together with his or her cabinet, and a Supreme Court. The court "shall have unlimited jurisdiction to hear and determine any civil or criminal proceedings under any law other than a disciplinary law and such jurisdiction and powers as may be conferred upon it by this constitution or any other law," as the constitution notes. The separation of powers, as provided for in the constitution, is generally respected. As a matter of fact, the parliament is very vocal and serves as a true platform for debate. Nevertheless, there is a growing perception that the executive interferes with the judiciary.

Separation of
powers
9

Mauritius's judiciary system is independent. It comprises the Supreme Court, which has the highest judicial authority in the country; the Intermediate Court, which has civil and criminal jurisdiction; and the district courts, which try civil and criminal cases within their jurisdiction. The Supreme Court's chief justice is appointed by the president after consultation with the prime minister. The senior puisne judge, also a member of the Supreme Court, is appointed by the president, in accordance with the advice of the chief justice. The other members of the Supreme Court, the puisne judges, are also appointed by the president, acting in accordance with the advice of the Judicial and Legal Service Commission.

Independent
judiciary
8

Despite having achieved its independence in 1968, Mauritius's judicial system is still linked to its former colonial power, Great Britain. As such, appeals can be made to the Judicial Committee of the Privy Council in London. The right of appeal to the Privy Council strengthens Mauritius's judicial system and underpins it with Britain's sound legal system.

Notwithstanding this constitutional fact, critics point out that individuals can be held in custody without charge or trial and thus doubt the quality of the rule of law in Mauritius. Certain cases are known to drag on for years, especially at the Assizes.

Mauritius's judicial system faced a momentous challenge in 2011 – 2012 in dealing with the murder of Michaela McAreevey, an Irish tourist, who was found dead in her hotel bathroom, having been strangled while on her honeymoon. The first murder of a tourist in Mauritius sparked controversies in Mauritius and Ireland. In a jury trial, the suspects, three Mauritian hotel employees, were found not guilty. Mauritian and British experts could not find the suspects' DNA on the victim's body. Irish critics accused the Mauritian Major Crime Investigation Team of incompetence and called

for a boycott of Mauritius as holiday destination. The critique put severe pressure on the jury, which was called on to consider Mauritius's international reputation as a holiday paradise and make a judgment that would preserve the country's standing. The Mauritian investigation team also faced criticism domestically. It was accused of having beaten a confession out of one of the suspects. The suspect claimed he was subjected to three days of beating before he confessed to having strangled the victim. The murder investigation reopened in August 2011, and an interim report by the Central Criminal Investigation Department named a new suspect.

Despite constitutional provisions for punishing corruption, "the country still suffers from a pervasive and ingrained problem" with corruption, notes a leaked 2008 cable from the U.S. embassy in Mauritius. As this and the 2012 BTI report on Mauritius show, criticism of the country's handling of corruption has increased in recent years.

Prosecution of
office abuse

7

Several interrelated scandals unfolded over the past two years. In July 2011, the country's health minister, Santi Bai Hanoomanjee, was arrested by the Independent Commission Against Corruption on charges of favoritism in the context of the awarding of a tender for a hospital. Several ministers from her party, the MSM, resigned from their cabinet posts in the aftermath of the arrest, among them Pravind Jugnauth, the country's finance minister, leader of the MSM, and former partner in the ruling alliance. Jugnauth himself was also arrested on corruption charges weeks later. In the wake of the arrests, thousands of demonstrators took to the streets of Port Louis, the island's capital, and protested against corruption.

Civil rights are guaranteed by the constitution and are respected, by and large, by state institutions. Personal liberty is largely protected. Notwithstanding Mauritius's generally good civil rights record, there are worrying signs. The Mauritius Human Rights Commission lacks authority. Apart from its president, the other three commissioners have not been appointed since the departure of incumbents a few years ago. A more severe problem is that the police are occasionally accused of brutality, for example in the McAreavey murder trial, in which a suspect claimed to have been beaten by the police. Moreover, it is reported that 21 people have died in police cells since 2000. Nevertheless, trust in the police remains fairly high, with 89% of Afrobarometer respondents in Mauritius saying they would first go to the police if they were victims of a crime. Only 7% said that the police do not listen or care, and only 8% said the police would not be able to do anything.

Civil rights

8

4 | Stability of Democratic Institutions

The past decades have shown that Mauritius's democratic institutions are generally capable of performing. Political decisions are prepared, made, implemented and reviewed in legitimate procedures by the appropriate authorities. The parliament is vocal and mostly effective. The latest amended version of the Local Government Act,

Performance of
democratic
institutions

9

however, curbs the powers of the municipal and district councils, which are heavily vested in the minister responsible for local government.

The role of former President Anerood Jugnauth, who resigned in early 2012, sometimes caused resentment, as he had crossed the line between independence and political partiality in assisting in his son's career. This problem once more came to the fore during the aforementioned corruption scandal in which Pravind Jugnauth was allegedly involved.

A peculiar hallmark of Mauritian politics is that political responsibility remains within the hands of a few families. To a certain extent, this undermines the legitimacy of the country's political leadership. The relationship between the former president and former finance minister, as well as similar father-son relations in Mauritian politics, show that names matter. If a candidate's name is not associated with the political elite, it is generally difficult to get into politics at the leadership level.

Democratic institutions are accepted as legitimate by the relevant actors, and the existence of these institutions are not questioned or challenged. Still, several institutions are criticized for being more partial than one would assume. President Jugnauth and the Independent Commission Against Corruption were criticized for serving as political tools of the respective parties. Moreover, the media is sometimes also seen as a tool of the government or the opposition. The Mauritius Broadcasting Corporation, the public radio and television station, comes in for heavy criticism for the biased nature of its reporting in favor of the ruling party.

Notwithstanding these temporary challenges, respect for the existing democratic institutions is a given, and it enabled Paul Bérenger, a Franco-Mauritian, to become prime minister between 2003 and 2005. He served as the first non-Hindu prime minister of Mauritius and the first white head of government in post-colonial and post-apartheid Africa.

