

Unit 1 : Social and Economic development in Mauritius since 1968.

TOPIC 1: Social and Economic Conditions in Mauritius at the time of Independence

➤ A CHRONOLOGY OF SOME KEY HISTORICAL EVENTS IN MAURITIUS at the time of Independence

| | | |
|----|--------------|--|
| 1. | 1968 | Mauritius became obtained its Independence |
| 2. | 1992 | Mauritius became Republic |
| 3. | 2002 | Rodrigues was granted autonomy |
| 4. | 1968 to 1992 | The Queen of Britain was the head of State |
| 5. | Since 1992 | The President is the Head of State |

➤ SOME IMPORTANT PERSONALITIES at the time of Independence

| | | |
|----|---|---------------------------|
| 1. | First Governor General | Sir John Shaw Rennie |
| 2. | First Mauritian Governor General | Sir Abdool Raman Osman |
| 3. | First Prime Minister | Sir Seewoosagur Ramgoolam |
| 4. | First President | Sir Veerasamy Ringadoo |

➤ KEY TERMS TO REMEMBER

| | | |
|----|--------------|---|
| 1. | Constitution | It refers to the system of fundamental principles and laws by which a country or state is governed. |
| 2. | Government | It is a group of people with the authority to govern a country or state |
| 3. | Democracy | It refers to a system of government by the whole population or all eligible. |
| 4. | Sovereignty | It refers to the supreme power of a state to govern its territory, the power to make its own laws and have its own constitution. |
| 5. | Autonomy | It refers to the right or condition of self-governing. |
| 6. | Republic | It is a state in which supreme power is held by the people and their elected representatives, and which has an elected or <u>nominated</u> president rather than a <u>monarch</u> . |

TOPIC 1: Social and Economic Conditions in Mauritius at the time of Independence

✓ **Social Conditions in Mauritius in the 1960s**

The life of Mauritians in the years following Independence was not easy. People faced many social and economic difficulties. **What were those social problems in the 1960's?**

1. Housing Conditions
2. Health issues
3. Rapid Rise in Population

1.1 Housing Conditions in the 1960's, were made up of:

- Thatched roof
- Corrugated iron sheets
- Straw and wooden
- Huts
- Shacks

1.2 Why people were facing housing problems in the 1960's?

- They faced problems during heavy rainfall and these houses were not strong to resist the violent cyclonic winds and they were destroyed making many people homeless.
- However, after cyclone Alix and Carol the Central Housing Authority (CHA) was set up to build houses for homeless people. The authority built around 14,000 houses from 1961 to 1970 both in rural and urban areas.
- The houses were sold at a subsidised price. People were granted a facility of a monthly payment over a period of 25 years.
- There were **three main** institutions that were given the responsibility to construct many houses after the cyclone Gervaise. They are as follows:
 - ✓ Central Housing Authority (CHA)
 - ✓ Mauritius Housing Corporation (MHC)
 - ✓ Sugar Industry Labour Welfare Fund (SILWF)

