

Mauritius - A Universal Model of Development?

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Two weeks ago, Joseph Stiglitz, the American economist and 2001 Nobel Laureate for economics, posted a ground-breaking article, "The Mauritius Miracle", <http://www.project-syndicate.org/commentary/stiglitz136/English>. The aptly named "Mauritian Miracle" would be considered a politico-economic earthquake of the magnitude of 10 on the Richter scale, accompanied by a once-in-a-century Tsunami, if it had been achieved by any other African, Middle East, Latin American, or South Asian country. If it had occurred in any European country, not excluding the Scandinavian countries, it would have been considered such an extraordinary achievement that it would have been trumpeted by political and economic pundits the world over, blazoned on the front pages of the world's major newspapers, and merited the headline, "breaking news", on the world's 24-hour TV news channels.

But Mauritius' stunning achievements in the areas of socio-economic development and democratic governance have, most astonishingly, attracted virtually no international attention or comment - not by the world's media; not by the international community; not by the multilateral and bilateral organizations engaged in promoting democracy and economic development in the South; not by mainstream academics who earn princely consultant fees advising the World Bank, the EU Secretariat, AID agencies, and the governments of major donor countries. Even more surprising, is that the "Mauritian Miracle" has attracted little or no attention or comment from African Academia - political scientists, economic development experts, sociologists. Indeed, it would not be an exaggeration to say that Mauritius' exceptional achievements have been received with a deafening silence by all.

Stiglitz' article has, fortunately and most opportunely, broken that seemingly conspiratorial silence. It is no coincidence that Stiglitz, an inveterate maverick, is the one to have broken the international silence on the "Mauritius Miracle". He castigated America's exportation of slash-and-burn capitalism to Russia after the fall of the Berlin Wall, via American economic consultants who urged on the Russian government the unfettered privatization that created Russian mega-billionaires overnight.

He also won notoriety for his scathing criticism of free-market economists (whom he calls "*free market fundamentalists*", the IMF, and the World Bank and, particularly, the manner in which they have managed globalization. Stiglitz had an insider's knowledge of the World Bank, having been its Chief Economist for a period of time. As for the IMF, Stiglitz's wounding criticisms of that august agency drew so much blood that the Director of its External Relations Department made Stiglitz the centrepiece of a speech he gave in 2002 to the MIT Club of Washington, entitled "Stiglitz, the IMF and Globalization". <http://www.imf.org/external/np/speeches/2002/061302.htm>

The extent to which the severe criticism of such an eminent economist had struck home comes out in the second paragraph of the IMF Director's speech:

"The title of my talk is "Stiglitz, the IMF and Globalization". My preference would have been to talk about these three topics in the reverse order from which they appear in the title and to have run out of time by the time I got to the third. Instead, because Stiglitz has

been so prominent in the press in recent years, and so critical of the IMF, I have to devote the bulk of my talk to responding to his attacks on us. My defense for getting into the fight is the classic one: "He started it!". I hope there will be time at the end to discuss the far more important issue of how to make globalization work for all, an issue on which Stiglitz and the IMF share common ground."

Let's hope that Stiglitz's extraordinary praise for Mauritius' social, economic, and democratic achievements, which is undoubtedly an implied criticism of the international community's puzzling silence on the subject, would provoke a similar reaction from the bodies/organizations subsumed under that nebulous entity, forcing them to explain or defend their silence/inaction.

The first three paragraphs of Stiglitz's article outlines the scope of the "Mauritian Miracle": *"Suppose someone were to describe a small country that provided free education through university for all of its citizens, transportation for school children, and free health care – including heart surgery – for all. You might suspect that such a country is either phenomenally rich or on the fast track to fiscal crisis."*

"After all, rich countries in Europe have increasingly found that they cannot pay for university education, and are asking young people and their families to bear the costs. For its part, the United States has never attempted to give free college for all, and it took a bitter battle just to ensure that America's poor get access to health care – a guarantee that the Republican Party is now working hard to repeal, claiming that the country cannot afford it."

"But Mauritius, a small island nation off the east coast of Africa, is neither particularly rich nor on its way to budgetary ruin. Nonetheless, it has spent the last decades successfully building a diverse economy, a democratic political system, and a strong social safety net. Many countries, not least the US, could learn from its experience."

