

32. Country profile: Mauritius



1. Development profile

Mauritius lies 900 kilometres off the eastern coast of Madagascar. The island nation was uninhabited until the 17th century when Dutch traders ‘discovered’ it. The British gained control during the Napoleonic wars and maintained Mauritius as a naval base during World War II. The majority of the current population is descended from Indian indentured workers brought in to operate the sugar plantations. There are smaller ethnic Chinese, European and African populations. Due to a stable and democratic political system, ethnic tolerance, the equitable distribution of wealth, a reliance on private incentives and an excellent use of trade preferences for export of sugar and clothing, Mauritius has achieved substantial successes in social and economic development.¹

Mauritius is ranked the highest among Sub Saharan African nations on the Human Development Index. The Government successfully promotes social equality and poverty reduction and the ‘Eradication of Absolute Poverty programme’ was funded by the Government and helps 7,157 families living in extreme poverty. Some of the components are helping pay school fees, health expenditures, building houses and training the unemployed.² Regarding literacy rates, Mauritius has levels considered high in Sub-Saharan African countries of 69.1 years for males and 75.9 for females.³

Mauritius is currently an upper middle income country with the second highest purchasing power parity terms in Africa (\$11,410 USD)⁴, and it has a strong average annual GDP growth rate of 5 to 6 percent. The main sectors of the economy are textiles, information and communications technology, fish processing and sugar, with sugarcane grown on 90 percent of the cultivated land and accounts for 15 percent of export earnings. Also, the Government has set a goal of becoming a ‘seafood hub’, tuna fishing and processing along with aquaculture has increased their contributions to GDP.⁵ Infrastructure investments including the expansion of the airport and modernisation of the seaport will

¹ *Mauritius: Country Brief*. (2009, September). Retrieved from World Bank:
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/MAURITIUSEXTN/0,,menuPK:381984~pagePK:141132~piPK:141107~theSitePK:381974,00.html>

² *Mauritius*. (n.d.). Retrieved from African Economic Outlook:
http://www.africaneconomicoutlook.org/en/countries/southern-africa/mauritius/#/recent_economic_developments

³ Ibid.

⁴ *Mauritius: Country Brief*. World Bank.

⁵ Ibid.

“help Mauritius become a modern business centre in the region”⁶. Another important sector is tourism with more than 2 million tourists expected to visit the country by 2012.

Socioeconomic indicators ⁷	
Population (millions)	1.27
GNI Per Capita, PPP (current USD)	12,480
GDP (current USD) (billions)	8.65
GDP Composition by sector (%)	Agriculture – 4 Industry- 28 Services- 68
GDP growth rate (%)	5.3
Percent below poverty line (%)	n/a
Inflation (%)	7.6
GINI index	n/a
Adult literacy rate (%)	87.4
Life expectancy (years)	72
Child dependency ratio	31.5
Elderly dependency ratio	0.7
HIV prevalence (%)	1.7
Overseas development aid per capita (current USD)	59
Net official development assistance (USD Millions)	75
Remittances as % of GDP	2.9
2009 Human Development Index (HDI) ranking	81

2. Vulnerability analysis

2.1 External shocks

In 2008, the EU and US, the two main engines for Mauritius’ economic development, were adversely affected by the financial crisis and sub sequentially, economic growth began to decline. The tourism sector declined as the slowdown deeply affected France and the UK which are the two largest tourist markets for Mauritius. In response to the 2008 global financial crisis, the Government implemented a package of social policies aimed at alleviating the negative impacts of the crisis on vulnerable populations. The package “includes large increases in subsidies for rice, flour and cooking gas of up to a total of MUR 1.3 billion (\$4,878,050 USD), income support for close to 100 000 beneficiaries, the restoration of a universal old-age pension and a 9 per cent increase in social assistance.”⁸

⁶ *Mauritius*. African Economic Outlook.

⁷ *Country Data*. (n.d.). Retrieved from World Bank: <http://www.worldbank.org/data/countrydata/countrydata.html>

⁸ *Mauritius*. African Economic Outlook.

