

# **Mauritius' Competitive Party Politics and Social Democratic Welfare Outcomes after Independence**

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## **Abstract**

Mauritius has cast herself as an outlier on the African political landscape, having hosted peaceful, free and fair elections since the advent of independence in 1968 without fail. The island state of Mauritius, which lies over 2000km off the coast of East Africa, boasts a multiplicity of political parties which have added to the vibrancy of political culture in that country. Election season tends to be a hotly contested period in which various political parties, by virtue of their claims as custodians of collective and national centre left interests, jostle one another for dominance under the banner of pro-poor development. This essay considers Mauritius' status as a social democratic welfare state by drawing the relation between the country's competitive political culture and development successes against the backdrop of its democratic election experiences from 1968 to 2005. While election outcomes elsewhere on the continent tend to reflect the maturity of democratic spaces in which political spaces exist, in Mauritius they continue to serve as a litmus test to ascertain the level of commitment to the social cause by the ruling incumbents and aspirants alike.

## **1. Introduction**

And they (the political parties in Mauritius) seem to recognise that, at the end of the day, they will be left with what they started with: an agricultural colony, created by empire in an empty island and always meant to be part of something larger, now given a thing called independence and set adrift, abandoned imperial barracon, incapable economic or cultural autonomy. They (the Mauritians) have such confidence in their rights, their votes, and the power of their opinions (Naipaul 1972).

Elections seldom exist in a vacuum. They are a result of a system entrusted with selection of leaders that will make decisions on behalf of the society electing them. Upon election of the political elite into power, a social contract comes into existence in which the elected assume not only a position of state control, but equally so, become entrusted with the responsibility to make policy

decisions in the interest of electors to complete what can be termed the “process of consent” (Janowitz and Marvick 1955:381). In many countries, elections have routinely been used as the penultimate gauge to measure the level of democratic maturity, serving only the purpose of ‘box ticking’ in a bid to give the state some modicum of legitimacy. Under these circumstances, the tangible impact of elections on the material livelihoods of voters is seldom taken into consideration, resulting in progressive policies likely to be relegated to the side-lines of the policy discourse.

Those elections can act as a powerful tool of expression for ordinary citizens is not in doubt. However, in Mauritius, the power of elections extends beyond the narrow confines of electing those with political authority to consolidate statecraft. Voting is an important component of the Mauritian social fabric, one which accords citizens with the power to choose policies that speak to their material needs and the island’s national identity as a bastion of social democracy in Sub-Saharan Africa (SSA). Indeed, as a nation that boasts a Gross National Income (GNI) per capita of USD\$9,630, and a Gini Coefficient of .35 (World Bank 2016), there is no doubt that it is a developmental success. It is the embodiment of democracy in action, in which civil liberties and human progress are spoken in the same breath as to be seen and considered mutually reinforcing attributes that cannot be split asunder.

Similarly, Mauritius’s commitment to universal social wage, through its progressive tax system, flies in the face of convention given its relatively wealthy status as an upper middle-income country. The universal approach to social wage in Mauritius, which puts a premium on non-contributory social assistance, mainly in the form of Basic Retirement Pension (BRP), remains the pride of the modern-day welfare state in that country as it had prior to the dawn of independence in 1968. Ordinarily, unfailing commitment to social wage is rarely the concern of countries belonging to this bracket of prosperity since the notion of a social wage is often considered a befitting intervention against economic shocks by governments in less wealthier countries.

Most pressing of all is the unique resilience of the welfare state even during the most economically precarious of times. The structural adjustment programmes (SAPs) imposed by the International Monetary Fund (IMF) in the 1980s proved the extent to which the universal welfare approach retained by the post-colonial state got sealed as a sacrosanct aspect of the post-colonial Mauritian society. Whereas they proved to be a curse elsewhere on the continent and other low income countries with resultant jettisoning of the welfare state and public expenditure cuts, in the case of Mauritius, structural adjustments strangely became a blessing that not only kicked off the country’s development ascendancy, but helped

ensure the safeguarding of a state-led social agenda. The reasons the IMF conditionalities had the opposite effect on Mauritius are manifold, but chief among these were the partial imposition of the structural adjustment measures. Thanks to the unflinchingly 'here and no further' stance by the political leadership of Mauritius that the country's welfare sector became insulated from the domineering policy prescriptions by the IMF as an untouchable, thus putting political pressure at home at bay. It becomes apparent that the survival of the welfare state in times of economic difficulty in Mauritius relied as much on the political will of the incumbent government as it did on the competitive political culture that had become characteristic of the island in the post-colonial period.