5 | Political and Social Integration

The Mauritian party system is stable and socially rooted. Moreover, it is organizationally institutionalized. Parties have developed organization and control mechanisms, despite the fact that there is no legal framework for political parties. The constitution only provides for parties to register with the Electoral Supervisory Commission ahead of an election. Apart from that, the constitution provides no guidance regarding political parties.

In the 2010 elections, more than 60 parties participated. Yet, as in the past decades, three main parties – the Mauritian Labour Party, the Militant Socialist Movement and the Mauritian Militant Movement – dominate national politics. These parties can accommodate a variety of political, economic and social interests and are pluralistic

Commitment to
democratic
institutions

9

Party system

8

in nature. In fact, the party system has achieved a high level of articulation and aggregation. Notwithstanding democratic party rules, Mauritian parties remain highly leader-centric and are guided by a few families.

The Militant Socialist Movement has become a predominantly Hindu party. The Labour Party also draws its main support from the Hindu electorate, principally from rural areas. Overall, the Hindu majority dominates public administration, politics and political parties, and other groups find it hard to reach the highest political positions. (Notable exceptions include former President Karl Offmann.)

A plethora of interest groups in Mauritius channel societal interests. The Mauritius Council of Social Service is the umbrella organization of the country's non-governmental organizations (NGOs), of which roughly 150 are registered.

Interest groups
8

While the trade unions played a crucial role in the past, their role is diminishing due to their fragmentation. Nowadays human rights NGOs are more important. They assist persons with HIV/AIDS; promote women's rights, such as SOS Femmes; and promote the rights of the lesbian, gay, bisexual and transgender communities. NGOs dealing with environmental questions are noteworthy as their number is rather high, and environmental protection is a pressing issue. Moreover, business associations have become more important, as well as so-called sociocultural groups of religious denominations. The latter, particularly, try to interfere in government decisions. Lastly, a number of Creole groups have also gained considerable prominence.

Mauritians generally approve democratic norms and practices. This is underlined by Afrobarometer data showing that 85% of respondents say "democracy is preferable to any other kind of government." Only 22% call Mauritius is "a full democracy," while 54% call it "a democracy, but with minor problems," and 19% call it "a democracy, with major problems." Notwithstanding this critique, 88% of Mauritians feel free to choose whom they vote for without any pressure. On the question of whether the 2010 elections were free and fair, 34% of the respondents said "free and fair, but with minor problems" and 56% said "completely free and fair."

Approval of
democracy
8

Afrobarometer data shows an ambivalent trust vis-à-vis Mauritius's political institutions, such as the prime minister, the president, the National Assembly, the Electoral Supervisory Commission, the police, the judiciary, and municipalities. The amount of trust in these institutions more or less follows a normal distribution across all institutions.

Respect for democratic institutions is high. Afrobarometer data shows that 38% of respondents "strongly agree" and 52% "agree" with the statement that "it is important to obey the government in power, no matter who you voted for." In short, commitment to the democratic institutions is given.

Asked about trust in more general terms, fully 86% say one “must be very careful” and only 13% find that “most people can be trusted.” Since there are only those two possible answers and no fine-tuning within the answers, it is difficult to interpret these figures. However, a vast majority of respondents claim they can trust their family. Trust in neighbors is significantly lower than it is for family, as one might expect, and goes further down in the category “other people you know.” In short, the family remains the place wherein Mauritians feel most comfortable.

Yet, the large number of NGOs shows at the same time that society organizes itself on this basis. This is often along ethnic and religious lines, although these differences are easily overcome in the public sphere. In fact, some organizations, such as those for women’s rights and the environment, are not organized along ethnic or religious lines.

Social capital
7

II. Economic Transformation

6 | Level of Socioeconomic Development

Mauritius is well advanced in terms of socioeconomic development. Challenges remain, however. Mauritius is ranked at position 77 in the 2011 U.N. Human Development Index, the second most developed country in sub-Saharan Africa and the third most developed country in Africa (the Seychelles is at position 52, Libya at position 64). These three states, plus Tunisia, are the only African states considered to have “high human development.” Although Mauritius’s index value increased steadily over recent decades, other countries have developed faster and have overtaken Mauritius, which was ranked at position 72 in the 2010 HDI.

Mauritius’s status as a state with high human development is also based on its economic strength. Mauritius has a diversified economy with a stable secondary and tertiary sector. Sugar production has been the backbone of the country’s economy and is still an important pillar. The textile industry and the finance and tourism sectors became more important and are nowadays three further important pillars of Mauritius’s economy. Moreover, the so-called export processing zones, which promote the production of goods solely designated for export, play an important role in the country’s economy.

Though low by comparison with Mauritius’s neighbors, hunger and poverty remain a challenge. Of Afrobarometer respondents, 4% claim to have “just once or twice” gone without enough food to eat in the past year, while 3% say “several times” and

Question
Score

Socioeconomic
barriers
7

1% claim “many times.” The problem of poverty and economic exclusion is particularly strong among poor, uneducated Creoles.

At the same time, Mauritius must handle its problem of youth unemployment to ease political, economic, and social tensions. Workers under 20 years of age had an unemployment rate of 34.7% in 2011, with 26.1% of men in this age group unemployed, and 48.1% of women. The unemployment rates decrease the higher one climbs up the age pyramid. For those in the age group 20 – 29, 14.2% were unemployed (11.4% males and 18.3% females), and for those 50 and older only 2.9% were unemployed (2.3% males and 4.2% females).

