Developmental States in Africa: The Mauritian Miracle

Afrika'da Kalkınmacı Devlet: Morityus Mucizesi

Anwar Seman Kedir
Doktora Öğrencisi, İstanbul Aydın Üniversitesi
enverkedir@gmail.com
0000-0001-7556-5426

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Abstract

A developmental state is both a theoretical construct and a description of the political economy of certain nations, primarily in East Asia, over a specified time period. Theoretically, a developmental state is a particular type of state with a high degree of autonomy and solid institutional competence, allowing it to undertake a series of effective state-interventionist policies in pursuit of developmental objectives. Statism and state autonomy underpin the conceptual framework of the developmental state. The developmental state defied the neoclassical orthodoxy in development economics. Despite lacking the attributes of the mainstream neoclassical consensus in development economics and facing an uphill battle from such institutions, developmental states in various regions of the world have achieved high levels of economic growth. This study seeks to investigate the developmental state trajectories of Mauritius in conjunction with vital elements of developmental states. In an effort to do so, this study poses the following question: "What accounts for Mauritius' development state success in Africa?". By looking at the link between institutional building and economic performance, the study finds that Mauritius has replicated key developmental state institutions, including embedded and autonomous bureaucracy, making it one of Africa's most successful developmental states.

Keywords: International Political Economy, Developmental States, State Intervention, Developmental State in Africa, Mauritius

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Öz

Kalkınmacı Devlet, teorik bir zemin oluşturmasının yanı sıra başta Doğu Asya ülkeleri olmak üzere belirli ülkelerin belirli bir zaman içerisinde uluslararası politik ekonomisinin kavramsal tanımını ifade etmektedir. Teorik olarak kalkınmacı devlet, güçlü kurumsal kapasiteye sahip olmakla birlikte kalkınma hedefleri doğrultusunda etkili devlet politikalarının yürütülmesini ifade etmektedir. Devletçilik ve devlet özerkliği, kalkınmacı devletin kavramsal çerçevesinin temelini oluşturmaktadır. Kalkınmacı devlet, neoklasik ortodoks ekonomi anlayışına meydan okumaktadır. Neoklasik iktisat anlayışı ve söz konusu anlayış çerçevesinde oluşturulan kurumların baskılarına rağmen dünyanın çeşitli bölgelerinde yer alan kalkınmacı devletler hızlı ekonomik büyüme süreçlerine girmişlerdir. Bu çalışmada kurumsal yapı ve ekonomik gelişmeler arasındaki ilişkiyi inceleyerek Morityus'un Afrika'daki kalkınmacı devlet politikalarını yürütmedeki başarısının altında yatan nedenlerin neler olduğu sorusuna cevap aranmaktadır.Çalışma, kurumsal yapı ve ekonomik performans arasındaki bağlantıya dikkate alarak Morityos'un yerleşik ve özerk bürokrasi de dahil olmak üzere önemli kalkınmacı devlet kurumlarını oluşturabildiğini ortaya koymaktadır. Bununla birlikte kalkınmacı devlet anlayışının Morityos'u Afrika'daki en başarılı kalkınma devletlerinden biri haline getirdiği görülmektedir.

Anahtar Kelimeler: Uluslararası Politik Ekonomi, Kalkınmacı Devlet, Devlet Müdahalesi, Afrika'da Kalkınma Devletleri, Morityus

Introduction

Most of the world's poorest people were reported to reside in Africa and Asia throughout the twentieth century. Since the 1960s, however, a significant decline in poverty rates has been recorded across Asian countries. In contrast, there are still many people living in abject poverty across the continent of Africa. Between 1960 and 1995, when neoliberal economy discourse reigned and limited government was viewed as the best way ahead, ten nations in the global south set annual growth records that were unmatched by any other region. Typically, the list begins with Japan, then proceeds to the three Southeast Asian countries of Malaysia, Indonesia, and Thailand, followed by Hong Kong, Singapore, Taiwan, South Korea, and sometimes also Vietnam and China. The economies of these nations doubled in size in just ten years, compared to seventy years for North America and West Europe. This exceptional growth has piqued the interest of academics and policymakers, who have dubbed it "the Asian miracle." Apart from their proximity, these nations have little in common. All of these nations, however, saw substantial growth between 1960 and 1995, with the bulk of findings emphasizing the state's role in development as the primary driver (Kedir, 2019, 1-5).

The state's role in development includes adopting and executing development strategies rather than depending solely on market forces, undertaking considerable public investments, complementing and granting subsidies to strategically targeted businesses and industries, etc. Developmental states typically generate developmental outcomes, most notably economic growth, manifested by higher living standards and lower poverty rates. These regimes can be dictatorial, democratic, one-party, or governed by a constantly-changing coalition. The Netherlands is regarded as the first developmental state to emerge in the sixteenth century, followed by Britain and Germany (Leftwich, 2009; Routley, 2010). Nonetheless, the broader investigation of the notion began with exploring effective state-led industrialization policies of Asian Nations. Japan pioneered the developmental state model, later followed by South Korea and other East and South East Asian nations, albeit with varying degrees of success and in various forms. The notion was first introduced in the 1982 book MITI and the Japanese Miracle by Chalmers Johnson. Johnson argued that the remarkable structural shift of the Japanese economy was not caused by chance, unique geographical or endowment factors, but by the government's practical, planned, and deliberate market intervention to drive economic development (Johnson, 1982).