2.2 HIV/AIDS

The number of people living with HIV in Mauritius has increased from an estimated 1800 people in 2001 to 13000 people in 2007, which is an increase in the prevalence rate from 0.3 percent to 1.7 percent. Among sex workers, the estimated HIV prevalence is as high as 7.5 percent. A reason why the prevalence rate has risen as much as it has can be because the contraceptive prevalence rate for condoms was less than 10 percent in 2002, and because only 22 percent of young people in 2004 could identify two ways of preventing the sexual transmission of HIV.⁹

Another issue is the number of people needing antiretroviral therapy, estimated to 1500 in 2007 compared to less than 500 actually receiving the treatment. The estimated antiretroviral therapy coverage is only 22 percent.¹⁰

2.3 Foreign aid and remittances

Official donor assistance has been declining because of Mauritius' recent development success. The Government has appealed to international organisations to continue investing in the nation's economy which has been requested by the European Union by investing heavily in the sugar sector.¹¹

3. Monitoring and evaluation

The UNDP Country Programme 2009-2011, formulated by the Government of Mauritius along with the UNDP, details monitoring and evaluation activities. It points out the importance of cooperation between UNDP and the Ministry of Finance and Economic Development and other ministries to make sure that national priorities along with sectoral priorities are met. The monitoring will be undertaken jointly by the Government and UNDP.¹²

4. Social assistance programmes overview

*All currency conversions are based on 17th February 2010 Rates

- 1 MUR = 0.03145 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.¹³

⁹ *Mauritius: Epidemiological Fact Sheet on HIV and AIDS*. (2008, September). Retrieved from World Health Organization: http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008_MU.pdf

¹⁰ Ibid.

¹¹ *Mauritius: Country Brief*. World Bank.

¹² Ibid.

¹³ *Currency Converter*. (n.d.). Retrieved from OANDA: <http://www.oanda.com/currency/converter/>

Programme# 1: universal and social insurance system	Programme name	Old Age, Disability, and Survivors ¹⁴
	Programme components	<ul style="list-style-type: none"> ▪ Old age pension: <ul style="list-style-type: none"> ○ Basic old-age pension (universal): <ul style="list-style-type: none"> ▪ The monthly value of the pension increases with age. For ages 60 to 89, 2,802 rupees (\$88.77) a month is paid; for ages 90 to 99, 8,335 rupees (\$262.05); for ages 100 or older, 9,461 rupees (\$299.73). ○ Carer's allowance: <ul style="list-style-type: none"> ▪ 1,766 rupees (\$55.95) a month is paid in addition to the basic old-age pension. ○ Inmate allowance: <ul style="list-style-type: none"> ▪ 433 rupees (\$13.72) a month is paid. ○ Earnings-related old-age pension (social insurance): <ul style="list-style-type: none"> ▪ The pension is calculated based on pension points that are awarded in exchange for contributions. At retirement, the pension points are converted to a pension. The value of pension points is set by the government. ○ Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living. ▪ Disability pension: <ul style="list-style-type: none"> ○ Basic disability pension (universal): 2,523 (\$79.99) rupees a month is paid. ○ Carer's allowance: 1,528 rupees (\$48.41) a month is paid. ○ Child allowance: 818 rupees (\$25.91) a month is paid for a child younger than age 10; 876 rupees (\$27.75) if aged 10 or older. ○ Earnings-related disability pension (social insurance): The pension is calculated based on the number of years of contributions and the insured's average basic wages. ○ Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living. ▪ Survivor pension: <ul style="list-style-type: none"> ○ Basic widow pension (universal): 2,523 rupees (\$79.93) a month is paid. ○ Child allowance: 818 rupees (\$25.91) a month is paid for a child younger than age 10; 876 rupees (\$27.75) a month for a child aged 10 or older. ○ Orphan's pension (universal): 1,398 rupees (\$44.29) a month is paid for a full orphan younger than age 15 (age 20 if a full-time student). ○ Guardian allowance (universal): 616 rupees (\$19.52) a month is paid to the person rearing an orphan. ○ Earnings-related widow pension (social insurance): The pension is calculated based on the number of years of contributions and the insured's average basic wages. The pension is reduced by 33.3% if the widow does not have a dependent child. ○ There is no minimum pension. ○ Remarriage settlement (social insurance): A lump sum is paid equal to 12 months of the widow pension. ○ Earnings-related orphan's pension: 15% of the deceased's pension is paid for a full orphan. ○ Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living.