Economic indicators		2009	2010	2011	2012
GDP	\$ M	8834.6	9718.3	11241.9	10492.0
GDP growth	%	3.0	7.7	3.8	3.2
Inflation (CPI)	%	2.5	2.9	6.5	3.9
Unemployment	%	7.3	7.7	7.9	-
Foreign direct investment	% of GDP	2.9	4.4	2.4	-
Export growth	%	-3.4	16.0	5.2	-
Import growth	%	-10.7	10.3	6.2	-
Current account balance	\$ M	-655.0	-1005.8	-1506.5	-1174.9
Public debt	% of GDP	50.6	50.6	51.0	50.3
External debt	\$ M	977.6	1224.8	1434.6	-
Total debt service	\$ M	142.7	131.0	162.2	-
Cash surplus or deficit	% of GDP	0.6	-2.4	-1.1	-
Tax revenue	% of GDP	18.7	18.5	18.4	-
Government consumption	% of GDP	14.1	13.9	13.5	-
Public expnd. on edu.	% of GDP	3.2	3.7	-	-
Public expnd. on health	% of GDP	2.2	2.7	2.4	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.2	0.2	0.2	0.2

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

7 | Organization of the Market and Competition

Mauritius has implemented the fundamentals of market-based competition. The island state, which has always developed canny strategies to attract investors, improved significantly in ease of doing business in recent years. It is ranked at position 19 in the World Bank's 2013 Doing Business Index, up from position 24 in 2012.

Market-based
competition
8

The aforementioned export processing zones play a crucial role in economic development. They effectively allow for state-subsidized processing of imported materials designated for export. The government provides incentives, including the exemption of duties on imported raw material; low energy costs; and free repatriation of capital, profits and dividends. Still, it is important to stress that, beyond the export processing zones, there are equal opportunities for all market participants and that market competition is institutionalized.

As in other states, the government keeps control of some markets, such as those for energy, transport and basic agricultural products. Mauritius's industrial products, particular textiles, are able to compete successfully in internationally markets.

Mauritius's policy of fighting monopolies has gained some momentum. The Competition Commission of Mauritius, established in 2009, has concluded 11 cases and written several reports, particularly on the country's cement market. Six further cases are currently under investigation by the commission, which is looking into possible restrictive business practices in the chicken industry, and into private medical/health insurance schemes.

Anti-monopoly
policy
7

Notwithstanding these attempts and the country's antimonopoly policy, a few oligarchic families continue to dominate the Mauritian economy, especially the large plantations and the trade and telecommunication sectors.

The setting up of a political unit to facilitate the "democratization of the economy" has not led to any tangible result.

According to a report of the World Trade Organization, Mauritius's former economic regime, based on sugar production, the textile industry and financial services, has been challenged by what is called the "triple shock." This refers to preference erosion after the worldwide liberalization of textile trade, the reform of the European Union's sugar regime, and rising international oil prices. Mauritius's government coped adequately with the situation, undertaking reforms to liberalize trade and to boost the country's competitiveness. The reforms aim at transforming Mauritius into a duty-free island. The country is an original member of the World Trade Organization and has always had a keen interest in liberalizing trade.

Liberalization of
foreign trade
9

Mauritius's general interest in free trade is apparent in the regional context, as it is an active member of the Common Market for Eastern and Southern Africa (COMESA), and the Southern African Development Community (SADC). The island state supports these organizations' aims of establishing free trade areas. Moreover, Mauritius participated in the Economic Partnership Agreements negotiations with the European Union and concluded an interim agreement in 2007, which came into effect in May 2012.

The Mauritian banking industry comprises 20 banks. Seven of them are local banks, eight foreign-owned subsidiaries, one a joint venture, and four branches of foreign banks. They are licensed by the country's central bank, the Bank of Mauritius, which is responsible for allowing other banks to engage in local and international banking business. The Bank of Mauritius, established in 1967, is modeled on the Bank of England.

Mauritius implements the Basel II agreement, which calls for strict guidelines with regard to equity. Mauritius thus follows international standards.

In fact, the financial system is regarded as well regulated, as well as solid and highly profitable. It has the means to meet the financing needs of the country's economy. Due to its solid base, the government was not forced to bail out any bank in the context of the world's financial and economic crisis. According to the central bank's governor, Rundheersing Bheenick, "Strong supervision and prudent management have earned us a coveted place on the short list of countries that actually had a rating upgrade this year when the likes of the United States, France, and more recently the European Stability Mechanism, have been stripped of their coveted triple-A ratings."

8 | Currency and Price Stability

Inflation remains a problem for Mauritius. According to official Mauritian statistics, inflation stood at 6.5% in 2011. It decreased to 2.2% in 2009, and has risen since 2010 (6.3%), but has not yet reached the rates Mauritius has also experienced in the past decade reaching a high 12.1%. With the 6.5% inflation in 2011 the central bank felt short of its target of 5%.

The central bank plays the crucial role in Mauritius's anti-inflation and forex policy. Its purpose is to "safeguard the internal and external value of the currency of Mauritius and its internal convertibility" and to "direct its policy towards achieving monetary conditions conducive to strengthening the economic activity and prosperity of Mauritius." The Inflation Expectations Survey was established to help track market sentiment.

Banking system
9

Anti-inflation /
forex policy
8

Mauritius's account balance, which is the sum of net exports of goods, services, net income, and net current transfers, stood at -\$799.6 billion in 2010. This figure is higher than in 2009 but lower than in 2008, when the account balance stood at -\$975.8 billion. Public debt in percentage of GDP crossed the 50% threshold again in 2010 (50.5%) after it was down to between 44.0% and 47.3% in the previous three years. It is now forecast that for 2012, it will cross the 60% threshold, based on 2011 estimates. These figures resemble Mauritius foreign debt, which also went up in 2010 and stood at \$1,075.7 million (2009: \$825.8 million and 2008: \$632.0 million). The 2012 budget deficit is recorded at 3.8% of GDP.

Macrostability
8

At the same time, Mauritius continues to increase its total reserves, now totaling \$2.4 billion in 2010. In 2009 it was \$2.2 billion and, in 2001, just \$835.6 million.

The government's final consumption expenditure (in percentage of GDP) continues to hover around 14%; in 2010, it stood at 14.3%.