State-led development dominated the early years of independence in Africa. Post-independence African leaders, such as Julius Nyerere of Tanzania, Kwame Nkrumah of Ghana, and Kenneth Kaunda of Zambia, were heavily involved in constructing developmental state doctrines. Newly independent African countries have adopted state-led development policies that have produced beneficial results in healthcare, education, and access to basic amenities. However, the improvements were only temporary, and by the late 1970s, the intervention had led to inefficiency and failed to deliver a developmental outcome. In the late 1970s and early 1980s, international financial institutions urged African governments to implement a Structural Adjustment Plan. However, SAP has failed to pull most Africans out of poverty, prompting many to label the 1980s a "lost decade" for Africa. Inspired by the state-led development of the Asian Tigers, development researchers reevaluated the state's role in the economy in the mid-1990s. The World Bank has acknowledged the need for solid-state capacity to achieve socio-economic development, notably in its 1997 report titled "rethinking the state." The report describes state intervention in poverty alleviation and public health as a minimal state function. In light of this, several African nations started on the developmental state trajectory, albeit with various approaches and degrees of success. Mauritius and Botswana are considered successful developmental states in Africa (Meynes - Musamba, 2010; Mkandwire, 2001).

Mauritius is one of Africa's most successful developmental states, emulating most of the essential components of the developmental states of 'Asian Miracles.' Upon independence, Mauritius was a secluded, impoverished, economically dependent country with ethnic strife, economic stagnation, and severe unemployment. However, the Mauritian economy has experienced substantial structural changes since independence, shifting from a mono-crop sugar economy to a more diverse base of economic activity and income sources, including manufacturing, tourism, information technology, and offshore financial services. Post-independence governments in Mauritius adopted economic policies leading to industrialization and economic diversification, notably export-oriented industrialization. In 1970, Mauritius had a per capita income of US$700, and its economy was primarily based on agriculture. Today, the country has risen to high-income status, with a per capita income of US$11,097. Mauritius entered the UNDP's high human development category in 1996, a level usually reserved for industrialized nations (Ramtohul - Eriksen, 2018, 5).

This study seeks to investigate the developmental state trajectories of Mauritius visa vis vital elements of developmental states. The study also discusses debates on the state's role in the economy and the viability of replicating such a type of economic governance in Africa. Research questions: What accounts for Mauritius' development state success in Africa? What contexts/processes shaped Mauritius's developmental states? Has Mauritius reproduced vital elements of developing states? The Mauritius developmental state myth has been examined, analyzed, and interpreted using qualitative research methods. By emphasizing institutional argument, the study contributes to understanding the developmental state in general and the context of Mauritius in particular, which could serve as a policy framework. In addition, the study contributes to the literature by broadening the scope of developmental state analysis beyond the traditionally studied countries of Northeast and Southeast Asia. The study introduces the concept of developmental states and describes patterns of developmental states worldwide in the introduction section. The introduction section is followed by a theoretical approach covering the concepts of state, developmental states, and state interventionism. In the main section, the paper starts with development state experiences in Africa. It then discusses the developmental state trajectories of Mauritius vis-à-vis vital elements of developmental states, as well as the results in terms of multiple socioeconomic metrics. The study concludes by reiterating the need to establish a vital state institution to combat poverty throughout Africa and other developing countries.

1. Developmental States

The state is an institution that carries out socioeconomic activities to ensure the well-being of its citizens, including keeping peace and distributing goods and services. Routley (2010, 1-8) defines the state as a label for a collection of institutions and processes that wields domination and monopoly of power and result in specific outcomes, including developmental. The capability of a state to fulfill its responsibilities and impose its laws on its citizens is a crucial indicator of that state's legitimacy. This capability of the state has evolved across time and space. In postwar Europe, states spent extensively on structural transformation and created commendable welfare throughout the 1940s and 1950s (Oarhe, 2013, 111-134). Likewise, state intervention in the market may be regulatory or developmental. The United States, for instance, is often seen as a regulatory state; the government is preoccupied with the procedures and forms of economic warfare but not with content.

On the other hand, Japan is often presented as a development state. Since the 1920s, Japan has invested heavily in large-scale economic development programs commonly referred to as the "Japanese miracle," with the state playing a significant role in the process beyond regulation (Johnson, 1982, p. 19). Similarly, South Korea's understanding of the developmental state unveiled the "Korean miracle" (Chang, 2015, pp. 9-10). In particular, innovation policies have been created within the understanding of South Korean state development, and research and developmental activities have been intensively supported in this direction (Yavuz, 2018). In general, the export-oriented development policies of East Asian nations and the state interventions necessary to implement these policies are in direct opposition to liberal development policies, which were regulatory rather than developmental (Balaam – Dillman, 2020, 354-356).

The developmental state has been described in various forms, with most scholars emphasizing the state's role in the economy. Johnson (1982, 13), drawing on Japan's experiences, defines a developmental state as a "plan-rational state," referring to the rational and planned intervention of the state premised on policies that affirm the market. He argues that "such state is resolved to influence the direction and level of economic growth via direct intervention in the development process, as opposed to depending on the uncontrolled impact of market forces to distribute wealth and resources. Leftwich defines developmental states as those capable of generating developmental outcomes, primarily economic growth. Still, this growth must be legitimated by raising the standard of living, increasing employment, advancing industrialization, etc. These regimes can be dictatorial, democratic, one-party, or governed by a constantly-changing coalition (Leftwich, 2009, 16-19). Woo Cummings (1999) describes developmental states as a text that explains East Asian economic life as characterized by unified sets of effective policies.

Mkandawire (2001, 289-313) used the "state-structure nexus" to define developmental states. Ideologically, a developmental state is one that ideological foundations are developmental and actively strives to design and commit its political and administrative resources to economic growth. Developmental states can garner elite support and widespread public backing to carry out a hegemonic national project with a significant influence. These states also promise economic growth and base their legitimacy on their capacity to maintain economic growth. Regarding their structures, developmental states possess the institutional, organizational, and bureaucratic ability to execute policies across various areas efficiently.