¹⁴ Mauritius: *Social Security Programs Throughout the World: Africa 2009*. (n.d.). Retrieved from United States Government, US Social Security Administration: Office of Retirement and Disability Policy: <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/africa/ssptw09africa.pdf>

	Programme coverage	<ul style="list-style-type: none"> ▪ Basic pension (universal): All persons residing in Mauritius. ▪ Earnings-related pension (social insurance): <ul style="list-style-type: none"> ○ All private- and public-sector employees older than age 18 and citizens of Mauritius; noncitizens with valid work permits who have resided in Mauritius for at least 2 years. ○ Voluntary coverage under the earnings-related program for those not covered compulsorily, including self-employed and unemployed persons. ○ Special systems for public-sector employees and certain occupations with equivalent private programs.
	Beneficiary determination process	<ul style="list-style-type: none"> ▪ Old age pension: <ul style="list-style-type: none"> ○ Basic old-age pension (universal): Age 60. Mauritian nationals must have resided in Mauritius for at least 12 years after age 18. There is no residence requirement if aged 70 or older. Noncitizens must have resided in the country for at least 15 years since age 40, including the 3 years immediately before the date of claim. Retirement is not necessary. ○ The basic old-age pension is payable abroad only under reciprocal agreement. ○ Carer's allowance (universal): Paid to beneficiaries of the basic old-age pension assessed with a disability of at least 60% and in need of the constant care and attention of another person. ○ Inmate allowance (universal): Paid to individuals confined to government-subsidized institutions, provided that they would have been entitled to a basic old-age pension before their admission to the institution. ○ Earnings-related pension (social insurance): Age 60 and insured. Retirement is not necessary. There is no minimum qualifying period, but contributions must be made in the last year. The retirement age for the earnings-related pension is rising gradually to age 65 by 2018. ○ Deferred pension: The pension may be deferred until 5 years after the normal age of retirement. ○ The earnings-related pension is payable abroad. ▪ Disability pension: <ul style="list-style-type: none"> ○ Basic disability pension (universal): Paid if the insured is aged 15 to 59 and assessed with a disability of at least 60% that is expected to last for at least 12 months. There is no residence requirement for Mauritian nationals; noncitizens must reside in Mauritius for at least 5 of the last 10 years, including one year immediately before the claim is made. ○ The disability is assessed by a Ministry medical board. ○ Carer's allowance (universal): Paid to beneficiaries of the basic disability pension who need the constant care and attention of another person. The allowance is paid for children with disabilities younger than age 15 if their parents' annual income does not exceed 150,000 rupees (\$4752). ○ Child allowance (universal): Paid for the first three children of a basic disability pensioner. Children must be younger than age 15 (age 20 if a full-time student). ○ Earnings-related disability pension (social insurance): Paid if the insured is assessed with a disability of at least 60% that is expected to last for at least 12 months. ○ The disability is assessed by a Ministry medical board.