The government's pursuit of macroeconomic stability dates back to the 1980s, when Mauritius was one of the first countries to implement IMF structural adjustment programs. Macroeconomic stability was threatened when the preferential prices and quotas for sugar were terminated by the European Union, but Mauritius's highly diversified economy proved itself capable of dealing with the new situation.

9 | Private Property

Property rights are generally respected in Mauritius. The constitution protects private property and only allows for deprivation if there are higher interests such as defense, public safety, public health, town and country planning, or the development or utilization of any property in such a manner as to promote the public benefit or the social and economic wellbeing of the people of Mauritius. If this applies, compensation is offered and the right to appeal to the Supreme Court is given.

Property rights
8

Under the Non-Citizen Property Restriction Act of 1975/1996, a noncitizen cannot hold, acquire or purchase property in Mauritius. Exceptions include cases in which a spouse has Mauritian nationality, or the acquisition of property is for business purposes. Moreover, since a government reform in 2002, noncitizens can purchase property through the Integrated Resort Scheme, which allows noncitizens to acquire luxury villas with a minimum investment of \$500,000. Such acquisitions need approval of the Board of Investment of Mauritius. The Board of Investment and/or the prime minister's office may grant authorization to noncitizens to acquire property for business purposes on certain conditions. In addition, expatriates on work contract who have resided for more than three years in Mauritius may purchase an apartment for residential purposes, provided they hold an occupational or residential permit.

As promised by former finance minister Pravind Jugnauth, the National Residential Property Tax, which used to be payable by any person who owned a residential property, was abolished, effective 1 January 2010.

More recently, concerns were voiced regarding the use of prime state land, which was being offered on long-term lease to foreign investors, namely to the Chinese government-backed consortium Jinfei and its Indian rival Neotown for economic development purposes. So far, no development of consequence has taken place in either of these two prime locations.

Following independence, Mauritius undertook reforms towards the establishment of a strong and effective market economy and cut government expenses, reaching 20.9% of GDP in 2011. Particularly in the 1980s, large-scale though gradual privatization took place; it is considered successful within Mauritius. More recently, in 2001, the government sold 40% of the assets of Mauritius Telecom and, in 2004, Mauritius Postal Services was transformed into Mauritius Post Ltd. Currently, there are further plans to privatize the National Transport Corporation and the Cargo Handling Corporation. In addition, the government is studying the feasibility of privatizing water, wastewater and health services. Resistance to these plans is marginal, though the trade unions claim that the privatization of Mauritius Telecom, sold to France Telecom, is to the country's and the telecom's workers disadvantage. Notwithstanding, in general it appears that the quality of services is increasing – the privatization of Mauritius Postal Services is one example – and that has helped buoy public support.

Private enterprise
8

As mentioned above, Mauritius is ranked at position 19 in the 2013 World Bank's Doing Business Index (out of 185); Germany is ranked at position 20. The index identifies the bureaucratic and legal hurdles an entrepreneur must overcome to incorporate and register a new firm. Moreover, it examines the procedures and time involved in this process. According to the data, it takes only 14 days (Germany: 106 days) and eight procedures to start a new business in Mauritius. The country helps make the process easier by waiving any minimum capital requirement.

10 | Welfare Regime

It is estimated that Mauritius's population growth stands at 0.705% in 2012. Life expectancy is 74.71 years, only marginally lower than recent data. Infant mortality remains a huge challenge, with 11.2 deaths per 1,000 live births, giving Mauritius rank 138 worldwide. In 2009, 6.4% of Mauritius's GDP was spent on healthcare. Free medical treatment is provided at up-to-date international standards. In the Afrobarometer survey, 66% of Mauritians claim it is "easy" to get treatment in a public clinic or hospital; 28% even found it "very easy."

Social safety nets
8

Diabetes has high prevalence in the country. HIV/AIDS is well controlled by educational programs run by the state and related NGOs.

Education and public transport for students and senior citizens are free. The country's social safety net includes a three-tiered pension system that features a universal non-contributory basic retirement pension, mandatory income-related pension schemes (National Pensions Fund and National Savings Fund) and a voluntary private pension scheme.

Despite positive trends and civil society activities, there are two challenges in terms of equal opportunity in Mauritius. More must be done to enable the Creole community to assume its place in all spheres of society, and female representation in politics and in business must be strengthened, with women's rights enforced.

Equal opportunity

6

As mentioned above, the Creole community remains disadvantaged, despite recent policies to increase its standing. Creoles opposed the independence of Mauritius when a referendum on this issue was held. The opposition party, led by Gaetan Duval, had stoked Creole fears of possible hegemony by the majority Hindu population. Creoles were even encouraged to leave Mauritius, and the Creole elite indeed largely left at that time. It took until the first decade of the 21st century for a new Creole elite to emerge and lead the way toward improved conditions for their community. An indication of that improvement is the fact that Creole is finally starting to be recognized as a formal language, including the recent introduction of a Creole dictionary. In the same vein, the Truth and Justice Commission exposed the structural disadvantages Creoles confront, placed those challenges in historical context, and showed the trajectories that led to the group's difficult situation.

Women have gained increasing importance in Mauritius's political sphere in recent years, yet they remain underrepresented in government, parliament and the private sector. Cultural factors may hinder gender equality. Still, the last local elections were a major step forward. It became mandatory for one out of every three candidates to be of different sex than the others.

While the status quo leaves much to be desired, the outlook is positive. The ratio of female to male enrollment in primary, secondary and tertiary school stood at 100.6%, 99.8%, and 123.8% respectively, according to World Bank data. In the long run, this is likely to lead to more gender equality in the island state, though this will not come automatically.

While this data is encouraging, Mauritius's society seems to have a problem with gender-based violence. Gender Links, a Southern African NGO that promotes gender equality, has carried out research in Botswana, Mauritius, and four provinces of South Africa and has found that 24% of women in Mauritius have experienced some form

of gender-based violence at least once in their lifetime within and outside intimate relationships.