1.1. Which States are the Developmental States

The developmental state may often be split into two broad categories: democratic and oppressive. The first category consists of countries such as Japan, Singapore, Mauritius, and Botswana, which exhibit democratic traits such as independent Judiciary, separation of power, protection of property rights, regular elections, etc. China, the Republic of Korea, and Taiwan are examples of authoritarian developmental states (Leftwich, 2009, 13). On the other hand, Routley classified developmental states into separate categories based on their shared attributes. The first category consists of the "big three" of Northeast Asia: Japan, South Korea, and Taiwan. Their rapid growth rate, independent and Weberian bureaucracy, and manufacturing powerhouse set them apart. For instance, in Japan government subsidizes state-selected industrial items via a variety of initiatives. Like Japan, South Korea's government offers financial support for strategically selected industrial sectors, and interventionist policies stimulate technology transfer. Taiwan's economic growth was built on government ownership of key industries (Yülek, 2014, 159; Tiryakioğlu, 2014, 231-235; Chang, 2015, 182).

The second group of "South Asian Developing States" consists of Malaysia, Thailand, and the Philippines and is characterized by a robust economy dependent on foreign direct investment, a less autonomous bureaucracy, and a certain degree of corruption. Botswana, rich in natural resources and has achieved significant economic growth, fits the third category of natural resource-based development states. Social democratic developmental nations are the fourth category, including Costa Rica, Chile, and Mauritius. Societal protection, health and education spending, and moderate economic growth are the characteristics of the countries that fall into this category. The fifth category is called "developmental patrimonialism," and it consists of countries such as Rwanda (2000–2010), Tanzania (1967–78), Kenya (1965–75), Malawi (1964–78), and others. They are defined by their dependence on rent, patriarchy, and sluggish developmental results. The other category includes South Africa and Ethiopia (1995-2017), considered "aspirational developmental states." Lastly, China is in the final category, marked by sustained economic expansion and heavy public spending on infrastructure, healthcare, and education (Routley, 2010, 8-14).

1.2. State Interventionism and Developmental State

International political economy explores the interplay between national and global economies through the lenses of Mercantilism, liberalism, and Marxism (Al, 2015, 143-144). The extent to which the state should play in promoting social and economic transformation in developing nations is a topic of contentious debate in the mercantilism theory of international political economy. It has been extensively debated how much of a role the state should have in fostering social-economic transformation in developing countries. Onis (1999, 109-110) claims that mercantilism, which favors state intervention and opposes neoliberal economic philosophy, is fundamental in laying the groundwork for the success of developmental nations. The developmental state and the mercantilist cropped up in the 1950s and 1960s, blaming state failure for the slowdown in economic growth. However, most African and Latin American states experienced an economic decline due to inflated currencies, excessively protected industries, and high governmental intervention. This trend set the stage for the neoclassical approach to become the leading school in the late 1960s and early 70s until it was debunked once more in light of Southeast Asia's rapid state-led economic development.

In the years that followed, the institutional argument gained a stronghold, with proponents claiming that the state must play a significant role in capitalizing on domestic and international market forces to stimulate development. Given that industrialization is the core of development, an influential state role can give direction to the market system. Leftwich (2009) claims, in particular, that poverty is a big concern in the world's poorest nations. It can be alleviated only via rapid economic development and solid institutional mechanisms guaranteeing enough redistribution and welfare. None of these two factors would have been possible without the direct role of solid and developmental states. On the other hand, Chang (1999, 183) contends that the conceptual framework of developmental states can be characterized as a mix of capitalism and socialism, falling somewhere in the middle of a free market and a command economy model. Developmental states are well-known for striking the best balance of market principles and state intervention to achieve swift economic expansion, including industrialization.

2. The Developmental States in Africa

A preponderance of state-led development characterized the early years of Africa's independence, mainly inspired by organizations such as the United Nations Economic Commission for Africa (ECA, 2013). Several African countries embraced a state-led development approach, resulting in early improvements in social services, including health and education. The gains, however, were short-lived, and by the late 1970s, the intervention had led to waste in many African states and failed to provide a developmental outcome. The few recorded successes only applied to a limited population segment that was all part of the shared clientelist network (Meynes - Musamba, 2010, 15). In order to further their interests, the governing elites manipulated the economy through state capture, rent-seeking, and the creation of laws that benefitted their group. State interventions in Africa have generally failed due to several factors, including a lack of meritocracy, increasing dictatorship, ineffective state apparatus, a paucity of hegemonic goals, and a protection policy that lacks adequate measures to foster domestic production (ECA, 2013, 4-10). Mkandawire refutes the preceding arguments and attributes the problem to adopting SAPs, which limits African states' ability to formulate their policies (Mkandwire, 2001, 290).

The early 1980s saw the crumble of a state-led economy in Africa. Sponsored by international financial organizations, Africa embarked on a path toward economic progress that would build a market-based economy. The Washington Consensus-style neoliberal economic model was rolled out across Africa to boost the importance of market forces as an efficient tool in distributing resources and decreasing the influence of the state. African countries were advised to implement structural adjustment plans that included free trade, devaluation, deregulation, a decrease in government spending on social programs, etc. (Meynes - Musamba, 2010, 22; Mkandwire, 2001, 291). Even though SAPs have helped maintain macroeconomic stability, they have severely hampered the government's ability to craft economic policies, notably regarding the provision of essential social services and the financing of strategic sectors. In the mid-1980s, along with SAP, a wave of democratization swept over Africa as Western donors urged the continent to develop multiparty democracy and good governance. However, neither SAP nor democratization has been able to take most Africans out of poverty. As a result, the 1980s were considered a lost decade for Africa, as the continent's socioeconomic indices were far better in the year of independence than in the 1980s (Mkandwire, 2001, 291).