This article considers Mauritius's status as a social democratic welfare state by zooming in on the relation between the island's competitive political culture and development successes against the backdrop of its democratic election experiences in the post-colonial era. The island state of Mauritius, which is packed away over 2000km off the coast of East Africa, has managed to host peaceful, free and fair elections every five years since the advent of independence without fail. It exists, undoubtedly, as one of the few outlier cases on the African political landscape where a multiplicity of competitive political parties tends to gear the governing elite into action in favour of improving the material conditions of those who live on the margins of society.

The rest of this paper shall proceed in the following order. It begins by laying the context of the volatile nature of Mauritius's post-colonial political landscape, which necessitated the continuation of the colonial welfare structure to quell racial tensions that had the potential to denigrate the island into an intractable political quagmire. Herein, it becomes evident that the leftist rhetoric of self-proclaimed centre left political parties that ushered in Mauritius's independence had to be cast aside to make way for a more market leaning macroeconomic approach in order to sustain the welfare state. It proceeds to recount the rise of ultra-left political movements that came out of the belly of the ruling coalition of 1968, which shook not only the foundations of the establishment, but also laid the foundations for a competitive culture that succeeded in assimilating progressive policies into the social fabric of post-colonial Mauritius. The competitive nature of Mauritius's political parties and their impact on the sustenance of the progressive welfare consensus during the epoch of economic adjustment is also mooted. The experience of Mauritius's welfare paradigm with the International Financial Institutions (IFIs) during the dispensation of Structural Adjustment Programmes (SAPs) imposed in the 1980s is given due consideration here. I argue that the encounter of Mauritius's governing elite with the IFIs marked a critical juncture moment that cemented the country's pro-poor approach to alleviating the plight of the suffering as a quintessential social

democracy. It was a watershed moment that entrenched the universal social wage approach deeper into the social fabric of post-colonial Mauritius as to serve as a reference point for future policy considerations.

Lastly, the question of Mauritius's changing fortunes after the economy jumped out of the backwaters during the mid-1980s will also be addressed. Herein, we take notice of the policies that were adopted in the social welfare sector, which resulted in a public backlash that culminated in the ousting of less progressive parties out of power through the ballot. The periods in question here are the mid-1990s, extending all the way to the turn of the century when the MLP/MMM coalition came into power. Ultimately, the foregoing considerations will serve to answer the following question: is there an association between competitive elections and retention of a social democratic welfare consensus?

## **2. The Welfare Consensus in the Post-Colony**

Mauritius had all the makings of a nation-state not poised for a smooth transition from colonial rule at independence. Like most of its African counterparts after independence, it faced bleak economic prospects. The economic situation, however, was particularly dire, as it was facing a Malthusian economic trajectory, viz. exponential population growth and a contracting economy that was incapable of absorbing the country's workforce. James Meade, an economist based at the London School of Economics (LSE) and a Nobel Prize winner for his examination of Mauritius's economic trajectory prior to independence, expressed the following sentiments regarding the significance of keeping the welfare state intact in the post-colonial period: "[...] the welfare state becomes indispensable if the population at large is to be assured a share of the country's output" (Meade & Others 1961:269).

But for an economy as fragile and resource deprived as Mauritius, retaining the welfare state simply because it is expedient to do so is never an easy undertaking. It becomes particularly untenable a commitment to make more so when considering a Gross Domestic Product (GDP) of 1 per cent, a GDP per capita that plummeted to \$190, a balance of payment deficit that reached alarming proportions, and a sky-rocketing inflation, which caused the cost of basic commodities to be beyond the reach of many civilians (Srebrnik 1999:7; Srebrnik 2000).

For the Labour Party-led coalition government, however, retaining the welfare state became a necessary form of intervention to cushion the effects of an ailing economy. At first glance, it is expected of self-proclaimed social democratic parties of MLP's pedigree to adopt this line of approach in order to remain 'true to form'. Beneath the surface, however, the reasons ran deeper than that.

