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Mauritius: Economic Growth and Strategic Human Resource Management

Social, political and economic influences on the civil service

Our next study focuses on Mauritius, an island in the Indian Ocean conventionally grouped with the developing countries of sub-Saharan Africa, but whose status as a middle-income, recently industrialized economy also links it with the emerging economies of Asia, where members of its Chinese and Indian communities have astutely exploited ancestral ties to promote trading relationships (Economist, 1995). While the official language is English, French is more widely spoken. African and Asian, Anglophone and Francophone, developing but with a growing export-orientated industrial sector, Mauritius is highly exposed to global influences.

Given the strength of the Mauritian economy and, as we shall see, the explicit recognition by the government of the importance of the civil service’s role, this chapter will focus on the relationship between economic growth and civil service performance, and on the extent to which staff management was strategic: exposure to international influences should make Mauritius a fertile environment for the SHRM model to take root.

Society: the salience of ethnic identity

The key feature of Mauritian society is ethnicity. ‘The inhabitants of Mauritius have made a success of multiculturalism,’ says one sanguine account (The Courier, 1998, p.14). But with highly differentiated and mostly endogamous population groups (Hindu, Muslim, Sino-Mauritian, White and the ‘general population’, or Creoles) speaking 15 languages between them, ‘the very construction of the social person is
based on ethnicity’ (Eriksen, 1998, p.15). Minogue has asserted that ‘Mauritian politics (is) ... overwhelmingly the politics of ethnic competition’ (1992, p.646). As recently as 1999, some parts of the island were convulsed by riots that had a strong ethnic dimension (Economist, 1999). It is not surprising that nepotism is assumed to be widespread in the labour market, including in the civil service. A former minister insisted in one of our interviews that

*Opportunities in the private sector ... are not within the reach of certain segments of Mauritian society. Therefore the government had ... to provide employment opportunities, otherwise there would have been social chaos.*

Those opportunities have not been evenly spread: Creoles have been apt to remark bitterly, ‘Tu pu malbar’ (‘everything is kept for the Indians’) (Eriksen, 1998, p.177).

But nepotism doesn’t have it all its own way, so to speak. ‘Principles for recruitment to the labour market are no longer unambiguously ethnic’ (Eriksen, 1998, p.177), and there is a national ideology in which ‘communalism’ is a cardinal sin. This is in keeping with the gradual shift from what anthropologists call an ascriptive to an achievement orientation that tends to accompany the growth of an industrial economy such as that of Mauritius (Linton, 1936).

**Economy: ‘managing success’**

Mauritius is classified by the World Bank as an upper-middle-income country, with a per capita GNI of $4090 and GDP growth of 3.2 per cent in 2003, somewhat lower than in the 1990s: between 1994 and 1998 growth was 5.3 per cent. Overall unemployment was estimated at 9.8 per cent for 2003, up from 6.0 per cent in 1996, when employers were importing workers from China and elsewhere to work in textiles and construction (Economist Intelligence Unit, 1999). Like many African countries, Mauritius plunged into severe balance of payments trouble in the late 1970s, with a catastrophic drop in the sugar price, on which the island’s plantation economy then depended, coming hard on the heels of global oil price increases. Unlike many of those countries, however, Mauritius made a success of its IMF-assisted structural adjustment policies in the 1980s (World Bank, 1989). Economic progress has been facilitated by a series of reforms, notably the pioneering island-wide Export Processing Zone, established in 1971 to exempt investors from government taxes and