2.1. Transferability of Developmental States to Africa

Since the 1990s, the scholarly discourse has been dominated by discussions on emulating Asia's state-led economic development model in Africa. The proponents of the impossibility theorem argue that it is impossible to replicate the success of the Asian developmental states in Africa since the institutions that enabled the Asians were historically and geopolitically contingent. Moreover, the neoliberal hegemony, shifting economic environment, globalization, pressure from supranational organizations, and expansion of civil society, etc., have all contributed to the difficulty of forging developmental states in Africa (Musamba - Maynes, 2010, 15-16).

Ziya Onis (1999, 120) argues that the strength of Asia model developmental states rests significantly on their historical conditions, making it ahistorical to try replicating in another environment. He singled out three complex features to emulate: bureaucratic autonomy, strong state-business cooperation, and a commitment to growth over other goals. Moreover, the widespread corruption, the violation of human rights, and the political unpredictability are significant challenges that cast doubt on the transferability of the developmental state model in Africa (Musamba - Maynes, 2010, 30–31). The Economic Commission for Africa (ECA) (2005, 4) identifies several challenges to establishing developmental states in Africa. Lack of genuine, long-term growth-oriented leadership, unstable institutional foundations, a sluggish private sector, a dearth of pre-independence indigenous firms, and the anti-business stance and exploitative tendencies of politicians all posed obstacles to building solid developmental states in Africa.

Mkandawire (2011), on the other hand, contends that developmental states are not a new phenomenon in Africa, although it does not generate the expected results across nations. Many post-independence African statesmen, including those of Ghana (Kwame Nkrumah), Tanzania (Julius Nyerere), and Zambia (Kenneth Kaunda), were influential in the establishment of developmental state doctrines. Nkrumah advocated for regional integration in the spirit of Pan-Africanism to boost Africa's economy; Nyerere introduced the concept of ujamaa - a strategy for collectivizing agriculture; Kaunda led Zambia to adopt a humanist paradigm; Senegal codified the system of negritude; etc. are all examples developmental state orientations. Similarly, many African countries have placed a premium on the industry, strengthened state capacity, and poured resources into training their workforce. For instance, education and health care in the Ivory Coast each received a third of the government's budget in 2010. Notably, between 1967 and 1980, African countries accounted for ten of the twenty-seven outperforming economies globally, with average GDP growth of 6%.

Beginning in the mid-1990s, development scholars began reevaluating the state's role in the country’s economy, mainly influenced by the success of the Asian Tigers with state-led growth. The state's developmental role in these countries' economies led to unprecedented economic growth, a major social transformation, and a structural shift from an agricultural society to one based on high technology. World Bank recognized the significance of solid-state capabilities in achieving socio-economic development goals in the 1997 Report titled "rethinking state." The report highlighted the importance of strong and effective state conditions for the efficient functioning of a market economy. The report argues that state intervention in anti-poverty is a minimal state role (World Bank, 1997, 27). The ECA(2011) report echoed this reappraisal and recommended that African states emulate the developmental state. In light of this, several African countries started on the developmental state trajectory, albeit with various approaches and degrees of success. Mauritius and Botswana are currently regarded as success stories for the developmental states in Africa, while South Africa and Ethiopia are considered aspiring developmental states. Several African nations, notably Côte d'Ivoire, Malawi, and Tanzania, have been classified as having followed developmental Patrimonialism on their separate routes to economic transformation. Others, such as Ghana, Uganda, and others, have been cited as having followed a development path that combined liberalism and developmental state ideology.

3. The Making of Developmental States in Mauritius

Mauritius is among the few African islands in the Indian Ocean's southwest quadrant. It has a population of 1. 3 million and a total area of 1,865 km2 (see table 2). After an exceptional period of colonial rule, Mauritius gained political independence in 1968. The Dutch (1598-1710) were the first Europeans to colonize the island, followed by the French (1715-1810) and the British (1810-1968). Mauritius’s economy lacks minerals, oil, and natural resources except for sugarcane plantations, the only substantial accessible natural resource from which 95% of export revenues were derived until independence. Under French colonial rule, sugar plantations were built that relied on slave labor to harvest sugarcane for export. The colony grew so wealthy that the French and the British competed for it throughout the Napoleonic wars. From 1849 to 1923, Mauritius imported 500,000 Indian laborers to fill the labor void left by the abolition of slavery (YeungLamko, 1998, 3-6).

Modern-day Mauritius is a parliamentary democracy with multiple parties. The Prime Minister is the head of the government and has all executive authority, whereas the President is the head of state with limited executive power. The country's politics are marked by shifting coalitions. The nation's first prime minister, Ramgoolam, was instrumental in uniting and resolving conflicts within its many factions (Sandbrook, 2005).

3.1. Elements of Developmental States in Mauritius

There are critical elements that must come together in order for a developmental state to emerge and take shape. These elements may vary slightly from country to country, but the following five key elements occur in almost all successful developmental states. Embedded Bureaucracies: The Role of Institutions, Developmental Political Settlement: A Strategy of Nation Building, Industrial Policy: Export Processing Zones (EPZ), Heterodox Opening: Preferential Access and FDI, and Resilience to External Shocks

The following section analyzes vital elements of developmental states visa vis a developmental trajectory of Mauritius.