11 | Economic Performance

The island state's economic performance is very good despite dire predictions made at the time of independence. The global financial and economic crisis has not yet impacted Mauritius's economy as significantly as in other developed countries. Mauritius even made arrangements should the euro zone crisis escalate. In this case, the central bank would offer commercial banks a credit line in euros and U.S. dollars in order to protect Mauritius's exporters and the country's financial system. So far, hardly any enterprise has had recourse to this facility.

Following an economic downturn in 2009, GDP continues to grow. The growth rate climbed to 4.0% in 2010, up from 3.0% in 2009, but down from 5.5% and 5.9% in 2008 and 2007, respectively. The revised rate for 2011 was 3.5%. These figures underline that Mauritius suffered in the global financial and economic crisis, but, thanks to the country's solid and diversified economy, not to the point of recession and not for very long.

The economy rests on four sectors: sugar, textiles, tourism and financial services. While sugar production was the starting point of Mauritius's economic success story, its importance has declined, and sugar cane production has fallen. According to 2011 data, sugar contributed only 3.7% to GDP at basic prices. Nevertheless, 8% of the country's work force is employed in the primary sector, while 30.5% work in the secondary sector and 61.5% in the tertiary sector.

The unemployment rate marginally climbed from 7.8% in 2010 to 7.9% 2011 and was estimated to climb to 8.0% in 2012, according to official data from the Mauritian Ministry of Finance and Economic Development. Looking into the data, the gap between male and female unemployment is striking. While only 4.6% of men are unemployed, women's unemployment reached 13.0%. Most striking in the third quarter statistics is that 44% of the unemployed are under 25.

Investment was subdued in the period under review, and the savings rate dropped to a low of 15% of GNP.

The low rate of domestic savings is a major source of concern and may stunt investment. A low interest rate, coupled with Mauritius becoming more and more of a consumer society, largely accounts for the drop in the savings rate.

Output strength
9

12 | Sustainability

Mauritians are aware of the environment's vulnerability, and there are plans to develop into a green island and act as role model for the global fight against climate change. Reality, however, differs. The government continues to encourage the tourism industry to expand by doubling the amount of tourists visiting the islands over the next decade. If this goal is met, pressure on the environment, including remaining corals, will further increase. Several reefs close to the beaches have already died, and Mauritius's fragile ecosystem remains threatened.

The island state suffers, like many other countries, from the dichotomy of development vs. environmental protection and sustainability. Critics claim that Mauritius's environmental legislation is flouted by violators who, for instance, channel untreated wastewater into the sea.

A report on Mauritius's environmental outlook, compiled by the Ministry of Environment and Sustainable Development in 2011, notes the challenges Mauritius faces. The island state, for instance, "is a water-stressed country, faces water scarcity problems during dry seasons and water quality continues to be at risk of being impacted by effluents and solid waste generated from domestic, industrial and agricultural activities." Moreover, the report concludes that waste will increase by 50% until 2030 and thus presses that "there is an urgent need to adopt an integrated waste management strategy and legislation to promote waste reduction, reuse, sorting and recycling." Some 80% of the country's energy is produced by burning imported fossil fuels. Thus the report suggests increasing the share of renewable energy at least to 35% by 2025. The delivery of an Environment Impact Assessment certificate to a private concern (CT Power), which made an unsolicited bid to produce energy from coal, has attracted strong public resistance, including a hunger strike.

Besides this, increasing traffic, particularly in the capital Port Louis, remains unaddressed. Plans to build a light rail transit system, which would connect the residential areas of the central plateau with the city center of Port Louis, Mauritius's main business district, have been in the planning stages for years and appear unlikely to bear fruit anytime soon.

Mauritius's education system includes two optional years of pre-primary schooling, six years of compulsory primary schooling and either five years of compulsory secondary schooling or three years of pre-vocational education. According to the official data provided by the Mauritian Central Statistics Office, the number of students aged 6 – 11 enrolled in primary education was 100% in 2011. The gross enrollment rate in secondary schools stood at 70% for the population aged 12 – 19 in 2011. Figures for tertiary enrollment are not provided for 2011, yet it stood at 7.4% in 2010. Among the tertiary institutions are the University of Mauritius and the

Environmental
policy
6

Education policy /
R&D
7

University of Technology of Mauritius. While these institutions offer good education, they cannot currently compete with larger and better financed institutions in Europe, North America or Australia.

As the 100% school enrollment figure shows, Mauritius meets the Millennium Development Goal concerned with universal access to primary education. As a matter of fact, Mauritius had already achieved this ratio when the international community agreed on the Millennium Development Goals. Indeed, Mauritians are generally well educated. As such, 88.5% of the total population above the age of 15 is literate. The high literacy rate will continue to rise, due to the enrollment rate in primary schools.

Equal opportunities are not necessarily assured when it comes to the tertiary sector. University enrollment is in reality socially based, although education is free in principle. Despite its generally good figures, Mauritius's government could do more, as its public expenditure on education remains low at only 3.6% of GDP in 2011.

Transformation Management

I. Level of Difficulty

The structural constraints on Mauritius are fairly limited. Its biggest constraint is its geographic location and its smallness. Mauritius lies virtually in the middle of the Indian Ocean, approximately 1,000 kilometers away from Madagascar and more than 2,000 kilometers away from mainland Africa. Even Mauritius and the smaller island Rodrigues have a distance of roughly 600 kilometers between them. However, it is interesting to see that Mauritians have used the geographic location to their advantage and in fact benefited from this seemingly huge constraint. They use their position as lying between Asia and Africa – not only in geographical terms, but also in terms of the composition of its population – to serve as a bridge between the two continents, for instance by assisting Asian investors in their dealings with Africa. At the same time, Mauritius is as close to the European Union as almost any other African state, as it lies next the Réunion, a French overseas department.

Structural
constraints
3

A second constraint are the cyclones that regularly visit the vulnerable islands in the middle of the ocean. These cyclones can destroy the agricultural production and can thus be a severe setback for the country's economy.