Mauritius had just survived potentially destabilising elections of 1967, which served as a referendum for the country to sever ties with Great Britain. It is at this point that it became apparent that ethnic cleavages had permeated the social fabric of the island more deeply than the leaders realised. Economically marginalised groups, mainly the Creole sect of the population, rebelled against the 'impending' Hindu hegemony that would marginalise them further once they take over the government given the fact the latter were a majority and wealthier compared to the former group (Simmons 1982). To put this reality into perspective, the distribution of wealth was skewed in favour of one percent of households (whites) who earned 46.7 per cent of the national income whereas the poorest 20 per cent received just 4 percent. These ethnic riots went to reveal the fragility of Mauritius's political landscape, however relatively peaceful it may have seemed before, as they sent out clear warnings that not taking decisive actions to bridge the widening inequality gap would imperil further the little that was remaining of the island's political stability. All in all, 29 people perished from these incidents, and 2 473 arrests were made, while a total of 597 houses were burnt, which left over 700 families displaced (Brautigam and Diolle 2009:10).

Nevertheless, these political upheavals remained raw in the memories of the new leadership in government led by the MLP. Indeed, for the leadership, there was an ever pressing need to revive the economy so that the welfare state continues to exist sustainably. To do so it was imperative that the economy reduces dependence on the sugar commodity, which accounted for 99 per cent of the country's export revenue (Chernoff and Warner 2002:5) The political leadership also discovered early on that under Import Substitution Industrialisation (ISI) strategy, which they adopted upon taking office, this ambition was far from being realised. Mauritius's poor economic status only meant that there was little internal market to sustain such a strategy and the absence of domestic capital to kick start in-ward looking industrialisation only meant that a post-colonial economic revival would remain a pipe dream.

The ISI would soon be replaced by the more outward looking Export Oriented Industrialisation (EOI) strategy in a bid to spur growth through export processing zones. To this end, legislation was passed, designed to facilitate this shift in approach, which culminated in the passing of the Export Processing Zone Act of 1970 to declare every part of Mauritius an export processing zone. Companies were given tax incentives to participate in this process while the Mauritian Development Bank (MDB) offered loan assistance to start-up companies that wished to tap into the EPZ sector (UNCTAD 2001; YeungLamKo 1998; Kearney 1990). While this might, at first glance, appear to be a sound approach towards nudging Mauritius on a successful growth trajectory, it was a calculated move to court international investors, by way of projecting

Mauritius as an investment destination of choice.

These ambitions necessitated some political alignments to shape up soon after the Mauritian Labour Party came into power. While the leadership perceived facilitating these changes as a necessary step to help Mauritius jump out of a basket case status, there is no doubt they came at a hefty price for the party in power. These political alignments saw new players entering the politicking space of Mauritius, thus increasing the nature of party competition around the subject of progressive social policy framework. The following section lays out these dynamics.

### **3. The Rise of the Radical Left and Increased Political Competition**

Until 1970 the Mauritian Labour Party (MLP) managed to assert itself most profoundly as the custodian and champion of social democracy and pro-poor development in Mauritius. Thanks to their commitment to the welfare state, which made provision of free health care, primary school education, and universal old age pensions to the elderly citizens that it managed to bolster trust amongst the voters. That soon changed, however, when upon assuming office they decided to close ranks and form a government of national unity (GNU) with parties that had built a reputation for being less in support of the welfare state. The party in question is the *Parti Mauricien*, which represented the white sugar barons and rich Creoles of European heritage, who also opposed the idea of independence in the run up to the 1967 general elections. Nevertheless, the leadership of the MLP understood the formation of a GNU with such an unlikely partner to be a very important step towards engendering the spirit of reconciliation that would sweep across the diverse ethnic make-up of Mauritius (Mannick 1989). Similarly, the new leadership in government believed that such a step would be expedient to help dissuade widely-held assumptions that the MLP was only serving the interests of the Hindu community, whom the party relied upon for electoral support.

There is no doubt that the haunting memories of the 1967 riots featured prominently in the decisions adopted by the new leadership in government to go the GNU route. However, courting a pro-capital, and pro-establishment political party as *Parti Mauricien* was as much a reconciliatory step as it was a calculated business move for an administration faced with the insurmountable challenge of convincing investors to stay put. This decision proved to be a big game changer that opened a whole new chapter of competitive politics in Mauritius.