The bureaucracies of developmental states are often likened to the Weberian ideal of a professional and independent bureaucracy. In particular, it has an embedded feature; a bureaucracy that supports successful ties between society and enterprises and serves as a platform for continuous policy discourse. Merit-based recruiting is popular in the public sector, with top-tier academic institutions as the primary source of candidates. These features of bureaucracy made it possible for bureaucrats to innovate while assisting in the experimental pursuit and implementation of development priorities. Efficient bureaucracy enabled successful developmental states to regulate their economies and implement the appropriate policy reform (Evans, 1995, 227-250). Mauritius has institutionalized a developmental state by creating corps of qualified bureaucrats. It was the extended rule of colonial authorities that established the norms. Incorporating natives into the colonial government bureaucracy paved the way for Weberian values to take hold. In 1953, the government established the Mauritian Public Service Commission as an institution responsible for the merit-based recruitment of public officials. Since then, a stringent Weberian Conduct Code has been implemented to ensure norms are upheld within the public sector. At the end of colonial rule, Mauritians occupied over ninety percent of these jobs, including most high-level positions. Despite its shortcomings, the Mauritius bureaucracy resembles the Weberian bureaucracy, especially compared to the weaker bureaucracies in Africa (Goldsmith, 2005, cited in Kiiza, 2006, 10-12).

Subramanian and Roy (2001, 25-29) contend that inclusive and effective institutions based on the rule of law enabled the formation of (EPZ), which is the nation's core driver of success. Mauritius is one of the few African nations with a stable, post-independence parliamentary democracy. It topped African nations on all metrics of institution quality, including political participation, the rule of law, anti-corruption measures, etc. (see table 1). In 2019, just 0.19 percent of its gross domestic product was spent on the military, the lowest amount amongst African states that allocate an average of 2.7%. The country's first prime minister, Ramgoolam, played a pivotal role in setting up well-structured institutional frameworks that allowed for substantial social welfare and human development expenditures. Minorities from diverse backgrounds are represented in all levels of government. Inclusive institutional arrangements, in turn, enhance the economy's competitiveness and resilience and the performance of heterodox liberalization policy (Frankel, 2014, 315).

Table 1: Governance Index For Best-Performing African Nations

Country	2019 Position in overall Governance	2019 score in overall Governance /100	2019 Position in Participation and HR	2019 score in Participation &HR/100	2019 Position for Safety Rule of Law	2019 score for Safety and Rule of Law/100	2019 Position for HDI	2019 score for HDI/100
Mauritius	1	77.2	1	77.8	1	79.5	1	75.2
Cape Verde	2	73.1	2	76.6	2	76.2	6	67.0
Seychelles	3	72.3	3	75.3	4	72.4	2	75.2
Tunisia	4	70.4	4	71.4	5	72.4	4	71.3
Botswana	5	66.9	6	67.5	4	72.8	5	68.5
South Africa	6	65.8	7	67.2	8	67.6	9	64.3
Namibia	7	65.1	8	67	6	69.6	12	60.9
Ghana	8	64.3	5	69.5	11	66	13	60.7
Senegal	9	63.2	10	64.3	7	68.2	16	58.3
Morocco	10	61.0	27	40.2	13	60.7	7	66.8

Source: Ibrahim Index of African Governance, https://mo.ibrahim.foundation/iiag

What Leftwich (2008, 9) referred to as "fair rules of the game" is a critical feature of developmental states that has been demonstrated to be the driving force behind the global success of developmental states in Consecutive general governments in Mauritius established institutional arrangements to reconcile the competing interests of politicians, diverse interest groups, elites, private sectors, and pressure groups. Mauritius forged a firm plan for nation-building that fostered national unity and set the stage for further advancements in all fields during the transition to independence and the early year of independence. It accommodated its ethnic diversity via constitutional arrangements, political conventions, and practical and symbolic gestures that helped develop a feeling of belonging among the diverse populations (Hills, 2002, 287).

The nation-building strategy involves the inclusion of minorities, a participatory approach to policy formation, an electoral platform that ensures the participation of a diverse faction of the society (best loser electoral system), and a multi-party system that represents diverse views, etc. Successful nation-building strategies have resulted in solid institutions, national consensus, democratization, the equitable redistribution of resources, and cooperation among the country's major ethnic groupings (Hills, 2002, 286-293). Likewise, Mauritius provides its citizens with free education, health, and social security. Public spending in a comprehensive welfare system was part of nation building strategy that helped reduce dissatisfaction among lower-income groups, promote equitable opportunity, and ensure inclusive growth. Similarly, the education system's emphasis on nationalism worked as a vehicle for nation-building, thereby fostering national consensus. (Sandbrook, 2005, 561).

Successful developmental states used various industrialization-promoting policies, including subsidies, to encourage technological advancement, complementary investment, export incentives, and export marketing (Chang, 1999). Mauritius adopted a new economic strategy based on export-oriented industrialization after the import substitution plan failed to stem the rising tide of unemployment. The government legislated a strategy known as an Export Processing Zone (also known as "export enclaves") as the central component of its goals. An Export Processing Zone is a geographical zone that has preferential access to import infrastructures and will be used to manufacture items for free. In Addition, the government of Mauritius has made significant strides toward luring foreign investment, alleviating a shortage of capital, and facilitating the establishment of EPZ through a wide range of incentives and financial support. The government was able to achieve significant increases in exports by eliminating tariffs on imported inputs, favoring manufacturers in EPZ, lowering minimum wages and creating flexible labor standards, subsidizing services like electricity and water, and creating a conducive legal environment for foreign investors (Ramdoo, 2014, 1-5).

Rodrik attributes the success of Mauritius to its "heterodox trade policy." The government of Mauritanian has utilized heterodox liberalization, playing both regulative and facilitative roles in the economy by establishing a favorable atmosphere for competition and shielding it from shocks and risks posed by vulnerable agents. Together with EPZ, Mauritius adopted a trading strategy akin to that of other East Asian nations, resulting in substantial profits in the export industry (Rodrik, 1997, 26-30). Likewise, Mauritius became a signatory to the Yaounde II convention in 1970. This was a special deal France had brokered on behalf of its African colonies. As a result of France's membership in the European Economic Community (EEC), Mauritius was granted numerous advantages, including free trade in European markets and privileged access to those markets. Despite their colonial background, Mauritius diplomats strive to secure a privileged trade zone to promote exports. Similarly, Mauritius reaped the advantage of the Multi-Fiber Agreement's eased regulations.