		<ul style="list-style-type: none"> ○ The earnings-related pension is payable abroad. ▪ Survivor pension: <ul style="list-style-type: none"> ○ Basic widow pension (universal): Paid to widows younger than age 60 (widowers are not eligible). Noncitizen widows must reside in Mauritius for at least 5 of the last 10 years, including one year immediately before the claim is made. ○ The pension ceases on remarriage. ○ Child allowance (universal): Paid for the first three children of a basic widow pensioner. Children must be younger than age 15 (age 20 if a full-time student). ○ The child allowance does not cease if the widow remarries. ○ Orphan's pension (universal): Paid to a full orphan younger than age 15 (age 20 if a full-time student). ○ Guardian allowance (universal): Paid to the orphan's guardian. If the guardian is a noncitizen, he or she must reside in Mauritius for at least 5 of the last 10 years, including one year immediately before the claim is made. ○ Earnings-related widow pension (social insurance): The deceased met the requirements for a pension or was a pensioner at the time of death. ○ The pension ceases on remarriage. ○ Earnings-related orphan's pension (social insurance): Paid to a full orphan younger than age 15 (age 18 if a full-time student) if either of the deceased parents had paid contributions. ○ The earnings-related pension is payable abroad.
	Finance	<ul style="list-style-type: none"> ▪ Insured person: <ul style="list-style-type: none"> ○ Basic pension (universal): None. ○ Earnings-related pension (social insurance): 3% or 5% of earnings (depending on employer agreement, frequency of wages, and employment sector). Non-employed persons may contribute voluntarily with monthly contributions of 80 rupees (\$2.53) to 520 rupees (\$16.47). ○ The minimum monthly earnings for contribution calculation purposes are 1,440 rupees (\$45.62); 900 rupees (\$28.51) for household workers. ○ The maximum monthly earnings for contribution calculation purposes are 9,435 rupees (\$298.90). ▪ Self-employed person: <ul style="list-style-type: none"> ○ Basic pension (universal): None. ○ Earnings-related pension (social insurance): Voluntary monthly contributions of 80 rupees (\$2.53) to 520 rupees (\$16.47). ▪ Employer: <ul style="list-style-type: none"> ○ Basic pension (universal): None. ○ Earnings-related pension (social insurance): 6% of payroll; 8.5% of payroll on behalf of employees contributing at the higher rate; 10.5% of payroll for millers and large employers in the sugar industry. ○ The employer's contributions also finance work injury benefits. ○ The minimum monthly earnings for contribution calculation purposes are 1,440 rupees (\$45.62); 900 rupees (\$28.51) for household workers. ○ The maximum monthly earnings for contribution calculation purposes are 9,435 rupees (\$298.90).

		<ul style="list-style-type: none"> ▪ Government: <ul style="list-style-type: none"> ○ Basic pension (universal): The total cost. ○ Earnings-related pension (social insurance): Any deficit.
	Legal framework	<ul style="list-style-type: none"> ▪ First law: 1950. ▪ Current law: 1976 (national pensions), with amendments.
	Administrative framework	<ul style="list-style-type: none"> ▪ Ministry of Social Security, National Solidarity, and Senior Citizens Welfare and Reform Institutions provides general supervision. ▪ National Pensions Board, composed of government, employer, and employee representatives, advises the Minister of Social Security, National Solidarity, and Senior Citizens Welfare and Reform Institutions. ▪ Ministry of Finance is responsible for the investment of surplus assets of the National Pensions Fund.

Programme# 2: social insurance	Programme name	Sickness and Maternity¹⁵
	Programme components	<ul style="list-style-type: none"> • No statutory benefits are provided. • The 2008 Employment Rights Act requires employers to provide up to 15 days of paid sick leave to employees who have been in their continuous employment for at least 12 months. • The 2008 Employment Rights Act requires employers to provide 12 weeks of paid maternity leave (at least 6 weeks after the expected date of childbirth) or 5 days of paid paternity leave to employees who have been in their continuous employment for at least 12 months. • Medical services are available free to the population at government clinics and hospitals (Some mother and child health services and financial assistance to needy persons are provided under family allowances).

Programme #3: social insurance system	Programme name	Work Injury¹⁶
	Programme components	<ul style="list-style-type: none"> • Temporary Disability Benefits: <ul style="list-style-type: none"> ○ If the insured has a total temporary disability, the benefit is equal to 80% of the insured's monthly earnings. The benefit is paid from the third week of incapacity. The employer pays 100% of the insured's earnings for the first 2 weeks. The maximum period of payment is 36 months from the date of the accident; may be extended if surgery is required. ○ Constant-attendance allowance: If the insured has a total temporary disability and requires the constant attendance of others to perform daily functions, 472 rupees (\$14.95) a month is paid. ○ The degree of disability is assessed by a Ministry medical board. • Permanent Disability Benefits: <ul style="list-style-type: none"> ○ If the insured has a total permanent disability, the pension is equal to

¹⁵Table text from *Mauritius: Social Security Programs Throughout the World: Africa 2009*. United States Government.

¹⁶Ibid.