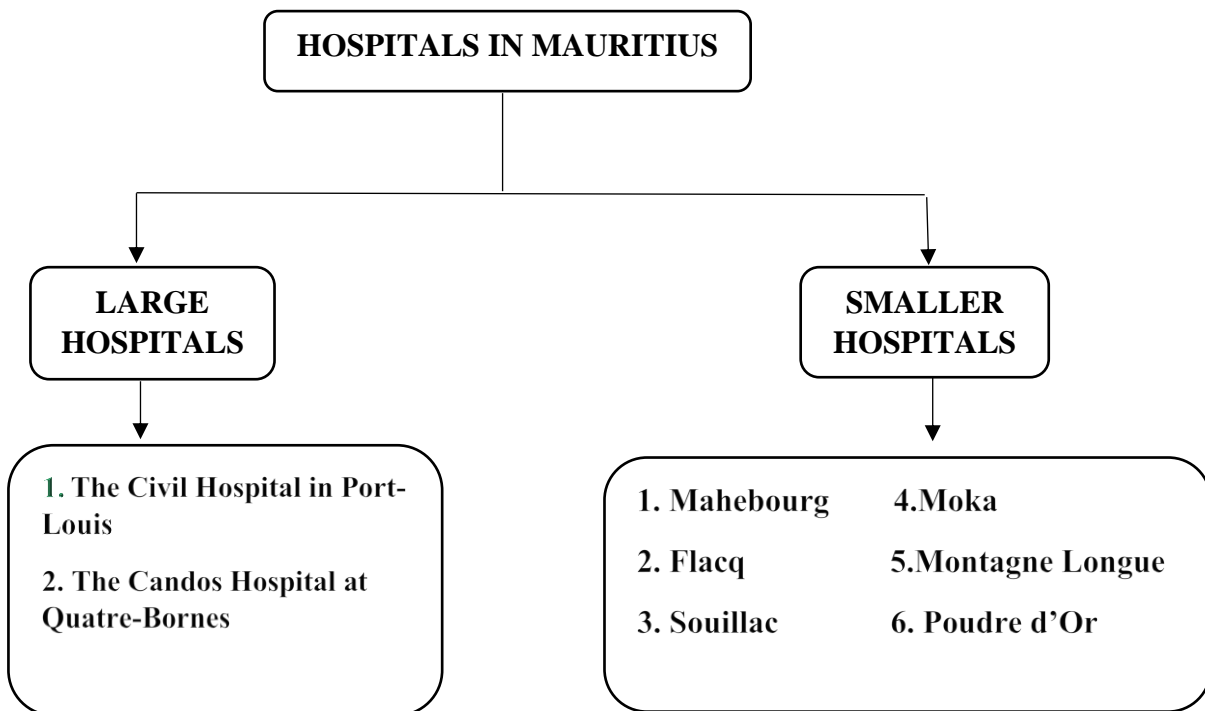
2.1 Health Issues from 1940s to 1960s

The standard of health and medical care for the majority of Mauritians was low in the 1940s.

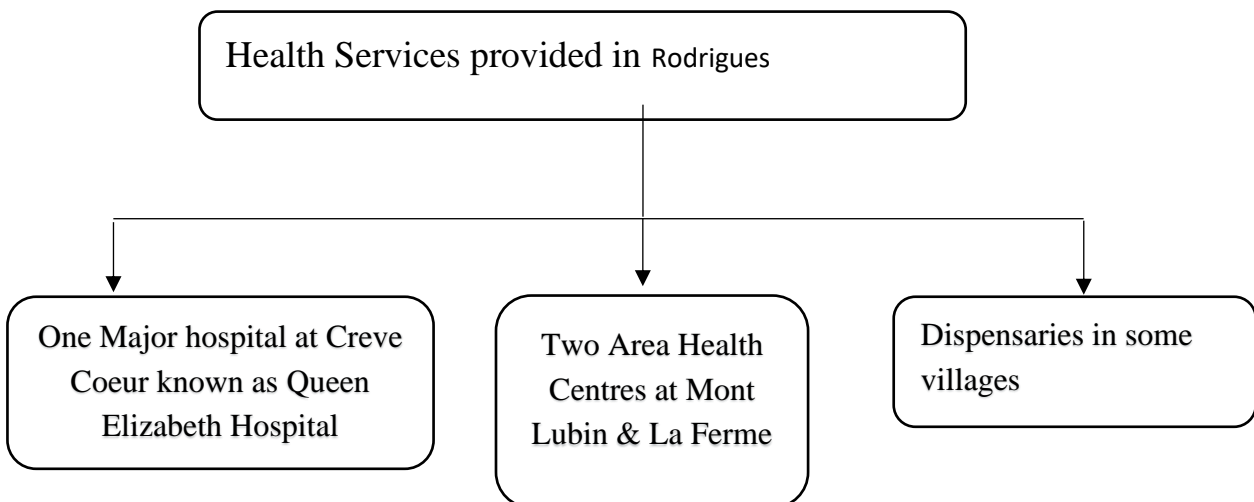
There were thousands of cases of **malaria, poliomyelitis** and **tuberculosis**. The standard of health and medical care for the majority of Mauritians was low in the 1940s. There were thousands of cases of **malaria, poliomyelitis** and **tuberculosis**. Still, in the 1960s, other health problems were **anaemia among women, malnutrition, digestive disorders** and **ear diseases**. However, in the 1960s the number of diseases declined due to measures taken by the government.

2.2 Hospitals in Mauritius a year before Independence

- There were **8 hospitals** in Mauritius.



2.2.1 Health services in Rodrigues



3. Rapid rise in Population

- The growth in population in 1968 was approximately 795,000 compared to 420,000 in 1944. This was mainly due to government's campaign against malaria and other diseases which led to a reduction in the number of deaths.
- **Measures like:** access to better health care, medication and vaccination contributed to an important decline in health problems over the island which caused in a rapid rise in population.

TOPIC 2: Economic Development in Mauritius since Independence

| | |
|--------------------------------|--|
| 20th century | Mauritius became a middle-income newly industrialised country. |
| 1972 | Nobel laureate V.S Naipaul visited Mauritius. |
| 1970 | E.P.Z was set up |
| 1858 | There were 333 sugar mills over Mauritius |
| 1694 | Sugar was first produced in Mauritius |

2.1 Economic development in Mauritius since Independence



2.2 Mauritius in the 1960s: An underdeveloped colony

- In the 1960's Mauritius Island was considered as underdeveloped and faced economic difficulties. **Some economic difficulties** are as follows:
 - Overdependence on a monocrop Industry: the sugar industry
 - High rate of population growth
 - Unemployment in the 1960's

2.2.1 Overdependence on sugar industry

-The **sugar industry** was the main source of revenue of the island.