In addition, Openness had a significant role in luring FDI and raising capital flow, which contributed to the establishment of the EPZ. With the currency devaluation and openness strategy, exports became more competitive on the global market, increasing output and export revenue. Several ethnic populations in Mauritius, including Indo-Mauritians, Chinese-Mauritians, and Franco-Mauritians, all of whom have strong ties to the countries from which their ancestors originated, were instrumental in the nation's success in luring direct foreign investment. FDI investment brings funds to jumpstart industrialization and new ideas for transforming the economy. In this sense, Chinese business played a vital role in introducing the idea of a textile apparel industry to the EPZ in Mauritius (YeungLamko, 1998, 1-29).

The economy of Mauritius is indeed very resilient and able to adjust to various external shocks encountered at various stages of its development endeavor. The country alleviated the labor shortage that resulted from the abolition of slavery before independence by importing half a million contract laborers from India. Following its independence, Mauritius rapidly launched a trade-led growth strategy based on export promotion to address the failure of its import substitution strategy and the challenge of growing unemployment. The country has also managed to survive the oil crisis by implementing a series of adjustment reforms, including the depreciation of the Mauritius Rupi, increased borrowing, and revised trade policies. However, Mauritius rejected World Bank pressure to cut spending on welfare programs and instead enacted SAP's reforms via consensus (Frankel, 2014, 305).

The expiration of the Multi-Fiber Agreement (MFA) and heavy competition from China's low-wage textile manufacturers resulted in a 25% reduction in employment and a 30% decline in output for Mauritius in 2004. The government of Mauritius reacted with a set of business facilitation reforms that included capital-intensive garments to compete with China, a simplified taxation system, and naturalization for foreigners. Most recently, Mauritanians have invested heavily in the tourism, ICT, and banking industries, and seafood is vital to their future economy (Sandbrook, 2005, 549).

3.2. Economic Performance

Mauritius' economy is frequently held up as a model for Africa, having grown at more than 6% per year for the past two decades. The nation has adopted a range of highly successful economic policies within the framework of a developmental state. A few years after gaining independence, the country's economy effectively diversified away from its previous reliance on a single crop, allowing it to rise to the upper middle class.

The subsequent section will cover the country's economic performance based on various socio-economic indices, including HDI, inflation, unemployment, GD per Capita, GDP, and growth rate. The figures are produced using a ten-year average based on World Bank sources.

Table 2: Mauritius Population, GDP, GDP per Capita

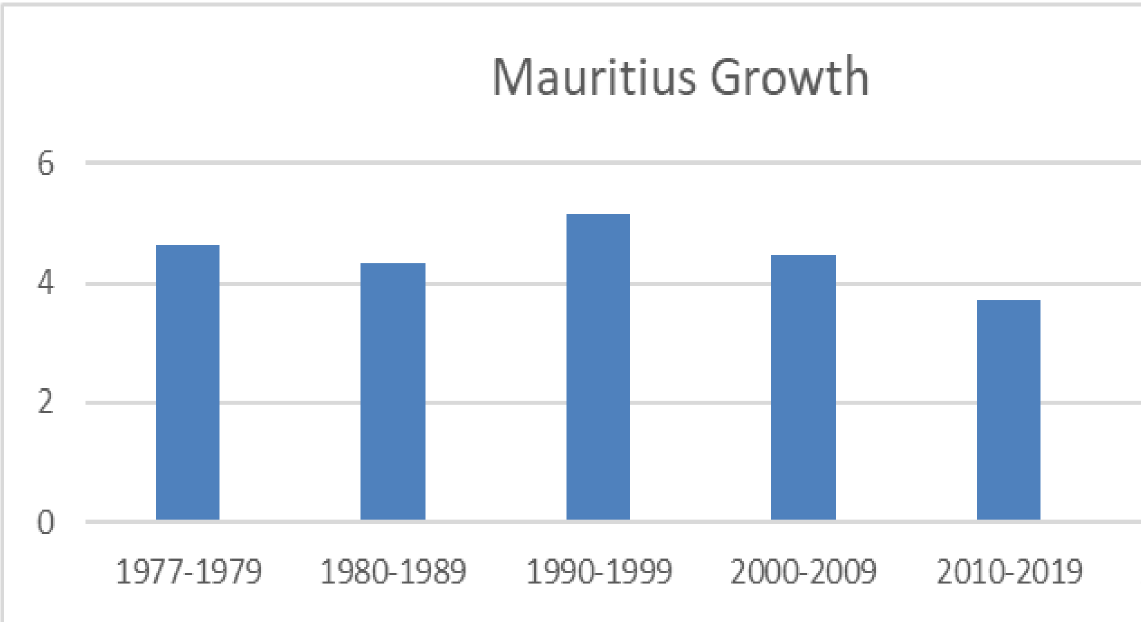
Years	**1960**	**1970**	**1980**	**1990**	**2000**	**2010**	**2020**

Population (thousand&Million)	659	826	966	1,059	1,187	1,250	1,263
GDP (current US$) (Billion)	-	-	1,132	2,653	4,663	10,004	11,692
GDP per capita (US$thousands)	-	-	1,172	2,506	3,929	8,000	9,260

Source: Computed using the 10-year mean from the World Bank Database

Mauritius is a success story in Africa that has adopted developmental states. Its gross domestic product and its gross domestic product per capita expanded dramatically. In 2018, the country's GDP per capita reached 14,220 USD, up from 700 USD in the 1970s, placing it in the upper-middle income group.