The radical left in the MLP-led coalition that brought Mauritius's independence were bemused by this decision, resulting in the creation of two factions that

constantly locked horns over ideology (Brautigam and Diolle 2009). They perceived it unpalatable to be joining hands with a party of such pedigree, despite it having changed its name to *Parti Mauricien Sociale Democrate* (PMSD) following their merger with the Mauritian Trade Union Congress (MTUC) as a symbol of commitment to social justice (Phaahla 2015). The pragmatic left within the MLP-led coalition adopted an indifferent approach towards addressing these concerns, resulting in the ultra-Marxist faction breaking away to form a party of their own that came in the form of *Militant Mouvement Mauricien* (MMM) (Wellisz and Philippe 1993).

I argue that the emergence of the radical MMM on the political landscape of Mauritius marked a significant turning point that served to cement the values of social democracy within the socio-political fabric of the island. Previously, no political party could challenge the Mauritian Labour Party hegemony as the defender of centre left principles. Even after *Parti Mauricien's* name change to *PMSD*, the MLP remained without a challenger that would bring to an end its dominance, since the former continued to experience difficulty shedding its 'out of touch' image amongst the voters. Certainly, the MMM's bold evocations of Marxist ideologies projected it as a strong alternative that would shake up the MLP's pragmatic approach towards policy formulation within the state apparatus. Nevertheless, the position of the MLP-led coalition government remained unchanged, with one Minister of Agriculture, Mr Satcam Boolell, expressing pragmatic sentiments that were reflective of the general position of his party:

"I am a socialist, and for me, the class struggle continues: capitalist against workers [...]. However, for me as for other, the overriding interest of the country comes first. That interest today is to eliminate unemployment, hunger, destitution. My condition is that the large sugar employers, the groups of the Mauritius Sugar Producers Association, give a formal guarantee that they will employ the unemployed, those who have been laid off since the introduction of wage councils, and that they will start up other projects. I will support the coalition if it leads to work for everyone". (Brautigam and Diolle 2009:10)

If the fructuous divisions within the governing coalition failed to shake up the MLP out of complacency, the by-elections of 1970 undoubtedly did. Hence, in the important by-elections of 1970, less than a year after the inception of the MMM, everyone was taken by surprise when a candidate representing the latter political party won an overwhelming victory by gaining 76 per cent of the votes. This victory not only caused consternations within the Mauritian political landscape, it also served to send a warning to the ruling party that radical reforms were necessary and needed to be carried out with urgency.

Up until this point, the government had not taken major steps to advance the

social security system they inherited from the colonial government, apart from keeping it intact after taking over the reins of power. The old welfare framework only made provision of old age pensions to the elderly, whilst other population groups that lived on the margins were left at the mercy of sporadic piecemeal measures of the state – also inherited from the colonial state. With the MMM entering the political scene, and having caused major upsets in the by-elections of 1970, the government moved with haste to reform the social security system by extending the scope of the Basic Retirement Pension (BRP) through the passing of the National Pensions Act of 1976. Through these new reforms the orphaned and the disabled were entitled benefits, compared to previously when the BRP remained only the preserve of elderly citizens once they had reached the age of retirement (Ulriksen 2003).

It is also worth mentioning at this stage that the rise of the MMM on the political landscape coincided with significant changes that took place in the realm of Mauritius's economy. Thanks to a combination of preferential access of Mauritius's sugar exports into the European Economic Community (ECC) as well a burgeoning EPZ sector, the economy managed to grow from just 1 per cent in the 1960s to 10 per cent towards the end of the decade of the 1970s (Sandbrook 2005; Sandbrook *et al* 2007). Without a doubt the introduction of the EPZs as the second sector of the economy certainly took off quite successfully, all in all managing to contribute 35 per cent towards the country's total export revenue. These were encouraging and much needed results indeed since Mauritius's poor resource endowment and over-dependence on a single commodity (sugar) increased the need for diversification on an industrial scale. Furthermore, the country's successful industrial take off in the EPZ sector, and the impressive revenue contributions that accompanied such growth, stood the welfare state in good stead.