-Revenues obtained from the sugar export were invested in the following **development activities**: such as the construction of roads, public buildings, reservoirs, schools and hospitals

-The Mauritian sugar industry was very often affected by different factors such as:

- Fluctuating prices in the world market;
- Rising wages of workers;
- Unfavourable climatic conditions

These factors had a negative impact on the economy of the country.

2.2.2 Unemployment in the 1960s' in Mauritius

- Utmost people worked only during harvest season
- Young educated workers (holders of School Certificate) abstained from undertaking manual job.
- The introduction of mechanisation has led to joblessness in the fields.
- Due to mechanisation, harvesting and loading were performed by machines

2.2.3 Unemployment in the 1960s' in Rodrigues

- In Rodrigues, people were poorer and rest on fishing.
- The government was able to provide work for four days per week, and this was generally called 'Quatre Jours a Paris'. The workers were known as 'relief workers'

2.3 The Obstacles Mauritius had to face in the 1960s and 1970s

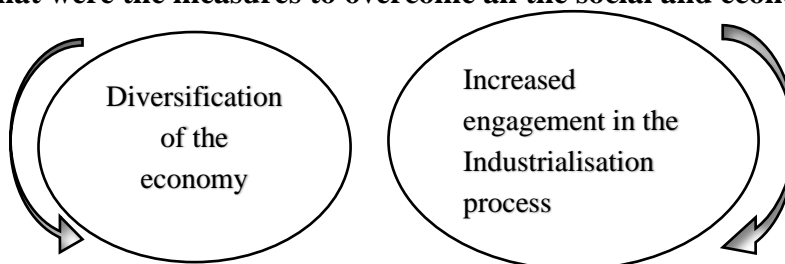
At the time of independence Mauritius also faced some other obstacles in the economic development between the years 1960 and 1970.

- Shortage of natural resources
- Small domestic market
- Insufficient of management and technical skills
- Inadequate funds to invest
- Remoteness from the foreign market
- Far-off from source of raw materials

-Consequently economists believed that the Mauritian economy would not develop as our newly independent nation had too many barriers to overcome.

-For instance, economist like **James Meade** in his study of the Mauritian economy in 1961, predicted that Mauritian economy would fall into poverty disaster because of its rise in population and the limited prospects in the sugar industry.

- **What were the measures to overcome all the social and economic difficulties?**



■ The Mauritian Miracle

-Mauritius managed to develop economically regardless of all the social and economic difficulties.

-By the end of the 20th century Mauritius became a **middle-income newly industrialised country**.

-The **Mauritian Miracle** is the term used by economists to describe their surprise of how well the Mauritian economy has been developing during the past decades.

-People were surprise that Mauritius' economy continued to grow when renowned economists predicted the contrary.

■ The main factors which have facilitated the 'Mauritian Miracle'

Some reason brought forward for this amazing growth were:

- a favourable human capital,
- cultural diversity,
- high life expectancy,
- Trade openness and a good financial system,
- high investment in health and educational institution,

- increase women participation in labour force,
- Good financial system and a successful government intervention to boost the economy.

■ **The Industrialisation Process in Mauritius**

- What is meant by the term Industrialisation?

It is the gradual transformation of the society into an industrial one and it also comprises of reorganising the economy to manufacture goods.

-The Import substitution is a strategy under trade policy that abolishes the import of foreign products and encourages production in the domestic market.