A third constraint is Mauritius's lack of natural resources. Apart from some fishing grounds, some agricultural production and its natural beauty, Mauritius has no natural resources and needs to import virtually everything, including its fuel. To compensate for this, Mauritius became a nation of traders. The aforementioned export processing zones indicate that Mauritius is making the best out of its disadvantaged position.

Civil society is very active in Mauritius. There are roughly 6,000 voluntary organizations registered with the Registrar of Associations, of which about 300 correspond to the characteristics of NGOs. These organizations are to a limited extent organized along ethnic and religious lines. Afrobarometer data reveals that Mauritians are not as enthusiastic as one might assume with regard to their participation in civil society activities: 78% claim not to be a member of a voluntary association or community group, 6% claim to be an inactive member, 15% claim to be an active member, and 1% claim to be a group leader. In the same vein, 6% say they often attended a community meeting, 13% say several times, 15% say once or twice, 28% claim they would do so if they had the chance, and 37% say they would

Civil society
traditions
4

never do this. Notwithstanding this data, it is also true that those who engage in any civil society activities do it very intensely. There are some issues that can mobilize the masses. For example, initiated by the Mauritian Facebook initiative “WANTED: 15,000 Youngsters to Save OUR Future!,” a youth protest mobilized several thousand protesters in September 2011. Inspired by the Arab Spring, the protesters confronted corruption and the high employment rate, particularly among the young.

Mauritius’s political conflicts are usually solved by peaceful means. Since independence in 1968, only once, in 1999, did a violent incident occur. Due to the fact that Mauritius’s society is by and large living in peaceful coexistence, radical actors – if they existed – would find it difficult to radicalize politics. Mauritius maintains a pacific tradition.

Since democratic rule has come to seem irreversible, antidemocratic actors have little to no chance of success. An impressive figure of 98% in the Afrobarometer survey say they would never use force or violence for a political cause.

Mauritius has taken sustainable steps to improve the situation of the Creoles, both on a political and societal level.

Conflict intensity

2

II. Management Performance

14 | Steering Capability

Successive governments since independence have shown the willingness and capacity to prioritize and organize policy. This was proven by Mauritius’s long-term economic strategies, which started with the sugar production, was later joined by textile production and finally led to the establishment of a strong tertiary sector with financial and IT products. While progress has been made in these long-term strategies, irrespective of the various coalition governments in place, the current government fails to reconcile the long-term goal of environmental protection with the short- and medium-term goal of economic progress. The challenges related to the expansion of the tourism sector policy clearly show this.

The country’s public service remains a pillar of stability in Mauritius’s political system. Well-educated and reliable bureaucrats serve the government regardless of its political leadership. Notable exceptions have occurred, for instance in the diplomatic corps, where personal ties and political calculations trump qualification. Indeed, less qualified individuals are sometimes brought into key positions.

Question

Score

Prioritization

8

It can also be said that certain external partners like the EU and the Bretton Woods institutions have an influence on certain strategic policies.

By and large, the government is able to implement its policies effectively, due to the generally reliable and loyal public service. However, the political scandals that troubled Mauritius in 2011 and 2012, causing a reconfiguration of the political leadership, paralyzed the country and thus temporarily influenced policy formulation and implementation.

Implementation
8

Nevertheless, Mauritius remains ahead of other African states in terms of policy implementation. This is true at both the national and international level. The country's active diplomats and its business community are securing access to markets in Europe, the United States, Africa and Asia, and the government is furthermore active in various international forums.

Mauritius's political and economic success has long been based on learning from and emulating the experiences of other states and on avoiding their mistakes. This is particularly notable, as Mauritius's political and economic outlook after independence in the late 1960s was bleak.

Policy learning
8

Mauritius's development started with its ability to get better sugar deals with the European Community, thus laying the financial basis for its development. It then learned from Taiwan and built an export-oriented economy, mainly driven by the evolving textile industry. In the next step, Mauritius copied the experiences of another small state, Singapore, and started to boost a financial services sector. The most recent step was taken by copying the Bangalore experience. Mauritius has subsequently emerged as a cyber-island.

Parallel to this, Mauritius's governments learned to remain flexible and to continue to infuse their politics with a large dose of pragmatism. Besides these factors, openness to innovation and creativity is a hallmark of Mauritius's way of doing business.

15 | Resource Efficiency

The government makes efficient use of most available human, financial, and organizational resources. Members of the administration are usually recruited on the basis of their qualifications, with the notable exception of the highest ranks in government and within the diplomatic corps. Most ambassadors are political appointees. Besides that, the government and administration are dominated by individuals of Indian and French decent.

Efficient use of
assets
8

The director of audit, whose independence is enshrined in the constitution, makes an annual report on how public funds are managed and spent. The National Assembly also scrutinizes public finances through its Public Accounts Committee.

As stated earlier, local government entities have been deprived of their powers by the provisions of the latest Local Government Act, which gives the responsible minister wide-ranging powers in that domain. Similarly, funds for regional projects are controlled by the central government.

As reported above, the budget deficit is rising, as are the public debts. This can partly be explained by the international financial and economic crisis. In the past, the government has proved to deal prudently with taxpayers' money (apart from the eminent corruption problems). Publicly financed large-scale (prestige) projects are not to be found in Mauritius. As such, plans to build a second airport on the main island were abandoned and the existing airport is being modernized instead.

While Mauritius is relatively successful in this regard, its spending on schooling and higher education and research is fairly limited and behind international standards of similarly developed states. In the long run, this might lead to a waste of talents. Only those who can afford to study abroad will receive a first-class university degree.

Looking at the broader picture of politics in Mauritius and what has been achieved over the past decades and by what means, one must conclude that Mauritius managed to create and implement overall coherent policies. Behind this is the fact that politics in Mauritius is largely consensus-driven. This is most obvious in the foreign policy realm.