But Mauritius's economy would soon fall on hard times, threatening the very existence of the welfare state that had been in existence for just under a quarter of a century. The 1979 oil crisis sent the economies of most developing countries into a tailspin, and the effects could not have been different for countries as hypersensitive to exogenous economic turbulences such as Mauritius. Adding to these challenges, Mauritius's sugar sector (still the backbone of the economy), was hit two cyclones (in 1975 and 1979), which served to compound the country's economic challenges (Brautigam 2004; LeungLamKo 1998). In the next section, I demonstrate the resilience of the Mauritian welfare state during times of economic distress. I argue that while the welfare state became evidently unaffordable, nevertheless, the competitive political culture of Mauritius, compounded by robust and politically active civic networks, prevented such potentially catastrophic measures from being adopted.

## **4. Structural Adjustments and the Resilience of the Welfare Consensus**

The year 1980 marked the official date of the imposition of the Structural Adjustment Programmes (SAPs) in Mauritius by the World Bank (WB) and the International Monetary Fund (IMF). This period, however testing it may have been, also marked the critical juncture moment for the welfare state in post-colonial period. Elsewhere, I argued that no period in Mauritius's post-colonial history depicts the resilience of the welfare state better than the early 1980s (Phaahla 2015). To say the economy was in distress would be an understatement. In 1981, the budget had a deficit of Rs. 983 million and by the end of the financial year, it had climbed over the Rs. 1 billion mark. Inflation also peaked at a record high of 42 per cent in 1980 with the number of unemployed persons retreating back to 1968 levels of 20 per cent (Dommen and Dommen 1999).

Even in these circumstances, Mauritius refused to bow down to the conditionalities of the IMF which called for reduced spending in public expenditure. The central principles underlying these measures were that government spending had to undergo severe cuts as they were deemed the primary cause of the economic woes of developing countries. Public officials were determined to pursue what they termed a "human-faced" adjustment as they feared that rolling back the social wage budget would spell a "social revolution" in a country battling to overcome class and ethnic divisions. At least the broad-based consultative approach to policy making was employed by the MLP to have a sense of what the society perceived as a priority. The MLP government consulted with the trade unions, business as well as NGOs and Community Based Organisations (CBOs). From these consultations, the MLP deemed social security, education, health care and food subsidies on rice and flour as 'untouchables' that were not to be disposed of.

For the MLP government the effects of the adjustment were too severe to still be able to retain voter confidence. For instance, the devaluation of the Mauritian Rupee, which came as part of the Adjustments, eroded the purchasing power of all Mauritians with the impact felt mostly by the poor (Bunwaree 2007). Frankly speaking, the dire economic times which characterised the era Adjustment in Mauritius were enough to throw any governing party in the firing line of intense public criticism, eventually culminating in having the ruling incumbents being shown the door at the polls.

Hence, general discontentment was rife within the society with scathing accusations levelled against the MLP for not doing enough to "sweeten the pill" for the low-income groups. The situation also served a window of opportunity

for the rival MMM in a campaign trail leading to the general elections of 1982 by painting the MLP as a party that was no longer beholden to egalitarian principles and thus out of touch. It also contended that it had drifted away from championing the cause of the lower classes and that it should take the blame for failing to cushion the effects of Adjustment for the poor (Bunwaree 2007).

Consequently, the MLP lost the elections of 1982 to MMM, marking an end to its 14 year stay in power. However, in government the MMM came to face-to-face with the reality of the economy, causing it to continue with the same austerity measures it had vilified its predecessors for. It was compelled to retain the broad-based consultative approach of the MLP government as to not be perceived out of touch. For MMM's government, however, consultations with societal organisations on policy were particularly important as they served as strategy to reject the idea of downsizing in the face of external pressure. Also refusing to adopt the SAPs in full proved to have had *quid pro quo* implications simply because policy guarantees won the incumbents in government electoral votes. In the words of Goldsmith, policymakers in Mauritius "made their economic and social gains within a framework of civil rights and open political competition" (Goldsmith 1999:522). For instance, most of MMM's supporters demanded the retention of education budget whilst health was also deemed by the government as a non-negotiable (Phaahla 2015).