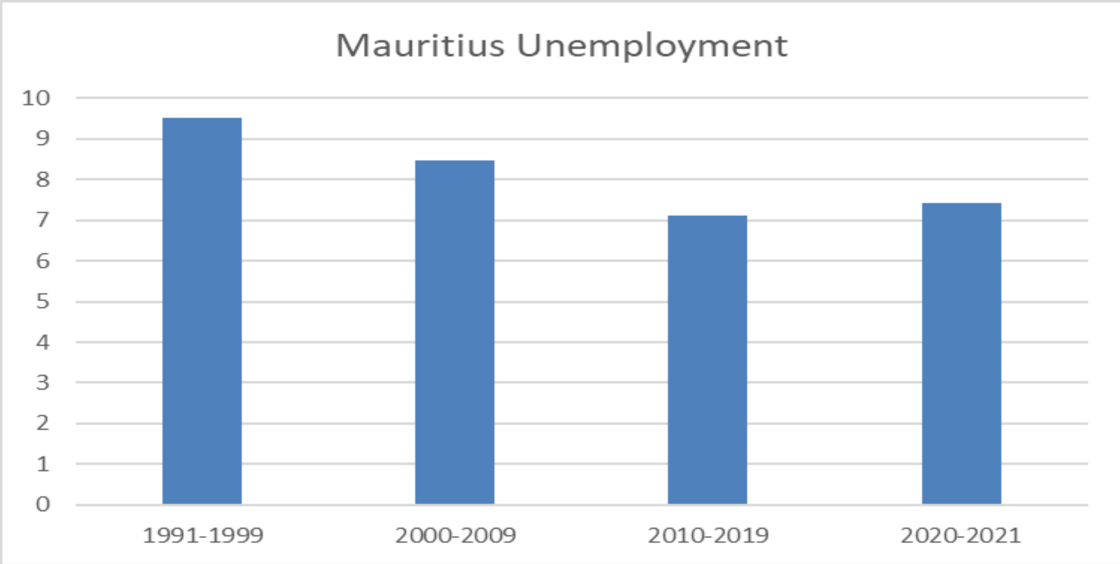
Figure 1: Mauritius 10-Year Average Growth Rates (%)



Source: Computed using the 10-year mean from the World Bank Database

Mauritius is one of the few African nations with strong economic growth. The economy of Mauritius has risen by a yearly average of 4% since adopting of the developmental state doctrine. The economy expanded at a rate of 4.8% in the '70s, 4.3% in the '80s, and 5.0% in the '90s. Mauritius's economy has kept up its stellar performance to the present day.

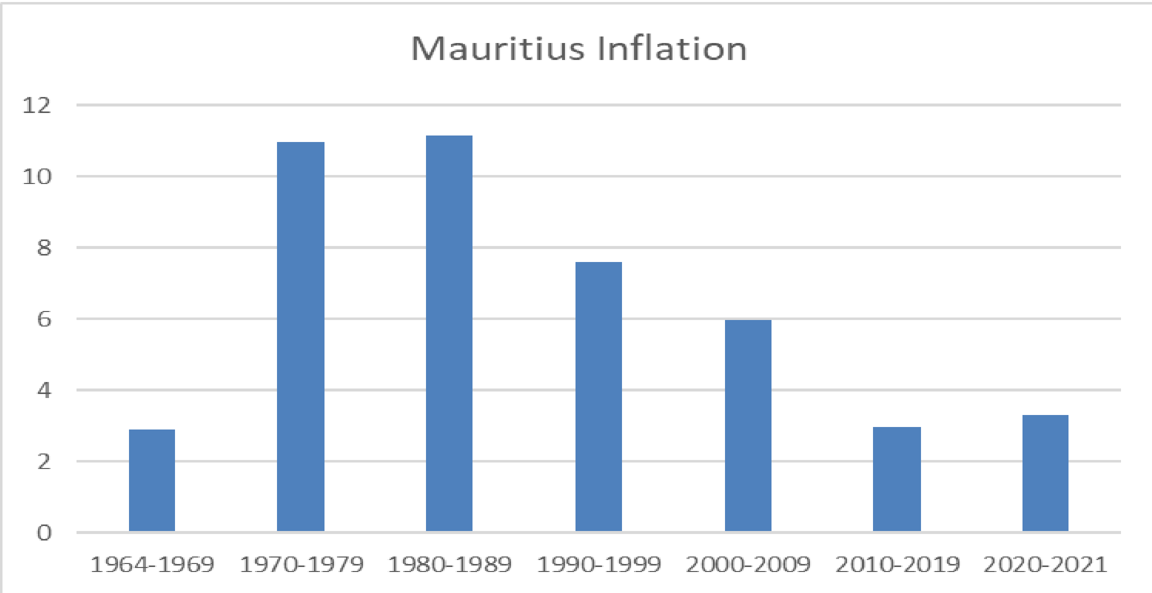
Figure 2: Mauritius 10-Year Average Unemployment Rates (%)



Source: Computed using the 10-year mean from the World Bank Database

Unemployment in Mauritius has consistently been below 10% throughout the country's developmental state trajectory. In the 1990s, the unemployment rate was 9.2 percent, but it fell to 7.2 percent on average between 2000 and 2020.