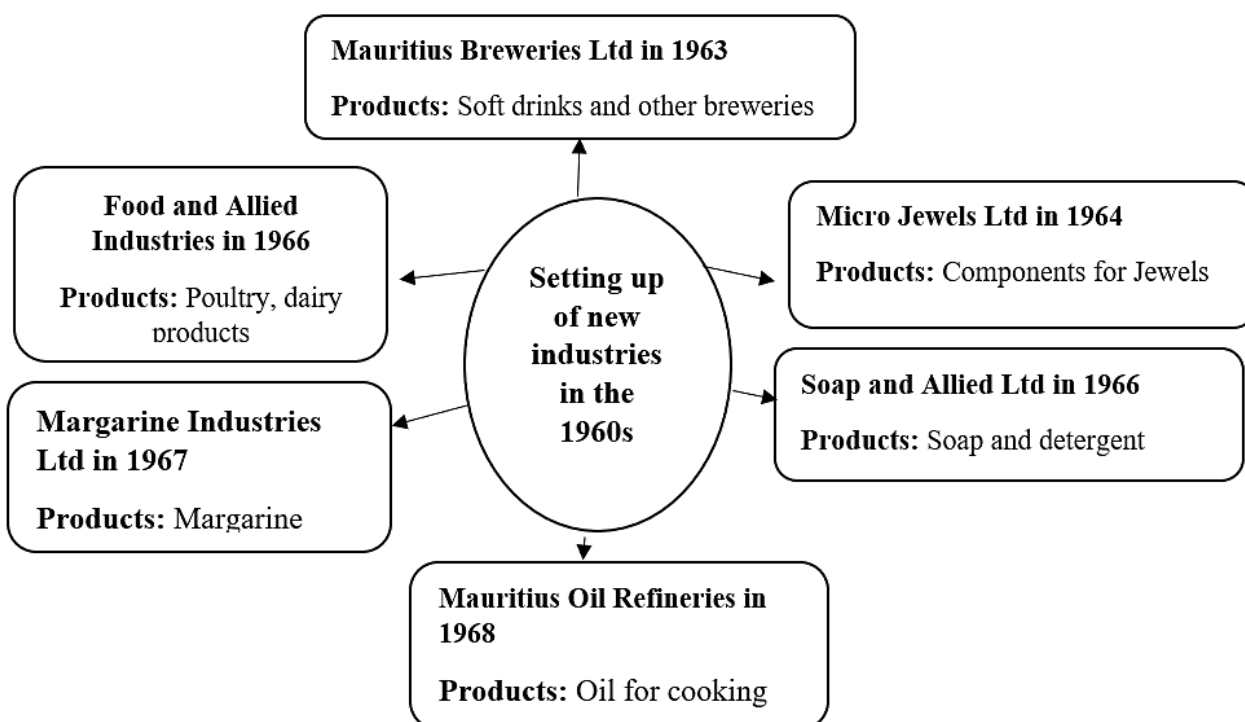
-The ISI strategy was adopted in the **early 1960s** in Mauritius by the government.

-The plan was to **encourage:**

- 1) Local entrepreneurship
- 2) The creation of new manufacturing activities in the economy to reduce imports and to increase self-sufficiency

| Import Substitution Industries | |
|--|--|
| Advantage | Disadvantages |
| ISI started the industrialisation process in Mauritius | 1.It did not create enough jobs |
| | 2.Imports were not reduced to a great extent |
| | 3. self-sufficiency did not increase to a reasonable level |

■ **List of new industries that were set up in the 1960s.**



Export Oriented Industries (EOI)

The EOI is a strategy used by a government to achieve economic success by manufacturing goods for export.

- Countries which achieved economic success through EOI:



Puerto-Rico



Taiwan



Singapore

- Export Processing zone (E.P.Z) was set up to encourage industrialists to manufacture goods for export purposes.

Mauritius offered many advantages and incentives to attract investors in the E.P.Z.

- **Advantages and incentives to attract investors in Mauritius:**

- Tax exemptions
- Accessibility
- Labour
- Provision of facilities
- Government incentives and facilities
- Economic and Trade Agreement
- High demand for textiles products
- Political Stability

- **The Production Process in a factory**

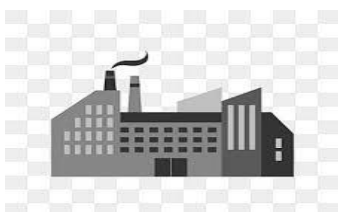
1) The inputs are brought to the factory. The workers use the raw materials and machines to manufacture the goods.



INPUTS

-Raw materials, Machines,
Labour, Energy, capital

2) The goods are manufactured and transformed in the factory.



Manufacturing & Transformation

3) The finished goods are the Outputs of the factory.



OUTPUTS
-Finished goods

4) The finished goods are sent to the retail shops in Mauritius or exported overseas.



Finished Goods are exhibited in retail shops for sale or sent for export abroad

5) The wastes are sent to legal dumping grounds or can be reused.



WASTES are sent to dumping grounds or **RECYCLED**

■ **Important factors to consider before starting to build the factory:**

- ✓ Land
- ✓ Site
- ✓ Government
- ✓ Raw materials, power, labour
- ✓ Markets

-Note that the **Location factors** are factors which control the place or location where a factory is built. In Mauritius, government controls the location of factories.

■ Pillars of Economy in Mauritius

| Major pillars of economy in Mauritius |
|--|
| 1. Manufacturing industries |
| 2. Tourism |
| 3. Financial and banking services |
| 4. ICT |

■ **Different sectors**

- The **Primary sector** is the economic sector that revolves around the extraction of raw materials/natural resources. Examples of primary sector activities include agriculture, logging and fishing