It was also during this period of Adjustments that the old age pension scheme came under the spotlight. Herein, pensions began to feature more prominently in progressive caucuses more than any welfare intervention offered by the state. Policy makers were of the view that there was an unwritten law that regardless of how bleak the economy was, pensions were not to be subjected to any cuts or be dispersed on means-tested basis (Willmore 2003). The table below captures the trends of government expenditure during the Adjustment period. Education received the lion's share of the social expenditure, followed by that of Social Security and Welfare, which in the mid-1980s overtook the one earmarked for the former, albeit by a marginal difference.

**Table 1: Government Expenditure on Social Welfare, 1981/1982 to 1984/1985**

R. Million				
	1981/1982	1982/1983	1983/1984	1984/1985
Education	474.9	532.6	531.9	542.5
Health	235.2	275.6	290.8	312.0
Social Security and Welfare	377.0	443.5	500.6	548.2
Housing and Community Amenities	43.8	20.2	25.0	28.5
Other Community and Social Services	19.4	21.5	22.0	18.0
Food Subsidies (Rice and flour)	230.0	190.0	100.0	113.8
1. Total social welfare expenditure	1.380.3	1.483.4	1.470.3	1.563.0
2. Total social welfare expenditure as a percentage of total current expenditure	47.7	46.0	43.3	42.3

Source: Joynathsing, (1987: 139)

Although Table 1 shows that the Social Security and Welfare received quite a sizeable financial backing, details do not exist demonstrating how much of it went towards keeping the old age pensions scheme afloat. Nevertheless, Joynathsing (1987), Brautigam (2004), and Willmore (2003) echo the sentiment that social security was oriented more towards looking after the wellbeing of the elderly, especially through the preservation of the old age pension scheme.

**Table 2: Annual increases in old-age pensions proportional to the Consumer Price Index (CPI), 1978 to 1985**

Pension	Financial year	CPI increase (%)	Increase in BRP (Rs.)	Increase in BRP (%)
BRP	1978/1979	8.0	100.00 110.00	– 10
BRP	1979/1980	33	110.00 122.00	– 10.9
BRP	1980/1981	26.5	122.00 141.00	– 15.6
BRP	1981/1982	13.4	141.00 158.00	– 12
BRP	1982/1983	7.5	158.00 174.00	– 10.1
BRP	1983/1984	5.6	174.00 184.00	– 5.7
BRP	1984/1985	8.3	184.00 201.00	– 9.2

Source: Phaahla (2015: 186)

As shown in Table 2 above the yearly increases in the value of pensions since the economy started emitting signs of difficulty in 1978 was set to be over a 10 per cent mark on average in keeping with the yearly changes in consumer price index (CPI). A cursory look at the precedence of the pension scheme in Mauritius during the 1980s makes for an interesting observation. Willmore (2003) purports that government's prioritisation of pensions was popular and easier to finance compared to other social programmes. However, one gets a sense that they were intended by policymakers to serve as income guarantee with households living with the elderly in a bid to mitigate the effects of poverty.

However, just months after taking over, cracks within the MMM government began to show. The testing economic times had divided the party into two groups over ideology as there were calls within the party that favoured pragmatism in the interest of creating a conducive environment for investors. The MMM eventually underwent a split with the dissenting faction going on to form the *Mauricien Socialist Movement* (MSM), which advocated for liberalisation of the economy to

spur growth (Miles 1999).

The split of the MMM led to the elections of 1983, which saw the MSM rising to power within a year after its formation. It would go on to retain its position by winning three consecutive elections until 1995 when the MLP-led coalition took over. Between 1983 and 1995, the MSM would not be confronted by major social challenges or unrests as the quality of life underwent major improvements. According to Meisenhelder (1997) during this period, infant mortality dropped significantly, life expectancy improved significantly, whilst public budget deficits rates remained between 3 and 4 per cent. Indeed, it was due to the state's commitment to the welfare state that Mauritius's inequality gap narrowed quite significantly, as the Gini coefficient improved from .50 in 1965 to .37 in 1987 (Brautigam 1997).