Pointing out that Mauritius's GDP has grown faster than 5% annually for almost 30 years, Stiglitz rhetorically toyed with the idea that Mauritius must be rich in diamonds, oil, or some other valuable commodity, before informing the reader that [unlike Guyana, Jamaica, and Trinidad and Tobago] Mauritius has no exploitable natural resources. He added, so dismal were the country's prospects in the years leading up to independence in 1968, that James Meade, a Nobel Prize-winning economist, wrote in 1961: *"It is going to be a great achievement if [the country] can find productive employment for its population without a serious reduction in the existing standard of living....[T]he outlook for peaceful development is weak."*

Mauritius proved Meade wrong. As Stiglitz noted, the Mauritians increased per capita income from less than \$400 around the time of independence to more than \$6,700 today, and it has progressed from the sugar-based monoculture of 50 years ago to a diversified economy that includes tourism, finance, textiles, and, if current plans bear fruit, advanced technology.

Stiglitz decided to visit Mauritius himself in order to pierce the mystery of the "Mauritian Miracle" and to ascertain what lessons other countries might learn from Mauritius'

achievements. He discovered many lessons, *"some of which should be borne in mind by politicians in the US and elsewhere."* Under that rubric, "elsewhere", I would unhesitatingly place all countries in Sub-Saharan Africa and, closer to home, our own Caricom countries.

The following are some of the key lessons Stiglitz gleaned from his first-hand examination of the Mauritian Miracle:

First, Mauritius' ability to afford the provision of health care and education for all, and ensure widespread homeownership for the country's population, when much richer America and Europe find it impossible to do so. It boils down, he suggests, to the question of how to organize society: *"Mauritians have chosen a path that leads to higher levels of social cohesion, welfare, and economic growth – and to a lower level of inequality."*

Second, unlike many other small countries, Mauritius decided that most military spending is a waste. Instead of spending money on maintaining an army, Mauritius decided instead to spend it in *"creating a more humane society, including provision of health care and education to those who cannot afford them."*

Third, *"Mauritius recognized that without natural resources, its people were its only asset. Maybe that appreciation for its human resources is also what led Mauritius to realize that, particularly given the country's potential religious, ethnic, and political differences – which some tried to exploit in order to induce it to remain a British colony – education for all was crucial to social unity. So was a strong commitment to democratic institutions and cooperation between workers, government, and employers – precisely the opposite of the kind of dissension and division being engendered by conservatives in the US today."*

Creating a more humane society; choosing a path that leads to higher levels of social cohesion, welfare, and economic growth, and a lower level of inequality; recognizing that people are a country's most precious asset and investing in them; promoting social unity to bridge the religious, ethnic, and political differences of a multicultural society; making a strong commitment to democratic institutions; and actively promoting cooperation between all sectors, social and ethnic groups, religions etc. of the society, are fundamentally important lessons that Caricom countries could learn from the "Mauritius Miracle".

In an article posted early last year, [A Flawed Analysis: The inadequacies of Western Liberal Democracy](http://www.normangirvan.info/wp-content/uploads/2010/06/claxton-a-flawed-analysis-the-inadequacies-of-western-liberal-democracy.pdf)

<http://www.normangirvan.info/wp-content/uploads/2010/06/claxton-a-flawed-analysis-the-inadequacies-of-western-liberal-democracy.pdf> I expressed surprise at the fact that Mauritius' astonishing achievements have largely gone unnoticed:

"Mauritius adapted the Western political system, together with its component institutions, to the socio-cultural situation in its multi-ethnic, multi-cultural society.....Mauritius also adopted a series of measures which made its ethnic communities not only feel that they had a stake in the country's democratic system but which also assured each community that it benefited equally from the political system."

"The achievement in overcoming the formidable obstacles of deep ethnic, religious, and language divisions which have proven so fatal for other African "democracies" should have made Mauritius a text book case study of how a country with a deeply-divided society

could successfully establish a robust democracy that meets all the criteria of liberal Western democracy. But that has not happened. Mauritius' stunning achievement is cited by only a few political scientists. The World Bank, the UN, the US State Department, the European Union, and individual European government never (to my knowledge) cite Mauritius as a model of governance for Africa. Its achievement also appears to be ignored by the vast majority of academic political scientists, both in the North and in the South. Mauritius' great fault (in the eyes of the North) is that its achievement is based on a different model of institutional democracy from that proposed by Western political theory and, also, from that which Northern authorities advocate to countries in the South with such great insistence."