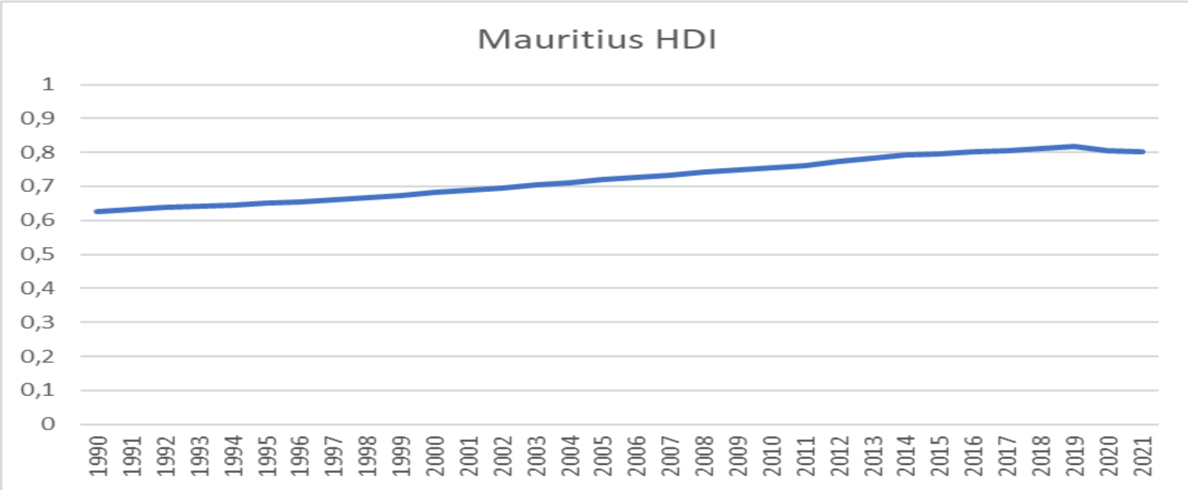
Figure 3: Mauritius 10-Year Average Inflation Rates (%)



Source: Computed using the 10-year mean from the World Bank Database

Improvements in inflation were another economic indicator where the Mauritian economy thrived. From double digits in the 1970s and 1980s, inflation fell below 8% in the 1990s and below 6% between the 2000s and 2020.

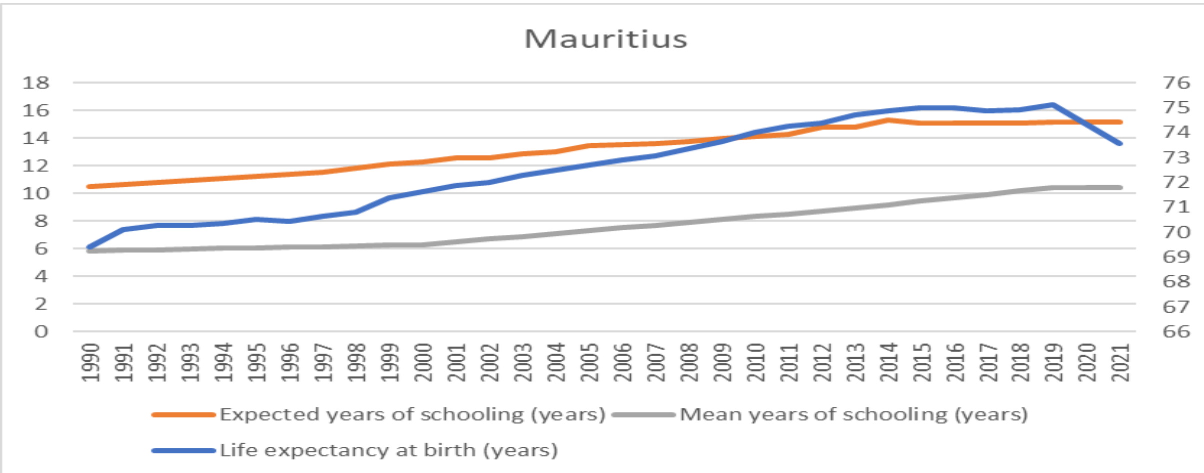
Figure 4: Mauritius HDI (annual)



Source: UNDP Human Development Reports

The human development index places Mauritius as one of the few high-performing African nations. Following the implementation of the developing state doctrine, the countries have made significant progress. In 2019, its human development index (HDI) reached 0.75, placing it in the UNDP's high human development category.

Figure 5: Mauritius HDI Components (annual)



Source: UNDP, Human Development Reports

Mauritius has advanced in all components of the human development indices significantly more than most other African nations. In the 1970s, the life expectancy at birth was less than 63 years, but by 2020, it had increased to 75.

Conclusion

Developing countries require sustainable growth, comprehensive restructuring, and transformation of their predatory political economy. Developing countries need to decide their point of departure and destination based on their unique environment, free from the external influences that come in the form of various tied terms and conditions. State incapacity is a fundamental barrier for developing nations to address their shared challenge, poverty reduction. Poverty reduction does not primarily involve technical processes (SAP); instead, it is a political process that calls for a developmental state with legitimacy to bring about developmental results. Reducing poverty relates to two interconnected processes: wealth creation that generates employment and other opportunities and political processes that establish redistribution mechanisms. Without a vital state role, these processes are untenable. Indeed, it was under the authority of a strong state that modern states emerged, and the fundamental transformation from an agricultural to an industrial society took place. Unlike other pre-modern powers (absolute feudal, prince), modern states organize and promote social and economic transformation. Some Sustainable Development Goals (SDGs), such as ending hunger, gender equality, better social services, etc., require solid state institutions. As opposed to relying entirely on market forces, the state's role in development entails establishing and implementing development policies, undertaking massive public investments, supplementing and subsidizing strategically chosen firms and industries, etc.

This study explored Mauritius' political and economic development strategies and their success despite inheriting a weak economic and political structure upon independence. Mauritius has shown the rest of Africa that it is possible for any country to develop as long as it has viable institutions and the right distribution of economic resources to the needed sectors. In contrast to most African countries, Mauritius has successfully implemented the developmental state doctrine and met its socioeconomic objectives by building strong state institutions that are required to combat poverty. Therefore, developing countries must reevaluate the state's role in light of the current understanding of development. In addition to its narrow focus on protecting private property, the developing country's governments should make public investments in strategically critical industries and address coordination breakdown between the government and business.

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