Mauritius was able to achieve this level of success in the welfare sector due to the success of the economy which improved markedly from the mid-1980s, thanks to the expansion of the EPZs, the Free Ports and offshore business activities, which received a major investment boost, mainly from Hong Kong. Hence of all foreign investments in Mauritius's EPZ sector, those from Hong Kong accounted for 79 per cent in 1985 and 27 per cent between 1985 and 1990 (Darga 1996). The EPZ expanded at an annual rate of 30 per cent, leading to the rise of the employment rate in the EPZs from over 25,000 workers in 1983 to not less than 90,000 in 1990. Indeed, by the end of the decade Mauritius was no longer facing challenges of unemployment. Instead, it was being confronted with the problem of labour shortages, prompting government to import contract workers from China in droves. Against this backdrop, the MSM's uninterrupted 12 years in government give credence to Lewis-Beck and Stegmaier's claims that "good times keep parties in office, bad times cast them out" (Lewis-Beck and Stegmaier 2000:183).

However, as the mid-1990s approached the economy started contracting, resulting in the GDP plunging from 10 per cent to below 5 per cent levels. High wages, soaring rise of competitors within the global textile and garment manufacturing industry, increasing public debt and rising deficit in balance of payments, which resulted in a high closure rate of EPZ firms (Brautigam 2004). The question of the sustainability of the welfare state, including universal old age pensions, resurfaced. The MSM began buying into the recommendations of the World Bank (WB), which suggested that the economy be liberalised wholesale alongside the privatisation of social development programmes. The government resolved to "move from its role as a provider of economic opportunity and of public services to a facilitator of internationally competitive activity, a guarantor of fair competitive practices and a last resort for the most disadvantaged" (Week-End 1996).

Plans to retrench the welfare state outlined by the MSM government were met with public backlash, led by the trade unions and intellectuals, which culminated in nationwide protests against austerity. During its time in office, the MSM had grown in popularity for being out of touch, despite it being commended for sound management of Mauritius's economy, which saw the economy picking up strongly from the mid-1980s and maintaining a steady rise all the way to the mid-1990s. Indeed, these strikes served to conscientise Mauritian voters about the policy misdemeanours of the government, which saw MSM losing power and making way for the MLP-led coalition to take over the government.

But problems of Mauritius's post-colonial economy would not end with the MLP coalition coming into power. The end of the 1990s were trying times for the Mauritian textile and garment industry as they were struggling to compete with cheap Indian and Chinese competition for European markets due to the phasing out of the Multi-Fibre agreement, which previously allowed it preferential access to European markets. The results were far-reaching as the EPZ sector shed jobs on an incalculable scale. For example, in the first quarter of 2001/02 financial year, the manufacturing sector laid off 5 600 workers and an additional 4 000 workers during the 2002/03 financial year (Sandbrook *et al* 2007). This officially saw the level of unemployment rising from naught in 1990 to 5 per cent in 1995 and eventually 10 per cent at the turn of the century. Consequently, the Mauritian Labour Party found difficulty retaining credibility in the eyes of the electorates as a party that would recuperate the economy from its ailing state (Sandbrook 2005).

The next section outlines the consequences of Mauritius's ailing economy in the social sector, especially on the old age pension scheme. It shows the disastrous electoral consequences which followed the MSM/MMM decision to retrench the welfare state after they took over from the MLP-led coalition during the elections at the turn of the century.

## **5. Era of Austerity and Electoral Retributions**

The MSM/MMM coalition government entered office with plans to save the economy from free-fall through cuts in government expenditure, especially pensions. At the time Mauritius experienced an ageing problem since an average Mauritian male was expected to live another 15 years and females 20 years (Central Statistics Office 1999). Already costing the economy 3 per cent of its GDP, the pension scheme was projected furthermore by more than 10 per cent in 2050 (Vittas 2003). However current government expenditure on pensions has surpassed the Bank's projections 8 years ahead of time. In 2012, pensions accounted for 5.9

percent of the social security and welfare budget, and currently it represents more than 6 per cent (Stats Mauritius 2010). The coalition increased the year of eligibility for the old age pension scheme from 60 years to 65 which was to be implemented over a period of ten years. Secondly, the government decided to introduce means-tested pensions which were restricted to those earning less than Rs. 20 000 per month, a far cry from the non-discriminatory system that had been in place since the colonial days (Willmore 2003).