While the general willingness and ability to coordinate conflicting objectives into a coherent policy is a given, the devil is sometimes in the details. Policy ideas and details sometimes differ between the coalition partners and, less surprisingly, between the opposition and the government of the day.

Friction between parent ministries and parastatal bodies falling under their jurisdiction are not uncommon, the more so as the chairpersons of these bodies are political appointees. The latter are also often in conflict with the directors. Air Mauritius, the State Trading Corporation, and Mauritius Telecom are among such bodies where conflicts have undermined the proper functioning of these institutions.

Referring to the facts noted above, there is one particular field in which the government has not managed to bring conflicting objectives together and formulate a policy that supports both sides. This is the balancing of its economic interest with its interest to protect the environment and Mauritius's natural beauty.

Policy
coordination
8

Mauritius's chronic and previously underestimated problem with corruption came to the fore with the arrests of the health and finance minister in 2011. The government had previously undertaken measures to fight corruption, such as to establish the Independent Commission Against Corruption and the Financial Intelligence Unit. Mauritius was one of the first 30 states to sign the United Nations Convention Against Corruption in 2003. In a way, it can be argued that the measures Mauritius undertook to fight corruption bore some fruit, as they hold high-ranking politicians accountable. At the same time, it remains unclear whether this is just the tip of the iceberg.

Anti-corruption
policy
5

The Militant Socialist Movement party, of which the arrested ministers are members, allegedly claimed that the Independent Commission Against Corruption is merely a political tool for its coalition partner, Prime Minister Ramgoolam's Mauritian Labor Party. Currently, there are more than 130 cases pending, with some 197 individuals involved; 95 persons have been convicted.

There is no law regulating political party financing. Such financing comes to a large extent from the private sector.

There is no right to information act yet, creating a source of constant friction between the media and government. Information sought through parliamentary means is not always forthcoming. MPs are required to state their assets at the beginning of each new parliament.

16 | Consensus-Building

All major political actors agree on the manifestation of their already consolidated democracy and consider the strengthening of the country's market economy a strategic, long-term goal. Mauritius emerged from the transformation process some years ago and has arrived at the stage of a consolidated democracy with market economy rules. There are no radical tendencies found within the society, and there are no threats that any societal force would overthrow the current political and economic system.

Consensus on goals
9

Some years ago, in 1984, the Libyan ambassador allegedly engaged in building up in Mauritius a stronger Muslim community with radical tendencies. As a consequence, the government expelled the ambassador, closed the Libyan embassy and has since refused to reopen it despite strong pressure from Libya during Muammar al-Gaddafi's regime. This shows the vigor with which Mauritius's political elite defends its achievements in terms of democratization. Following the defeat of Gaddafi, Libya again has diplomatic presence in Mauritius.

Anti-democratic
actors
9

Needless to say, corruption problems undermine achievements in terms of consolidating democracy and are a frontal attack on the credibility of politicians and on the political system itself.

The political leadership depolarizes cleavage-based conflict and expands consensus across the dividing lines. As such, the social security net reaches all parts of the society and does not exclusively serve one group of the population. The government is assisted by the civil society in its endeavors to fight existing cleavages. Although some civil society organizations are organized along ethnic or religious lines, many are free of such alignments.

Cleavage /
conflict
management
8

The success of civil society organizations has been mixed. Environmentalists, for instance, have by and large failed to make their voices heard and their views sustainably implemented in political action. At the same time, the business community, which is also seen as part of civil society, manages to influence politics and sees some of its wishes realized. The government understands the importance of a prosperous economy in maintaining the island's success, in keeping the welfare regime alive and in protecting the political elite. Consequently, the government is interested in the views of economic interest groups and is generally sympathetic vis-à-vis this group.

Civil society
participation
7

Mauritian society has always lived in peace. Ethnic and religious groups have never fought each other. The dispute during the decolonization phase, when Creole minority voted to remain under British rule, fearing a Hindu dominance, while the Hindu majority sought independence, was quickly overcome.

Reconciliation
n/a

There are, however, some shadows in Mauritius's past with respect to the exploitation of slaves by colonial masters and the socioeconomic consequences of slavery. To deal with this aspect of the past, but also as a symbolic and political act for the Creoles, the descendants of the slaves, Mauritians established the Truth and Justice Commission in 2009. Its 2,800-page report, concluded in late 2011, assessed the consequences of slavery and indentured labor from the colonial period up to the present. It found that people of slave descent are poorly represented in all spheres of public life and in government institutions. Moreover, the report concluded that "it is evident that people of slave descent are among...the less envious citizens of the Republic," that they are poorly housed, that their literacy rate remains a challenge, and that "due to their low level of education and poor performance at school, few can get employed in government services and parastatals." Moreover, the commission found that this group is absent in agriculture, trade and commerce. Instead, there is an "over-concentration of [their] employment in hard manual work."

With regard to the Chagos Islanders, no reconciliation has been achieved. The Chagos Islands, formerly part of Mauritius, were excised by the British prior to independence in violation of U.N. Resolution 1514. One of the islands, Diego Garcia,

is now used as a U.S. military base. However, this is an international issue, as it is mainly the British and U.S. governments that stand in the way of finding a resolution to the socio-psychological problems caused by the forceful resettlement of the islanders shortly after independence.

17 | International Cooperation

The government has clear aims of further political and economic development and uses its international partners to achieve these goals. Its goals include attracting further investment, strengthening export processing zones, exploring and utilizing emerging African and Asian markets and finding a solution to the Chagos Islands issue. The latter is not a top priority, but it has been on Mauritius's foreign policy agenda since the late 1960s. The Ministry of Foreign Affairs names further goals and visions of Mauritius's foreign policy, such as helping build a secure, equitable and democratic international community; fostering economic growth through the expansion of trade; fully integrating Mauritius into the global economy; and working towards sustainable development by deepening and accelerating regional integration.