		<p>80% of monthly insurable earnings.</p> <ul style="list-style-type: none"> Workers aged 52 to 60 with a total disability may choose to receive a lump-sum payment. The lump sum is calculated based on the assessed degree of disability multiplied by the insured's average annual earnings multiplied by the number of years for which the pension is awarded, up to 8 years. Partial disability: The insured must be assessed with a disability of at least 1%. The pension is equal to 65% of the insured's monthly insurable earnings multiplied by the assessed degree of disability. If the assessed degree of disability is less than 20%, a lump sum is paid. The lump sum is calculated based on the assessed degree of disability multiplied by the insured's average annual earnings multiplied by the number of years for which the pension is awarded, up to 8 years. Constant-attendance allowance: If the insured has a total permanent disability and requires the constant attendance of others to perform daily functions, 472 rupees (\$14.95) a month is paid. Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living. <ul style="list-style-type: none"> Workers' Medical Benefits: <ul style="list-style-type: none"> Benefits include medical and surgical care, hospitalisation, medicines, appliances, transportation, and the cost of private clinical expenses up to 4,000 rupees (\$126.70). Survivor Benefits: <ul style="list-style-type: none"> Survivor pension: 50% of the deceased's earnings is paid to a widow; 60% to a widower with a permanent disability. The widow(er) pension ceases on remarriage. Orphan's pension: 15% of either deceased parent's average monthly insured earnings (whichever amount is greater) is paid for each full orphan younger than age 15 (age 18 if a full-time student). Dependent's pension: In the absence of a surviving spouse, a dependent person living in the insured's household receives 472 rupees (\$14.95) a month. Funeral grant: In the absence of survivors, the cost of the burial is paid. Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living.
	Programme coverage	<ul style="list-style-type: none"> All employees aged 15 or older in insured employment. Exclusions: Self-employed persons and persons working exclusively on weekends or public holidays. Special systems for public-sector employees and certain other occupations.
	Beneficiary determination process	<ul style="list-style-type: none"> Work injury benefits: There is no minimum qualifying period.
	Finance	<ul style="list-style-type: none"> Insured person: None. Self-employed person: Not applicable. Employer: See source of funds under Old Age, Disability, and Survivors, above. Government: None.

	Legal framework	<ul style="list-style-type: none"> • First law: 1931. • Current law: 1976 (national pensions), with amendments.
	Administrative framework	<ul style="list-style-type: none"> • Ministry of Social Security, National Solidarity, and Senior Citizens Welfare and Reform Institutions administers the program.

Programme #3: social insurance system	Programme name	Unemployment¹⁷
	Programme components	<ul style="list-style-type: none"> • Unemployment hardship relief benefit (social assistance): <ul style="list-style-type: none"> ○ Up to 308 rupees (\$9.76) a month is paid. ○ Spouse allowance (social assistance): Up to 308 rupees (\$9.76) a month is paid for a spouse. ○ Child allowance (social assistance): 124 rupees (\$3.93) a month is paid for each child younger than age 10; 148 rupees (\$4.69) for each child aged 10 to 14; and 207 rupees (\$6.56) for each child aged 15 to 19 who is a full-time student or disabled and dependent. ○ Rent allowance (social assistance): An amount equal to 50% of the claimant's rent is paid, up to 243 rupees (\$7.70). ○ The minimum unemployment hardship relief benefit is 178 rupees (\$5.64). ○ Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living. • Workfare benefit (social insurance): <ul style="list-style-type: none"> ○ 90% of the insured's basic wage is paid for the first 3 months; 60% is paid for the next 3 months; 30% thereafter, up to a total of 12 months. ○ The minimum workfare benefit is 3,000 rupees (\$95.04) a month.
	Programme coverage	<ul style="list-style-type: none"> • Social assistance: <ul style="list-style-type: none"> ○ Heads of households younger than age 60 and their dependents. • Social insurance: <ul style="list-style-type: none"> ○ Employed persons. ○ Exclusions: Public officers, including employees of parastatal and local authorities; part-time workers; self-employed persons; and migrant workers.
	Beneficiary determination process	<ul style="list-style-type: none"> • Unemployment benefits (social assistance): The claimant must be willing and able to work, actively seeking employment, and registered as unemployed for at least 30 days at the employment exchange. The benefit is income-tested. • Workfare benefit (social insurance): The claimant must be laid off or fired from work due to economic, technological, or structural reasons affecting the enterprise; illegal termination of the employment agreement; misconduct; or poor performance. The claimant must have at least 6 months of continuous employment with the employer at the time of dismissal and be registered with the Permanent Secretary of the Ministry of Labour, Industrial Relations and Employment within 7 days of the dismissal.
	Finance	<ul style="list-style-type: none"> • Insured person: <ul style="list-style-type: none"> ○ Social assistance: None. ○ Social insurance: 1% of basic wages.