These changes prompted a reaction from the social alliance which was led by the Mauritian Labour Party (MLP). It was able to garner the support of the unions and the civil society, to rally against retrenchment of the pension scheme (Bunwaree 2007). It certainly raised an awareness about the MSM/MMM's less protagonist stance towards the notion of universal social wage which culminated in the Labour Party being voted back in power during the 2005 elections. On the other hand, Bunwaree is reluctant to attribute the change in government to the public's disapproval of pension reforms. She then contends that a confluence of factors including an ailing economy, rising inflation, and budget deficit, and a soaring unemployment rate, lost people's confidence in the government (Bunwaree 2007). According to her, reforms in the social security sector added to people's frustrations but they only had a secondary effect influencing the voters about the party they want in government. In other words, one cannot attribute the constant change of government after less progressive reforms had been imposed by the incumbents.

Scratching beneath the surface, one discovers that Bunwaree (2007) made the *mala fide* mistake of underestimating the influence pensions wield on the political voting platform of Mauritius; hence, they are considered to be "public property" (Johnson and Williamson 2006). For instance a 2002 opinion poll conducted by the Centre for Applied Social Research (CASR) found that 88 per cent of respondents wished for the government to spend more on social security, whilst 78 per cent proposed that the rich be taxed more so that wealth can be redistributed more evenly (Sandbrook *et al* 2007). However, important to bear in mind is that voters in Mauritius are sensitive to changes to social security. The MSM/MMM welfare reforms reeked as a betrayal of the social contract which was defined throughout the course of history by the universal approach towards social provision. Voting a government out of power for not pursuing the progressive cause in Mauritius served a two-pronged approach. Firstly, it is protective and retributive. Not voting a government out of power after imposing the means tested format of disbursing the Basic Retirement Pension (BRP) would leave a precedent that would redefine the welfare consensus that had stood the test of trying economic times. Indeed, the effects would be far-reaching. The

politicians would eventually feel they have leeway to make minimalist policy choices in times of economic instability, not only in the sector of pensions alone, but across the spectrum of Mauritius's welfare framework. In essence, the Mauritian voter is overtaken by familiarity and fear, rather than rationality and reason insofar as pensions are concerned. Leaders who dare challenge the welfare consensus bear the consequence of their 'indiscretion' by being replaced by those who promise better social reforms. Secondly, it inevitably sends a warning on the new incumbents that a half-baked cake cannot be eaten. Even the World Bank has conceded that "many policies are decided by polling and part alignment, rather than by technocratic professional work" (see Brautigam 1997).

## **6. Conclusion**

An association exists in Mauritius between the sustenance of the social democratic welfare consensus and voting trends. Throughout the course of its post-colonial history, the island state of Mauritius was confronted with difficult economic challenges that called for major economic reforms to be pursued, as well as taking pro-active steps to keep the welfare state intact. It is quite clear that during times of economic difficulty, voters tend to vote in favour of parties that demonstrate commitment to keeping the welfare state's social democratic traditions, presumably because it provides a better safety net and protection against economic shocks. The structure of the welfare state, which has kept its universal approach towards alleviating the plight of the suffering, features prominently in the choices voters make regarding the type of leaders they would like to keep in office.

Certainly, Mauritius's strength as a vibrant multi-party democracy lies not in its ability to hold elections routinely, but the ability to get parties to jostle each other in the quest to climb the greasy pole. Herein, a contest of most pernicious and narcissistic nature ensues, and there can be no doubt that less desirable social wage proposals will be frowned upon and cast aside by voters who are naturally inclined to be fastidious.

These voting trends make it quite clear that when it comes to policy decisions concerning Mauritius's pro-poor development, the buck stops with the electorates, not the politicians. Furthermore, strategic voting is the order of the day in Mauritius. Hence, voters have placed a premium on unfaltering commitment to universal social wage, often resulting in governments that are perceived to be nonchalant and indifferent towards the progressive cause being replaced without delay. This sort of voting culture has fuelled the dog-eat-dog approach that has characterised the body politic of post-colonial Mauritius. In essence, voting does not only serve to fulfil a constitutional obligation of

choosing leaders through a legitimate “process of consent”; it also serves the expedient purpose of safeguarding the island’s socially inclusive and egalitarian developmental trajectory for generations to come.

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