Although these words of the ministry reflect reality to a notable extent, it is particularly the economic interests that are the hallmark of Mauritius's foreign policy. The island state engages in bi- and multilateral negotiations and agreements mainly because of this. Economic interests trump its desire to work towards a more democratic world. This became clear during the recent crises in Zimbabwe and Madagascar, two states that are located in the region of the Southern African Development Community, of which Mauritius is a member. It is hard to find a Mauritian politician who denies that economic interests mainly shape the island state's foreign policy, to the extent that one senior politician admits that Mauritius's behavior is "very selfish" in international politics.

Mauritius's partners are manifold, as it is a respected country, at least among Western partners. Mauritius has always looked to Europe, Asia and Africa, reflecting the composition of the population. It has forged strong ties with European governments and strives to serve as bridge between Africa and Asia. More specifically, it aims to be the springboard of Asian countries on their way into Africa. However, it is also noteworthy that Africa has a rather ambivalent relationship with Mauritius. The island state is not always considered an African state, though it can boast of having had one of its nationals elected as Deputy Secretary General of the erstwhile Organisation of African Unity (OAU) and subsequently Commissioner of the African Union. Notwithstanding, Mauritius invests mainly in Madagascar, its closest neighbor next to the French island Réunion, but recently more and more in the eastern and southern African states.

Effective use of
support
9

Besides bilateral relations with various states, Mauritius has always used multilateral arrangements and international organizations as platforms and tools of its foreign policy. These organizations include the United Nations, the African Union, the Southern African Development Community, the Common Market for Eastern and Southern Africa, the Commonwealth and its French counterpart La Francophonie, the Indian Ocean Commission, the Indian Rim Association for Regional Cooperation, and the Alliance of Small Island States.

Despite (or maybe because of) its small size, Mauritians are very ambitious and always seek to attract investors with the country's stable democratic order, respect for the rule of law and an advanced development. As the South Africa-based Business Day noted in 2007, "Governments of other countries should not be surprised to see their plumpest geese go flying off to this beautiful island in the Indian Ocean to enjoy the sand, sea, golf, fishing and low taxes, where they will be gently plucked and not killed." Mauritius's foreign policy is in many regards different from that of other African countries. It does not specifically ask for development aid or any other form of state-building assistance. It developed a "trade, not aid" paradigm, which means that the country's economic success is neither based on donor money nor dependent on it, and its economy is self-sustaining. This contributes to Mauritius's global image as a credible partner.

Despite Mauritius's generally good reputation within the international community, it also has begun to suffer from the dark side of politics, as the corruption scandals have shown. As the above-cited leaked cable from the U.S. embassy reveals, Mauritian corruption has not gone unnoticed by the international community and is negatively impacting the island state's credibility. Still, international partners have enough trust in Mauritius's economic strength and democratic environment that they would not abandon the island state because of this scandal.

Following the murder of Michaela McAreavey and more importantly following the trial, Mauritius's judicial system came under a frontal attack, particularly by Irish critics. The credibility of the judicial system was questioned and it was also accused of sweeping the issue under the rug. It is difficult to ultimately judge on these issues, yet it appears that these accusations went too far. Mauritius's state institutions are not less trustworthy than those in many European countries. In fact, its judiciary saved its independence. The judge went as far to tell the jury: "You have been told that this will have an international ramification and will affect the image of Mauritius...this is not your role.... You must not allow yourself to be influenced by this, you are not politicians, you have to base yourself on what has happened." Nevertheless, this trial also proved that Mauritius is dependent on its reputation and credibility and works hard to maintain it.

Credibility

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Mauritius maintains cordial, albeit sometimes ambivalent relations with other states in the region. It is part of various regional and continental blocs, including the African Union, the Southern African Development Community, the Common Market for Eastern and Southern Africa, the Indian Ocean Commission, and the Indian Rim Association for Regional Cooperation. Mauritius has sometimes tried to become more active in African Union politics. Besides having had one of its nationals elected to the political leadership of the continental organization from 1995 to 2003, it tried to locate the recently established African Court of Justice on its territory, but ultimately failed with its bid, mainly as a result of the change of government in the country in 2005. In 2009, Mauritius attempted to host an African Union summit, after Madagascar was suspended from the AU following a coup d'état. Mauritius, however, ultimately withdrew its bid, even though it was supported by the entire southern African region. Finally the summit was held in Libya, which put severe pressure on Mauritius.

Prime Minister Paul Bérenger, who held office from 2003 to 2005, was particularly active in regional and continental affairs. Current Prime Minister Ramgoolam, on the contrary, has not been involved to the same extent. The African Peer Review Mechanism (APRM), a monitoring process that evaluates the democratic and socioeconomic development of the countries under review in the context of the New Partnership for Africa's Development initiative, was a disaster for Mauritius. The country failed to complete the self-assessment phase in the first attempt and needed a second attempt and external help to conduct the review. Mauritius completed the APRM process in mid-2010, and the report was released mid-2011. It aroused controversy in Mauritius.

Regional
cooperation
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Strategic Outlook

As this report has highlighted, Mauritius faces a fourfold challenge. It must urgently tackle the problems related to chronic corruption; it must find ways to offer new perspectives for its youth and to fight youth unemployment; it must continue to work towards a more inclusive society, in which ethnic origin and gender play a less determining role; and it must find a strategy to reconcile economic needs with environment protection.

Mauritian politicians must constantly be reminded that their country is very vulnerable in many ways and hence needs a trustworthy and credible political elite that continues to write Mauritius's success story. It is very easy for the international community to ignore the small island state and its demands, as the Chagos Islands issue so clearly shows. Mauritius has done well in the past by establishing itself as a strong, reliable and credible partner that has not asked for aid, but instead has asked to be treated equally with other more influential global players. In pursuit of this goal, Mauritius must privilege a more committed policy of regional cooperation and integration. Mauritian politicians must continue along this path and must preserve the integrity of the country's political environment. The fight against corruption must therefore be intensified, and politicians should ask themselves how seriously they take democracy and the rule of law. An affirmative commitment to these principles will ensure that Mauritius prospers and remains a pillar of stability.