There is no lack of data from authoritative sources in support of Mauritius' achievements. In the Mo Ibrahim Foundation's Governance Index, an annual measure of good governance in Africa <http://www.moibrahimfoundation.org/en/section/the-ibrahim-index> Mauritius topped the rankings in each of the four years the Index has appeared - 2007, 2008, 2009 and 2010. In Harvard University's (Kennedy School of Government) latest African Governance Index, Strengthening African Governance, published in October 2009, Mauritius obtained the highest ranking. Mauritius also topped the region's rankings in each of the six previous years the Index has appeared - 2000, 2002, 2005, 2006, 2007. <http://www.nber.org/iag/2009/iag2009.pdf>

Nonetheless, not only the international community, but also African academics and intellectuals continue stubbornly to ignore Mauritius' stunning achievements. For the best part of a decade, I have tried with no success to interest African academics and intellectuals, with whom I collaborate on a range of issues concerning Africa, in the possible lessons that Mauritius' experience offers on governance and development for the rest of Africa. Mauritius was simply not on their radar screen; its political and development trajectory was considered too atypical to have any relevance for continental Africa. I surmised that the country fell completely outside the paradigms of African specialists, and that their resistance to the idea that its achievements could provide useful lessons for the rest of Africa come from a lack of knowledge of those achievements rather than based on conclusions drawn from an analysis of the available evidence. I also suspect an apparent unwillingness to inform themselves about Mauritius.

In another article posted last July, Resolving the Crisis of Governance in Caricom, <http://www.normangirvan.info/wp-content/uploads/2010/08/claxton-the-crisis-of-governance-in-caricom.pdf> I put forward the case that, because of its strikingly similar social structure, economic circumstances, and historical experiences, Mauritius could provide an almost ideal model of governance for Caricom countries: *"Because of social and cultural differences, no single country can realistically serve as a template for others in search of compatible forms of democratic governance. But Mauritius, undoubtedly, comes closest to being such a template. Indeed, Mauritius has a more "Caribbean" profile, than any single Caricom country."*

Citing the riots that shook Mauritian society in February 1999, I pointed out, like Stiglitz, that Mauritius still has socio-economic problems. Drawing attention to the great similarities between those riots and the Jamaican riots in Tivoli Gardens last year, I suggested: *"The great difference between Mauritius and Jamaica is that, unlike Mauritius, Jamaica's*

'underclass' problem remains stubbornly structural, and successive Jamaican governments have made no serious efforts to tackle them. In contrast, Mauritius has made considerable progress in deliberately developing an inclusive, egalitarian society and an inclusive, consensual, compassionate system of governance that is designed to make every community and every individual feel an integral part of the society."

"With exactly the same history of colonization, slavery, indentureship, colonial racial discrimination and disparagement; with the same plantation society, the same ethnic and religious divides, and a similarly pauperized economy, Mauritius transformed the impoverished country it was at independence into a relatively prosperous one. It transformed its divided society in which ethnic tensions had been fostered by colonial administrations into one where racial harmony reigned. As Elizabeth Abbott observed, "by independence in 1968 the majority of the Indian population, the black Creole minority, and other minorities had forged a community of interests, permitting them to work together for economic growth and other goals." (Elizabeth Abbott, Sugar: A Bittersweet History, 2009).

"Mauritius also successfully replaced a potentially divisive system of parliamentary democracy, bestowed upon it by the departing colonial power, with an inclusive system of democratic governance. It did so without sacrificing the classic freedoms of Western liberal democracy....An even more astonishing achievement on the part of Mauritius is that it accomplished those major social, political, and economic transformations without generating the social violence that often accompanies rapid social and economic change. With a homicide rate of 15.1 per 100,000 population, Barbados is, by far, the least violent Caricom society. Mauritius' homicide rate (4) is almost one fourth that of Barbados. Mauritius should serve, not as a template, but as a model and an inspiration for Caricom countries, which absolutely need to adapt their systems of democratic governance to their socio-cultural realities."

Violence has become a great scourge in Caricom countries. According to UNDP's Human Development Report 2010, which contains the most recent statistics on homicide rates, http://hdr.undp.org/en/media/HDR_2010_EN_Tables.pdf Mauritius has a homicide rate of 3.8 per 100,000 population, as compared for example, with the homicide rate for Barbados (8.7), Suriname (13.7); St. Lucia (16.0), Guyana (20.7); St Kitts and Nevis (35.2), and Jamaica (59.5). Trinidad and Tobago was not mentioned. However, the latest official government figures put the country's homicide rate at 37.3, which was a slight decrease from the 2009 rate (39.19) and a more significant decline from the 2008 rate (42.3).

In conclusion, the fact that Mauritius has been seriously proposed as a model for countries/regions, as widely different as the United States, Europe, Africa, and the Caribbean, would suggest that that remarkable country has a universal lesson to teach the rest of this world. I strongly urge Caricom thinkers and civil society activists, who are convinced of the urgent need for political and social change in the sub-region, to put aside their understandable reluctance to seek solutions/ideas/inspiration from outside accepted paradigms and seriously consider the possible lessons which Mauritius' outstanding achievements might have for the sub-region.