¹⁷Table text from *Mauritius: Social Security Programs Throughout the World: Africa 2009*. United States Government.

		<ul style="list-style-type: none"> • Self-employed person: <ul style="list-style-type: none"> ○ Social assistance: None. ○ Social insurance: Not applicable. • Employer: <ul style="list-style-type: none"> ○ Social assistance: None. ○ Social insurance: None. • Government: <ul style="list-style-type: none"> ○ Social assistance: The total cost. ○ Social insurance: Up to 50% of the cost of the workfare benefit.
	Legal framework	<ul style="list-style-type: none"> • First and current law: 1983 (unemployment) with amendments and 2008 (employment).
	Administrative framework	<ul style="list-style-type: none"> • Ministry of Social Security, National Solidarity, and Senior Citizens Welfare and Reform Institutions administers the program. • Ministry of Labour, Industrial Relations and Employment administers the workfare program.

Programme #4: social assistance	Programme name	Family Allowances¹⁸
	Programme components	<ul style="list-style-type: none"> • Family allowances (income-tested): <ul style="list-style-type: none"> ○ A monthly benefit of 50 rupees (\$1.58) is paid for families with three or more children younger than age 15 and with annual family income less than 10,000 rupees. • Social aid benefits (income-tested): <ul style="list-style-type: none"> ○ <i>Claimant allowance:</i> Up to 959 rupees (\$30.38) a month is paid. ○ <i>Spouse allowance:</i> Up to 959 rupees (\$30.38) a month is paid. ○ <i>Child allowance:</i> Up to 373 rupees (\$11.82) a month is paid for each child younger than age 10; 456 rupees (\$14.45) for each child aged 10 to 14; 589 rupees (\$18.66) for each child aged 15 to 19 who is a full-time student; 959 rupees (\$30.38) for each child aged 15 to 19 who is disabled and not receiving a benefit under the National Pension Act. ○ <i>Compassionate allowance:</i> Up to 569 rupees (\$18.03) a month is paid to persons suffering from a serious illness certified by a medical doctor. ○ <i>Rent allowance:</i> An amount equal to 50% of the rent is paid, up to 723 rupees (\$72.90). ○ <i>Medical benefits:</i> Social aid beneficiaries are eligible for free medical services, a carer's allowance, and a refund of costs for traveling to attend medical treatment. ○ <i>Funeral grant:</i> A lump sum of 3,608 rupees (\$114.30) is paid for the cost of the funeral for the claimant or his or her dependents. ○ The minimum social aid benefit is 681 rupees (\$21.57) a month. ○ Benefit adjustment: Benefits are adjusted annually in July according to changes in the cost of living
	Programme coverage	<ul style="list-style-type: none"> • Family allowances (income-tested): Needy families with three or more children. • Social aid benefits (income-tested): Needy individuals and families.

¹⁸Table text from *Mauritius: Social Security Programs Throughout the World: Africa 2009*. United States Government.

	Beneficiary determination process	<ul style="list-style-type: none"> • Family allowances (income-tested): Children must be younger than age 15. Families must satisfy an income test. • Social aid benefits (income-tested): Individuals and families who satisfy an income test.
	Finance	<ul style="list-style-type: none"> • Insured person: None. • Self-employed person: None. • Employer: None. • Government: The total cost.
	Legal framework	<ul style="list-style-type: none"> • First and current laws: 1961 (family allowances) and 2003 (social aid).
	Administrative framework	<ul style="list-style-type: none"> • Ministry of Social Security, National Solidarity, and Senior Citizens Welfare and Reform Institutions administers the program.